

Assignment and Report

| | | | |
|--|--|--|-------------------------------------|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Surf City Guns & Ammo, LLC Surf City Guns & Ammo 103 Atkinson Point Rd. Surf City, NC 28445, PENDER | | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 763050-2016-0096-B1B | |
| | | 3. PERMIT/LICENSE NUMBER 156141077E06057 | 4a. TARGET DATE 1/15/2016 |
| | | 4b. TARGET HOURS | |
| | | 5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 11/05/2015 | |

| | |
|----------------------------|-------------------------|
| 6. ATF OFFICER(S) ASSIGNED | |
| (b)(6) | - Assigned Investigator |
| (b)(6) | - Assigned Investigator |
| (b)(6) | - Lead Investigator |
| (b)(6) | - Assigned Investigator |

| | |
|--|--|
| 7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6) Area Supervisor, 11/05/2015 | |
|--|--|

| | |
|---|--|
| 8. PURPOSE/SPECIAL INSTRUCTIONS Conduct a recall compliance inspection of this manufacturer. Ensure compliance with recordkeeping, reporting, and marking. | |
|---|--|

| | | | | | |
|------------------------|---|---|--|--------------------------------|--|
| 9. INSPECTION RESULTS | | <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC | | 10. TRAVEL EXPENSES (OPTIONAL) | |
| NO. OF VIOLATIONS | 4 | NO. OF REFERRALS | | 2111 - PER DIEM | |
| NO. OF TECS CHECKS | 2 | NO. OF TECS HITS | | 2112 - P.O.A. | |
| NO. OF TAX ADJUSTMENTS | | \$ VALUE OF TAX INCREASES | | 2113 - COMM. AIR | |
| | | \$ VALUE OF TAX DECREASES | | 2114 - RENTAL CAR | |
| NO. OF ASSESSMENTS | | \$ VALUE OF ASSESSMENTS | | 2115 - GPV EXPENSES | |
| NO. OF CLAIMS | | \$ VALUE OF CLAIMS | | 2116 - MISC. | |
| NO. OF TAX PERIODS | | \$ VALUE OF TAXES VERIFIED | | TOTAL \$ FOR INSP. | |

| | |
|--|--|
| 11. ATF OFFICER'S RECOMMENDATION | |
| Submitted by (b)(6) - Industry Operations Investigator | |
| Submitted on: 02/22/2016 | |
| Violts WL ONLY and No Recall Inspection | |

| | |
|--|--------|
| 12. TIME ACCOUNTING DATA | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JAN 2016 | 27.00 |
| FEB 2016 | 1.00 |
| ATF OFFICER'S SUBTOTAL | 28.00 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JAN 2016 | 12.75 |
| ATF OFFICER'S SUBTOTAL | 12.75 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JAN 2016 | 51.50 |
| FEB 2016 | 25.00 |
| ATF OFFICER'S SUBTOTAL | 76.50 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JAN 2016 | 36.00 |
| ATF OFFICER'S SUBTOTAL | 36.00 |
| ATF OFFICER'S SIGNATURE | |
| TOTAL HOURS | 153.25 |

Assignment and Report

| | | | |
|--|---|------------------------------|------------------|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Surf City Guns & Ammo, LLC Surf City Guns & Ammo 103 Atkinson Point Rd. Surf City, NC 28445, PENDER | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 763050-2016-0096-B1B | | |
| | 3. PERMIT/LICENSE NUMBER 156141077E06057 | 4a. TARGET DATE 1/15/2016 | 4b. TARGET HOURS |
| | 5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 11/05/2015 | | |
| | | | |

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Acting A/S concurs with IOI recommendation of Violations with Warning Letter and no recall inspection

Viols WL ONLY and No Recall Inspection

☒ REVIEWED

☒ CONCUR

☒ SEE COMMENTS

☒ FINAL DISPOSITION

SIGNATURE AND TITLE

(b)(6) - Industry Operations Investigator

Digitally signed by (b)(6)
DN: cn=(b)(6), o=U.S. DOJ,
ou=ATF, email=(b)(6), c=US
Date: 2016.03.17 12:34:39 -0400

