

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) KRESTA, RICHARD DOUBLE R FIREARMS 1960 STATE HWY 111 S EDNA, TX 77957, JACKSON	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">782110-2016-0082-B1B</p> 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS <p style="text-align: center;">574239017F07091</p> 5. REQUESTED BY (SIGNATURE, TITLE AND DATE)
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6. ATF OFFICER(S) ASSIGNED
(b)(6) - Assigned Investigator
(b)(6) - Lead Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Area Supervisor, 10/02/2015

8. PURPOSE/SPECIAL INSTRUCTIONS

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

11. ATF OFFICER'S RECOMMENDATION
 Submitted by **(b)(6)** - Industry Operations Investigator
 Submitted on: 02/12/2016

Viols WL ONLY and Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
JAN 2016	28.00		
FEB 2016	1.00		
ATF OFFICER'S SUBTOTAL	29.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
JAN 2016	30.00		
FEB 2016	18.00		
ATF OFFICER'S SUBTOTAL	48.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	77.00		

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) KRESTA, RICHARD DOUBLE R FIREARMS 1960 STATE HWY 111 S EDNA, TX 77957, JACKSON	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782110-2016-0082-B1B		
	3. PERMIT/LICENSE NUMBER 574239017F07091	4a. TARGET DATE	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
Viols WL ONLY and Recall Inspection

REVIEWED CONCUR SEE COMMENTS FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor	(b)(6) <small>Digitally signed by (b)(6) DN: cn = Edward D Savodra Jr c = ATF, ou = McAllen e mail = (b)(6) c US Date: 2016.02.22 13:52:18 -0500</small>	REVIEW DATE 02/22/2016
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ROUTING SEQUENCE AND DATE

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

CONTROL FILE POSTED DATE _____

Report of Violations

Instructions

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

Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 1 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

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 obtain a properly completed ATF Form 4473, Section A, prior to making an over-the-counter transfer of a firearm to a non-licensee on ^{(b)(3)} ATF Forms 4473:

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



Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm to a non-licensee. In the future, the licensee will ensure that all sections on ATF Forms 4473 are properly completed prior to transferring a firearm to a non-licensee.

Report of Violations

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Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 2 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

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 (b)(6)



Citation: 27 CFR 478.124(c)(1)

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 KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 3 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

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 verify the identity of the transferee and note on the ATF Form 4473 the type of identification used on  ATF Forms 4473:

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



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)

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm(s) to a non-licensee. The licensee was instructed to verify the identity of the transferee prior to every firearm transaction and to record the Type of Identification used, as well as the correct Number and Identification Expiration Date.

Report of Violations

Instructions

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Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 4 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091		Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016			

Inspection Results

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

Number: 3

Nature of Violation:

Failure to prepare and submit a report of multiple sales or other disposition (ATF Form 3310.4) whenever the licensee sells or otherwise disposes of two or more pistols or revolvers, or any combination of pistols or revolvers, totaling two or more to an unlicensed person at one time or during any five consecutive business days in [REDACTED] instance:

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

Citation: 27 CFR 478.126a

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee immediately submitted a Report of Multiple Sales or Other Disposition of Pistols and Revolvers (ATF Form 3310.4) to the National Tracing Center. The licensee was instructed of his responsibility to submit ATF Form 3310.4 whenever the licensee sells or otherwise disposes of two or more pistols or revolvers, or any combination of pistols or revolvers totaling two or more to an unlicensed person at one time or during any five consecutive business days.

Number: 4

Nature of Violation:

Failure to comply with the requirements of Sec. 478.102 and record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any responses or identification number provided by the system on [REDACTED] ATF Form 4473:

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

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)

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm to a non-licensee. The licensee was instructed of his responsibility to record the date on which the licensee contacted NICS, as well as any response provided by the system, including any identification number provided.

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 KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 5 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091		Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016			

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 correctly identify the firearm to be transferred by listing the manufacturer, model, serial number and caliber or gauge of the firearm on ^{(b)(3)} ATF Form 4473:

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

Citation: 27 CFR 478.124(c)(4)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee corrected the discrepancies on a copy of the ATF Form 4473 and initialed and dated the correction. In the future, the licensee will ensure that all applicable firearm information is recorded on the ATF Form 4473 prior to making a transfer.

