

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Business End Customs LLC Business End Customs 147 Summit St., Bldg. 3B #2 Peabody, MA 01960, Essex	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 762030-2017-0321-B1B		
	3. PERMIT/LICENSE NUMBER 604009078D12456	4a. TARGET DATE 5/3/2017	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Area Supervisor, 04/03/2017

8. PURPOSE/SPECIAL INSTRUCTIONS
Conduct weapons manufacture inspection.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	2	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	6	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: 04/21/2017

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
APR 2017	20.00		
ATF OFFICER'S SUBTOTAL	20.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	20.00		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

The FFL has been fully educated regarding his responsibilities and it is believed that future compliance can be achieved through a Warning Letter.

NCIC checks were conducted of RP with negative results.

Recommend FLS be updated to reflect that a Warning Letter was issued on 05/03/2017 via Certified Mail #7006 0810 0002 6795 7798.

The last inspection date in FLS should now read 04/12/2017.

PII e-mailed to (b)(6), FFLC, on May 03, 2017.

Viols WL ONLY and No Recall Inspection

<input checked="" type="checkbox"/> REVIEWED	<input checked="" type="checkbox"/> CONCUR	<input checked="" type="checkbox"/> SEE COMMENTS	<input checked="" type="checkbox"/> FINAL DISPOSITION
SIGNATURE AND TITLE (b)(6) - Area Supervisor		(b)(6)	REVIEW DATE 05/03/2017

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ROUTING SEQUENCE AND DATE

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

CONTROL FILE POSTED DATE _____



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
10 Causeway Street, Room 791
Boston, MA 02222

www.atf.gov

May 2, 2017

762030: (b)(6)
5300

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Louis Biondo
Business End Customs LLC
dba Business End Customs
147 Summit St. Bldg. 3B#2
Peabody, MA 01960

REF: FFL# 6-04-009-07-8D-12456

Dear Mr. Biondo,

During a recent firearms compliance inspection at your business covering the period April 13, 2016, to April 12, 2017, you were cited for a violation of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection, is enclosed.

All violations were fully explained to you by the 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 actions 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 ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, and we look forward to continuing to work with you in that regard.

Business End Customs LLC
REF: FFL# 6-04-009-07-8D-12456

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.

Should you have any questions regarding this matter, please contact me at (b)(6).

Sincerely,

(b)(6)

Area Supervisor
Boston Area Office

Enclosure: Report of Violations

cc: Federal Firearms Licensing Center
Boston Group V
Director, Industry Operations, Boston Field Division

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 Business End Customs LLC	Street Address 147 Summit St. Bldg. 3B #2	City Peabody	State MA	ZIP Code 01960	County Essex	Page 1 of 1 Pages
License/Permit/Registry Number (if any) 6-04-009-07-8D-12456		Expiration Date 04/01/2018	Date(s) or Period of Inspection April 13, 2016, to April 12, 2017			

Inspection Results

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

Number	USC or CFR Citation	Nature of Violation	Corrective Action to be Taken (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
1	27 CFR 478.102(a)	- SALES OR DELIVERIES OF FIREARMS ON AND AFTER NOVEMBER 30, 1998. -BACKGROUND CHECK- "...licensed dealer (the licensee) shall not sell, deliver, or transfer a firearm to any other person who is not licensed under this part unless the licensee meets the following requirements: (1) Before the completion of the transfer, the licensee has contacted NICS; (In five instances; the Licensee failed to contact FBI NICS to conduct a background check on transfers to personal collection.)	Licensee informed.	
2	27 CFR 478.124(a)	- FIREARM TRANSACTION RECORD - "A licensed importer, licensed manufacturer, or licensed dealer shall not sell or otherwise dispose, temporarily or permanently, of any firearm to any person, other than another licensee, unless the licensee records the transaction on a firearms transaction record, Form 4473:"(Licensee failed to complete ATF F 4473 for transfers to personal collection.)	Licensee informed.	

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

Louis Biondo

CEO

Date
4/18/2017

Signature and Title of ATF Officer

(b)(6)

Industry Operations Investigator

Date
April 17, 2017

ATF E-Form 5030.5
Revised April 2005

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™



7006 0810 0002 6795 7798

7006 0810 0002 6795 7798

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here 6-24-12 456
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

2017-0321

328

Sent to
Street, Apt. No.:
or PO Box No. 147 Summit St Rm 30#2
City, State, ZIP+4
Peabody, MA 01960

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LOUIS Biondo
147 Summit St
Rm 30#2
Peabody, MA 01960



9590 9403 0689 5196 3065 38

2. Article Number (Transfer from service label)

7006 0810 0002 6795 7798

COMPLETE THIS SECTION ON DELIVERY

A. Signature X	<input type="checkbox"/> Agent
B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type	
<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery

Address: 147 Summit St. Building 3B #2
Peabody, MA 01960

1 - Introduction

Inspection Profile:

In accordance with UI 762030-2017-0321, B1B, Industry Operations Investigator (b)(6) began a firearms manufacturer compliance inspection on Business End Customs LLC's Type 07 Manufacturer of Firearms license on April 12, 2017. The inspection was conducted at the above listed business premises and covered the period from April 13, 2016, to April 12, 2017. Present and interviewed during the inspection was Louis Biondo, CEO. Advance notice was not provided.