REVIEW DATE

03/15/2016

ROUTING SEQUENCE AND DATE

- ☐ 1. _____
- ☐ 2. _____
- ☐ 3. _____
- ☐ 4. _____

CONTROL FILE POSTED DATE _____

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

| | | | | | | |
|---|--|-----------------------------|--|--------------------|------------------|----------------------|
| Name of Proprietor Surf City Guns & Ammo, LLC Surf City Guns & Ammo | Street Address 103 Atkinson Point Rd. | City Surf City | State NC | Zip Code 28445- | County PENDER | Page 1 of 3 Pages |
| License/Permit/Registry Number (If any) 156141077E06057 | | Expiration Date 5/1/2017 | Date(s) or Period of Inspection 01/12/2016 through 02/04/2016 | | | |

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 1

Nature of Violation:

The licensee failed, on (b)(3) 112 ATF F 4473s out of 3861, to accurately record the information required in Item #11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?).

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: All violations that occurred in Sections A are uncorrectable.

(If not corrected immediately)

Number: 2

Nature of Violation:

The licensee failed, on (b)(3) 111 ATF F 4473s out of 3861, to ensure that the purchaser correctly filled out the ATF F 4473. The errors occurred in the following items: Item #11d (Are you a fugitive from justice?), Item #11e (Are you an unlawful user of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance?), Item #11f (Are you an alien admitted to the United States under a nonimmigrant visa?), and Item #15 (if you are not a citizen of the United States, what is your U.S.-issued alien number or admission number?).

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: All violations that occurred in Sections A are uncorrectable.

(If not corrected immediately)

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

| | | | | | | |
|---|--|--|-------------|-------------------|------------------|----------------------|
| Name of Proprietor Surf City Guns & Ammo, LLC Surf City Guns & Ammo | Street Address 103 Atkinson Point Rd. | City Surf City | State NC | Zip Code 28445 | County PENDER | Page 2 of 3 Pages |
| License/Permit/Registry Number (If any) 156141077E06057 | Expiration Date 5/1/2017 | Date(s) or Period of Inspection 01/12/2016 through 02/04/2016 | | | | |

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 3

Nature of Violation:

The licensee failed, on (b)(3) ATF F 4473s out of 3861, and involving (b)(6) handguns, to report a Multiple Handgun Sale (MHS). The licensee did not have a proper check system in place to ensure that all MHS were timely submitted and reported. The licensee then promptly recorded all MHS disclosed during the inspection.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Citation: 27 CFR 478.126a

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee must report to ATF on ATF F 3310.4, any sale or transfer of two or more handguns to an unlicensed individual that occurs within any five consecutive business days. The report must be made no later than the close of the business day that the multiple sale or other disposition occurs. IOI (b)(6) instructed the licensee to fill out an ATF F 3310.4 for both transactions and immediately submit them to NTC.

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

| | | | | | | |
|---|--|--|-------------|-------------------|------------------|----------------------|
| Name of Proprietor Surf City Guns & Ammo, LLC Surf City Guns & Ammo | Street Address 103 Atkinson Point Rd. | City Surf City | State NC | Zip Code 28445 | County PENDER | Page 3 of 3 Pages |
| License/Permit/Registry Number (If any) 156141077E06057 | Expiration Date 5/1/2017 | Date(s) or Period of Inspection 01/12/2016 through 02/04/2016 | | | | |

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 4

Nature of Violation:

The licensee, on ^{(b)(3) 112}ATF F 4473 out of 3861, transferred a firearm to an individual who was believed to be a prohibited person. The purchaser answered "Yes" to Item #11c (Have you ever been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation?).

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

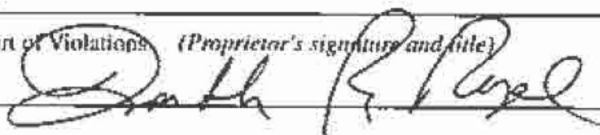
Citation: 27 CFR 478.99(c)

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken:
(If not corrected immediately)

This violation is uncorrectable. On 01/20/16, IOI ^{(b)(6)} run ^{(b)(3) 112 Public Law 55 125} in CLEADS and NCIC. No prohibiting factors were disclosed.

