

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56 811 EAST HWY 82 GAINESVILLE, TX 76240, COOKE	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781085-2016-0275-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%;">3. PERMIT/LICENSE NUMBER 575097017K10298</td><td style="width: 33%;">4a. TARGET DATE 4/29/2016</td><td style="width: 33%;">4b. TARGET HOURS</td></tr></table>	3. PERMIT/LICENSE NUMBER 575097017K10298	4a. TARGET DATE 4/29/2016	4b. TARGET HOURS
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	5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 02/25/2016			

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6), Area Supervisor, 02/25/2016
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8. PURPOSE/SPECIAL INSTRUCTIONS Conduct a Full Firearms Compliance Inspection with emphasis on SWBI. Obtain EIN and/or SSN for updating Licensing Center records. A full inventory is required. Please obtain the GPS coordinates for the premises. In Nspect add last inspection date and check all applicable boxes (Gun shows, internet sales, and NFA) as well as add High Risk Inspection.

9. INSPECTION RESULTS	<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC																																									
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 25%;">NO. OF VIOLATIONS</td><td style="width: 10%;">10</td><td style="width: 25%;">NO. OF REFERRALS</td><td style="width: 40%;"></td></tr><tr><td>NO. OF TECS CHECKS</td><td>4</td><td>NO. OF TECS HITS</td><td></td></tr><tr><td rowspan="2">NO. OF TAX ADJUSTMENTS</td><td rowspan="2"></td><td>\$ VALUE OF TAX INCREASES</td><td></td></tr><tr><td>\$ VALUE OF TAX DECREASES</td><td></td></tr><tr><td>NO. OF ASSESSMENTS</td><td></td><td>\$ VALUE OF ASSESSMENTS</td><td></td></tr><tr><td>NO. OF CLAIMS</td><td></td><td>\$ VALUE OF CLAIMS</td><td></td></tr><tr><td>NO. OF TAX PERIODS</td><td></td><td>\$ VALUE OF TAXES VERIFIED</td><td></td></tr></table>	NO. OF VIOLATIONS	10	NO. OF REFERRALS		NO. OF TECS CHECKS	4	NO. OF TECS HITS		NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		\$ VALUE OF TAX DECREASES		NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		NO. OF CLAIMS		\$ VALUE OF CLAIMS		NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 100%;">10. TRAVEL EXPENSES (OPTIONAL)</td></tr><tr><td>2111 - PER DIEM</td><td></td></tr><tr><td>2112 - P.O.A.</td><td></td></tr><tr><td>2113 - COMM. AIR</td><td></td></tr><tr><td>2114 - RENTAL CAR</td><td></td></tr><tr><td>2115 - GPV EXPENSES</td><td></td></tr><tr><td>2116 - MISC.</td><td></td></tr><tr><td>TOTAL \$ FOR INSP.</td><td></td></tr></table>	10. TRAVEL EXPENSES (OPTIONAL)	2111 - PER DIEM		2112 - P.O.A.		2113 - COMM. AIR		2114 - RENTAL CAR		2115 - GPV EXPENSES		2116 - MISC.		TOTAL \$ FOR INSP.	
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11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) - Industry Operations Investigator Dallas IV Submitted on: 06/16/2016 Viols WL ONLY and Recall Inspection
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12. TIME ACCOUNTING DATA															
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 30%;">ATF OFFICER'S NAME (MONTH, YEAR, HOURS)</td><td style="width: 20%;">(b)(6)</td><td style="width: 50%;"></td></tr><tr><td>MAR 2016</td><td>3.00</td><td></td></tr><tr><td>APR 2016</td><td>58.50</td><td></td></tr><tr><td>MAY 2016</td><td>5.00</td><td></td></tr><tr><td>JUN 2016</td><td>22.00</td><td></td></tr></table>	ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)		MAR 2016	3.00		APR 2016	58.50		MAY 2016	5.00		JUN 2016	22.00	
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MAR 2016	3.00														
APR 2016	58.50														
MAY 2016	5.00														
JUN 2016	22.00														
ATF OFFICER'S SUBTOTAL	88.50	ATF OFFICER'S SIGNATURE													
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)														
APR 2016	26.00														
ATF OFFICER'S SUBTOTAL	26.00	ATF OFFICER'S SIGNATURE													
TOTAL HOURS	114.50														