Business Profile:

Licensee is a small volume firearms gunsmith and manufacturer located in an office space in suburban Peabody, MA. Business End Customs (BEC) is a custom gunsmith that conducts repairs on handguns and long guns for acquaintances, repeat customers and word of mouth referrals. BEC also conducts an occasional transfer or special order sale for a repeat customer and has held some firearms in storage for individuals who are under 209A restriction in Massachusetts. BEC also specializes in custom 1911 firearms builds and mostly deals with out of state orders that go through other FFLs. BEC's 1911 frames are manufactured by JEM Guns LLC (5-74-08766) on behalf of BEC. BEC then customizes and builds the 1911 frames as special order customization. In the last 12 months, licensee has acquired (b)(4) firearms in the past 12 months and disposed of approximately (b)(4) firearms. Biondo estimates that the business is comprised of (b)(4) handguns and (b)(4) long guns. Licensee deals with new and used firearms and estimates the breakdown to be (b)(4)

Licensee does not conduct business at gun shows and does not conduct consignment sales. Licensee does have a website, www.businessendcustoms.com, which is mainly used for advertising and contact information purposes. The primary suppliers for the business are JEM Guns, and other various FFLs.

There are various businesses located at other suites in the building, but there are no other businesses located in the premises location. Biondo does not hold any other businesses. Licensee does not hold any other ATF licenses, but previously held a Dealer Type 01 license as a sole proprietor (6-04-04038), which Biondo went out of business on when he formed the BEC LLC. Licensee holds a valid

MA Dealer's license (D2001926D) and a valid MA Gunsmith license (D1000915S), both of which are valid until November 10, 2018. The FFL was first issued in March 2015 and local zoning compliance was confirmed during the application inspection. There is no offsite storage.

Ownership and Control:

The business is a limited liability company, registered in Massachusetts and in good standing. Biondo is the sole member of the LLC and the only responsible person on the licensee. No hidden ownership was suspected and information contained within FLS is accurate.

Variance:

Licensee does not hold a variance, but does have another FFL manufacturing the BEC 1911 frames. (b)(3) - 112 Public Law 55 125 Stat 552
Exhibit 1.

2 - Recommendation

Viols, WC with WL and Recall Inspection

3 - Inspection History

Date and Type of Inspection:	February 26, 2015, Application inspection
UI#:	762030-2015-0298, B1B
Inspection Results:	Application Approved
Cited Violations:	None.

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

During the inspection, IOI (b)(6) conducted a full inventory, with the assistance of Biondo. There were a total of 55 firearms identified in physical inventory and (b)(3) open dispositions in licensee's handwritten bound A&D records. Licensee keeps three separate books (sale/transfers, repair and manufacture). There were no discrepancies in licensee's inventory. The record is in the proper format, all the required information is included and entries appear timely made. Licensee has not submitted any theft or loss reports during the inspection period or as a result of the inspection. Twenty-five firearms were traced through licensee's records from acquisition to disposition with no discrepancies.

Licensee stated that he is the sole person responsible for the records and the inventory.

He stated that he attempts to record the acquisitions and dispositions daily, but always makes sure to spend time on Saturday morning reviewing all acquisitions and dispositions for the week to ensure that the record is up to date. Commercial records are set aside for verification against the A&D record on Saturdays before they are then filed away as part of the record. There were no material weaknesses identified in licensee's internal controls related to the A&D record.

5 - ATF Forms 4473 – NICS & Other Dispositions

A total of (b)(9) - 112 ATF Forms 4473 were on file for licensee in the last 12 months, all of which were reviewed by IOI (b)(6). There were no discrepancies identified with licensee's ATF Forms 4473. Transfers to other licensees appear to have been conducted properly and licensee has not made any law enforcement sales. Prior to the inspection, IOI (b)(6) obtained a NICS FFL audit log, which contained two Proceed and zero other transactions. All transactions were verified with no discrepancies. A list of transfers conducted in the Massachusetts Instant Records Check System in the previous 12 months was verified and there were no discrepancies.

Licensee has conducted (b)(3) - 112 Public Law 55 125 Stat 552 without conducting ATF Forms 4473 or NICS background checks. Licensee was cited for being in violation of 27 CFR 478.102(a) for failing to conduct NICS checks and 27 CFR 478.124(a) for failing to conduct ATF Forms 4473 for these transfers, Reference Violation #1, Violation #2, Worksheet 2 and Exhibit 2.

