

Assignment and Report

| | | | | |
|--|--|---|------------------------------|------------------|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Academy LTD Academy Sports & Outdoors #100 6201 E Hwy 191 Odessa ,TX 79762, Ector | | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781110-2016-0240-B1B | | |
| | | 3. PERMIT/LICENSE NUMBER 575135019C05737 | 4a. TARGET DATE 8/30/2016 | 4b. TARGET HOURS |
| 5. REQUESTED BY (SIGNATURE, TITLE AND DATE) | | | | |

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

| | |
|--|-----------------------------|
| 7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) | |
| (b) (6) | Area Supervisor, 07/20/2016 |

| | |
|---------------------------------|--|
| 8. PURPOSE/SPECIAL INSTRUCTIONS | |
| Full SWB compliance inspection. | |

| | | | | | |
|------------------------|---|---|----|--------------------------------|--|
| 9. INSPECTION RESULTS | | <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC | | 10. TRAVEL EXPENSES (OPTIONAL) | |
| NO. OF VIOLATIONS | 5 | NO. OF REFERRALS | 16 | 2111 - PER DIEM | |
| NO. OF TECS CHECKS | 9 | 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: 11/02/2016 | |
| Violts WL ONLY and Recall Inspection | |

| | |
|--|--------|
| 12. TIME ACCOUNTING DATA | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JUL 2016 | 15.00 |
| ATF OFFICER'S SUBTOTAL | 15.00 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JUL 2016 | 23.50 |
| ATF OFFICER'S SUBTOTAL | 23.50 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JUL 2016 | 52.00 |
| ATF OFFICER'S SUBTOTAL | 52.00 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JUL 2016 | 18.00 |
| ATF OFFICER'S SUBTOTAL | 18.00 |
| ATF OFFICER'S SIGNATURE | |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| JUL 2016 | 51.50 |
| AUG 2016 | 118.75 |

Assignment and Report

| | | | |
|--|---|------------------------------|------------------|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Academy LTD Academy Sports & Outdoors #100 6201 E Hwy 191 Odessa ,TX 79762, Ector | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781110-2016-0240-B1B | | |
| | 3. PERMIT/LICENSE NUMBER 575135019C05737 | 4a. TARGET DATE 8/30/2016 | 4b. TARGET HOURS |
| | 5. REQUESTED BY (SIGNATURE, TITLE AND DATE) | | |

12. TIME ACCOUNTING DATA

| | |
|--|--------|
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6) | |
| SEP 2016 | 54.00 |
| OCT 2016 | 59.75 |
| NOV 2016 | 9.25 |
| ATF OFFICER'S SUBTOTAL | 293.25 |
| ATF OFFICER'S SIGNATURE | |
| TOTAL HOURS | 401.75 |

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
Viols WL ONLY and No Recall Inspection

☒ REVIEWED

☐ CONCUR

☐ SEE COMMENTS

☒ FINAL DISPOSITION

| | |
|---|---------------------------|
| SIGNATURE AND TITLE (b)(6) - Area Supervisor | REVIEW DATE 11/04/2016 |
| ROUTING SEQUENCE AND DATE | |
| <input type="checkbox"/> 1. _____ | |
| <input type="checkbox"/> 2. _____ | |
| <input type="checkbox"/> 3. _____ | |
| <input type="checkbox"/> 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 Academy LTD Academy Sports & Outdoors #100 | Street Address 6201 E Hwy 191 | City Odessa | State TX | Zip Code 79762- | County Ector | Page 1 of 3 Pages |
| License/Permit/Registry Number (If any) 575135019C05737 | Expiration Date 3/1/2019 | Date(s) or Period of Inspection 07/01/2015 through 07/27/2016 | | | | |

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 contact NICS or obtain a valid exception to NICS prior to transferring a firearm to a nonlicensee on (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) forms ATF 4473.

On one (1) occasion NICS check exceeded 30 calendar days and a new NICS check was not conducted prior to the transfer of firearm (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

On one (1) occasion licensee transferred a firearm prior to receiving a proceed and/or allowing 3 government business days to lapse after receiving a "delay" from NICS (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Citation: 27 CFR 478.102(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, licensee is to ensure NICS checks are conducted and a proceed response is received/recorded on the ATF F4473 and/or 3 government business days have lapsed since receipt of a delay response prior to the transfer of a firearm to a non-licensee. Licensee is to ensure a new NICS check is conducted if/when the original check exceeds 30 calendar days.

Number: 2

Nature of Violation:

Failure to refrain from selling or otherwise disposing of a firearm to a person who the FFL knows does not reside in the state in which the FFL's place of business is located. FFL transferred a handgun to a NM resident on (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) form ATF 4473.

Citation: 27 CFR 478.99(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, licensee is to ensure handguns are transferred only to TX residents.