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56 811 EAST HWY 82 GAINESVILLE, TX 76240, COOKE	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781085-2016-0275-B1B		
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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) - Program Manager

REVIEW DATE

06/17/2016

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 ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 1 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298		Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016			

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 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 (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) ATF Forms 4473. The licensee failed to complete and/or failed to ensure that the transferee fully and accurately completed the following:

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

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to 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 ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 2 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298	Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016				

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 obtain a properly completed ATF Form 4473, Section A, prior to transferring a firearm to a non-licensee on (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) ATF Forms 4473. The licensee failed to ensure that the transferee fully and accurately completed the following:

(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)

In the future the licensee will ensure that the transferee completes all items on ATF Form 4473 accurately and completely.

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 ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 3 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298	Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016				

Inspection Results

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

Citation: 27 CFR 478.124(c)(1)

Number: 3

Nature of Violation:

Failure to verify the identity of the transferee and/or obtain complete and valid identification on ATF Form 4473 prior to the transfer of a firearm to a non-licensee on (b)(3) 112 Public Law 55 125 STAT 552 ATF Forms 4473. The licensee failed to record or failed to record complete and valid identification of the following forms:

(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)

In the future the licensee will ensure that complete and valid identification is recorded on the ATF Form 4473 prior to 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 ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 4 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298		Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016			

Inspection Results

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

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  ATF Forms 4473. The licensee failed to record or record correct responses on the following forms:

(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)

In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to 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 ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 5 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298	Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016				

Inspection Results

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

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

Number: 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 Public Law 55 125** ATF Forms 4473. The following forms had signature/date omissions:

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

Citation: 27 CFR 478.124(c)(5)

Number: 6

Nature of Violation:

Failure to contact NICS or obtain a valid exception to NICS prior to transferring a firearm to a non-licensee on at **(b)(3) 112 Public Law 55** ATF Forms 4473. The following forms:

(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)

In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to the transfer of a firearm to a non-licensee.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future the licensee will ensure that only valid permits from the State of Texas will be accepted in lieu of NICS check.

Report of Violations

Instructions

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Name of Proprietor ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 6 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298		Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016			

Inspection Results

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

Citation: 27 CFR 478.102(a)

Number: 7

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 on (b)(3) 112 Public Law 55 125 ATF Forms 4473. The following ATF Forms 4473 were not reported on ATF Form 3310.4:

(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)

In the future, the licensee will check for multiple handgun sales and complete/submit ATF Forms 3310.4, when required, prior to the conclusion of the business day the multiple handgun is transferred.

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 ATWOOD DISTRIBUTING LP ATWOODS RANCH & HOME #56	Street Address 811 EAST HWY 82	City GAINESVILLE	State TX	Zip Code 76240-	County COOKE	Page 7 of 8 Pages
License/Permit/Registry Number <i>(If any)</i> 575097017K10298		Expiration Date 10/1/2017		Date(s) or Period of Inspection 04/04/2015 through 04/04/2016		

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 prepare and submit a report of multiple rifle sales or disposition (ATF Form 3310.12) whenever the licensee sells or otherwise disposes of, two or more semiautomatic rifles over .22 caliber and capable of accepting a detachable magazine at one time or during any five consecutive business days on (b)(3) 112 Public Law 55 125 STAT 552 ATF Form 4473.

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

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee will check for multiple rifle sales and complete/submit ATF Forms 3310.12, when required, prior to the conclusion of the business day the multiple rifles are transferred.

Number: 9

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

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

Citation: 27 CFR 478.131(a)(2)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to 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.

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License/Permit/Registry Number <i>(If any)</i> 575097017K10298		Expiration Date 10/1/2017	Date(s) or Period of Inspection 04/04/2015 through 04/04/2016			

Inspection Results

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

Number: 10

Nature of Violation:

Failure to refrain from selling or otherwise disposing of a firearm to a person known or suspected to be prohibited on (b)(3) 112 Public Law 55 125 5 ATF Forms 4473. The following forms contained 'Yes' answers to prohibiting questions:

(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)

In the future the licensee review all Section A. Certification questions to identify 'Yes' answers to prohibiting questions. In the event of a 'Yes' answer the licensee will verify that the answer is correct with the transferee. If answer is thought to be correct by the transferee the sale will not continue.