Biondo stated that he does review the ATF Form 4473, both at the time of transfer and again when he records the disposition. There were no material weaknesses identified during the review of licensee's ATF Forms 4473.

6 - Multiple Sales

There was (b)(9) - 112 multiple sale reported on the Violent Crime Analysis Branch FFL Master Query for the inspection period, which was reviewed. There were no unreported multiple sales identified.

7 - Suspicious/Prohibited Purchasers

One NCIC criminal history check was conducted on responsible person Biondo, which did not result in any prohibitive hits. There were no referrals generated.

8 - Trace Activity

There has been no trace activity for licensee in the last 12 months and licensee has no

unsuccessful traces. Secondary market analysis was conducted on five firearms with no hits.

9 - NFA/Importer/Collector/Manufacturer

Licensee does not any activity with NFA firearms at this time. Licensee does not engage in importation or collector activity. Licensee is a Type 07 Manufacturer of Firearms. BEC conducts the business of custom 1911 style pistols. The frames are made on behalf of BEC by JEM Guns LLC and then licensee customizes them based on a specific order. Licensee has filed the Annual Firearms Manufacturing and Exportation Report as required. Licensee is not currently registered with the Directorate of Defense Trade Controls (DDTC) under the Department of State. DDTC contact information and registration guides were provided to licensee. IOI (b)(6) informed licensee to determine what requirement for registration applies to their specific customization process.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

Licensee appears to be in compliance with secure gun storage/safety devices and the Youth Handgun Safety Act, including the poster and the notices. On April 4, 2017, IOI (b)(6) contacted Group Supervisor (b)(6) to inquire if there were any pending investigations related to licensee. As of the date of this report, no response was received.

NCIC criminal history check on one responsible person did not result in a prohibitive hit.

12 - Closing Actions

A closing conference was held at licensed business premises at the conclusion of the onsite portion of the inspection on April 12, 2017. Louis Biondo, responsible person and owner, was present. The violations that were identified during the inspection were reviewed with licensee. IOI (b)(6) answered licensee's questions and reviewed the Acknowledgement of Federal Firearms Regulations with Biondo, who signed the acknowledgement, Exhibit 2, and a copy was provided for licensee's records. IOI (b)(6) provided Biondo with her business card and a list of important ATF phone numbers. IOI (b)(6) later prepared the Report of Violations and sent to Biondo for his receipt and signature. Biondo sent it back to IOI (b)(6)

13 - Violations

1. 27 CFR 478.102(a)

Nature of violation:

- SALES OR DELIVERIES OF FIREARMS ON AND AFTER NOVEMBER 30, 1998. -BACKGROUND CHECK-

"...licensed dealer (the licensee) shall not sell, deliver, or transfer a firearm to any other person who is not licensed under this part unless the licensee meets the following requirements: (1) Before the completion of the transfer, the licensee has contacted NICS; (In (b)(3) - 112 Public Law 55 125 Stat 552 instances; the Licensee failed to contact FBI NICS to conduct a background check on transfers (b)(3) - 112 Public Law 55 125 Stat 552

Licensee's response:

Licensee stated that he was unaware of the requirement to conduct ATF Form 4473 or NICS check for transfers to his personal collection since he is the sole owner of the LLC.

Corrective action:

Licensee informed. Preventive action discussed.

Report of Violations, Worksheet 2, Exhibit 2

2. 27 CFR 478.124(a)

Nature of violation:

- FIREARM TRANSACTION RECORD -

"A licensed importer, licensed manufacturer, or licensed dealer shall not sell or otherwise dispose, temporarily or permanently, of any firearm to any person, other than another licensee, unless the licensee records the transaction on a firearms transaction record, Form 4473:"(Licensee failed to complete (b)(3) - 112 Public Law 55 125 Stat 552 ATF F 4473 for transfers to (b)(3) - 112 Public Law 55 125 Stat 552.)

Licensee's response:

Licensee stated that he was unaware of the requirement to conduct ATF Form 4473 or NICS check for transfers to his personal collection since he is the sole owner of the LLC.

Corrective action:

Licensee informed. Preventive action discussed.

Report of Violations, Worksheet 2, Exhibit 3

(b)(6)	Industry Operations Investigator	April 21, 2017
Signature	Title	Date of Report

Index of Worksheets and Exhibits

Report of Violations

Worksheet 1 - Inventory, A&D Review

Worksheet 2 – ATF Form 4473 Review

Exhibit 1 – Variance

Exhibit 2 – A&D record showing personal transfers to Louis Biondo

Exhibit 3 – Acknowledgement of Federal Firearms Regulations