

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Rick's Gun and Pawn LLC 536 Rowlandsville Rd. Conowingo, MD 21918, Cecil		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 761025-2015-0174-B1B		
		3. PERMIT/LICENSE NUMBER 852015026A01913	4a. TARGET DATE 9/30/2015	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		
6. ATF OFFICER(S) ASSIGNED (b)(6) - Lead Investigator (b)(6) - Assigned Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6) Area Supervisor, 07/23/2015				
8. PURPOSE/SPECIAL INSTRUCTIONS Conduct compliance inspection.				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	5	NO. OF REFERRALS	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF TECS CHECKS	30	NO. OF TECS HITS	2111 - PER DIEM	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES	2112 - P.O.A.	
		\$ VALUE OF TAX DECREASES	2113 - COMM. AIR	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS	2114 - RENTAL CAR	
NO. OF CLAIMS		\$ VALUE OF CLAIMS	2115 - GPV EXPENSES	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED	2116 - MISC.	
			TOTAL \$ FOR INSP.	
11. ATF OFFICER'S RECOMMENDATION Viols WL ONLY and No Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
AUG 2015		74.00	ATF OFFICER'S SIGNATURE	
SEP 2015		5.00		
ATF OFFICER'S SUBTOTAL		79.00		
TOTAL HOURS		79.00		
13. REVIEW AND ROUTING				
REVIEW COMMENTS AND RECOMMENDATION WL issued on 9-10-15. Viols WL ONLY and No Recall Inspection				
<input checked="" type="checkbox"/> REVIEWED <input checked="" type="checkbox"/> CONCUR <input type="checkbox"/> SEE COMMENTS <input checked="" type="checkbox"/> FINAL DISPOSITION				
SIGNATURE AND TITLE (b)(6) - Area Supervisor			REVIEW DATE 09/10/2015	

Assignment and Report

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	3. PERMIT/LICENSE NUMBER 852015026A01913	4a. TARGET DATE 9/30/2015	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

ROUTING SEQUENCE AND DATE

- ☒ 1. FFLC 9-10-15
☒ 2. A/O FILE 9-10-15
☐ 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 Rick's Gun and Pawn LLC	Street Address 536 Rowlandsville Rd.	City Conowingo	State MD	Zip Code 21918-	County Cecil	Page 1 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 852015026A01913	Expiration Date 1/1/2016	Date(s) or Period of Inspection 08/19/2015 through 08/28/2015				

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:

Failure to record the disposition of a firearm in the Acquisition & Disposition (A&D) Record Book not later than the seventh day following the date of the transaction. This occurred in instances, where the disposition was recorded on 8/19/2015 during the ATF inspection. Refer to the following transactions:

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Ensure that the sale or other disposition of a firearm is recorded in the Acquisition & Disposition (A&D) Record Book not later than the seventh day following the date of such transaction.

Citation: 27 CFR 478.125(e)

Report of Violations

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License/Permit/Registry Number <i>(If any)</i> 852015026A01913	Expiration Date 1/1/2016	Date(s) or Period of Inspection 08/19/2015 through 08/28/2015				

Inspection Results

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

Number: 2

Nature of Violation:

Failure to ensure proper completion of ATF Form 4473 prior to making an over-the-counter transfer of a firearm to a nonlicensee. This occurred in ^{(b)(3)} instances. Refer to the following transactions:

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Ensure proper completion of the forms as prescribed by Subpart H - Records, and instructions on the firearms transaction record.

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

Report of Violations

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Name of Proprietor Rick's Gun and Pawn LLC	Street Address 536 Rowlandsville Rd.	City Conowingo	State MD	Zip Code 21918-	County Cecil	Page 3 of 5 Pages
License/Permit/Registry Number (If any) 852015026A01913		Expiration Date 1/1/2016	Date(s) or Period of Inspection 08/19/2015 through 08/28/2015			

Inspection Results

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

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

Citation: 27 CFR 478.124(c)(1)

Number: 3

Nature of Violation:

Failure to verify the identity of the transferee by examining the identification document presented, and noting on the Form 4473 the type of identification used after examining the identification. This occurred in (b)(3) 11 instances.

