

## Assignment and Report

<b>1. OPERATING NAME AND ADDRESS</b> (INCLUDE ZIP CODE AND COUNTY) SPARKS, STEFFEN DEAN SPARKS FIREARMS 4071 BATAAN MEMORIAL W LAS CRUCES, NM 88012, DONA ANA	<b>2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.)</b> 785055-2016-0013-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%;"><b>3. PERMIT/LICENSE NUMBER</b> 585013076E01898</td><td style="width: 33%;"><b>4a. TARGET DATE</b> 9/15/2016</td><td style="width: 33%;"><b>4b. TARGET HOURS</b></td></tr></table>	<b>3. PERMIT/LICENSE NUMBER</b> 585013076E01898	<b>4a. TARGET DATE</b> 9/15/2016	<b>4b. TARGET HOURS</b>
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	<b>5. REQUESTED BY (SIGNATURE, TITLE AND DATE)</b>			

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

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**7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)**  
(b)(6), Area Supervisor, 10/01/2015

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**8. PURPOSE/SPECIAL INSTRUCTIONS**  
MANUFACTURER. CONDUCT FULL COMPLIANCE INSPECTION. FFL FAILED TO RESPOND TO TELEPHONIC MESSAGES - FAILED TO FILE AFMER REPORTS FOR 2013 AND 2014 - VERIFY AFMERs ARE FILED AND OBTAIN COPIES.

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<b>9. INSPECTION RESULTS</b>	<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	<b>10. TRAVEL EXPENSES (OPTIONAL)</b>	
NO. OF VIOLATIONS	5	NO. OF REFERRALS	2111 - PER DIEM
NO. OF TECS CHECKS	3	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.

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**11. ATF OFFICER'S RECOMMENDATION**  
Submitted by (b)(6) - Industry Operations Investigator

Submitted on: 03/04/2016  
The Federal Firearms Licensing Center (FFLC) needs to enter (b)(3) - 26 USC 6103 as the EIN in the FLS. RP Steffen Sparks' Residence Street Address needs to be changed to (b)(6).

Viols WL ONLY and Recall Inspection

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<b>12. TIME ACCOUNTING DATA</b>	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
FEB 2016	42.00
MAR 2016	15.00
ATF OFFICER'S SUBTOTAL	57.00
ATF OFFICER'S SIGNATURE	
TOTAL HOURS	57.00

## Assignment and Report

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	3. PERMIT/LICENSE NUMBER 585013076E01898	4a. TARGET DATE 9/15/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

### 13. REVIEW AND ROUTING

#### REVIEW COMMENTS AND RECOMMENDATION

This was the first compliance inspection conducted since the license was issued in January 2013.

As a result of the compliance inspection, the licensee was cited for failure to mark firearms manufactured with the manufacturer's name and city and state in (b)(3) instances. In (b)(3) instance, a purchaser responded "yes" to question 11a - "are you the actual buyer" - queries conducted revealed no prohibiting conditions. In (b)(3) instances, the licensee failed to obtain and record valid government issued identification information reflecting the transferee's current residence address.

The licensee acquired (b)(4) firearms and disposed of (b)(4) firearms during the inspection period. There were 75 forms reviewed. There were no thefts/losses and no unreported multiple sales. There were no traces to the licensee.

Recommend WL, Recall.

Viols WL ONLY and Recall Inspection

☒ REVIEWED ☒ CONCUR ☒ SEE COMMENTS ☐ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor (b)(6)	REVIEW DATE 03/07/2016
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#### REVIEW COMMENTS AND RECOMMENDATION

Viols WL ONLY and Recall Inspection

☒ REVIEWED ☒ CONCUR ☐ SEE COMMENTS ☒ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Acting DIO	REVIEW DATE 03/08/2016
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#### ROUTING SEQUENCE AND DATE

- ☐ 1. file / fflc
- ☐ 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 SPARKS, STEFFEN DEAN SPARKS FIREARMS	Street Address 4071 BATAAN MEMORIAL W	City LAS CRUCES	State NM	Zip Code 88012-	County DONA ANA	Page 1 of 3 Pages
License/Permit/Registry Number (If any) 585013076E01898	Expiration Date 5/1/2016	Date(s) or Period of Inspection 02/22/2016 through 02/22/2016				

### 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:

Failure to timely or correctly report the sale of two or more semi-automatic rifles, larger than .22 caliber with the ability to accept detachable magazines, on the same day or within five consecutive business days or [REDACTED] instances.