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

Date

Signature and Title of ATF Officer

Date

Certified Mail 7014-0510-0001-2420-8478 -- Return Receipt Requested

June 20, 2016

ATWOOD DISTRIBUTING LP
ATWOODS RANCH & HOME #56
ATTN: KENNY SHIPLET
811 EAST HWY 82
GAINESVILLE, TX 76240

RE: 575097017K10298

Dear Mr. Shiplet:

During a recent inspection at your firearms business covering the period 4/4/2015 to 4/4/2016, 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.

ATWOOD DISTRIBUTING LP

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

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

Sincerely yours,

(b)(6), Area Supervisor
Dallas Field Division

Enclosure

Report of Violations

c: Federal Firearms Licensing Center
Dallas VI (IO) Field Office

FIREARMS INSPECTION REPORT

Name: Atwood Distributing LP
Trade Name: Atwoods Ranch & Home #56

UI#: 781085-2016-0275-B1B
FFL#: 5-75-097-01-10298

Address: 811 East Hwy 82
Gainesville, TX 76240

1 - Introduction

Inspection Profile:

On April 4, 2016 Industry Operations Investigators (IOI) (b)(6) and (b)(6) conducted a Southwest Border Initiative Compliance Inspection of Federal Firearms Licensee (FFL) Atwood Distributing LP DBA Atwoods Ranch & Home #56 at the FFL's licensed premises at 811 East Hwy 82, Gainesville, TX 76240.

This compliance inspection covered the period of April 4, 2015 through April 4, 2016. Assistant Manager/Responsible Person (RP) Brian Swindle was interviewed and provided assistance throughout the inspection. Mr. Swindle identified himself with his Texas Driver's License (b)(6). The onsite inspection commenced on April 4, 2016 and was completed on April 7, 2016. Advance notification was not given for this inspection.

Business Profile:

Atwoods Ranch and Home is a farm and ranch retail store based in Enid, Oklahoma. In addition to farm and ranch supplies, Atwoods sells various items such as hunting gear, outdoor apparel, and food. Atwoods has 58 stores in 5 states: Arkansas, Kansas, Missouri, Oklahoma, and Texas.

The licensee is licensed as a Type 01, Dealer of Firearms, which is appropriate for the type of business activities being conducted. During the 12 months prior to the start of this inspection, the FFL acquired at least (b)(4) firearms and disposed of at least (b)(4) firearms. The licensee does not do business at gun shows and does not utilize off-site storage. The licensee does not operate any other business from the licensed premises. The licensee does not have any other licenses issued by ATF.

The licensee had their ATF license and Texas Sales and Use Tax permit posted on the premises. The business premises is located in a commercial location of Gainesville, TX. No zoning problems noted.

Ownership and Control:

Atwoods Farm and Ranch operates as a Limited Partnership formed in the State of Oklahoma on June 30, 2003. Atwood Distributing GP, LLC is the General Partner. The Texas Secretary of State shows Atwood Distributing L.P. registered as a foreign limited partnership on July 14, 2003 (**Exhibit 1**). The

FIREARMS INSPECTION REPORT

Name: Atwood Distributing LP
Trade Name: Atwoods Ranch & Home #56

UI#: 781085-2016-0275-B1B
FFL#: 5-75-097-01-10298

Texas Secretary of State also shows Atwood Distributing L.P. filed an assumed name certificate to operate as Atwoods Ranch & Home (**Exhibit 2**). All corporate documents are on file with the Federal Licensing Center under RDS Key 5-73-04837.

Per Regional Manager Kenny Shiplet there have been no changes to corporate structure since license was issued in 2014.

Variance:

The licensee does not hold a variance from regulations.

2 - Recommendation

Viols, WC with WL and Recall

3 - Inspection History

No previous compliance inspections. This is licensee's first inspection.