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 KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 6 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

Inspection Results

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

Number: 6

Nature of Violation:

Failure to timely and/or correctly record the required acquisition entries in the A&D record in **(b)(3)** instances:

The licensee failed to enter the correct or complete model for the following firearms:

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

The licensee failed to enter the correct type for the following firearm:

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

The licensee failed to enter the correct or complete manufacturer and/or importer for the following firearms:

(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)

The licensee entered the correct information in the A & D record. The licensee was instructed of his responsibility to ensure that information entered is complete and accurate.

Report of Violations

Instructions

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Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 7 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

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 478.125(e)

Number: 7

Nature of Violation:

Failure to refrain from selling or otherwise disposing of a firearm to a person known or suspected to be prohibited in **(b)(3)** instance:

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

Citation: 27 CFR 478.99(c)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was instructed of his responsibility not to sell or otherwise dispose of any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is prohibited. The licensee was instructed to thoroughly review all ATF Forms 4473 prior to all firearms transfers.

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 KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 8 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

Inspection Results

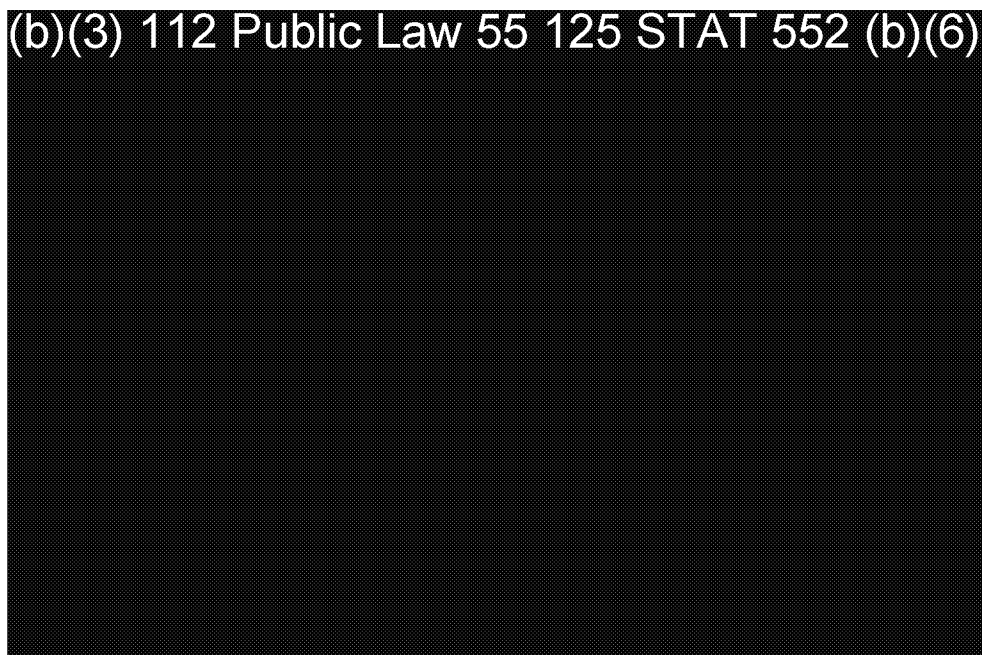
An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number: 8

Nature of Violation:

Failure to obtain and/or furnish all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to it on  ATF Forms 4473:

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



Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm(s) to a non-licensee. The licensee was instructed of his responsibility to record all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to it.

Report of Violations

Instructions

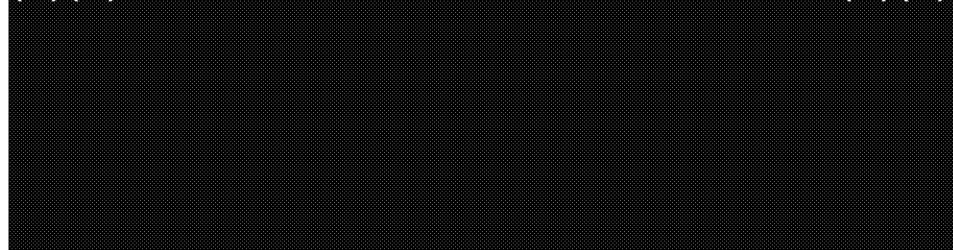
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Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 9 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091		Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016			

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 (b)(6)



Citation: 27 CFR 478.21(a)

Report of Violations

Instructions

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Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 10 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

Inspection Results

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

Number: 9

Nature of Violation:

Failure to sign and/or date the ATF Form 4473 when the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm on  ATF Forms 4473:

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



Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was instructed of his responsibility to review executed ATF F 4473 for completeness and accuracy before completing the transfer of a firearm to a non-licensee.