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee shall complete a report of multiple sale or other disposition whenever the licensee sells or otherwise disposes of two or more semi-automatic rifles, larger than .22 caliber with the ability to accept detachable magazines, to an unlicensed person on the same day or within five consecutive business days.

The licensee completed three reports of multiple sale or other disposition for two transactions where individuals purchased two or more semi-automatic rifles, larger than .22 caliber with the ability to accept detachable magazines within five consecutive business days.

Citation: 18 U.S.C. 923(g)(5)(A)

Number: 2

#### Nature of Violation:

Failure to place the required certain additional information markings on [REDACTED] manufactured firearms in a conspicuous place; specifically, the licensed manufacturer's name.

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee shall ensure that the proper markings are placed on manufactured firearms.



Report of Violations

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Name of Proprietor SPARKS, STEFFEN DEAN SPARKS FIREARMS	Street Address 4071 BATAAN MEMORIAL W	City LAS CRUCES	State NM	Zip Code 88012-	County DONA ANA	Page 2 of 3 Pages
License/Permit/Registry Number (If any) 585013076E01898		Expiration Date 5/1/2016	Date(s) or Period of Inspection 02/22/2016 through 02/22/2016			

Inspection Results

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

Citation: 27 CFR 478.92(a)(1)(ii)(C)

Number: 3

Nature of Violation:

Failure to place the required certain additional information markings on (b)(3) 112 manufactured firearms in a conspicuous place; specifically, the licensed manufacturer's city and State.

Citation: 27 CFR 478.92(a)(1)(ii)(D)

Number: 4

Nature of Violation:

Failure to furnish or obtain all information as required by headings and instructions on (b)(3) 112 ATF Form 4473.

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee shall ensure that the proper markings are placed on manufactured firearms.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee was instructed for all future transactions make sure each ATF Form 4473 has been properly completed before transferring the firearm(s) to the transferee.



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 SPARKS, STEFFEN DEAN SPARKS FIREARMS	Street Address 4071 BATAAN MEMORIAL W	City LAS CRUCES	State NM	Zip Code 88012-	County DONA ANA	Page 3 of 3 Pages
License/Permit/Registry Number (If any) 585013076E01898		Expiration Date 5/1/2016	Date(s) or Period of Inspection 02/22/2016 through 02/22/2016			

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 obtain and record all required transferee information on (b)(3) 112 ATF Forms 4473.

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee was instructed that for all future transactions always review the ATF Form 4473 before transferring a firearm to make sure that all of the required information is provided and correctly completed.

Number: 6

Nature of Violation:

Failure to verify and record proper transferee's identification documents on (b)(3) 112 ATF Forms 4473.

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

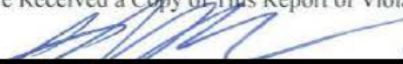
Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee was instructed for all future transactions always obtain valid, alternate government-issued identification documents issued to the transferee before transferring a firearm if their driver's license, or other identification document, does not show their current residence address.

I Have Received a Copy of This Report of Violations (Proprietor's signature and title)  Owner Steffen Sparks	Date 02/29/2016
(b)(6)	ATF Investigator Date Feb. 29, 2016



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

MAR 08 2016

www.atf.gov

785055 (b)(6)  
5300

Steffen Dean Sparks  
Sparks Firearms  
5077 Hacienda Ave, Unit 3  
Las Cruces, NM 88011

RE: ATF LIC # 5-85-013-07-6E-01898

Dear Sparks;

During a recent inspection at your firearms business, covering the period February 22, 2015 to February 22, 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 the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator. 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,

Steffen Dean Sparks  
Sparks Firearms

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 (b)(6), Area Supervisor at (b)(6).

Sincerely yours,

(b)(6)

Area Supervisor

Enclosures

cc: Federal Firearms Licensing Center  
Albuquerque II Field Office



# FIREARMS INSPECTION REPORT

**Name:** Steffen Dean Sparks  
**Trade Name:** Sparks Firearms

**UI#:** 785055-2016-0013  
**FFL#:** 5-85-013-07-6E-01898

**Address:** 4071 Bataan Memorial W  
Las Cruces (Dona Ana County – 013), New Mexico 88012

## 1 - Introduction

### Inspection Profile:

On 2/22/2016, Industry Operations Investigator (IOI) (b) (6) went to the premises of Steffen Dean Sparks, d.b.a. Sparks Firearms (licensee), located at 4071 Bataan Memorial W in Las Cruces, New Mexico (NM) to conduct a full compliance inspection. The period inspected was 2/22/2015 to 2/22/2016. The inspection was concluded on 2/29/2016.