(b)(6)

09/26/16

09/26/16

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 Academy LTD Academy Sports & Outdoors #100 | Street Address 6201 E Hwy 191 | City Odessa | State TX | Zip Code 79762- | County Ector | Page 2 of 3 Pages |
| License/Permit/Registry Number (If any) 575135019C05737 | | Expiration Date 3/1/2019 | | Date(s) or Period of Inspection 07/01/2015 through 07/27/2016 | | |

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 cause a transferee, a nonimmigrant alien, who states that he or she falls within an exception to, or has a waiver from the nonimmigrant alien prohibition, to present application documentation establishing the exception waiver, to fail to note on the ATF Form 4473 the type of identification provided, or to fail to attach a copy of the documentation to the ATF Form 4473. (b)(3) 112 Public Law 55 125 STAT 552

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

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, licensee is to ensure if transferee records on the ATF F 4473 a "yes" response to item 111 and a subsequent "yes" response to item 12 a valid hunting license and/or other prescribed exemption is obtained and recorded on the ATF F 4473 prior to execution of a NICS check and subsequent transfer of a firearm to a legal alien, non-licensee. Firearm should not be transferred without documentation of 111 exemption on item 20c.

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 (b)(3) 112 Public Law 55 125 STAT 552 form ATF 4473s.

On (b)(3) 112 Public Law 55 125 STAT 552 occasion licensee recorded incorrect date on item 21a (month), or (b)(3) 112 Public Law 55 125 STAT 552 occasion licensee left item 21b blank, on (b)(3) 112 Public Law 55 125 STAT 552 occasions licensee left 21d blank after receiving a "delay" response on item 21c, and on (b)(3) 112 Public Law 55 125 STAT 552 occasions licensee left item 21c blank.

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)

In the future, licensee shall ensure employees and management verify Section B on the ATF F 4473 and ensure section is accurately completed prior to the transfer of a firearm to a non-licensee.

(b)(6)

X 10/25/16
X 09/22/16

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 Academy LTD Academy Sports & Outdoors #100 | Street Address 6201 E Hwy 191 | City Odessa | State TX | Zip Code 79762- | County Ector | Page 3 of 3 Pages |
| License/Permit/Registry Number (If any) 575135019C05737 | | Expiration Date 3/1/2019 | | Date(s) or Period of Inspection 07/01/2015 through 07/27/2016 | | |

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 refrain from selling or otherwise disposing of a firearm to a person known or suspected to be prohibited on Form ATF 4473 (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)

In the future, licensee is to ensure if transferee records on the ATF F 4473 a "yes" response to item 11 and a subsequent "yes" response to item 12, a valid hunting license and/or other prescribed exemption is obtained and recorded on the ATF F 4473 prior to execution of a NICS check and subsequent transfer of a firearm to a legal alien, non-licensee.

Citation: 27 CFR 478.99(c)(5)

I have Received a Copy of This Report of Violations (Proprietor's Signature and Date)

Signature and Date

Official Use

(b)(6)

ROLE DIRECTOR

Date

10/26/16

Date

09/28/2016

I.O. Investigator

ATF E-Form 5030.3



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

www.atf.gov

11/4/2016

Academy LTD
Academy Sports & Outdoors #100
6201 E Hwy 191
Odessa , TX 79762-
RE: 575135019C05737

Dear Morgan Wood:

During a recent inspection at your firearms business covering the period July, 2015 to July, 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 or your designated responsible person by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator(s). You or your responsible person 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 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.

Academy LTD

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

Sincerely yours,

(b)(6)

El Paso Area Supervisor

Enclosure

c: Federal Firearms Licensing Center
El Paso II (IO) Field Office
Dallas DIO

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

Address: 6201 E HWY 191
Odessa, TX 79762

1 - Introduction

Inspection Profile:

Investigators (b)(6) initiated an unannounced in-person compliance inspection with Academy LTD d/b/a Academy Sports & Outdoors #100 on July 20th of 2016. Inspection was conducted 07/20 to 07/21 of 2016 and continued on 07/25 (afternoon) on thru 07/27 of 2016. Investigators (b)(6) and (b)(6) assisted IOIs (b)(6) on 07/21 and then IOI (b)(6) continued to assist IOI (b)(6) 07/25-07/27. The inspection was conducted at the licensed business premise; the scope of the inspection was from 07/01/2016 to 07/27/2016.

Morgan Joel Wood, Store Director/pending Responsible Person (RP) and Marcus Dale Harless, Senior Team Leader were present and interviewed by Investigator Alonzo. It is noted that at the time of inspection Morgan Wood had only been working for the company sometime in April of 2016 and the previous Store Director John Reno Smith/RP was transferred to the Academy Store in Midland, TX.

| | |
|---------------------------|---------------------|
| Morgan Joel Wood | Marcus Dale Harless |
| KSDL: (b)(6) | TXDL: (b)(6) |
| DOB: (b)(6) | DOB: (b)(6) |
| (b)(6) | (b)(6) |
| (b)(6) | (b)(6) |
| (b)(6) | |
| (current address: (b)(6)) | |

On 08/01/16 Investigator (b)(6) contacted (b)(6), Compliance Coordinator on account that (b)(6), Sr. Manager - Compliance was on vacation. Investigator (b)(6) requested (b)(6) have the licensee draft and send a letter requesting the addition of Morgan Wood as an RP and the removal of John Smith as an RP in addition to having Morgan Wood submit fingerprint cards and photo with the drafted letter (b)(6) responded and stated she would get started on the updates. On 07/27/16 Investigators (b)(6) and (b)(6) met and had an informal discussion of findings and regulatory requirements with Mr. Morgan and Mr. Harless; no documents (i.e. ROV and

FIREARMS INSPECTION REPORT

| | | | |
|--------------------|--------------------------------|--------------|------------------|
| Name: | Academy LTD | UI#: | 781110-2016-0240 |
| Trade Name: | Academy Sports & Outdoors #100 | FFL#: | 5-75-01-05737 |

acknowledgement) were signed at the close of the meeting. Documents will be issued after RP is accurately reflected in the Federal Licensing System (FLS).