Report of Violations

Instructions

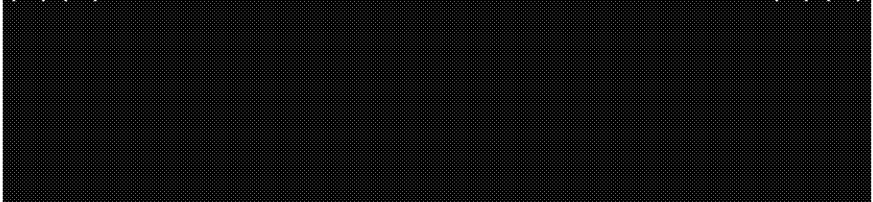
Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach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

Name of Proprietor KRESTA, RICHARD DOUBLE R FIREARMS	Street Address 1960 STATE HWY 111 S	City EDNA	State TX	Zip Code 77957-	County JACKSON	Page 11 of 11 Pages
License/Permit/Registry Number <i>(If any)</i> 574239017F07091	Expiration Date 6/1/2017	Date(s) or Period of Inspection 01/25/2016 through 01/29/2016				

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 (b)(6)



Citation: 27 CFR 478.124(c)(5)

I Have Received a Copy of This Report of Violations <i>(Proprietor's signature and title)</i>	Date
Signature and Title of ATF Officer	Date



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

McAllen II Field Office

FEB 22 2016

McAllen, TX 78504

www.atf.gov

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

782110: (b)(6)
1000

Richard Kresta
d/b/a Double R Firearms
1960 State Hwy 111S
Edna, TX 77957

REF: 5-74-239-01-7F-07091

Dear Mr. Kresta:

During a recent compliance inspection at your firearms business covering the period of December 29, 2014 to December 28, 2015 you were cited for violations of 27 Code of Federal Regulations, Part 48. 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) IO Investigator(s). You indicated that you understood the requirements of the firearms laws and regulations. You further indicated 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 effort 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.

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.

000 00 000

Richard Kresta

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

Sincerely yours,

(b)(6)

Area Supervisor, McAllen II

Enclosure

c: National Firearms Licensing Center
McAllen II Area Office

[Faint, illegible handwritten text]

FIREARMS INSPECTION REPORT

Name: Kresta, Richard
Trade Name: Double R Firearms

UI#: 782110-2016-0082 B1B
FFL#: 5-74-239-01-7F-07091

Address: 1960 State Hwy 111 S
Edna, TX 77957 Jackson County

1 - Introduction

Inspection Profile:

On January 25, 2016, Industry Operations Investigators (b)(6) and (b)(6) began conducting a Southwest Border DE firearms compliance inspection at the business premises of Richard Kresta d/b/a Double R Firearms. Double R Firearms operates as a Type 01, Dealer in Firearms Other Than Destructive Devices, Federal Firearms Licensee. The inspection was conducted with the assistance of Owner Richard Kresta and Sales Clerk (b)(6). The period of inspection was from January 26, 2015 through January 26, 2016. The inspection began on January 25, 2016 and was completed on January 29, 2016, when the closing conference was held and corrections to records were verified. Richard Kresta was identified by his Texas Driver License, showing TX DL (b)(6) and a DOB of (b)(6) (**Exhibit 1**). No other Federal, State, or local agencies participated in the inspection. Advanced notification was not provided prior to the inspection.

Business Profile:

Double R Firearms conducts business from a commercial storefront located in a rural area of Edna, TX. Richard Kresta also operates (b)(6). A Jackson County Central Appraisal District query indicates the property is owned by Richard and Rhonda Kresta (**Exhibit 2**). Jackson County Sheriff A.J. Louderback verified that the location is outside of city limits and that there are no zoning ordinances within Jackson county. Double R Firearms sells both new and used long guns and handguns. Mr. Kresta estimates that (b)(4) of the firearms he deals in are new and (b)(4) are used. Primary suppliers include (b)(4). Customers consist of the general public. Mr. Kresta stated that the business does not conduct internet sales. During the period of the inspection, the licensee acquired (b)(4) firearms and disposed of (b)(4) firearms. Double R Firearms also offers scope mounting and bore sighting services. The licensee does not participate in gun shows. There is no offsite storage of firearms. Double R Firearms has submitted a new application for a change in business structure from a sole proprietorship to a LLC. Double R Firearms also holds a (63) NFA Firearms Dealer Special Tax Stamp. No additional licenses are held with ATF. Double R Firearms has held its Federal Firearms License since 05/02/2014. Investigator (b)(6) explained ATF's right of entry to Richard Kresta.