Date of Inspection: August 19, 2014
Type of Inspection: Qualification Inspection
UI#: 781085-2014-0581
Inspection Results: Application Approved
Cited Violations: N/A

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

A full gun to book inventory was conducted. There were 253 firearms in inventory and (b)(7)-F open entries in the A&D Record with no discrepancies noted. The A&D Record keeps information in the proper format as required by ATF guidelines. There were (b)(7)-F successful traces to the licensee for the inspection period and no unresolved traces. No trafficking indicators were found. There was no discovery of obliterated serial numbers or illegal firearms during the inspection.

RP/Assistant Manager Brian Swindle is in charge of maintaining the A&D Record. Mr. Swindle receives firearm shipments from (b)(4), and Atwood Distributors. When shipments are received from Atwood Distributors a report is sent to store ahead of time listing all firearms in shipment. Mr. Swindle inputs all entries timely into a manual A&D Record. At this time the licensee does not have a computerized A&D Record but the firearms inventory is put into the store's computerized inventory. The store's inventory record does not comply with ATF Ruling 2013-5. The licensee is in the process of acquiring software for a computerized

FIREARMS INSPECTION REPORT

Name: Atwood Distributing LP
Trade Name: Atwoods Ranch & Home #56

UI#: 781085-2016-0275-B1B
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A&D Record to make recordkeeping/inventory more efficient. Currently the licensee is operating out of numerous hand written records.

The licensee stated that a physical count of firearms is conducted every night. Gun to book inventories are conducted monthly. Hand guns are stored in a locked safe at night and long guns are secured with a cable/alarm system. Based on the licensee's business activity and volume standard operating procedures for recordkeeping and inventory appear adequate.

5 - ATF Forms 4473 – NICS & Other Dispositions

ATF Forms 4473 on file were examined beginning on April 4, 2015 through April 4, 2016. In addition to the standard ATF Form 4473, the licensee offers the ATF E-form 4473 as an option for its customers. A total of (b)(3)-(b)(12) forms were examined. The forms contained numerous errors and omissions. The licensee was cited under CFR/USC for the following violations:

478.21(a)- At least (b)(3) forms
478.124(c)(1)-At least (b)(3) forms
478.124(c)(3)(i)-At least (b)(3) forms
478.124(c)(3)(iv)-At least (b)(3) forms
478.124(c)(5)-At least (b)(3) forms
478.102(a)-At least (b)(3) forms
478.126a-At least (b)(3) forms
923(g)(5)(A)-At least (b)(3) form
478.131(a)(2)-At least (b)(3) form
478.99(c)-At least (b)(3) forms

(See Worksheets, Exhibit #3, and ROV)

There were no purchases of large amounts of firearms by the same individuals noted during the inspection period. There were no transfers to law enforcement officers during the period of inspection. IOI (b)(6) verified that 25 dispositions had a corresponding ATF Form 4473. The NICS Audit Log, disclosed 116 'Proceed' NICS responses in the past 60 days, seven (7) 'Denied', three (3) 'Open', and one (1) 'Cancelled'. The information on the audit log was verified against the information on the transaction forms. No problems were noted.

Prior to the inspection information was received from NICS stating that the licensee had conducted at least (2) duplicate NICS checks on customers when receiving a 'Delay' response. The licensee indicated during the call that the reason for the duplicate call was because their customer was waiting too long for a final response. IOI (b)(6) questioned RP Brian Swindle in regards to this. Mr. Swindle stated that he was

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unaware of the situation. Mr. Swindle reviewed the forms in question and stated that the employee who initiated the calls no longer works for Atwoods. IOI (b)(6) informed Mr. Swindle that making duplicate calls for the same transaction is not allowed and considered an abuse of the NICS system. Mr. Swindle stated that he would inform his employees that duplicate calls are not allowed on the same transaction even if it is a 'Delay'.

The licensee stated that at the time of transaction an additional employee will review the ATF Form 4473 prior to customer leaving the premises. On the following morning the Assistant Manager reviews the forms again and inputs the disposition into the A&D Record. In addition to both reviews at the store level all forms are scanned to the licensee's internal compliance department for review. Despite this review process numerous errors and omissions were found on the ATF Forms 4473. RP Brian Swindle cited employee turnover, employee morale, and a lack of manpower in the firearms department as partly to blame for the errors. IOI (b)(6) recommended a formal training process for all employees who conduct firearms transactions. Currently there is no formal training in place such as computer based training or manuals to adequately train employees. All training done is on the job training taught by current employees/manager. Based on the findings during the inspection internal controls for ATF Forms 4473 are not adequate and needs improvement.