It is noted that pending RP Morgan Wood was run through NCIC on 08/11/2016. No derogatory information was revealed; no matching wants.

Please reference licensee's License Registration Report **submitted as Exhibit 1**.

Business Profile:

Academy Ltd. remains a limited company and large retail chain operating nation-wide. Academy Ltd. continues to have numerous store locations that hold ATF licenses. Academy Sports & Outdoors #100 is located within the city limits of Odessa, TX.

The licensee stocks handguns, shotguns, rifles, and ammunition (remains approximately (b)(4) handguns and (b)(4) long guns). They occasionally sell receivers and used firearms when they are received from another FFL on behalf of a transferee (transfer deal basis). All stocked firearms are received directly from the licensee's distributor store in Katy, TX. The licensee's "transfer deals" arrive sporadically and are received from various FFLs. It is noted that the licensee has acquired approximately (b)(4) firearms during the inspection period and has made approximately (b)(4) dispositions during this timeframe. In addition to firearms sales the licensee stocks athletic gear, clothing, camping equipment, team sports equipment, shoes, fishing gear, marine equipment, and pet supplies. Per previous inspection report there are no zoning issues.

The licensee does not attend gun shows, nor does it post firearms over the internet/on their website. The licensee does not conduct any gunsmith activities nor does the license conduct any consignment sales. It is noted that the Academy stores don't accept firearm returns and will advise customers to deal directly with firearms manufacturers.

The Type 01 Dealer of Firearms license is appropriate for the proposed business activities.

Ownership and Control:

Academy Ltd. remains an active limited partnership based out of Katy, Texas. No known changes to the current license were noted/reported. Business information on Academy, Ltd. was researched using the Texas Secretary of State website (see **Exhibit 2**). The results of the query indicated that the business was "In existence". Corporate Compliance Officer (b)(6)

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

provided IOI (b)(6) with a Corporate structure chart for future reference (see **Exhibit 2**).

At the time of inspection the sole “active” RP for the license recently was transferred to another licensed location; his replacement (Mr. Morgan) will initiate the ATF process of being added as the RP through the company’s HQ Office. No hidden ownership was detected. Ms. Buckles advised Investigator Alonzo that FP cards, photo, and request letter to add Mr. Morgan as the RP for the licensee were submitted to the Licensing Center on 08/04/16 (see **Exhibit 3**). It is noted that as of 09/13/16 Investigator (b)(6) was notified that package was lost and Mr. Wood’s RP packet will be reobtained and resubmitted (see **Exhibit 3**).

The licensee does operate under a trade name; assumed name certificate is accurately reflected with TX SOS.

Employer Identification Number (EIN) (b)(3) - 26 USC 6103. A query of FLS revealed the information was accurately reflected.

Variance:

The permittee currently utilizes the following ATF approved variances:

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

The licensee provided IOI (b)(6) with a copy of the variances. IOI (b)(6) subsequently provided these copies to IOI (b)(6). Variance copies are **submitted as Exhibit 4**.

The licensee did not remain in compliance with the 2013 approved variance as various forms were misfiled (i.e. forms where handguns sold filed with long guns and vice versa). Investigator (b)(6) advised the licensee to ensure full compliance with variance and even recommended cease use of the variance and instead depend on the computer system and HQ email denoting multiple sale reporting requirements that way several employees (i.e. opener, closer) can be responsible for timely reporting instead of waiting for one Lead Manager to review forms and identify the multiple sales.

FIREARMS INSPECTION REPORT

Name: Academy LTD **UI#:** 781110-2016-0240
Trade Name: Academy Sports & Outdoors #100 **FFL#:** 5-75-01-05737

The licensee did not request any additional variances at the time of this inspection.

2 - Recommendation

Viols WL ONLY and Recall Inspection

3 - Inspection History

Date of Inspection: July 2013
Type of Inspection: SW: Full Compliance
UI#: 781110-2013-0269
Inspection Results: Viols ROV ONLY No Recall Inspection
Cited Violations: 27 CFR 478.124(c)(1)
27 CFR 478.124(c)(3)(i)
27 CFR 478.124(c)(3)(iv)
27 CFR 478.124(c)(4)

Date of Inspection: August 2004
Type of Inspection: Special Request
UI#: 781110-2011-0314
Inspection Results: Special Request Completed
Cited Violations: NONE

Date of Inspection: September 2010
Type of Inspection: Qualification
UI#: 781110-2010-0211
Inspection Results: Application Approved
Cited Violations: NONE

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

A full inventory of firearms was conducted on 07/20/2016. There were 1,586 firearms in inventory. The licensee's Acquisition & Disposition records were reviewed and revealed (b)(3) - 112 P.0 corresponding open entries. A review of the licensee's records revealed no discrepancies and all entries appeared to be timely made (see **Worksheet 1**). No thefts/interstate thefts was reported during the inspection period. VCAB theft/loss history is submitted as **Exhibit 5**.