In (b)(3) 112 Public Law 55 125 instances, the licensee failed to record the information derived from official PCS Orders information in box 20b as prescribed. Reference ATF Newsletter March 2013 for clarification. Refer to the following transactions: (b)(3) 112 Public Law 55 125 STAT 552 (b)(3) 112 Public Law 55 125 STAT 552

In the remaining instance, the licensee accepted a government identification document that is valid in the state of Pennsylvania; however, no photograph was available on the document, and there was no combination of government issued documents to satisfy the Federal requirement that a photograph must be viewed by the licensee. (b)(3) 112 Public Law 55 125 STAT 552

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Ensure verification of identity of the transferee by examining the identification document presented, and note on the form the type of identification used in accordance with Federal requirements.

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Name of Proprietor Rick's Gun and Pawn LLC	Street Address 536 Rowlandsville Rd.	City Conowingo	State MD	Zip Code 21918-	County Cecil	Page 4 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 852015026A01913	Expiration Date 1/1/2016	Date(s) or Period of Inspection 08/19/2015 through 08/28/2015				

Inspection Results

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

Citation: 27 CFR 478.124(c)(3)(i)

Number: 4

Nature of Violation:

Failure to record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any response provided by the system. Out of approximately 1325 forms, the licensee failed to record the date and/or response provided by NICS in ^{(b)(3) 112 P} instances referenced below:

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

Citation: 27 CFR 478.124(c)(3)(iv)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Record the date on which NICS is contacted as well as any response provided by the system on the form for all future transactions.

Report of Violations

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Name of Proprietor Rick's Gun and Pawn LLC	Street Address 536 Rowlandsville Rd.	City Conowingo	State MD	Zip Code 21918-	County Cecil	Page 5 of 5 Pages
License/Permit/Registry Number (If any) 852015026A01913	Expiration Date 1/1/2016	Date(s) or Period of Inspection 08/19/2015 through 08/28/2015				

Inspection Results

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

Number: 5

Nature of Violation:

Failure to conduct a background check through NICS or the Maryland State Police prior to transacting a firearm in (b)(3) instances. In each instance, the disposition involved the same transferee who is the President and responsible person (RP) on this license. The license operates as a LLC.

Refer to the following transactions: (b)(3) 112 Public Law 55 125 STAT 552

Citation: 27 CFR 478.102(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Ensure that a NICS check is conducted in accordance to the Federal requirements of the Gun Control Act (GCA), and the pertinent information is recorded on the ATF form prior to the transfer of a firearms, unless such transaction meets the exceptions to NICS check as prescribed.

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

Signature and Title of ATF Officer

(b)(6)

MEMBER

TOI

Date

8-28-15

Date

8/28/15



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Baltimore, MD 21201

www.atf.gov

September 10, 2015

761025 (b)(6)

Winona Hancock
Rick's Gun and Pawn LLC
536 Rowlandsville Rd.
Conowingo, Maryland 21918

Re: FFL # 8-52-015-02-6A-01913

Dear Ms. Hancock:

During a recent compliance inspection at your firearms business covering the period of August 19, 2014, through August 19, 2015, you were cited for violations of 27 Code of Federal Regulations, Part 478. The violations were discussed with you during the inspection. 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 Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigators (IOIs) (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 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 conditional upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise,

Rick's Gun and Pawn LLC
FFL # 8-52-015-02-6A-01913

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 IOI (b)(6) at (b)(6) (b)(6).

Sincerely,

(b)(6)

Area Supervisor
Baltimore Field Division

Enclosure: Report of Violations

cc: Federal Firearms Licensing Center
Baltimore V (IOI) Field Office

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

Address: 536 Rowlandsville Rd., Conowingo, MD 21918 (Cecil County)

1 - Introduction

Inspection Profile:

On Wednesday, August 19, 2015, Industry Operations Investigators (IOIs) (b) (6) initiated an unannounced firearms compliance inspection at the licensed premises of Rick's Gun and Pawn LLC located at 536 Rowlandsville Rd., Conowingo, MD 21918. During the inspection, the IOI's interviewed Ms. Winona Hancock, Secretary/Treasurer and Mr. Richard Smith, President. Ms. Hancock and Mr. Smith both provided a valid Maryland Driver's Licenses for identification. Mr. Smith was only available for the closing conference. The inspection period was August 19, 2014 to August 19, 2015. On Friday, August 28, 2015, IOI's (b) (6) held a closing conference with Ms. Hancock and Mr. Smith. Also present during the inspection was (b) (6) Ms. Hancock's (b) (6) spends his leisure time at the store with (b) (6) He is currently in the (b) (6) IOI (b) (6) (b) (6) was present for one day to assist with conducting the inventory. Area Supervisor, (b) (6) was present for one day during the inspection to assist IOIs with their review of the licensee's paperwork. Advance notice of the inspection was not given to the licensee.

