

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) SHILEN RIFLES INC none used 205 METRO PARK BLVD ENNIS, TX 75119, ELLIS	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781025-2017-0029-B1B 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS 575139079F08900
5. REQUESTED BY (SIGNATURE, TITLE AND DATE)	

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Acting Area Supervisor, 12/27/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
 Conduct a firearms disposition emphasis inspection. Ensure the licensee meets local zoning and ATF regulations.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	7	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: 05/18/2017

 Viols WL ONLY and Recall Inspection

12. TIME ACCOUNTING DATA	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
OCT 2016	2.00
ATF OFFICER'S SUBTOTAL	2.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
FEB 2017	56.00
ATF OFFICER'S SUBTOTAL	56.00
ATF OFFICER'S SIGNATURE	
TOTAL HOURS	58.00

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
 Viols WL ONLY and Recall Inspection

<input checked="" type="checkbox"/> REVIEWED <input checked="" type="checkbox"/> CONCUR <input type="checkbox"/> SEE COMMENTS <input checked="" type="checkbox"/> FINAL DISPOSITION	
SIGNATURE AND TITLE (b)(6) - Director, Industry Operations	REVIEW DATE 03/09/2017

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) SHILEN RIFLES INC none used 205 METRO PARK BLVD ENNIS, TX 75119, ELLIS	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781025-2017-0029-B1B		
	3. PERMIT/LICENSE NUMBER 575139079F08900	4a. TARGET DATE	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

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 SHILEN RIFLES INC	Street Address 205 METRO PARK BLVD	City ENNIS	State TX	Zip Code 75119-	County ELLIS	Page 1 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 575139079F08900	Expiration Date 6/1/2019	Date(s) or Period of Inspection 02/08/2016 through 02/07/2017				

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 furnish all information called for in each ATF Form 4473 as indicated by the headings on the ATF Form 4473 and the instructions on or pertaining to the ATF Form 4473. (b)(3) forms)

On ATF Form 4473 (2012 Edition) Item # 24, 25 was blank on (b)(3) form, Item # 32 was blank on (b)(3) form and Item # 33 and 35 was blank on (b)(3) form.

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will ensure that all ATF Forms 4473 are properly completed.

Number: 2

Nature of Violation:

Failure to conduct the required NICS background check and have the NICS system inform the licensee that it has no information that receipt of the firearm by the transferee would be in violation of Federal or State Law prior to the completion of the firearm transfer. (b)(3) form)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will properly conduct the required NICS background checks prior to the completion of the firearm(s) transfer for all out of state residents.

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

Citation: 27 CFR 478.102(a)

Report of Violations

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Name of Proprietor SHILEN RIFLES INC	Street Address 205 METRO PARK BLVD	City ENNIS	State TX	Zip Code 75119-	County ELLIS	Page 2 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 575139079F08900		Expiration Date 6/1/2019	Date(s) or Period of Inspection 02/08/2016 through 02/07/2017			

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 obtain a properly completed ATF Form 4473 from a nonlicensee prior to the transfer of a firearm. [REDACTED] forms)

On ATF Form 4473 (2012 Edition) Item #1 was an error on [REDACTED] form; Item # 2 was an error on [REDACTED] form and Item # 17 was blank on [REDACTED] forms and an error on [REDACTED] forms.

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will ensure that a nonlicensee, prior to the transfer of a firearm, completes all the required information on the ATF Form 4473.

Number: 4

Nature of Violation:

Failure to verify and correctly record identification document of transferee on ATF Form 4473. [REDACTED] form)

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

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 will always verify and correctly recorded all identification documents on the ATF Form 4473.

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 SHILEN RIFLES INC	Street Address 205 METRO PARK BLVD	City ENNIS	State TX	Zip Code 75119-	County ELLIS	Page 3 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 575139079F08900		Expiration Date 6/1/2019	Date(s) or Period of Inspection 02/08/2016 through 02/07/2017			

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 completely and properly identify the firearm transferred on the ATF Form 4473. (form)

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

Citation: 27 CFR 478.124(c)(4)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: The licensee will completely and properly identify the firearm transferred on the ATF Form 4473.