Upon arrival, IOI (b) (6) met with Steffen Dean Sparks, owner and responsible person (RP), who identified himself with his NM driver's license (DL) (b) (6) and James Robert Doss, manager and RP, who identified himself with his NMDL (b) (6).

No other Federal, State, or local agencies participated. Advance notification was provided to ensure that Mr. Sparks or Mr. Doss would be available for the inspection.

### Business Profile:

Steffen Dean Sparks is licensed as a firearms manufacturer and currently holds a Type 07 Federal Firearms License (FFL), Manufacturer of Firearms. Mr. Sparks stated that as of this date, he has manufactured (b) (4) firearms which consisted of snapping an upper receiver to a complete lower receiver, and attaching a buttstock and barrel.

The premises at 4071 Bataan Memorial W in Las Cruces, NM, is a warehouse building in a commercially zoned area of Las Cruces.

The licensee acquires (b) (4) firearms and disposed of (b) (4) firearms during the inspection period. The licensee is not a firearms wholesaler and he retails only new firearms. His primary supplier for firearms; in the form of completed lower receivers is (b) (4). He does repair firearms but has no supplier for parts. Approximately (b) (4) percent of the licensee's sales have been conducted at gun shows.

The licensee does not conduct internet sales nor do they have a website; however, they do conduct firearm transfers on behalf of customers who purchase firearms on internet auction websites.

The business premises is located at a moving and storage company: Las Cruces Moving & Storage, owned by James Doss. During the qualification inspection, Mr. Doss provided a statement (**Exhibit 1**) allowing Mr. Sparks to conduct the sales of firearms from the premises. Mr. Doss stated that the statement is still in effect.

The licensee holds no additional licenses. Mr. Sparks was in possession of a State of New Mexico Taxation & Revenue Department certificate (b)(3) - 26 USC 6103 at the time of the inspection. The premises is located in a commercially zoned area in Las Cruces and there are no zoning restrictions.

The licensee has held this FFL since 4/9/2013. No off-site storage is utilized.

#### **Ownership and Control:**

Steffen Dean Sparks, d.b.a. Sparks Firearms, operates as a sole proprietorship. There have been no unreported changes of control and no hidden ownership is suspected.

Mr. Sparks, owner, and James Robert Doss, manager, are the only RPs for the business and they are correctly listed in the Federal Licensing System (FLS) database.

Mr. Sparks stated that he utilizes his social security number (SSN): (b) (6) as his Employer Identification Number (EIN).

#### **Variance:**

Sparks Firearms does not possess any variances and none were requested during the inspection.

## **2 - Recommendation**

Violations, Warning Letter Only and Recall Inspection.

The licensee manufacture (b)(3) - 26 USC 6103 firearms which consisted of snapping an upper receiver to a completed lower receiver and attaching a buttstock and barrel. However, the licensee failed to properly mark the manufactured firearms. The licensee explained that he thought manufacturing was conducting machining operations in order to create a firearm from scratch and not just snapping a lower receiver to a stripped upper receiver to complete a firearm.

The licensee was cited for five violations to include two violations for manufacturing firearms without properly marking them. None were repeat violations as this is the licensee's first compliance inspection. Discrepancies for the remaining three violations were at 4% or below of the forms reviewed. The licensee was educated on the proper

way to document acquisition and disposition information, concerning the manufacturing of firearms, into their A&D book. There were no missing firearms.

For this inspection, there were 18 firearms in inventor forms reviewed, acquisitions, dispositions and no traces during the inspection period.

An alternate recommendation of Violations, Warning Letter Only and Recall Inspection is recommended.