FIREARMS INSPECTION REPORT

| | | | |
|--------------------|--------------------------------|--------------|------------------|
| Name: | Academy LTD | UI#: | 781110-2016-0240 |
| Trade Name: | Academy Sports & Outdoors #100 | FFL#: | 5-75-01-05737 |

No illegal firearms (i.e. non registered NFA, obliterated serial numbers, etc.) were identified during the inspection. Licensee acquires firearms directly from Katy Distribution Center on a retail basis and occasionally acquires firearms from other FFLs in association with transfer deals. (b)(3) - 112 Public Law 55 125 Stat 552 disposition entries were randomly selected and were compared to the licensee's ATF F 4473s on file; no discrepancies noted.

Licensee retains an electronic record that falls in compliance with ATF Ruling 2016-1; all Katy acquisitions are automatically generated into the A&D (denoted as "pending acquisition" until shipped/received at the licensed premise), transfer deal firearms are entered manually in the computer by gun counter associates. Investigator (b)(6) reminded Mr. Harless and Mr. Morgan of the requirement to print the entire A&D record semi-annually. Mr. Harless and Mr. Morgan acknowledged the information and agreed to comply. Mr. Harless stated he believed they were retaining all previous A&D printouts because they were printing activity since the last printout, but now is aware old copies can be disposed when the entire A&D is printed out semi-annually.

The license continues to maintain all firearms behind a sales counter that can only be accessed by a combination and/or key on each door at each end of the cabinet and/or rack.

5 - ATF Forms 4473 – NICS & Other Dispositions

At the time of inspection, the licensee had approximately (b)(3) - 112 Pub ATF F 4473s on file for the scope of the inspection period (separately filed by handguns and long guns then subsequently filed chronologically by date). These forms accounted for forms associated with the transfer of firearms during the inspection period and did not include forms where firearms were not transferred (i.e. denials, cancels, etc.); licensee had approximately (b)(3) - 11 denials or cancels that fell within the inspection period (filed separately from transferred forms). All (b)(3) - 11 forms were reviewed for an all-encompassing total of (b)(3) - 112 Pub forms were reviewed. It is noted that all gun counter associates are responsible for the execution of ATF F 4473s and NICS e-checks.

Per the previous inspection (781110-2013-0269) the following "internal controls" are utilized to aid in the accurate execution of the ATF F 4473. It is noted that although previous report indicated a template was being utilized, Mr. Morgan advised Investigators that use of it ceased but due to errors found during the inspection use of it will be revisited:

"Gun clerks are required to take a 20 hour computer course prior to selling firearms. Company policy requires the customer to complete the ATF F 4473 by hand. The attending clerk then reviews the form and prepares a "Firearm Transaction Checklist" to minimize the probability of mistakes. After conducting the NICS check on computer

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

and printing the response, the clerk reviews the form and enters the disposition information. A manager is then called to review the completed ATF F 4473 utilizing a template. An employee then escorts the customer and firearm to the check out where the customer pays for the firearm. The ATF Form 4473 is later reviewed again that evening by the night manager. The following morning, the ATF F 4473 is then reviewed by the morning manager. Once a week, Marc Harless, Senior Team Leader, collects the ATF Forms 4473 executed that week and reviews them prior to filing the forms in filing cabinets maintained in the conference room". It is noted that the corporate compliance team also conducts audits of the licensee's records quarterly.

It is further noted that although the previous inspection (781110-2013-0269) report noted the use of the internal controls and current management and employees confirmed the same internal controls are being utilized, Investigator (b)(6) advised the licensee of several weaknesses in the process. Deficiencies resulted in several violations.

Licensee did not have any transfers to other FFLs, the licensee did not have any transfers to law enforcement officers (i.e. duty guns) and the licensee did not have any transfers to a personal collection during the inspection period.

A review of the forms revealed licensee transferred (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) to a non-licensed resident (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) after accepting a TX CHL in lieu of a NICS background check. **See Violation 1.** The discrepancy is recorded on **Worksheet 2.** A photocopy of the ATF F 4473 associated with the discrepancy is submitted as **Exhibit 6.** The individual was queried through NCIC on 08/08/2016 and results indicated the individual had no identifiable record and no wants when run using name and sex, race, & DOB.

Further review of the forms revealed licensee transferred firearms to non-licensed individuals in violation of 478.102 on (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) occasions. **See Violation 2.** In (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) instance, NICS check exceeded 30 calendar days and a new NICS check was not conducted prior to the transfer of firearms (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) in the (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) instance licensee transferred a firearm prior to receiving a proceed and/or allowing 3 government business days to lapse after receiving a "delay" from NICS (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6). The discrepancy is recorded on **Worksheet 2.** A photocopy of the ATF F 4473 associated with the discrepancy is submitted as **Exhibit 7.** The individuals were queried through NCIC on 08/08/2016 and (b)(6), (b)(7)(C)

o further action required.