(If not corrected immediately)

Number: 6

Nature of Violation:

Failure to properly record the firearm transfer completion date upon transfer of a firearm to a nonlicensee on the ATF Form 4473. (form)

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

Citation: 27 CFR 478.124(c)(5)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: The licensee will ensure to properly record the firearm transfer completion date on the ATF Form 4473 when the firearm is transferred to the transferee.

(If not corrected immediately)

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 SHILEN RIFLES INC	Street Address 205 METRO PARK BLVD	City ENNIS	State TX	Zip Code 75119-	County ELLIS	Page 4 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 575139079F08900	Expiration Date 6/1/2019	Date(s) or Period of Inspection 02/08/2016 through 02/07/2017				

Inspection Results

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

Number: 7

Nature of Violation:

Failure to accurately and timely maintain the Acquisition and Disposition Record.
 (b)(3) instances

Licensee failed to log into inventory (b)(3) receivers (b)(3) 112 Public Law 55 125 STAT 552

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

Licensee failed to record the disposition in (b)(3) instances (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: The licensee will accurately and timely maintain the

(If not corrected immediately) Acquisition and Disposition Record.

Citation: 27 CFR 478.125(e)

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

March 23, 2017

www.atf.gov

781025 (b)(6)
5000

SHILEN RIFLES INC
205 METRO PARK BLVD
ENNIS, TX 75119-
RE: 575139079F08900

Dear Mrs. Jennifer Hull:

During a recent inspection at your firearms business covering the period February 8, 2016 to February 7, 2017 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.

Should you have any questions regarding this matter, please contact (b)(6), Industry Operations Investigator at (b)(6).

Sincerely yours

(b)(6)

Area Supervisor for Dallas Group V

Enclosure

cc: Federal Firearms Licensing Center
Dallas V (IO) Field Office

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

Address: 205 Metro Park Blvd
Ennis, Texas 75119 (Ellis County)

1 - Introduction

Inspection Profile:

On 02/08/2017, Industry Operations Investigator (b)(6) (the investigator) began a full disposition inspection with emphasis on the Southwest Border Initiative at the business premises of Shilen Rifles Inc., located at 205 Metro Park Blvd, Ennis, Texas.

This inspection covered the period beginning 02/08/2016, through 02/07/2017. The investigator interviewed Mrs. Jennifer Marie Hull (Mrs. Hull), responsible person, who identified herself with her Texas driver's license (b)(6). No other Federal, State, or local agencies participated. The investigator did not provide advanced notification.

NCIC/NLETS criminal history queries of Jennifer Marie Hull nor Robert Wade Hull, responsible person, did not disclose any prohibiting information.

A query of the ATF NFORCE database did not disclose any information that Mr. or Mrs. Hull are the subject of any ongoing ATF criminal investigations.

Business Profile:

Shilen Rifles Inc., holds an ATF Type-07 license as a Manufacturer of Firearms Other Than Destructive Devices whose primary business consist of manufacturing custom rifle barrels which are then attached to receivers that are manufactured and supplied by Stiller Precision Firearms, LLC (5-75-41806). Mrs. Hull verified that the business has discontinued providing gunsmith services to the public and currently focused on customizing rifle barrels at the time of this inspection. The licensee holds a swap meet a few times a year where their customers can trade items including firearms and tour their facility. The investigator advised the licensee to offer any customer trading firearms, a 4473 to conduct a background check to ensure the person receiving the firearm is not prohibited.

A view of the licensee's records indicate that the licensee acquired approximately (b)(4) firearms (b)(4) receivers and (b)(4) rifles) and disposed of approximately (b)(4) firearms (b)(4) receivers and (b)(4) rifles) during the last 12 months.

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Trade Name:

UI#: 781025-2017-0029-B1B
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Mrs. Hull verified that the majority of the business sales are (b)(4) wholesales and (b)(4) are retail sales.

In addition, she stated that the business primary supplier is (b)(4) (b)(4) for receivers and the public for any used firearms they may receive.