I Have Received a Copy of This Report of Violations (Proprietor's signature and title)



Date

2-4-16

Signature and Title of ATF Officer

(b)(6) 101

Date

02/04/16



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
1801 Stanley Road, Suite 300
Greensboro, NC 27407

March 16, 2016

www.atf.gov

763050 (b)(6)
5373

WARNING LETTER

CERTIFIED RETURN RECEIPT REQUESTED

Ms. Dorothy Rae Royal
Surf City Guns & Ammo, LLC
103 Atkinson Point Rd.
Surf City, NC 28445

RE: 1-56-141-07-7E-06057

Dear Ms. Royal:

During a recent inspection of your firearms business, covering the period January 12, 2015 through January 11, 2016, you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, ATF F 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you by Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (b)(6). You indicated that you understood the requirements of the firearms laws and regulations and that corrective action would be taken to eliminate future violations.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business. This is critical to carrying out our mission to protect the public and to ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area. We look forward to continuing to work with you in that regard.

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

Ms. Dorothy Rae Royal
Surf City Guns & Ammo, LLC

Should you have any questions regarding this matter, please contact Industry Operations Investigator (b)(6).

Sincerely yours,

(b)(6)

Acting Area Supervisor

Enclosure

c: Federal Firearms Licensing Center

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

Address: 103 Atkinson Point Rd.
Surf City, NC 28445 PENDER

Hours: TUES – SAT 1000 to 1800

Phone: (910) 328-4499

Email: surfcityguns@aol.com

GPS: N 34.43602, W 077.55213

1 - Introduction

Inspection Profile:

On 11/5/15, IOIs (b) (6) (Lead), (b) (6) (b) (6) received an assignment with instructions to conduct a recall compliance inspection of Surf City Guns & Ammo, LLC dba Surf City Guns & Ammo located at the above address.

The inspection began on 01/12/16 and concluded on 02/04/16. The scope of the inspection period covered 01/12/15 to 01/11/2016. IOIs (b) (6) and (b) (6) met with Responsible Person and Manager Dorothy Royal upon arrival; no advanced notification was given. Mrs. Royal was identified by her NC Driver's License (NCDL (b) (6))

Business Profile:

The licensed business premises is a commercial store front property. The licensee conducts business as a manufacturer of firearms, retail sales of firearm related merchandise, ammunition, and gunsmithing services. During the last year the licensee has acquired approximately (b) (4) firearms. Approximately (b) (4) of retail sales are new firearms and (b) (4) are used. Primary suppliers were identified as (b)(4)

The licensee participates in gun shows as a regular course of business; attending an average of three gun shows per month. Internet sales are also conducted as a regular course of business through sites such as Gunbroker. There is no offsite storage of firearms. The licensee meets all current zoning requirements and privilege license requirements. No other business is conducted at the premises. Mrs. Royal and (b)(6), manage a number of rental

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

properties (a nearby trailer park), and (b)(6)

Ownership and Control:

Surf City Guns & Ammo, LLC is operating as a valid LLC. Mrs. Royal is the only responsible person listed and all FLS information is current.

Variance:

(b)(3) - 112 Public Law 55 125 Stat 552

2 - Recommendation

Viols WL ONLY and No Recall Inspection

3 - Inspection History

Date and Type of Inspection: 6/25/14, Compliance Inspection
UI#: 763050-2014-0180-B1B
Inspection Results: Viols WC with WL and Recall
Cited Violations: 27 CFR 478.125(e) - (b)(3) Pub Law instances
27 CFR 478.21(a) (b)(3) Pub Law instances
27 CFR 478.124(c)(1) (b)(3) Pub Law instances
27 CFR 478.124(c)(3)(i) (b)(3) Pub Law instances
27 CFR 478.124(c)(3)(iii) (b)(3) Pub Law instance
27 CFR 478.124(c)(3)(iv) (b)(3) Pub Law instances
27 CFR 478.124(c)(4) (b)(3) Pub Law instances
27 CFR 478.124(c)(5) (b)(3) Pub Law instances
27 CFR 478.126a (b)(3) Pub Law instances
27 CFR 478.99(c) (b)(3) Pub Law instance
27 CFR 478.99(a) (b)(3) Pub Law instances