*The Federal Firearms Licensing Center (FFLC) needs to enter (b) (6) as the EIN in the FLS. RP Steffen Sparks' Residence Street Address needs to be changed to (b) (6) (b) (6)*

### **3 - Inspection History**

**Date of Inspection:** 1/23/2013  
**Type of Inspection:** Qualification Inspection  
**UI#:** 785055-2013-0212  
**Inspection Results:** Application Approved  
**Cited Violations:** None  
Acknowledgement reviewed and signed by owner Steffen Dean Sparks and manager James Robert Doss on 1/23/2013

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

The Acquisition and Disposition (A&D) book maintained by the licensee consists of a permanently bound book as this business does not keep computerized records. The licensee possessed a bound book in which the necessary information required for the manufacture of firearms by 27 CFR 478.123(a); (b); and (d), as well as 27 CFR 478.125(i) could be documented. However, the licensee failed to do so since Mr. Sparks would enter the description of a receiver that he acquired then transfer it as the same receiver instead of a manufactured rifle or pistol. IOI (b) (6) discussed and educated Steffen Sparks and James Doss on the proper way to document acquisition and disposition information, concerning the manufacturing of firearms, into their A&D book by recording the description of the receiver as an acquisition, then disposing of the receiver to the licensee and entering the description of the manufactured firearm as an acquisition in a second line entry in their A&D book and then transferring the manufactured firearm to its respective transferee on the disposition side of the same line entry.

IOI (b) (6) provided Mr. Sparks with ATF Ruling 2010-8 regarding Consolidation of Records Required for Manufacturers, ATF Ruling 2015-1 regarding Manufacturing and Gunsmithing and the March 2013 FFL Newsletter (Page 6) that addresses Recordkeeping Requirements and Retention Requirements for Licensed Manufacturers.



# FIREARMS INSPECTION REPORT

**Name:** Steffen Dean Sparks  
**Trade Name:** Sparks Firearms

**UI#:** 785055-2016-0013  
**FFL#:** 5-85-013-07-6E-01898

A full firearms inventory was conducted for this inspection. IOI (b) (6) comparison of the firearm inventory and the licensee's A&D books disclosed 18 firearms in inventory and [redacted] open entries. There were no discrepancies.

No theft or loss reports were submitted during the inspection period or as a result of this inspection.

[redacted] firearms were traced through the licensee's required records from acquisition through disposition resulting in no discrepancies.

The inspection of the licensee's A&D book did not disclose any trafficking issues relating to the acquisition or disposition of firearms. The IOI discovered no firearms with obliterated serial numbers or any unregistered NFA weapons.

Mr. Sparks stated that he enters the acquisition of a firearm by the close of the next business day and that he records dispositions within seven days. He stated that he knows to record the manufacture of a firearm within seven days.

## 5 - ATF Forms 4473 – NICS & Other Dispositions

There were [redacted] ATF Forms 4473 on file for the last 12 months and all of them were examined. Errors were found on [redacted] forms resulting in three violations.

O [redacted] TF Form 4473, the licensee failed to furnish or obtain all information as required by headings and instructions. The transferee marked the box for "No," for question 11.a. "Are you the actual transferee/buyer of the firearm(s) listed on this form?" The transferee was queried in NCIC. He had no criminal history. The licensee was cited with violating 27 CFR 478.21(a). See Worksheet 2 – ATF Form 4473 Review (2012 edition), **Exhibit 2**–ATF Form 4473, and ATF Form 5030.5.

O [redacted] TF Forms 4473, the licensee failed to obtain and record all required transferee information. O [redacted] of the forms, the transferee [redacted] wrote an address from the State of New York (NY) in block 2. as his current residence address and New York as his State of residence in block 13. IOI (b) (6) utilized the Federal Licensing System (FLS) and discovered that [redacted] possessed a current Type 03 FFL (b)(6) (b)(6). The License Registration Report (LRR) in FLS showed an El Paso, Texas (TX) residence address for [redacted] IOI (b) (6) contacted and spoke to [redacted] at the phone number listed in the LRR. [redacted] stated that he is in the military and is stationed at Fort Bliss in El Paso. He added that he was already in the military and stationed at Fort Bliss when he purchased a rifle from the licensee. He stated that he had presented his NYDL and Permanent Change of Duty Station (PCS) orders from Fort Bliss to Mr. Sparks but Mr. Sparks only recorded [redacted] on the ATF Form 4473 to conduct the sale. The firearm that he purchased [redacted]

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



# FIREARMS INSPECTION REPORT

**Name:** Steffen Dean Sparks  
**Trade Name:** Sparks Firearms

**UI#:** 785055-2016-0013  
**FFL#:** 5-85-013-07-6E-01898

queried in eTrace with negative results. The licensee was cited for having the transferee write his incorrect residence address and State of residence on the form instead of for transferring a rifle to an out-of-state resident in violation of state law since [REDACTED] was considered a resident of the State of TX at the time of purchase and a TX resident can purchase a rifle in the State of NM. On the other form, the transferee:

[REDACTED] wrote an address from the State of New Jersey (NJ) in block 2, as his current residence address and New Jersey as his State of residence in block 13. IOI (b) (6) utilized eTrace and found a multiple handgun sale recorded for [REDACTED]. The multiple sale listed a residence address on Fort Bliss for [REDACTED]. The multiple sale was made at the Fort Bliss Main Exchange. IOI (b) (6) was the lead investigator during an inspection of Fort Bliss Main Exchange in 2013 and is aware that the Exchange only sells firearms to active military or their dependents. IOI (b) (6) then utilized Accurant and found a phone number for [REDACTED]. IOI (b) (6) contacted and spoke to [REDACTED] stated that [REDACTED] military and was stationed at Fort Bliss in El Paso when he purchased a rifle from the licensee. He stated that Mr. Sparks recorded his NJDL on the ATF Form 4473 to conduct the sale. The firearm that he purchased [REDACTED] b3 Public Law 112-55 (125 Stat. 552)

[REDACTED] b3 Public Law 112-55 (125 Stat. 552) with negative results. The licensee was cited for having the transferee write his incorrect residence address and State of residence on the form instead of for transferring a rifle to an out-of-state resident in violation of state law since [REDACTED] was considered a resident of the State of TX at the time of purchase and a TX resident can purchase a rifle in the State of NM. The licensee was cited with violating 27 CFR 478.124(c)(1). See Worksheet 2 – ATF Form 4473 Review (2012 edition), **Exhibit 3**—ATF Forms 4473, and ATF Form 5030.5.

On [REDACTED] b3 Public Law 112-55 (125 Stat. 552) TF Forms 4473, the licensee failed to verify and record proper transferee's identification documents. As in the previous violation, the licensee documented the information on [REDACTED] b3 Public Law 112-55 (125 Stat. 552), (b) (6) NYDL and [REDACTED] b3 Public Law 112-55 (125 Stat. 552), (b) (6) NJDL in block 20a, but failed to obtain and record [REDACTED] information for another valid, government-issued document, showing the their current residence address, in block 20b. Alternate Documentation, in order to satisfy the identification document requirements of the law. In addition, on the [REDACTED] b3 Public Law 112-55 (125 Stat. 552) form for transferee [REDACTED] b3 Public Law 112-55 (125 Stat. 552), (b) (6) the licensee documented the information on [REDACTED] b3 Public Law 112-55 (125 Stat. 552), (b) (6) TXDL but failed to obtain and record the information for another valid, government-issued document, showing the their current residence address, in block 20b. The licensee was cited with violating 27 CFR 478.124(c)(3)(i). See Worksheet 2 – ATF Form 4473 Review (2012 edition), **Exhibit 4**—ATF Forms 4473, and ATF Form 5030.5.

The FFL audit log report reflected a total of 14 NICS responses for the previous 60 days: 13 proceeds and one deny, which were compared to their corresponding ATF Forms 4473 with no discrepancies.

There were <sup>53 Public Law 112-55 (125 Stat. 552)</sup> firearm transfers; or sales, to other licensees. The firearms were properly transferred. There were no sales to a law enforcement officer, utilizing the provisions of 478.134, during the inspection period. A review of the ATF Forms 4473 did not provide any indications of trafficking.

Mr. Sparks stated that he double checks the information in Section A, after the customer completes the ATF Form 4473 and, if errors are found, the customer is to initial and date any corrections made. He stated that he has the customer sign and enter the correct date in Items 16 and 17 under Section A. Mr. Sparks further stated that if the customer does not answer "Yes" to a prohibiting question, and they provide a valid form of identification and if there are no other factors that would prohibit the transfer of a firearm, he completes Section B and contacts NICS. If a "Proceed" response is received from NICS, Mr. Sparks stated that he completes Section D and makes the sale. He compares the firearm information in the ATF Form 4473 to that in the A&D book.

#### **6 - Multiple Sales**

There were no Multiple Handgun Sale Reports, ATF Form 3310.4, submitted during the inspection period nor were any unreported multiple handgun sales identified.

The licensee possesses a Type 07 Federal Firearms License (FFL), Manufacturer of Firearms; therefore, they are exempt from submitting Multiple Sale or Other Disposition of Certain Rifles Reports, ATF Form 3310.12.