6 - Multiple Sales

The licensee reported (b)(3) multiple sales in the last 12 months. During the ATF Form 4473 review, IOI (b)(6) discovered the following unreported multiple sales:

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



IOI (b)(6) queried E-Trace to verify that the licensee reported the multiple sales above. As of June 3, 2016 the sales for (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) have been reported. IOI (b)(6) contacted Regional Manager Kenny Shiplet to inform him of the outstanding multiple sale for (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6). Mr. Shiplet stated that he would complete the multiple sale immediately.

7 - Suspicious/Prohibited Purchasers

There no suspicious purchasers identified during the course of the inspection. On at least (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) ATF Forms 4473 purchasers answered 'Yes' to prohibiting questions. In

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all instances the licensee continued with the transaction without inquiring with the customer if the question was marked 'Yes' in error. IOI (b)(6) conducted background checks on all individuals who answered 'Yes' to the prohibitive questions. All individuals appear to not have any criminal history that would prevent them from owning a firearm. The licensee was cited under CFR 478.99c. (See Worksheets, ROV, Exhibit #3)

8 - Trace Activity

There were (b)(3) - 112 Public L firearms traced to the license in the last 12 months. There were no unresolved traces perfected during the inspection.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not hold a Special Occupational Tax Stamp to deal in NFA Firearms and does not hold a license to import, collect, or manufacture firearms.

10 - Referrals

There were no referrals generated as a result of this inspection.

11 - Other

IOI (b)(6) queried N-Force prior to the inspection to see if the license was part of any open criminal investigation. The query came back negative.

12 - Closing Actions

On April 28, 2016 IOI (b)(6) held a closing conference with Regional Manager Kenny Shiplet and Store Manager Mike Hammer. They were made aware of the results of the inspection and any problems noted. Kenny Shiplet signed the Acknowledgement of Federal Firearms Regulations confirming that all regulations were explained by IOI (b)(6). (Exhibit #4) Mr. Shiplet also signed and was provided a copy of ATF Form 5030.5, Report of Violations

13 - Violations

1. 27 CFR 478.21a

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 at least (b)(3) - 112 Public L ATF Forms 4473. The licensee failed to complete and/or failed to ensure that the transferee fully and accurately completed the following:

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




Licensee's Response: The licensee stated that the errors were caused by a lack of attention to detail.

Corrective Action: In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to the transfer of a firearm to a non-licensee. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will utilize templates for ATF Forms 4473, re-train its employees and offer improved and ongoing training.

(See Worksheets, ROV, and Exhibit #3)

2. **27 CFR 478.124(c)(1)**

Nature of Violation: Failure to obtain a properly completed ATF Form 4473, Section A, prior to transferring a firearm to a non-licensee on at least  ATF Forms 4473. The licensee failed to ensure that the transferee fully and accurately completed the following:

(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: The licensee stated that the errors were caused by a lack of attention to detail. Management changes, lack of sufficient training and employee turnover also contributed to errors.

Corrective Action: In the future the licensee will ensure that the transferee completes all items on ATF Form 4473 accurately and completely. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will utilize templates for ATF Forms 4473, re-train its employees and offer improved and ongoing training.

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

Nature of Violation: Failure to verify the identity of the transferee and/or obtain complete and valid identification on ATF Form 4473 prior to the transfer of a firearm to a non-licensee on at least  ATF Forms 4473. The licensee failed to record or failed to record complete and valid identification of the following forms:

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



Licensee's Response: The licensee stated that the errors were caused by a lack of attention to detail. Employees did not complete job and RP did not review forms for errors or omissions.

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Corrective Action: In the future the licensee will ensure that complete and valid identification is recorded on the ATF Form 4473 prior to the transfer of a firearm to a non-licensee. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will utilize templates for ATF Forms 4473, re-train its employees and offer improved and ongoing training.

(See Worksheets, ROV, and Exhibit #3)

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 at least [REDACTED] ATF Forms 4473. The licensee failed to record or record correct responses on the following forms:

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



Licensee's Response: The licensee stated that the errors were caused by a lack of attention to detail.