Further review of the forms revealed the licensee transferred a firearm to a prohibited person as the individual was a non-immigrant alien who did not fall under either the provisions/exemptions outlined in 478.99(c)(5)(i, ii, iii, or iv) or outlined in the

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

instructions for item 12 of the ATF F 4473. Licensee also left item 20c blank (item where licensee is required to record the document associated with the transferee's "yes" response on item 12) and instead incorrectly attached a copy of a non-qualifying Firearms License (Canada) and Limited Term TXDL. Licensee lastly left item 21d blank after receiving a "delay" response from NICS; as the NICS check was executed outside the parameters of the ATF FFL audit log (i.e. 12/07/2015) Investigator (b)(6) was unable to be determined if licensee transferred firearm before receiving a "proceed" and/or 3 government business days have lapsed. Investigator (b)(6) was able per the ATF FFL audit log to determine the transaction was not a NICS denial but was not able to determine if check remained in "open" status because if had remained "open" once the check exceeded 88 days from its creation it would have been purged from the NICS system (per historical ATF email received from FBI NICS Section ATF Liaison (b)(6)). (b)(6) See Violations 3-5. (b)(6) additional ATF F 4473s were found to have discrepancies associated with licensee's failure to accurately/completely execute the NICS portion of Section B of the ATF F 4473 (see Violation 5). In regards to the transfer to a non-immigrant alien, a query of ANR on 08/08/2016 indicted NTN on ATF F 4473 were not associated with a denial response and further indicated a denial was not currently in the ANR system for transferee (i.e. database queried by first and last name). Investigator (b)(6) reached out to IOI (b)(6) who was then able to contact TX State Trooper (b)(6) of DPS to confirm application associated with transferee's Limited Term Driver's License. Results revealed transferee is a non-immigrant alien who presented his Canada passport, his Alberta Govt. Operator's License, and his social security card "valid for work only with DHS authorization" with his I-797B Notice of Action (Petition for a non-immigrant worker). Transferee's I-797B filed petitioner (b)(6). (see Exhibit 9).

Investigator (b)(6) executed an Openfox IAQ (ICE LESC Alien Query) on 08/09/2016; (b)(6)

(see Exhibit 10).

Investigator reached out to William (b)(6) CBP Enforcement Analysis Specialist, Office of Intelligence (OI), El Paso Intelligence Center (EPIC), Firearms & Explosives Intelligence Unit (FEIU) to collect and/or clarify information associated with ICE results. Information received from (b)(6)

(see Exhibit 11).

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

(b)(6)

As a result, all the discrepancies associated with **Violations 3-5** are recorded on **Worksheet 2**. Photocopies of the ATF F 4473s associated with these discrepancies **are submitted as Exhibit 8**. It is noted that because of the above findings a referral was not generated to retrieve the Canadian transferee's firearm.

The FFL Audit Log provided by NICS contained proceed activity from 05/13/2016 to 07/12/2016. There were 508 proceed responses during this period, one (1) Delayed transaction, 15 "Open" transactions, two (2) Cancelled transactions, and one (1) Non-Denied Under Appeal transaction during this period for a total of 1,009 responses; approximately 456 responses were cross-referenced to corresponding ATF F 4473s (encompassing proceeds, opens, cancels, and an appealed non-denial). The FFL Audit Log also contained denied transactions from 11/30/1998 to 07/12/2016. There were 479 denials during this time period; of those denials, 102 fell within the inspection period. Approximately 100 of those were cross-referenced to corresponding ATF F 4473s. No major discrepancies were noted. A total of 556 NTNs were compared to corresponding ATF F 4473s for accuracy.

It is noted that the (b)(3) - 11 denied ATF 4473s falling within the inspection period were further examined by Investigators (b)(6) and (b)(6) and a query of the denied person's last name, address, and associated firearm (if recorded on 4473) was executed using the licensee's computerized firearms records system; no derogatory information was revealed. Licensee was reminded to ensure internal controls are in place and are subsequently followed with regard to identifying potential straw purchasers. Mr. Wood and Mr. Harless acknowledged the information and agreed to comply. The FFL Audit Report is submitted as **Exhibit 12**.

6 - Multiple Sales

Per the VCAB report, there were (b)(3) - 11 multiple sale of certain rifles and/or pistols reported during the inspection period involving (b)(3) - 11 firearms. (b)(3) - 11 unreported multiple sales were identified; licensee was advised to submit the multiple sales and also re-submit several others on account the ATF record did not reflect the reported information (confirmed reported by licensee as licensee retains fax confirmation sheets). VCAB multiple sale history is **submitted as Exhibit 5**.

It is noted that (b)(3) - 112 Public L discrepancies were found with VCAB records when they were compared to licensee's physical records. Investigator (b)(6) emailed the Violent Crime Analysis Branch, NTC-Industry Records Branch and cc'd (b)(6) on 09/22/2016 in an attempt to get the discrepancies corrected. Later that day (b)(6)

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

(b)(6) Contractor ATF National Licensing Center advised Investigator (b)(6) via email that all corrections/updates were successfully made.

7 - Suspicious/Prohibited Purchasers

Post inspection, IOI (b)(6) submitted to IRS (b)(6) a list of 77 SSNs and 100 DLs/CDLs/IDs encompassing 105 individuals identified on ATF F 4473s as being selected for further review due to purchases of suspicious nature (b)(7)(E)

See Section 8 of report for corresponding results of noted review.