IOI <sup>53 Public Law 112-55 (125 Stat. 552)</sup> (b) (6) erroneously cited the licensee with violating 18 USC 923(g)(5)(A) for failure to timely or correctly report the sale of two or more semi-automatic rifles, larger than .22 caliber with the ability to accept detachable magazines, on the same day or within five consecutive business days of <sup>53 Public Law 112-55 (125 Stat. 552)</sup> instances. IOI <sup>53 Public Law 112-55 (125 Stat. 552)</sup> (b) (6) completed an Amended ROV, as the aforesaid violation was removed, and Mr. Sparks was provided with a copy.

#### **7 - Suspicious/Prohibited Purchasers**

No suspicious purchasers were noted. However, a purchaser <sup>53 Public Law 112-55 (125 Stat. 552), (b) (6)</sup> that marked the box for "No," for question 11.a. "Are you the actual transferee/buyer of the firearm(s) listed on this form?" was run in NCIC. He had no criminal history nor was he wanted on a criminal warrant. In addition, Mr. Sparks and Mr. Doss were run in NCIC for a total of <sup>53 Public Law 112-55 (125 Stat. 552)</sup> individuals queried for this inspection.

#### **8 - Trace Activity**

The Violent Crime Analysis Branch provided an FFL Master Query reflecting no traces during the period examined. There were no traces out of the Republic of Mexico associated with this licensee.



The licensee does not deal in used firearms; therefore, no Secondary Market Information was obtained from the licensee's records. No firearms were queried for this inspection.

#### **9 - NFA/Importer/Collector/Manufacturer**

The licensee manufactured (b)(3)-(1)(2) firearms since obtaining their FFL on 4/9/2013. However, the licensee failed to properly mark the manufactured firearms per 27 CFR 479.102. The licensee was cited with violating 27 CFR 478.92(a)(1)(ii)(C) and 27 CFR 478.92(a)(1)(ii)(D). Copies of the pages (**Exhibit 5**) from the licensee's A&D book that reflect the (b)(3)-(1)(2) manufactured firearms were obtained. The entries for the (b)(3)-(1)(2) manufactured firearms are encircled in red. Of the (b)(3)-(1)(2) firearms manufactured and transferred by the licensee, four (**Exhibit 6**) remained in inventory. These (b)(3)-(1)(2) firearms were not marked with the licensee's name, city and State of manufacture. Since they were not properly marked, Mr. Sparks stripped the firearms to their lower receiver component and returned the receivers to his inventory. Mr. Sparks stated that he thought that manufacturing was machining the lower receiver then completing a firearm from the machined receiver and not just snapping a lower receiver to a stripped upper receiver.

Steffen Sparks informed IOI (b)(6) that he knew which receivers he had manufactured into firearms because he would record them as a rifle or pistol on the ATF Forms 4473 when he transferred them to customers. To determine which receivers had been manufactured into rifles or pistols, Mr. Sparks reviewed all of his ATF Forms 4473 and told IOI (b)(6) whether it had been manufactured into a rifle or pistol. IOI (b)(6) then wrote the type of firearm manufactured from the receiver by writing "RIFLE" above "Receiver" in the TYPE column, or above the serial number in the SERIAL NUMBER column or above the caliber in the CALIBER OR GAUGE column of the licensee's A&D book.

The licensee possessed a bound book in which the necessary information required for manufactured firearms could be documented; however, the licensee failed to do so. IOI (b)(6) educated Steffen Sparks and James Doss on the proper way to document acquisition and disposition information, concerning the manufacturing of firearms, into their A&D book. However, the licensee failed to do so since Mr. Sparks would enter the description of a receiver that he acquired then transfer it as the same receiver instead of a manufactured rifle or pistol. IOI (b)(6) discussed and educated Steffen Sparks and James Doss on the proper way to document acquisition and disposition information, concerning the manufacturing of firearms, into their A&D book by recording the description of the receiver as an acquisition, then disposing of the receiver to the licensee and entering the description of the manufactured firearm as an acquisition in a second line entry in their A&D book and then transferring the manufactured firearm to its respective transferee on the disposition side of the same line entry.

The licensee submitted ATF Form 5300.11, Annual Firearms Manufacturing Report. They provided copies of the reports for 2013 through 2015 (**Exhibit 7**). (b)(6) of Enforcement Programs & Services (EPS) also provided historical reports for the same time span (**Exhibit 7**). No tax payments were required of the licensee as they have not manufactured 50 or more firearms during any one year.