FIREARMS INSPECTION REPORT

Name: Kresta, Richard
Trade Name: Double R Firearms

UI#: 782110-2016-0082 B1B
FFL#: 5-74-239-01-7F-07091

Ownership and Control:

Double R Firearms began operations as a sole proprietorship. However, paperwork was filed with the Secretary of State on 10/03/2014 to change the business structure to an LLC. Richard Kresta was advised to submit an Application for an Amended Federal Firearms License due to the change in business structure.

A query with the TX Comptroller of Public Accounts shows that Double R Firearms has an active TX Sales and Use Tax, showing taxpayer number (b)(3) - 26 USC 6103 (Exhibit 3). A copy of the Assumed Name Certificate was obtained (Exhibit 4). Richard Kresta is listed as the sole responsible person on the license. A criminal history query was conducted for Mr. Kresta and no prohibiting factors were disclosed. No hidden ownership is suspected.

Variance:

No variances were on file for Double R Firearms. No variances were requested at the time of inspection.

2 - Recommendation

Viols WL ONLY and Recall Inspection

3 - Inspection History

Date of Inspection: 04/22/2014
Type of Inspection: Firearms Qualification Inspection
UI#: 782110-2014-0294 B1B
Inspection Results: Application Approved
Cited Violations: None

FIREARMS INSPECTION REPORT

Name: Kresta, Richard
Trade Name: Double R Firearms

UI#: 782110-2016-0082 B1B
FFL#: 5-74-239-01-7F-07091

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

A full inventory was conducted by Investigators (b)(6). At the time of the inspection, there were 121 firearms in inventory and (b)(3)-112 open entries in the A&D Record. The Acquisition and Disposition Record was reviewed for accuracy and completeness. Various discrepancies were discovered within the required acquisition information recorded in the Acquisition and Disposition Record. Discrepancies were corrected as appropriate. The following violation was cited:

27 CFR 478.125(e)-15 instances (ROV 4, WS 1, Exhibit 5)

Double R Firearms was not associated with any firearms trace requests in the past twelve months. No thefts or losses were reported during the inspection period, and no thefts or losses were discovered throughout the inspection. No illegal firearms or firearms with obliterated serial numbers were discovered. Richard Kresta stated that he has not been conducting a firearms inventory. Investigator (b)(6) suggested that he begin conducting a firearms inventory on a routine basis to ensure that no firearms have been lost or stolen and to ensure that information has been accurately recorded in the Acquisition and Disposition Record. (b)(4)

5 - ATF Forms 4473 – NICS & Other Dispositions

A total of (b)(3)-1 ATF Forms 4473 were on file for the inspection period. Forms are filed chronologically by date. Investigators (b)(6) reviewed all ATF Forms 4473 on file. Various discrepancies were disclosed. The following violations were cited:

- 27 CFR 478.124(c)(1)-(b)(3) ATF Forms 4473 (ROV 1 , WS 2 , Exhibit 6)
- 27 CFR 478.124(c)(3)(i)-(b)(3) ATF Forms 4473 (ROV 2, WS 2, Exhibit 6)
- 27 CFR 478.124(c)(3)(iv)-(b)(3) ATF Form 4473 (ROV 4, WS 2, Exhibit 6)
- 27 CFR 478.124(c)(4)-(b)(3) ATF Form 4473 (ROV 5, WS 2, Exhibit 6)
- 27 CFR 478.21(a)-(b)(3)-112 ATF Forms 4473 (ROV 8 , WS 2, Exhibit 6)
- 27 CFR 478.124(c)(5)-(b)(3)-112 ATF Forms 4473 (ROV 9, WS 2, Exhibit 6)

The FFL Audit Report showed a total of 54 NICS transactions. There were 54 proceed responses from NICS from November 16, 2015 through January 15, 2016. There were no denied transactions. No discrepancies were discovered.