The licensee does not sell firearms at gun shows, on consignment or via the Internet. Mrs. Hull verified that the business does have a website; however, they do not sell firearms via their website. At the time of this inspection, the licensee does not conduct firearm transfers. The licensee does not store firearms off-site or conduct any other business on or off the premises.

A query of the ATF FLS database disclosed that the licensee does not hold any other ATF licenses or permits. There are no special attention flags attached to the licensee's FLS account. The licensee has held this FFL since 05/24/2013, because of failing to renew their FFL in a timely manner. The licensee previously held an FFL (5-75-03419), since 04/24/2007.

Shilen Rifles Inc. is located inside the city limits of Ennis, Texas, in a commercial district. Investigator (b)(6) contacted the City of Ennis (972-875-1234) and spoke with (b)(6), planner, who verified that there have been no changes in their zoning laws or regulations concerning firearm sales.

Ownership and Control:

Shilen Rifles Inc. is a corporation owned and operated by Mr. & Mrs. Hull. An online query of the Texas Secretary of State website disclosed an Articles of Incorporation for which disclosed that the business will be managed by (4) directors. The website disclosed the (4) directors listed as Edward Shilen, Emily Shilen, Edward Spencer and Martha Spencer. Investigator (b)(6) inquired about the ownership of the corporation and was advised by Mrs. Hull that she and Mr. Hull own (b)(4) shares of the corporation and that Mr. Greg Preston owns (b)(4) Mr. and Mrs. Hull purchased the business from the directors listed above.

The investigator did not locate an amendment to the Articles of Incorporation in the Texas Secretary of State online database. The investigator contacted the Texas Secretary of State Office and spoke with a representative who stated that the Articles of Incorporation do not and will not change. She further stated that the office would record the new owners when they submit a Public Information Report, which has been submitted by the current owners. **[Exhibit 1]**

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

When the investigator inquired about the ownership documentation, Mrs. Hull contacted the Texas Secretary State Office, and was provided the following verbiage:

The secretary of state does not maintain any information on a corporation's shareholders, with the limited exception of a close corporation; however, we do maintain records of an entity's registered agent and registered office address.

An online query of the Texas Comptroller of Public Accounts disclosed that Shilen Rifles Inc., holds an active Texas Sales and Use Tax Permit # (b)(3) - 26 USC 6103 with a begin date of 04/01/1973.

Shilen Rifles Inc. has applied for and received an Employer Identification Number from the Internal Revenue Service (b)(3) - 26 USC 6103

Shilen Rifles Inc. has filed an assumed name certificate in the name of "Shilen Rifles", with the Ellis County Clerk's Office.

An online query of the Ellis County Central Appraisal District online website shows that Shilen Rifles Inc. owns the property located at 205 Metro Park Blvd.

No changes to ownership or control have occurred since the last inspection. No indications of hidden ownership.

Variance:

The licensee maintains several handwritten bound Acquisition and Disposition book (A&D). The investigator advised Mr. & Mrs. Hull that they could maintain a computerized A&D record, without submitting a variance request as long as the information met the requirements of ATF Ruling 2016-1.

2 - Recommendation

Viols WL Only and Recall Inspection.

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

3 - Inspection History

Date and Type of Inspection: 05/16/2013, Qualification Inspection
UI#: 781025-2013-0374
Inspection Results: Application Approved
Cited Violations: None

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

Investigator (b)(6) conducted a full firearms inventory comparing the information stamped on each firearm against the open entries in the licensee's A&D books. The results disclosed 246 firearms in inventory and (b)(6) open entries in the A&D book. Regarding the inventory and the A&D book, the licensee's internal controls are inadequate. This inspection disclosed two firearms not logged into the A&D book and the disposition not recorded for one firearm. No firearms reported missing at the end of this inspection

Regarding the inventory, Mrs. Hull stated that she conduct an inventory monthly by comparing the information on the firearm with the information recorded in the A&D book. She further verified that the monthly inventory is a partial inventory and that she conduct the inventory on one book per month. The investigator advised Mrs. Hull to conduct a monthly inventory of all firearms to prevent any discrepancy.