Business Profile:

Rick's Gun and Pawn LLC operates as a pawn broker and also conducts retail sales of jewelry, electronics, tools, musical equipment, firearms and ammunition. They sell new and used firearms.

The licensed premises is a commercially zoned standalone building that operates as a retail store and pawn shop in Cecil County, and is properly zoned for their current operations.

In the last 12 months, the licensee acquired approximately (b) (4) firearms, and disposed of approximately (b) (4) during the same period. According to the licensee (b) (4) of the sales during this period were retail sales. Approximately (b) (4) of the firearms transferred by the licensee were used and the remaining (b) (4) were new. Their primary suppliers are (b) (4)

(b) (4)

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

The licensee has not conducted business at gun shows during the inspection period, however, they do intend to participate in a local show in the month of October of 2015. Licensee maintains a website www.ricksgunpawn.com. The website is used to advertise the business, and does not contain photos or prices of firearms for sale. The licensee does not use this website to sell firearms, however they do occasionally sell guns using gunbroker.com. Ricks Gun and Pawn LLC obtained their original Federal Firearms License on 12/5/2006.

No unrelated business is conducted that the licensed premises, and the licensee is not associated with any other business. The licensee is in compliance with state and local law. The licensee maintains the appropriate Maryland Trader's License and Maryland Sales & Tax Use License. No firearms are stored away from the premises.

Ownership and Control:

The license is owned by Ricks Gun and Pawn, LLC. IOI (b) (6) queried the Maryland State Department of Assessments and Taxation (SDAT) website and found the LLC to be active and in good standing under Department ID

(b) (6) This is a two member charter with Mr. Richard A. Smith, serving as President and Ms. Winona D. Hancock serving as Secretary and Treasurer. Both LLC members are listed as the only responsible persons on the license. Their attorney (b) (6) is listed as resident agent for the company. There have been no unreported changes to the ownership. Hidden ownership is not suspected.

Variance:

b3 Public Law 112-55 (125 Stat. 552)

2 - Recommendation

Viols WL ONLY and No Recall Inspection

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

3 - Inspection History

Date of Inspection: August 2009
Type of Inspection: Recall Compliance Inspection
UI#: 761025-2009-0203
Inspection Results: Violations, Warning Letter Only and No Recall Inspection
Cited Violations: Five violations

1. 27 CFR 478.21a – Failure to furnish the forms 4473 as indicated by the headings on the form and the instructions on or pertaining to the form.
2. 27 CFR 478.124(c) – The licensee transferred a firearm more than 30 days after an initial NICS check.
3. 27 CFR 478.124(c)(1) – The licensee transferred a firearm although purchaser left question 11(b) on ATF F 4473 blank on occasion. On occasion the purchaser failed to enter a state of residence on ATF F 4473 in Question 13.
4. 27 CFR 478.124(c)(3)(iv) – The licensee failed to enter a response in Question 21d of ATF F 4473.
5. 27 CFR 478(c)(4) – The licensee failed to complete firearm identifying information in Section D, Questions 26, 27, 28, 29 and 30 prior to transferring the firearm.

Date of Inspection: June 2008
Type of Inspection: Compliance Inspection
UI#: 761025-2008-0012
Inspection Results: Report of violations issued. Recommend warning letter only and no recall inspection.
Cited Violations: Four violations

1. 27 CFR 478.125(e), licensee failed to enter the acquisition of a firearm into the A&D record on occasions, entered an incorrect manufacturer on occasions, failed to enter a manufacturer on occasions, failed to enter an importer on occasions, entered an incorrect serial number on occasions
2. 27 CFR 478.124(c)(1), licensee failed to receive a properly completed ATF F 4473 prior to transferring a firearm on occasions

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

3. 27 CFR 478.124(c)(3)(i), licensee failed to properly record type of identification used by transferee on each occasion
4. 27 CFR 478.126a, licensee failed to report multiple sale of handguns on each occasion.