No transfers to law enforcement officers were noted during the inspection period. Richard Kresta stated that (b)(6) is responsible for completing ATF Forms 4473. He stated that they did not have any type of review process for ATF Forms 4473. Mr. Kresta now plans to implement a review process immediately in which at least two employees are reviewing ATF Forms 4473 on a weekly basis.

FIREARMS INSPECTION REPORT

Name: Kresta, Richard
Trade Name: Double R Firearms

UI#: 782110-2016-0082 B1B
FFL#: 5-74-239-01-7F-07091

6 - Multiple Sales

An eTrace FFL history query showed no reports of multiple sales by Double R Firearms throughout the inspection period. At the time of the inspection, Investigator (b)(6) discovered (b)(3)-11 unreported multiple sale involving (b)(3)-11 pistols. The following violation was cited:

27 CFR 478.126a-(b) instance (ROV 3 , WS 2, Exhibit 6)

The licensee was instructed to immediately complete and submit an ATF Form 3310.4 Report of Multiple Sales or Other Disposition of Pistols and Revolvers to the National Tracing Center to report the multiple sale.

7 - Suspicious/Prohibited Purchasers

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

The response received from NICS was "proceed". A subsequent CHC query disclosed no prohibiting factors. The following violation was cited:

27 CFR 478.99(c)-(b) ATF Form 4473 (ROV 7, WS 2, Exhibit 6)

8 - Trace Activity

Double R Firearms was not associated with any trace requests during the inspection period.

9 - NFA/Importer/Collector/Manufacturer

Double R Firearms holds a Type 63 NFA Firearms Dealer Special Tax Stamp (SOT) showing Control # (b)(3) - 26 USC 6103. The Special Tax Stamp is for the period from 07/01/2015 through 06/30/2016 (Exhibit 7). Investigator (b)(6) obtained a copy of the licensee's National Firearm Registration and Transfer Record (NFRTR) prior to the inspection. All firearms listed on the NFRTR are currently in inventory. (b)(3) - 26 USC 6103

(b)(6) was also identified in inventory but was not listed on the NFRTR. However, the licensee had a copy of the ATF Form 3 (Application for Tax-Exempt Transfer of Firearm & Registration to Special Occupational Taxpayer) that had been submitted and approved on 09/26/2015. Investigator (b)(6) noted the discrepancy on the NFA Inventory Discrepancies

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Firearms Inspection Worknote and submitted the document via email to the NFA Branch.

10 - Referrals

No referrals were generated as a result of the inspection.

11 - Other

Richard Kresta was instructed to ensure that firearms in inventory are logged out of his A&D record and logged into inventory under his new license once the new license is received. Mr. Kresta holds a SOT for a Type 63, NFA Firearms Dealer under his sole proprietorship. Mr. Kresta was instructed to apply for a new SOT under his new business structure. Mr. Kresta was advised to ensure that NFA forms are submitted for approval after he receives his new SOT so that current NFA inventory can be transferred to his new license under his LLC. He was instructed to mail records associated with his original license to National Tracing Center Out of Business Records Repository (NTC, OBRR) after all firearms in inventory have been transferred over to the new license.

12 - Closing Actions

On January 29, 2015, Investigators (b)(6) held a closing conference with Owner Richard Kresta and Sales Clerk (b)(6) to discuss the inspection results and to review the ATF E-Form 5030.5 Report of Violations. Corrections to the Acquisition and Disposition Record and ATF Forms 4473 were also verified by Investigators (b)(6) at this time. The ATF E-Form 5030.5 Report of Violations was signed and dated by Richard Kresta and he was given a copy for his records. Mr. Kresta and (b)(6) were given the opportunity to ask questions and address any concerns. Investigator (b)(6) reiterated the importance of ensuring that ATF Forms 4473 are properly completed and reviewed for accuracy prior to firearm transfers to ensure future compliance, and to ensure that required information is accurately recorded in the Acquisition and Disposition Record. Investigator (b)(6) also emphasized the importance of submitting multiple sale reports when required. Investigators (b)(6) reviewed the Acknowledgement of Federal Firearms Regulations with Richard Kresta and (b)(6) (Exhibit 8). Mr. Kresta was provided a copy for his records. Mr. Kresta read and understood that the Acknowledgement of Federal Firearms Regulations was only a general overview of the regulations and that they would be responsible for familiarizing himself with all of the laws and regulations governing the licensed firearms business. Investigator (b)(6) advised Mr. Kresta that the 2014 edition of the Federal Firearms Regulations Reference