For the entire inspection, nine (9) individuals (pending RP Morgan Wood and eight (8) transferee and/or possessors) were run through NCIC; some derogatory information was revealed (i.e. possessor prohibited, purchaser prohibited post purchase) and as result was evaluated for referral purposes. See Section 8 of report for corresponding results.

8 - Trace Activity

Licensee had (b)(3) trace requests between 07/11/2015 and 07/12/2016 including (b)(3) - 112 Public Law 55 125 Stat 552

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

Investigator (b)(6) contacted TFO/Odessa PD Detective (b)(6) and the Odessa PD "Open Records Request" via email in an attempt to obtain the corresponding PD report in order to obtain case details beyond those noted in the E-trace results. Report was received on 09/20/16. Review of the report did result in the need for a referral to the Dallas Field Division (DFD) Crime Gun Intelligence Center (CGIC) for informational purposes/CE review (see Section 10 of this report).

During the inspection IOI (b)(6) ran all individuals associated with the (b)(3) traces through the licensee's computerized firearms records system so as to identify if any of these individuals had additional purchases at the store; results revealed (b)(3) individuals did have additional firearms purchases aside from those (b)(3) that were already

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

traced to them. (b)(6)

Post inspection, IOI (b)(6) queried each of the (b)(3) trace numbers in E-trace to identify (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(E)

Amongst the subsequent review of individuals (i.e. *individuals identified in Section 7 and 8 of this report*), a total of twenty-six names were identified for a supplementary review. As part of this review, (b)(6), (b)(7)(E)

(b)(6), (b)(7)(E)

(b)(6), (b)(7)(E)

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

(b)(6), (b)(7)(E)

Results will be forwarded to the DFD CGIC to supplement referrals submitted for information purposes/CE consideration (*see Section 10 of this report*).

9 - NFA/Importer/Collector/Manufacturer

The licensee does not conduct business as an NFA dealer, an Importer, a Collector, or a Manufacturer.

10 - Referrals

16 individuals to be referred to CGIC and/or Lubbock Field Office—

PURCHASERS:

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

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

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

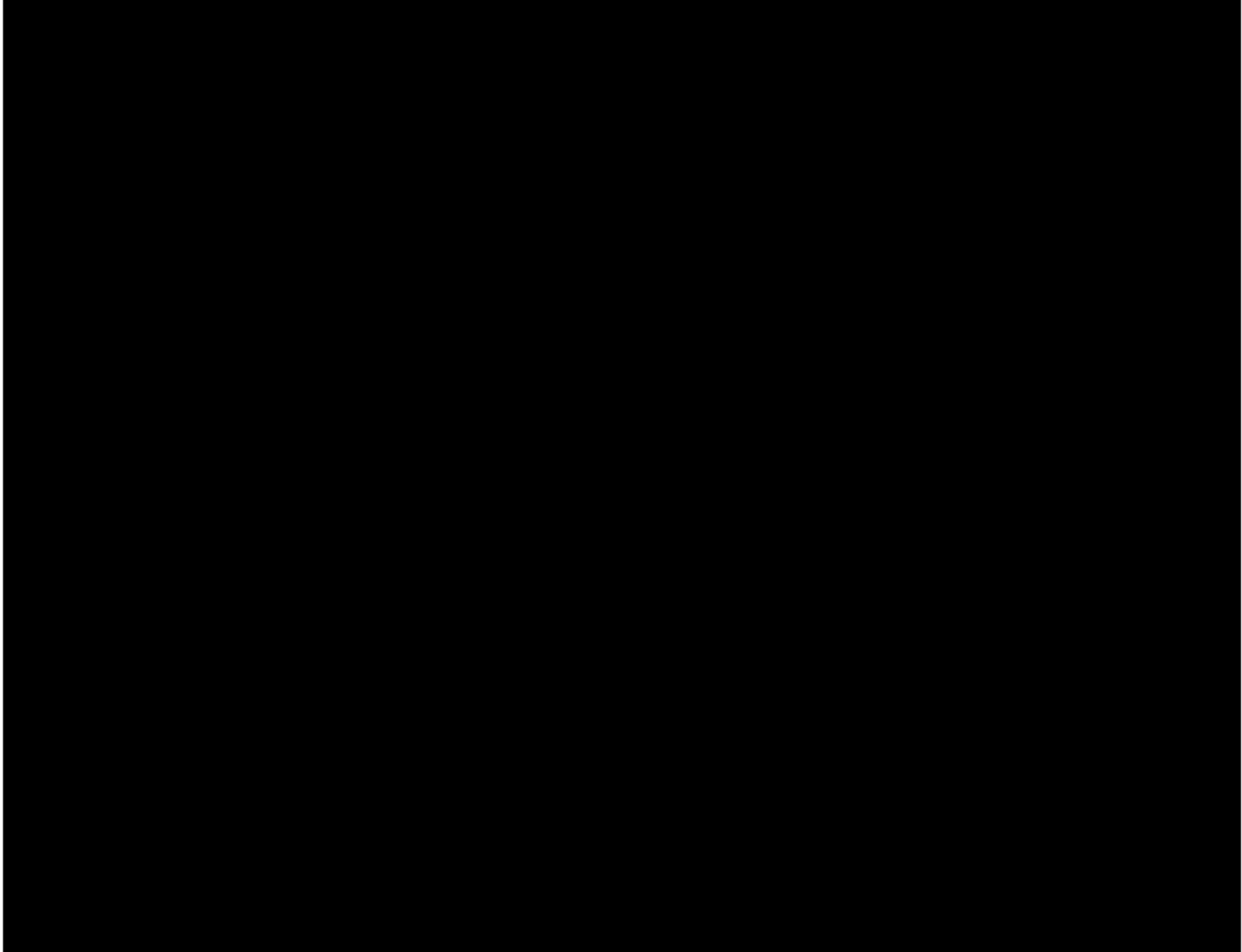


FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

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



11 - Other

The licensee had his original license and the Youth Handgun Safety Act poster posted. Licensee is aware of the requirements associated with the transfer of handguns and the issuance of the Youth Handgun Safety Act pamphlet and safety/security devices.

Licensee's premise is a large storefront secured with an alarm and video monitored security system; records are stored in filing cabinets located in the company training room and a sales floor cabinet, all firearms are stored within locked gun cases, brackets, and cages. Internal controls are adequate with respect to the storage of firearms records and inventory.

12 - Closing Actions

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

Investigators (b)(6) and (b)(6) held an in-person closing conference with pending RP Mr. Wood and Store Lead Mr. Harless on 07/27/2016. Violations were discussed. It is note that Investigator (b)(6) will have Mr. Wood execute the acknowledgement and acknowledge the Report of Violations (ROV) once he has officially been added as an RP for the license.

Investigator (b)(6) issued the licensee an ROV via email on 09/22/2016; once Mr. Wood was advised he was on file/processed as the RP for the licensee he later signed and dated it and returned a copy of the ROV back to Investigator (b)(6)

Conduct of business, record keeping requirements, theft/loss procedures, secure gun storage & safety devices (see **Exhibit 13**), and NICS information were reviewed with Mr. Wood and Mr. Harless. Literature associated with the laws and regulations discussed during the inspection were issued (i.e.: ATF Ruling 2016-1 (mailed 09/22), ATF Ruling 2016-2 (mailed 09/22), I.D. information—ATF Ruling 2001-5 Identification of Transferee, 2001-5 (issued 07/27), Q&As for the Report of Multiple Sale or Other Disposition of Certain Rifles (mailed 09/22), Open Letter-Amending the ATF F 4473 after gun has been transferred (issued 07/27), NICS denial pamphlet (mailed 09/22), publication on ATF National Tracing Center (emailed 08/02), Form 3310.4 (issued 07/27), Form 3310.11 (issued 07/27), Form 3310.12 (issued 07/27), Best Practice-Private Sales pamphlet, ATF Proc. 2013-1 (mailed 09/22), Safety & Security Information for FFLs (mailed 09/22), Quick Reference and Best Practice Guide (mailed 09/22), and Phone number/Information sheets that include important phone numbers for the National Licensing Center, Dallas Division and Area/Satellite Offices, and the ATF Theft Hotline (mailed 09/22).

The Acknowledgement of Federal Firearms Regulations was reviewed on 07/27/16; Mr. Wood later signed the document after receiving word he was on file/processed as the current RP for the licensee (see **Exhibit 14**).

13 - Violations

1. 27 CFR 478.99(a)

Nature of Violation:

Failure to refrain from selling or otherwise disposing of a firearm to a person who the FFL knows does not reside in the state in which the FFL's place of business is located. On (b)(3) - 112 Public Law 55 125 Stat 552 form ATF 4473 FFL transferred (b)(3) - 112 Public Law 55 125 Stat 552.

Licensee's Response:

Mr. Wood as the new manager of the licensee had no comment aside from expression of disbelief that the discrepancy wasn't caught during the licensee's many internal control checks. Mr. Wood acknowledged that since discrepancy was found much later by the

FIREARMS INSPECTION REPORT

Name: Academy LTD **UI#:** 781110-2016-0240
Trade Name: Academy Sports & Outdoors #100 **FFL#:** 5-75-01-05737

HQ Audit/Review Team indicated the licensee's immediate internal controls are not actually being utilized otherwise discrepancies would have been avoided and/or corrective action would have been initiated much sooner.

Corrective Action:

In the future, licensee is to ensure handguns are transferred only to TX residents. Investigator (b)(6) ran NCIC check on transferee; no prohibiting information was revealed.

2. **27 CFR 478.102(a)**

Nature of Violation:

Failure to contact NICS or obtain a valid exception to NICS prior to transferring a firearm to a non-licensee.

On (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) occasion NICS check exceeded 30 calendar days and a new NICS check was not conducted prior to the transfer of firearms (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)).

On (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) occasion licensee transferred a firearm prior to receiving a proceed and/or allowing 3 government business days to lapse after receiving a "delay" from NICS (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)).

Licensee's Response:

Mr. Wood as the new manager of the licensee had no comment aside from expression of disbelief that the discrepancy wasn't caught during the licensee's many internal control checks. Mr. Wood acknowledged that licensee's immediate internal controls are not actually being utilized otherwise discrepancies would have been avoided and/or corrective action would have been initiated much sooner.