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

At the time of inspection, the licensee's physical inventory consisted of 629 firearms, and the number of open dispositions in the acquisition and disposition (A&D) records was also 629. There was a difference of 10 firearms. To reconcile the discrepancy, IOIs conducted a full inventory of firearms in physical inventory against all open dispositions in the licensee's records and discovered the licensee failed to record the disposition of a firearm in the Acquisition & Disposition (A&D) Record Book not later than the seventh day following the date of the transaction in 10 instances referenced below.

b3 Public Law 112-55 (125 Stat. 552)

To reconcile the above discrepancies, the licensee recorded the dispositions on 8/19/2015. **Reference Violation 1 and Worksheet 1.**

No thefts or losses occurred during the inspection period. The licensee maintains bound paper records. The A&D records are in the proper format. The entries were found to be accurate however, not timely made as referenced in above violation. IOIs did not trace any firearms through the required records. No firearms with obliterated serial numbers and no illegal firearms were discovered.

IOIs (b) (6) and (b) (6) reviewed the licensee's standard operating procedures with Ms. Hancock and Mr. Smith. When a firearm is acquired, Ms. Hancock assigns it a log number and creates a ticket. Pawned firearms have a different ticketing system than other firearms acquired. The log books for pawn guns are separated from the log books

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

for sales firearms. Once a log number is assigned, the ticket is immediately attached to the firearm, and the firearm is recorded as a new acquisition in the appropriate A&D book. Ms. Hancock then places the firearm either on display to be sold, or in the gun room for storage. When a firearm is sold or otherwise disposed, Ms. Hancock records the disposition, utilizing the ATF Form 4473, commercial record or the firearm itself, based on the type of transaction that has occurred.

Ms. Hancock stated a full inventory is conducted at least once a year in which 100% of the stores' firearms are accounted for through accounting and reconciliation. This is generally done every January or February. Mr. Smith does not generally spend time in the store and relies on Ms. Hancock to run the daily operations.

5 - ATF Forms 4473 – NICS & Other Dispositions

The licensee completed approximately [REDACTED] ATF Forms 4473 during the inspection period. IOIs (b) (6) and (b) (6) reviewed 100% of the forms with the assistance of Area Supervisor (b) (6). The licensee maintains the forms chronologically by the type of background check conducted (i.e. by NICS transactions for sales and transfers of long guns, pawn redemptions, and consignment returns or by MD State Police run background checks for sales and transfers of handguns and other regulated firearms). Because their filing system falls outside of the guidelines prescribed by ATF, they obtained a variance from ATF to be able to continue this filing system. (See Variance subsection above) This examination yielded the following results:

- The licensee failed to ensure proper completion of ATF Form 4473, prior to making an over-the-counter transfer of a firearm to a nonlicensee. This occurred [REDACTED] instances. **Reference Violation 2, Worksheet 2 and Exhibit C.**
- The licensee failed to verify the identity of the transferee by examining the identification document presented, and noting on the Form 4473 the type of identification used after examining the identification. This occurred [REDACTED] instances. **Reference Violation 3 and Worksheet 2.**
- The licensee failed to record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any response provided by the system. This occurred [REDACTED] instances. **Reference Violation 4 and Worksheet 2.**
- The licensee failed to conduct a background check through NICS or the Maryland State Police prior to transacting a firearm [REDACTED] instances. In each instance, the disposition involved the same transferee who is the President and responsible person (RP) on this license. The license operates as a LLC. **Reference Violation 5, Worksheet 2 and Exhibit D.**

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

Forms indicating denials were reviewed by IOI (b) (6) and found to be filed properly. In the past year (b) (6) transactions were denied by NICS or the Maryland State Police. These forms all list the firearm(s) (which the customer was attempting to purchase) and their corresponding A&D Record number. IOI (b) (6) compared these forms to the A&D Record to determine if the firearm was sold in a straw purchase. Indicators of a connection include the following:

- The amount of time between the denial and when the gun was sold.
- The proximity of the addresses between the parties involved in the denial and the sale.
- Name similarity of the parties involved.
- Trace data

IOI (b) (6) found evidence of a straw purchase. Her findings were documented in section 7-Suspicious/Prohibited Purchasers below.