Date and Type of Inspection: 3/9/11, Qualification Inspection
UI#: 763050-2011-0198-B1B
Inspection Results: Application Approved
Cited Violations: N/A

4 - Acquisition & Disposition (A&D) Record - Inventory

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

The licensee conducts inventories once every two to three months. This was affirmed by the IOIs and was strongly encouraged to be continued; especially considering the volume of transfers and participation in gun shows.

The licensee stated that when a firearm is acquired, the firearm information is typically entered immediately into the A&D record book by Mrs. Royal or her employee, (b)(3)-(7)(F) Pub L. 112-12. The disposition information is typically entered into the A&D book as soon as the firearm has been transferred. Mrs. Royal stated that they do attempt to record all A&D information immediately. If necessary, it is completed after store hours.

A sales invoice is created that contains the firearm information and the NC GS 14-315.1.

Returned firearms are not accepted but trade-ins are. These situations are treated as a new acquisition.

There were approximately 130 firearms in inventory and they dispose of approximately (b)(3)-(7)(F) Pub L. 112-12 firearms per year. There are personal weapons on the property. Mrs. Royal and her employees spuratically carry a loaded firearm and (b)(4)

The licensee maintains an A&D record, which contained approximately (b)(3)-(7)(F) Pub L. 112-12 open entries and approximately 130 firearms found in inventory. All firearms were accounted for in the A&D record by physically comparing the serial number to the entry in the A&D record. The proper format of the A&D was thoroughly discussed and reviewed with the licensee. Approximately 25 firearms were traced through the licensee's required records from acquisition through disposition.

(Attachment #1 – Inventory and A&D Review Worksheets / Information & Statistical Page).

5 - ATF Forms 4473 – NICS & Other Dispositions

The licensee maintains serialized ATF F 4473s and they are filed by date of sale. In addition, all gun show ATF 4473s are filed separately by the gun show and date of sale.

Mrs. Royal described the proper way to process ATF F 4473. Only government issued IDs are accepted as proof of identification. Information is not documented on the ATF F 4473 prior to the firearm's sale. Mrs. Royal and (b)(6) are the only persons responsible for entering information into the A&D book and completing the ATF F 4473s. The licensee was lacking in the proper protocol for conducting military sales and transfers. This was discussed thoroughly by IOI (b)(6)

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

During gun shows, Mr. Royal and their hired help are responsible for completing the ATF F 4473s.

Mrs. Royal or (b)(6) typically double check all ATF F 4473s for completeness and accuracy prior to the transfer. IOI (b)(6) previously suggested that they add an additional level of review and then perform a formal weekly check of all completed ATF F 4473s in order to address any errors that might have occurred.

There is not a system in place to prevent additional firearms from being added to the ATF F 4473. The NICs checks are completed via phone and NICS ECheck.

For the scope of the ATF F 4473 review, 01/12/15 to 01/11/16, there were (b)(3)-(F) forms on file. The ATF F 4473s were filed by date of sale. A 100% review of the (b)(3)-(F) forms was conducted. There were (b)(3)-(F) forms with errors located during the review.

Verification of NICS audit log to ATF F 4473s was completed on (b)(3)-(F) forms with nothing to report. Transfers to other FFLs and to law enforcement officers were performed correctly.

There were a total of (b)(3)-(F) violations cited that were related to the ATF F 4473s. (Attachment #2 – ATF F 4473 Worksheets & Exhibit #2 - ATF F 4473s).

Violation #1 **27 CFR 478.21(a)** **Repeat Violation**

Nature of Violation:

The licensee failed, on (b)(3)-(F) ATF F 4473s out of (b)(3)-(F) to accurately record the information required in Item #11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?). Please refer to the 4473 Worksheet (Attachment # 2).