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Guide (ATF P 5300.4) is available on the ATF website. The following reference material was provided:

*ATF Form 3310.11-Federal Firearms Licensee Firearms Inventory Theft/Loss Report

*ATF Form 3310.4-Report of Multiple Sale or Other Disposition of Pistols and Revolvers


*ATF Form 3310.12-Report of Multiple Sale or Other Disposition of Certain Rifles

*Youth Handgun Safety Act-Poster and Pamphlet

13 - Violations

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

Nature of Violation:

Failure to obtain a properly completed ATF Form 4473, Section A, prior to making an over-the-counter transfer of a firearm to a non-licensee on  ATF Forms 4473:

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



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

Licensee's Response:


Mr. Kresta stated that he had a misunderstanding of how ATF Forms 4473 should be completed. He stated that they had not received sufficient training in this area and that not enough time was spent during the qualification inspection reviewing proper completion of the ATF Form 4473. Mr. Kresta further stated that he will implement a system in which the forms are checked by at least two employees prior to transfers, as well as a weekly review process to ensure that forms are completed accurately.

Corrective Action:

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm to a non-licensee. In the future, the licensee will ensure that all sections on ATF Forms 4473 are properly completed prior to transferring a firearm to a non-licensee.

2. **27 CFR 478.124(c)(3)(i)**

Nature of Violation:

Failure to verify the identity of the transferee and note on the ATF Form 4473 the type of identification used on  ATF Forms 4473:

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

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Licensee's Response:

Ms. Belicek stated that she is often in a rush and had not been taking the time to ensure that identification information recorded on the ATF Form 4473 was accurate. Mr. Kresta stated that she will have to slow down in that future to ensure that all information is recorded accurately and completely.

Corrective Action:

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm(s) to a non-licensee. The licensee was instructed to verify the identity of the transferee prior to every firearm transaction and to record the Type of Identification used, as well as the Number and Identification Expiration Date.

3. **27 CFR 478.126a**

Nature of Violation:

Failure to prepare and submit a report of multiple sales or other disposition (ATF Form 3310.4) whenever the licensee sells or otherwise disposes of two or more pistols or revolvers, or any combination of pistols or revolvers, totaling two or more to an unlicensed person at one time or during any five consecutive business days in [REDACTED] instance:

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

Licensee's Response:

Mr. Kresta and (b)(6) stated that they were under the belief that the multiple sale reporting requirement only pertained when three or more pistols or revolvers were transferred.

Corrective Action:

The licensee immediately submitted a Report of Multiple Sales or Other Disposition of Pistols and Revolvers (ATF Form 3310.4) to the National Tracing Center. The licensee was instructed of its responsibility to submit ATF Form 3310.4 whenever the licensee sells or otherwise disposes of two or more pistols or revolvers, or any combination of pistols or revolvers totaling two or more to an unlicensed person at one time or during any five consecutive business days.

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

Nature of Violation:

Failure to comply with the requirements of Sec. 478.102 and record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any responses or identification number provided by the system on (b)(3) - 112 Public Law Form 4473:

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

Licensee's Response:

(b)(6) stated that this particular ATF Form 4473 was completed by her husband. She stated she did not have a chance to finish completing the ATF Form 4473 on the previous Friday before the compliance inspection began because her daughter was sick and she had to leave work. She stated that she had planned to finish completing the form first thing the following Monday morning but did not have a chance to before the compliance inspection began. **(b)(6)** stated that the NICS background check had been completed but she did not have a chance to record the information on the form.

Corrective Action:

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness and accuracy before completing the transfer of a firearm to a non-licensee. The licensee was instructed of his responsibility to record the date on which the licensee contacted NICS, as well as any response provided by the system, including any identification number provided.

5. **27 CFR 478.124(c)(4)**

Nature of Violation:

Failure to correctly identify the firearm to be transferred by listing the manufacturer, model, serial number and caliber or gauge of the firearm (b)(3) - 112 Public ATF Form 4473:

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

Licensee's Response:

(b)(6) stated that this particular ATF Form 4473 was completed by her husband. She stated she did not have a chance to finish completing the ATF Form 4473 on the previous Friday before the compliance inspection began because her daughter was sick and she had to leave work. She stated that she had planned to finish completing the form first thing the following Monday morning but did not have a chance to before the compliance inspection began.