The licensee sold firearms to police officers for official use in (b) (6) instances during the inspection period. In each instance, the licensee obtained a certification letter on department letterhead signed by a person in authority within the agency. Area Supervisor (b) (6) and IOI (b) (6) reviewed the certification letters and each of them met the requirements of 27 CFR 478.134.

Prior to conducting the inspection, IOI (b) (6) received the NICS and Maryland State Police (MPS), background check numbers for the past year utilized in transactions by the licensee. NICS and MSP provided IOI (b) (6) with (b) (6) transaction numbers associated with a "proceed" and "not disapproved" responses. The information was compared to the licensee's paperwork and no discrepancies were disclosed. (b) (6) "denied" responses were provided by NICS and MSP for the period of the inspection, which IOI (b) (6) verified.

IOIs (b) (6) and (b) (6) reviewed the licensee's standard operating procedures relative to ATF Form 4473 completion and other dispositions with Ms. Hancock. She conducts all aspects of the business by herself. According to Ms. Hancock, when a customer wishes to purchase a firearm, she will have the potential purchaser complete an ATF Form 4473 (and Maryland State paperwork when applicable) and review their photo identification. She photocopies all identification provided and attaches the copy to the 4473. She then completes the remainder of the form including documenting the identification and background information. Prior to filing the forms, Ms. Hancock reviews the 4473 a second time for accuracy to insure no answers are incorrect, show prohibited status or omitted. Upon completion of the transaction, the paperwork is filed chronologically by Ms. Hancock in accordance to their approved variance. If a Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF Form 3310.4) is required, Ms. Hancock completes the form and submits a copy to the National Tracing

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

Center, the CLEO and retains a copy with the 4473. Once a transaction has occurred, the paperwork is immediately filed by Ms. Hancock. She will conduct a final review of the form to insure completion and accuracy. If the purchaser made a mistake on the paperwork, she will call them back to have them correct a copy of the form, in accordance with the instructions of the form. Ms. Hancock logs all firearms out of the A&D Record that are sold or otherwise disposed of.

Ms. Hancock stated that she is aware of how to look out for straw purchase indicators. If a straw purchase is suspected, paperwork is not initiated and the customer is instructed to leave the store. There was ^{b3 Public Law 112-55 (125 Stat. 552)} an instance that occurred during the inspection period in which the licensee allowed a family member to pick up a firearm after the original customer was denied. The transaction was discovered by IOI ^{(b) (6)} and discussed in section 7 below.

6 - Multiple Sales

^{b3 Public Law 112-55 (125 Stat. 552)} During the inspection period, the licensee reported ^{b3 Public Law 112-55 (125 Stat. 552)} multiple handgun sales involving ^{b3 Public Law 112-55 (125 Stat. 552)} handguns according to the information they reported to ATF Violent Crime Analysis Branch (VCAB). The IOIs ^{(b) (6)} and Area Supervisor ^{(b) (6)} compared the information obtained from the ATF Violent Crime Analysis Branch (VCAB) to the licensee's forms for the inspection period and determined that no unreported multiple handgun sales occurred during this period.

7 - Suspicious/Prohibited Purchasers

^{b3 Public Law 112-55 (125 Stat. 552)} With the assistance of Area Supervisor ^{(b) (6)} and IOI ^{(b) (6)} IOI ^{(b) (6)} selected ^{b3 Public Law 112-55 (125 Stat. 552)} firearm purchasers for criminal history queries. No prohibiting criminal information was disclosed. Review of the ATF Forms 4473 on file (including the denied forms) for the inspection period and review of the A&D record disclose ^{b3 Public Law 112-55 (125 Stat. 552)} suspicious transaction discussed below.

b3 Public Law 112-55 (125 Stat. 552)

^{b3 Public Law 112-55 (125 Stat. 552)} IOI ^{(b) (6)} suggested that the licensee consider creating internal policies to ensure that they are not associated with possible straw transactions. He suggested refusing associates from acquiring firearms that the original transferee was prohibited from acquiring based on denied NICS results. He further suggested

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

creating a document where the transferee could sign to certify that they understand the legal ramifications that could result from being associated with a straw transaction. No referral was generated since the firearms were in the possession of the pawn shop at the time of the closing conference. The licensee was reminded that transferring firearms to associates of denied purchasers can be viewed as a crime, and to be very careful in determining the potential of a straw transaction.