During this inspection, IOI (b)(6) informed Mr. Sparks of the requirement where all manufacturers must register with ITAR (International Traffic in Arms Regulations). IOI (b)(6) provided him with a contact information sheet for the Directorate of Defense Trade Controls (DDTC), as well as pages 496 through 500 and 463 through 472 of 22 CFR Ch. I (4-1-13 Edition).

Sparks Firearms does not deal in any National Firearms Act (NFA) items. The licensee does not collect Curio and Relic firearms, nor does the licensee import firearms.

#### **10 - Referrals**

No referrals were generated as a result of this inspection.

#### **11 - Other**

Steffen Sparks is aware that the Youth Handgun Safety Act pamphlet must be provided with each handgun transfer and that he needs to provide a locking device.

It should be noted that Mr. Sparks is seriously considering allowing this FFL (5-85-01898) to expire on 5/1/2016 due to the requirement where all manufacturers must register with ITAR. Mr. Sparks stated that he cannot afford the yearly fee required by the DDTC. He added that he would no longer manufacture firearms and would apply for a Type 01, Dealer in Firearms, license which does not require registration with ITAR. IOI (b)(6) informed Mr. Sparks on how to apply for a Type 01 license as well as what he would need to do with his records (ATF Forms 4473 and A&D book).

Steffen Dean Sparks, owner and RP, was queried in NForce to determine if he is or has been part of a criminal investigation with negative results. He was queried in OpenFox.

(b)(6)

James Robert Doss, manager and RP, was queried in NForce to determine if he is or has been part of a criminal investigation with negative results. He was queried in OpenFox. He had no criminal history. He was queried in Accurint and his current residence address was verified. Mr. Sparks was queried in the NM courts website with negative results. Lastly, he was queried in the NMCD website to determine if he had been sentenced and incarcerated; or on probation, with negative results.

## **12 - Closing Actions**

A closing conference was held on 2/29/2016 with Steffen Dean Sparks, owner and RP. IOI (b) (6) discussed each topic on the Acknowledgement of Federal Firearms Regulations form with Mr. Sparks and Mr. Sparks and IOI (b) (6) signed the acknowledgment and retained originals (**Exhibit 8**).

Mr. Sparks was advised of the findings and required corrective action of the inspection and on 2/29/2016, he reviewed the Report of Violations (ROV), ATF Form 5030.5 (**see ROV**) with IOI (b) (6). Mr. Sparks provided responses to the violations and signed and dated the form. A ROV was provided for his records and he was advised that if he had any other questions or concerns at a later date that he should contact the ATF mainline number.

On 3/4/2016, Mr. Sparks was provided with an Amended ROV as violation 1 was removed. Mr. Sparks signed and dated the form and was provided with a copy for his records.

## **13 - Violations**

### **1. 27 CFR 478.92(a)(1)(ii)(C)**

**Nature of Violation:** Failure to place the required certain additional information markings on manufactured firearms in a conspicuous place; specifically, the licensed manufacturer's name.

**Licensee's Response:** I didn't know. I was not told. Now I know to mark them with my manufacturer's name and the city and State. I was under the idea that manufacturing was machining a lower and not just snapping a lower receiver to a stripped upper receiver.

**Corrective Action:** The licensee shall ensure that the proper markings are placed on manufactured firearms.

**Reference:** Report of Violations, violation no. 1  
Exhibits 5 and 6



## FIREARMS INSPECTION REPORT

**Name:** Steffen Dean Sparks  
**Trade Name:** Sparks Firearms

**UI#:** 785055-2016-0013  
**FFL#:** 5-85-013-07-6E-01898

2. **27 CFR 478.92(a)(1)(ii)(D)**

**Nature of Violation:** Failure to place the required certain additional information markings on <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> manufactured firearms in a conspicuous place; specifically, the licensed manufacturer's city and State.

**Licensee's Response:** My response to this violation is the same response that I gave for Violation 2.

**Corrective Action:** The licensee shall ensure that the proper markings are placed on manufactured firearms.

**Reference:** Report of Violations, violation no. 2  
Exhibits 5 and 6

3. **27 CFR 478.21(a)**

**Nature of Violation:** Failure to furnish or obtain all information as required by headings and instructions on one ATF Form 4473. I <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> instance, the transferee marked the box for "No," for question 11.a. "Are you the actual transferee/buyer of the firearm(s) listed on this form?" The transferee, <sup>b3 Public Law 112-55 (125 Stat. 552); (b) (6)</sup> was run in NCIC. He had no criminal history. The <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> firearms that he purchased <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> were queried in eTrace with negative results.