Violation #2 **27 CFR 478.124(c)(1)** **Repeat Violation**

Nature of Violation:

The licensee failed, on (b)(3)-(F) ATF F 4473s out of (b)(3)-(F) to ensure that the purchaser correctly filled out the ATF F 4473. The errors occurred in the following items: Item #11d (Are you a fugitive from Justice?), Item #11e (Are you an unlawful user of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance?), Item #11f (Are you an alien admitted to the United States under

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

a nonimmigrant visa?), and Item #15 (if you are not a citizen of the United States, what is your U.S.-issued alien number or admission number?). Please refer to the 4473 Worksheet (Attachment # 2).

6 – Multiple Sales

Mrs. Royal does not have a formal system in place to ensure multiple handgun sales are reported timely. Mrs. Royal typically enters the disposition into the A&D book and defers to memory to detect a MHS. In addition, the point of sale system will display prior sales of the individual but will not notify if an MHS must be completed.

There were (b)(3) Pub L unreported multiple handgun sales involving (b)(3) handguns (Attachment #2 – ATF F 4473 Worksheets & Exhibit #2 - ATF F 4473s). IOI (b)(6) had the licensee complete and submit the (b)(3) Pub L multiple handgun forms immediately. IOI (b)(6) discovered (b)(3) - 112 P that were completed and sent to the National Tracing Center; however, they were not on the MHS report. IOI (b)(6) had the licensee resubmit these forms.

Violation #3 **27 CFR 478.126a** **Repeat Violation**

Nature of Violation:

The licensee failed, on (b)(3) - 112 ATF F 4473s out of (b)(3) Pub L and involving (b)(3) handguns, to report a Multiple Handgun Sale (MHS). The licensee did not have a proper check system in place to ensure that all MHS were timely submitted and reported. The licensee then promptly recorded all MHS disclosed during the inspection. Please refer to the 4473 Worksheet (Attachment # 2).

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

7 – Suspicious/Prohibited Purchasers

No suspicious purchasers were identified with this license.

IOI (b)(6) cited one violation for the transfer of a firearm to an individual who appeared to be prohibited at the time of transfer: (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

(b)(6) On 01/20/16, IOI (b)(6) ran (b)(6) in CJLeads and NCIC, no prohibiting factors were disclosed.

Violation #4

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

27 CFR 478.99(c) **Repeat Violation**

Nature of Violation:

The licensee, on one (b)(3) - 112 F 4473 out of (b)(3) - 112, transferred a firearm to an individual who was believed to be a prohibited person. The purchaser answered "Yes" to Item #11c (Have you ever been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation?). Please refer to the 4473 Worksheet (Attachment # 2).

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

8 - Trace Activity

For the inspection period, the licensee has had (b)(3) traces. There were no unsuccessful traces. A secondary market analysis of used firearms yielded no results.

9 - NFA/Importer/Collector/Manufacturer

The licensee operates as a manufacturer of firearms. Their primary supplier of receivers is Anderson's. The Annual Firearms Manufacturing and Exportation Reports have been submitted timely and accurately by the licensee. The proper procedures for marking firearms and record keeping were thoroughly explained and discussed by IOIs (b) (6) during the onsite inspection and closing conference. Any and all issues were addressed and corrected during the inspection period and were completed by the licensee prior to the closing conference.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

IOI (b) (6) reemphasized the importance to maintain compliance with the Youth Handgun Safety Act (poster and pamphlet), Child Safety Lock Act of 2005, NC General Statute 14-315 (poster and written notification), and the Secure Gun Storage and Safety Device Act.

Due to prior violations, IOI (b) (6) stressed the importance of following other state's firearm statutes when selling to an out-of-state resident. IOI (b) (6) reminded the licensee that the burden falls on the FFL to ensure that the firearm is allowed within the purchaser's state of residence.