8 - Trace Activity

In the last 12 months, the licensee was associated with ^{Law 112-55} ^{(125 Stat.} ⁵⁵²⁾ traces of firearms. In each instance the firearm was successfully traced through the licensee. None of the traces were unsuccessful, (b)(3) - 112 Public Law 55 125 Stat 552

The licensee acquired approximate (b)(6)ed firearms during the inspection period, and sold approximate (b)(6) IOI (b)(6)querie (b)(6)ed firearms in the NCIC database through Open Fox, yielding negative results.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not deal in NFA firearms. The licensee does not import or manufacture firearms, and is not a collector of curios and relics.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

Though the licensee does not maintain a website locatable through a google search, a google search for “Rick’s Gun and Pawn, Conowingo, MD” will return a webpage related to the licensee’s business. The webpage, gunstores.net/ricksgunandpaw21918, appears to have been created by (b) (4).

(b) (4) This webpage is administered by GunStores.net and can be found via a link located on (b) (4). The webpage contains the licensee’s former address (311 Conowingo Rd., Conowingo, MD 21918) and email for the licensee, however the phone number is correct. This webpage advertises specific firearms for sale, and gives the appearance that the listed firearms are being sold by Rick’s Gun and Pawn. Based on the above information, it appears that (b) (4) may create webpages within their domain for FFLs to which they distribute firearms. The old address and email information for Rick’s Gun and Pawn indicates that these webpages are not regularly updated. The licensee was not aware of this webpage on (b) (4) domain until

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

IOIs informed them of the webpage in their name. The licensee stated they will look into the matter but did not appear to be overly concerned.

12 - Closing Actions

On Friday, August 28, 2015, IOIs (b) (6) and (b) (6) conducted a closing conference with Ms. Hancock. At that time, a regulatory review was conducted, which included a review the Acknowledgement of the Federal Firearms Regulations form that was signed by IOI (b) (6) and Ms. Hancock. **Reference Exhibit E.** On that date, IOI (b) (6) issued a Report of Violations, which was also signed by both parties. At the conclusion of the closing conference, IOI (b) (6) and (b) (6) answered questions from the licensee, then provided her with the following materials:

- 1) A list of important ATF phone numbers and addresses
- 2) ATF Ruling 2001-5 (Identification of Transferee)
- 3) FFL Newsletter, March 2013 – Recording Identification Documents on the ATF Form 4473 – Military Identification and PCS Orders.
- 4) FFL Newsletter, November 2012 – PCS Orders and Military Dependents Purchasing Firearms.
- 5) ATF P 3317.2 – Safety Security Information for Federal Firearms Licensees
- 6) ATF P 5300.5 – Federal Firearms Licensee Quick Reference and Best Practices Guide
- 7) ATF P 3317.7 – ATF Disaster Preparedness for Federal Firearms Licensees
- 8) ATF P 3317.2 “ATF National Tracing Center – Safety and Security Information for Federal Firearms Licensees”.
- 9) ATF P 5310.1 “Gun Free School Zone Notice”.
- 10) ATF P 3312.10 “ATF National Tracing Center – Information for Industry Members”.

13 - Violations

1. 27 CFR 478.125(c)

Nature of Violation:

Failure to record the disposition of a firearm in the Acquisition & Disposition (A&D) Record Book not later than the seventh day following the date of the transaction. This occurred in (b) (6) stances, where the disposition was recorded on 8/19/2015 during the ATF inspection. Refer to the following transactions:

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

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

b3 Public Law 112-55 (125 Stat. 552)



Licensee's Response:

The licensee stated that she will try to do a better job of getting everything logged out in a timely manner.


Corrective Action:

Ensure that the sale or other disposition of a firearm is recorded in the Acquisition & Disposition (A&D) Record Book not later than the seventh day following the date of such transaction.

Reference Worksheet 1.