**Licensee's Response:** I'm good at reviewing these. This was completely my fault. I kick myself for this one.

**Corrective Action:** Licensee was instructed for all future transactions make sure each ATF Form 4473 has been properly completed before transferring the firearm(s) to the transferee.

**Reference:** Report of Violations, violation no. 3  
Worksheet 2 – ATF Forms 4473(2012 edition) Review Worksheet  
Exhibit 2

4. **27 CFR 478.124(c)(1)**

**Nature of Violation:** Failure to obtain and record all required transferee information on <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> ATF Forms 4473. I <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> instances, the transferee wrote the incorrect current residence address in block 2. In <sup>b3 Public Law 112-55 (125 Stat. 552)</sup> instances, the transferee wrote their incorrect State of residence in block 13. IOI <sup>(b) (6)</sup> conducted queries on both transferees and established that both of them were active military stationed at Fort Bliss, TX (a military compound) at the time that they purchased rifles from the licensee. Upon presentation

of PCS Orders from Fort Bliss, the transferees are considered residents of TX and residents of TX can purchase long guns in NM.

**Licensee's Response:** I wasn't aware of the information that I needed to document if the customer is a member of the military. This is why I accepted their out of State licenses and sold the guns to them.

**Corrective Action:** Licensee was instructed that for all future transactions always review the ATF Form 4473 before transferring a firearm to make sure that all of the required information is provided and correctly completed.

**Reference:** Report of Violations, violation no. 4  
Worksheet 2 – ATF Forms 4473(2012 edition) Review Worksheet  
Exhibit 3

5. **27 CFR 478.124(c)(3)(i)**

**Nature of Violation:** Failure to verify and record proper transferee's identification documents of <sup>53 Public Law 112-55 (125 Stat. 552)</sup> TF Forms 4473. In <sup>53 Public Law 112-55 (125 Stat. 552)</sup> instances, the licensee failed to obtain and record the information for another valid, government-issued document, showing the transferee's current residence address, in block 20b. Alternate Documentation, in order to satisfy the identification document requirements of the law. IOI <sup>53 Public Law 112-55 (125 Stat. 552)</sup> (b) (6) conducted queries of <sup>53 Public Law 112-55 (125 Stat. 552)</sup> of the transferees, as the licensee documented information from their NYDL and NJDL, respectively. IOI <sup>53 Public Law 112-55 (125 Stat. 552)</sup> (b) (6) established that both of them were active military stationed at Fort Bliss, TX (a military compound) at the time that they purchased rifles from the licensee. Therefore, the licensee should have documented the information from their PCS Orders as alternate documentation. The licensee documented information from the <sup>53 Public Law 112-55 (125 Stat. 552)</sup> transferee's TXDL but failed to obtain and record the information for another valid, government-issued document, showing his current residence address, in block 20b.

**Licensee's Response:** I wasn't aware of writing alternate government documentation to show a current address.

**Corrective Action:** Licensee was instructed for all future transactions always obtain valid, alternate government-issued identification documents issued to the transferee before transferring a firearm if their driver's license, or other identification document, does not show their current residence address.

**Reference:** Report of Violations, violation no. 5  
Worksheet 2 – ATF Forms 4473(2012 edition) Review Worksheet  
Exhibit 4

# FIREARMS INSPECTION REPORT

**Name:** Steffen Dean Sparks  
**Trade Name:** Sparks Firearms

**UI#:** 785055-2016-0013  
**FFL#:** 5-85-013-07-6E-01898

X

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Industry Operations Investigator

## **Index of Worksheets & Exhibits**

### **Worksheets:**

Informational Page  
1. Inventory, A&D  
2. 4473 (2012 edition)  
Other Statistics

### **Exhibits:**

1. Copy of Statement from RP James Doss allowing RP Steffen Sparks to sell Firearms from the premises
2. ATF Form 4473 associated with Violation #3
3. ATF Forms 4473 associated with Violation #4
4. ATF Forms 4473 associated with Violation #5
5. Copies of Pages from A&D Book Reflecting 111 Firearms Manufactured by the Licensee
6. Photographs of Four Manufactured Firearms in Inventory and the Firearms stripped to their Lower Receiver Component
7. ATF Forms 5300.11, Annual Firearms Manufacturing Reports (2013-2015), E-Mail from (b) (6) Memorandum from (b) (6) Program Analyst, and Historical Reports (Individual Manufactur
8. Signed Acknowledgement of Federal Firearms Regulations