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Corrective Action:

The licensee corrected the discrepancies on a copy of the ATF Form 4473 and initialed and dated the correction. In the future, the licensee will ensure that all applicable firearm information is recorded on the ATF Form 4473 prior to making a transfer.

6. **27 CFR 478.125(e)**

Nature of Violation:

Failure to timely and/or correctly record the required acquisition entries in the A&D record in (b)(3) instances:

The licensee failed to enter the correct or complete model for the following firearms:

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



The licensee failed to enter the correct type for the following firearm:

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

The licensee failed to enter the correct or complete manufacturer and/or importer for the following firearms:

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



Licensee's Response:

Mr. Kresta and (b)(6) stated that they have been recording information based on what was recorded on the invoice rather than the actual information located on the firearm. Mr. Kresta stated that in the future they will record only the information on the firearm itself.

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Corrective Action:

The licensee entered the correct information in the A & D record. The licensee was instructed of its responsibility to ensure that information entered is complete and accurate.

7. **27 CFR 478.99(c)**

Nature of Violation:

Failure to refrain from selling or otherwise disposing of a firearm to a person known or suspected to be prohibited in ^{(b)(3) - 112 Public} instance:

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

Licensee's Response:

Mr. Kresta stated that this discrepancy occurred as an oversight from not reviewing ATF Forms 4473 carefully enough.

Corrective Action:

The licensee was instructed of their responsibility not to sell or otherwise dispose of any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is prohibited. The licensee was instructed to thoroughly review all ATF Forms 4473 prior to all firearms transfers.

8. **27 CFR 478.21(a)**

Nature of Violation:

Failure to obtain and/or furnish all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to it or ^{(b)(3) - 112 Pub}
ATF Forms 4473:

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

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



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



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

Licensee's Response:

Mr. Kresta stated that he had a misunderstanding of how ATF Forms 4473 should be completed. He stated that they had not received sufficient training in this area and that not enough time was spent during the qualification inspection reviewing proper completion of the ATF Form 4473. (b)(6) stated that she thought that questions #33-36 on ATF Forms 4473 were only to be completed for denied/cancelled transactions and referenced the instructions on the form. She stated that she thought that questions #31 and 32 were only to be completed for multiple sale transactions and referenced the instructions on the form. Mr. Kresta further stated that he will implement a system in which the forms are checked by at least two employees prior to transfers, as well as a weekly review process to ensure that forms are completed accurately.

Corrective Action:

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness, accuracy and correctness before completing the transfer of a firearm(s) to a non-licensee.

9. **27 CFR 478.124(c)(5)**

Nature of Violation:

Failure to sign and/or date the ATF Form 4473 when the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm on (b)(3) - 112 Pub ATF Forms 4473:

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

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Licensee's Response:

Mr. Kresta stated that he had a misunderstanding of how ATF Forms 4473 should be completed. He stated that they had not received sufficient training in this area and that not enough time was spent during the qualification inspection reviewing proper completion of the ATF Form 4473. (b)(6) stated that she thought that questions #33-36 on ATF Forms 4473 were only to be completed for denied/cancelled transactions and referenced the instructions on the form. She stated that she thought that questions #31 and 32 were only to be completed for multiple sale transactions and referenced the instructions on the form. Mr. Kresta further stated that he will implement

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a system in which the forms are checked by at least two employees prior to transfers, as well as a weekly review process to ensure that forms are completed accurately.

Corrective Action:

The licensee was instructed of his responsibility to review executed ATF Forms 4473 for completeness, accuracy and correctness before completing the transfer of a firearm(s) to a non-licensee.

X

Industry Operations Investigator

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Exhibits:

Exhibit 1: Texas Driver's License Image

Exhibit 2: Jackson County CAD Query

Exhibit 3: TX Sales & Use Tax Status

Exhibit 4: Assumed Name Certificate

Exhibit 5: A&D Discrepancies

Exhibit 6: ATF Forms 4473 Discrepancies

Exhibit 7: NFA Special Tax Stamp

Exhibit 8: Acknowledgement of Federal Firearms Regulations