Corrective Action:

In the future, licensee is to ensure NICS checks are conducted and a proceed response is received/recorded on the ATF F4473 and/or 3 government business days have lapsed since receipt of a delay response prior to the transfer of a firearm to a non-licensee. Licensee is to ensure a new NICS check is conducted if/when the original check exceeds 30 calendar days. Investigator (b)(6) ran NCIC check on transferees; no prohibiting information was revealed.

3. **27 CFR 478.99(c)(5)**

Nature of Violation:

Failure to refrain from selling or otherwise disposing of a firearm to a person known or suspected to be prohibited (b)(3) - 112 Public Law 55 125 Stat 552

FIREARMS INSPECTION REPORT

| | | | |
|--------------------|--------------------------------|--------------|------------------|
| Name: | Academy LTD | UI#: | 781110-2016-0240 |
| Trade Name: | Academy Sports & Outdoors #100 | FFL#: | 5-75-01-05737 |

Licensee's Response:

Mr. Wood as the new manager of the licensee had no comment aside from expression of disbelief that the discrepancy wasn't caught during the licensee's many internal control checks. Mr. Wood acknowledged that since discrepancy was found much later by the HQ Audit/Review Team indicated the licensee's immediate internal controls are not actually being utilized otherwise discrepancies would have been avoided and/or corrective action would have been initiated much sooner.

Corrective Action:

In the future, licensee is to ensure if transferee records on the ATF F 4473 a "yes" response to item 11l and a subsequent "yes" response to item 12 a valid hunting license and/or other prescribed exemption is obtained and recorded on the ATF F 4473 prior to execution of a NICS check and subsequent transfer of a firearm to a legal alien, non-licensee. Firearm should not be transferred without documentation of 11l exemption on item 20c.

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

Nature of Violation:

Failure to cause a transferee, a nonimmigrant alien, who states that he or she falls within an exception to, or has a waiver from the nonimmigrant alien prohibition, to present application documentation establishing the exception waiver, to fail to note on the ATF Form 4473 the type of identification provided, or to fail to attach a copy of the documentation to the ATF Form 4473. On (b)(3) - 112 Public L ATF Form 4473 licensee left item 20c blank and only attached transferee's Canada Firearms Possession-Acquisition License and transferee's Limited Term Driver's License and neither document qualify as documents associated with exemption for "yes" responses to items 11l & 12 of the ATF 4473.

Licensee's Response:

Mr. Wood as the new manager of the licensee had no comment aside from expression of disbelief that the discrepancy wasn't caught during the licensee's many internal control checks. Mr. Wood acknowledged that since discrepancy was found much later by the HQ Audit/Review Team indicated the licensee's immediate internal controls are not actually being utilized otherwise discrepancies would have been avoided and/or corrective action would have been initiated much sooner.

Corrective Action:

In the future, licensee is to ensure if transferee records on the ATF F 4473 a "yes" response to item 11l and a subsequent "yes" response to item 12, a valid hunting license and/or other prescribed exemption is obtained and recorded on the ATF F 4473 prior to execution of a NICS check and subsequent transfer of a firearm to a legal alien, non-

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

licensee. Firearm should not be transferred without documentation of 111 exemption on item 20c.

5. **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 55 form ATF 4473s.

On (b)(3) - 112 Public Law 55 occasion licensee recorded incorrect date on item 21a (month), on (b)(3) - 112 Public Law 55 occasion licensee left item 21b blank, on (b)(3) - 112 Public Law 55 occasions licensee left 21d blank after receiving a "delay" response on item 21c, and on (b)(3) - 112 Public Law 55 occasions licensee left item 21c blank.

Licensee's Response:

Mr. Wood as the new manager of the licensee had no comment aside from expression of disbelief that the discrepancy wasn't caught during the licensee's many internal control checks. Mr. Wood acknowledged that the licensee's immediate internal controls are not actually being utilized otherwise discrepancies would have been avoided and/or corrective action would have been initiated much sooner.

Corrective Action:

In the future, licensee shall ensure employees and management verify Section B on the ATF F 4473 and ensure section is accurately completed prior to the transfer of a firearm to a non-licensee.

X

Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheet 1- Inventory and A&D Review

Worksheet 2- ATF F 4473 Review (2008 Ed. and 2012 Ed.)

Exhibit 1- License Registration Report

Exhibit 2- TX SOS info and Corporate Org Structure Chart

Exhibit 3- RP addition request and email correspondence

Exhibit 4- ATF approved variances

FIREARMS INSPECTION REPORT

Name: Academy LTD
Trade Name: Academy Sports & Outdoors #100

UI#: 781110-2016-0240
FFL#: 5-75-01-05737

Exhibit 5- VCAB
Exhibit 6- ATF 4473 Violation 1
Exhibit 7- ATF 4473 Violation 2
Exhibit 8- 4473s Violations 3-5
Exhibit 9- Transferee's I-797B filed (assoc. w/Violation 3)
Exhibit 10- Openfox IAQ (ICE LESC Alien Query) results
Exhibit 11- CBP Enforcement Analysis Specialist results
Exhibit 12- FFL Audit Log ATF
Exhibit 13- ATF F 5300.42
Exhibit 14- Acknowledgement of Federal Firearms Regulations