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

12 - Closing Actions

On 02/04/16, IOI (b) (6) conducted a full review of ATF laws and regulations per the Acknowledgement of Federal Firearms Regulations Form with Mrs. Royal. Mrs. Royal certified receipt by signing the Acknowledgement of Federal Firearms Regulations Form (Exhibit #4 – AFFR).

13 - Violations

1. Violation #1 27 CFR 478.21(a) Repeat Violation

Nature of Violation:

The licensee failed, on (b)(6) ATF F 4473s out of (b)(6), to accurately record the information required in Item #11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?). Please refer to the 4473 Worksheet (Attachment # 2).

Licensee's Response:

The licensee stated that these errors were an oversight. They will continue to be vigilant and double check their forms to ensure that all ATF F 4473s are complete and accurate.

Corrective Action:

All violations that occurred in Sections A are uncorrectable.

2. Violation #2 27 CFR 478.124(c)(1) Repeat Violation

Nature of Violation:

The licensee failed, on (b)(6) ATF F 4473s out of (b)(6) to ensure that the purchaser correctly filled out the ATF F 4473. The errors occurred in the following items: Item #11d (Are you a fugitive from Justice?), Item #11e (Are you an unlawful user of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance?), Item #11f (Are you an alien admitted to the United States under a nonimmigrant visa?), and Item #15 (if you are not a citizen of the United States, what is your U.S.-issued alien number or admission number?). Please refer to the 4473 Worksheet (Attachment # 2).

Licensee's Response:

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

The licensee stated that these errors were an oversight. They will continue to be vigilant and double check their forms to ensure that all ATF F 4473s are complete and accurate.

Corrective Action:

All violations that occurred in Sections A are uncorrectable.

3. **Violation #3**
27 CFR 478.126a
Repeat Violation

Nature of Violation:

The licensee failed, on (b)(3) Pub L ATF F 4473s out of (b)(3) Pub Law and involving (b)(3) handguns, to report a Multiple Handgun Sale (MHS). The licensee did not have a proper check system in place to ensure that all MHS were timely submitted and reported. The licensee then promptly recorded all MHS disclosed during the inspection. Please refer to the 4473 Worksheet (Attachment # 2).

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee's Response:

The licensee stated that these required forms were simply overlooked. The licensee stated that a secondary check system and the utilization of electronic record keeping will help to ensure that this requirement is met timely and accurately.

Corrective Action:

The licensee must report to ATF on ATF F 3310.4, any sale or transfer of (b)(3) Pub or more handguns to an unlicensed individual that occurs within any five consecutive business days. The report must be made no later than the close of the business day that the multiple sale or other disposition occurs. IOI (b)(6) instructed the licensee to fill out an ATF F 3310.4 for both transactions and immediately submit them to NTC.

4. **Violation #4**
27 CFR 478.99(c)
Repeat Violation

Nature of Violation:

The licensee, on (b)(3) 112 ATF F 4473 out of (b)(3) Pub Law transferred a firearm to an individual who was believed to be a prohibited person. The purchaser answered "Yes" to Item #11c (Have you ever been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you

FIREARMS INSPECTION REPORT

Name: Surf City Guns & Ammo, LLC
Trade Name: Surf City Guns & Ammo

UI#: 763050-2016-0096-B1B
FFL#: 1-56-141-07-7E-06057

received a shorter sentence including probation?). Please refer to the 4473 Worksheet (Attachment # 2).

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee's Response:

The licensee stated that this error was an oversight. They will continue to be vigilant and double check their forms to ensure that all ATF F 4473s are complete and accurate.

Corrective Action:

This violation is uncorrectable. On 01/20/16, IOI (b) (6) ran (b)(6) in CJLeads and NCIC. No prohibiting factors were disclosed.

X

(b) (6)

Industry Operations Investigator

Index of Worksheets and Exhibits

Report of Violations

Attachment #1 – Inventory and A&D Review Worksheets / Information & Statistical

Attachment #2 – ATF F 4473 Worksheets

Exhibit #1 – (b)(3) - 112 Public Law 5

Exhibit #2 – ATF F 4473s

Exhibit #3 – Acknowledgement of Federal Firearms Regulations Form