2. 27 CFR 478.124(c)(1)

Nature of Violation:

Failure to ensure proper completion of ATF Form 4473, prior to making an over-the-counter transfer of a firearm to a nonlicensee. This occurred i  instances. Refer to the following transactions:

b3 Public Law 112-55 (125 Stat. 552)



FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

b3 Public Law 112-55 (125 Stat. 552)

Licensee's Response:

The licensee stated that she was not aware of the requirement to provide the permanent duty station for members of the armed forces. She further stated that she will review the forms more closely before filing them.

Corrective Action:

Ensure proper completion of the forms as prescribed by Subpart H - Records, and instructions on the firearms transaction record.

Reference Worksheet 2 and Exhibit C.

3. 27 CFR 478.124(c)(3)(i)

Nature of Violation:

Failure to verify the identity of the transferee by examining the identification document presented, and noting on the Form 4473 the type of identification used after examining the identification. This occurred in **b3 Public Law 112-55 (125 Stat. 552)** instances.

In **b3 Public Law 112-55 (125 Stat. 552)** instances, the licensee failed to record the information derived from official PCS Orders information in box 20b as prescribed. Reference ATF Newsletter March 2013 for clarification. Refer to the following transactions **b3 Public Law 112-55 (125 Stat. 552)**

In the remaining instance, the licensee accepted a government identification document that is valid in the state of Pennsylvania; however, no photograph was available on the document, and there was no combination of government issued documents to satisfy the Federal requirement that a photograph must be viewed by the licensee. In this instance, the customer was Amish and was exempt by the state from taking a photograph. Refer to **b3 Public Law 112-55 (125 Stat. 552)**

Licensee's Response:

The licensee stated that she will ensure PCS information is recorded in box 20b from now on, and will no longer accept government identification without a photograph. She said, "I thought it was okay because the state of Pennsylvania issued the Amish ID card based on his religious practices.

Corrective Action:

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

Ensure verification of identity of the transferee by examining the identification document presented, and note on the form the type of identification used in accordance with Federal requirements.

Reference Worksheet 2.

4. 27 CFR 478.124(c)(3)(iv)

Nature of Violation:

Failure to record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any response provided by the system. Out of approximately [REDACTED] forms, the licensee failed to record the date and/or response provided by NICS in [REDACTED] instances referenced below:

b3 Public Law 112-55 (125 Stat. 552)

Licensee's Response:

The licensee stated that she overlooked those [REDACTED] forms, and will pay closer attention next time.

Corrective Action:

Record the date on which NICS is contacted as well as any response provided by the system on the form for all future transactions.

Reference Worksheet 2.

5. 27 CFR 478.102(a)

Nature of Violation:

Failure to conduct a background check through NICS or the Maryland State Police prior to transacting a firearm [REDACTED] instances. In each instance, the disposition involved the same transferee who is the President and responsible person (RP) on this license. The license operates as a LLC.

Refer to the following transactions **b3 Public Law 112-55 (125 Stat. 552)**

Licensee's Response:

According to the licensee, she thought as President, the RP did not have to go through the NICS requirements. She obtained information from the Maryland State Police that

FIREARMS INSPECTION REPORT

Name: Ricks Gun and Pawn LLC
Trade Name:

UI#: 761025-2015-0174 B1B
FFL#: 8-52-015-02-6A-01913

unincorporated business owners are exempt from NICS check and required paperwork to acquire firearms from their business inventory. The licensee was educated on the Federal requirements that require such checks be conducted, unless the licensee is a sole proprietor.

Corrective Action:

Ensure that a NICS check is conducted in accordance to the Federal requirements of the Gun Control Act (GCA), and the pertinent information is recorded on the ATF form prior to the transfer of a firearms, unless such transaction meets the exceptions to NICS check as prescribed.

Reference Worksheet 2 and Exhibit D.

X

Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheet 1 - Inventory and A&D Review Worksheet

Worksheet 2 - ATF Form 4473 (2012 Edition) Review Worksheet)

Exhibit A –Variance Request

Exhibit B – Variance Approval

Exhibit C – Sample of 4473 forms for Violation 2

Exhibit D – Sample of 4473 forms for Violation 5

Exhibit E – Acknowledgement of Federal Firearms Regulations

ROV