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Corrective Action: In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to the transfer of a firearm to a non-licensee. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will utilize templates for ATF Forms 4473, re-train its employees and offer improved and ongoing training.

(See Worksheets, ROV, and Exhibit #3)

5. **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 at least [REDACTED] ATF Forms 4473. The following forms had signature/date omissions:

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

Licensee's Response: The licensee stated that the errors were caused by a lack of attention to detail.

Corrective Action: In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to the transfer of a firearm to a non-licensee. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will utilize templates for ATF Forms 4473, re-train its employees and offer improved and ongoing training.

(See Worksheets, ROV, and Exhibit #3)

6. **27 CFR 478.102a**

Nature of Violation: Failure to contact NICS or obtain a valid exception to NICS prior to transferring a firearm to a non-licensee on at least [REDACTED] ATF Forms 4473. The following forms:

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

Licensee's Response: The licensee is unsure why the NICS errors occurred. The licensee speculated it was confusion of the NICS process.

Corrective Action: In the future the licensee will ensure that only valid permits from the State of Texas will be accepted in lieu of NICS check. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will utilize templates for ATF Forms 4473, re-train its employees and offer improved and ongoing training.

(See Worksheets, ROV, and Exhibit #3)

7. 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 on at least (b)(3) - 112 Public ATF Forms 4473. The following ATF Forms 4473 were not reported on ATF Form 3310.4:

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

Licensee's Response: The licensee stated that RPs are supposed to report multiple sales immediately. The unreported multiple sales were overlooked.

Corrective Action: In the future, the licensee will check for multiple handgun sales and complete/submit ATF Forms 3310.4, when required, prior to the conclusion of the business day the multiple handgun is transferred.

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8. **18 USC 923(g)(5)(A)**

Nature of Violation: Failure to prepare and submit a report of multiple rifle sales or disposition (ATF Form 3310.12) whenever the licensee sells or otherwise disposes of, two or more semiautomatic rifles over .22 caliber and capable of accepting a detachable magazine at one time or during any five consecutive business days on at least [REDACTED] ATF Form 4473. The following ATF Form 4473 was not reported on ATF Form 3310.12:

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

Licensee's Response: The licensee stated that RPs are supposed to report multiple sales immediately. The unreported multiple sales were overlooked.

Corrective Action: In the future, the licensee will check for multiple rifle sales and complete/submit ATF Forms 3310.12, when required, prior to the conclusion of the business day the multiple rifles are transferred.

(See Worksheets, ROV, and Exhibit #3)

9. **27 CFR 478.131(a)(2)**

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 at least [REDACTED] ATF Form 4473. The following form contained an omission:

[REDACTED] (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6).

Licensee's Response: The licensee stated that the errors were caused by a lack of attention to detail.

Corrective Action: In the future the licensee will ensure that all ATF Forms 4473 are reviewed for errors or omissions prior to the transfer of a firearm to a non-licensee. The licensee plans on verifying the ATF Form 4473 twice before the customer leaves, RP signing the third page of form to confirm verification, and then scanning a copy of ATF Form 4473 to Regional Manager Kenny Shiplet for an additional verification on the following business day. In addition to an improved verification process the licensee will re-train its employees and offer improved and ongoing training.

(See Worksheets, ROV, and Exhibit #3)

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10. **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 on at least (b)(3) - 112 Public L ATF Forms 4473. The following forms contained 'Yes' answers to prohibiting questions:

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

Licensee's Response: The licensee stated that the errors were caused by a lack of attention to detail. The licensee also attributes the errors to the ease of making errors on the ATF E-Form 4473.

Corrective Action: In the future the licensee will review Section A. Certification questions to identify 'Yes' answers to prohibiting questions. In the event of a 'Yes' answer the licensee will verify that the answer is correct with the transferee. If answer is thought to be correct by the transferee the sale will not continue.

X

Industry Operations Investigator

Index of Worksheets and Exhibits

1. Worksheets
2. Exhibit #1-Texas Secretary of State Entity Information
3. Exhibit #2-Assumed Name Filing
4. Exhibit #3-ATF Forms 4473 with Violations

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5. Exhibit #4-Acknowledgement of Federal Firearms Regulations