Regarding the A&D books, the information recorded is in the proper format. However, not all of the information was correct. This inspection disclosed one discrepancy because of the licensee failure to record the disposition of (b)(6) firearm. The investigators conducted a comparison of all of the ATF Form's 4473, for the inspection period against the A&D book, which disclosed no discrepancies.

Based upon the review of the A&D book and inventory, the licensee was cited the following violation:

**ROV 4: 27 CFR 478.125(e)- [Exhibit 8]
Details of the violations is found in Section 13 – Violations.**

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

The licensee reported no theft or losses of firearms during the inspection period. No theft or losses of firearms was disclosed or reported because of this inspection.

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

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5 - ATF Forms 4473 – NICS & Other Dispositions

The licensees had [REDACTED] ATF Forms 4473 on file for the inspection period. The investigator examined all of the forms and checked for any indications of possible firearms trafficking.

The licensee transferred no firearms to law enforcement officers under the provisions of 27 CFR 478.134 during this inspection period. The stigator found the ATF Forms 4473, were filed in order by the form transfer date and that there were no denied forms found during this inspection nor on the FFL Audit Log.

Investigator (b)(6) compared three NICS Transaction Numbers (NTNs) listed on the FFL Audit Log against the information on the corresponding ATF Forms 4473 which disclosed no discrepancies. The licensees did not have any instances where the purchaser received a delayed response after completing an ATF Form 4473 and then failed to return to the shop to pick up the firearm. The investigator advised Mrs. Hull that, in those instances, the forms for the 'non-transfers' should also be filed separately.

Based upon the review of the forms, the licensee were cited for the following violations:

- ROV 1- 27 CFR 478.21(a)- Worksheet 1- Exhibit 2
- ROV 2- 27 CFR 478.102a-Worksheet 1-Exhibit 3
- ROV 3- 27 CFR 478.124(c)(1)- Worksheet 1 Exhibit 4
- ROV 4- 27 CFR 478.124(c)(3)(i)- Worksheet 2 Exhibit 5
- ROV 5- 27 CFR 478.124(c)(4)- Worksheet 1 Exhibit 6
- ROV 6- 27 CFR 478.124(c)(5)- Worksheet 1 Exhibit 7

Details of the violations can be found in Section 13 – Violations.

Regarding the ATF Forms 4473 (Firearms Transaction Record), the licensee's internal controls are inadequate. Mrs. Hull completes all of the ATF Forms 4473, and she stated that she verifies all of Section A of the form prior to the customer leaving the premises. Once she reviews the forms, they are place in a tray and later verified by Mr. Hull. The investigator advised Mrs. Hull to ensure she completes the entire form prior to the customer leaving the premises. In addition, the investigator stated that Mr. Hull should verify each section of the form to ensure the information recorded is correct.

A review of the licensee's ATF Forms 4473 did not disclose any indications of firearms trafficking by purchasers; the investigator did not forward any referrals to the Field Division.

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Name: Shilen Rifles Inc.
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UI#: 781025-2017-0029-B1B
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6 – Multiple Sales

Prior to this inspection, Investigator (b)(6) requested a Firearm Trace History from the Crime Gun Analysis Branch. The trace history revealed no results to report for the licensee for the period of February 6, 2014 to February 6, 2017.

The licensee does not sell handguns. The investigator advised the licensee that a Report of Multiple Sale or Other Disposition of Certain Rifles is required when two or more of the certain rifles purchased within five-business day of the transaction. A review of the licensee's A&D book and the ATF Forms 4473, did not disclose any unreported multiple sales of handguns or certain rifles.

7 – Suspicious/Prohibited Purchasers

No suspicious purchasers identified because of the inspection findings, and no referrals of suspicious purchasers was forwarded to the Field Division's Intel group.

8 – Trace Activity

Prior to this on-site inspection, the investigator requested a Firearms Trace History Report from the Violent Crime Analysis Branch. The report did not disclose any unsuccessful or successful traces for the period of this inspection. A review of the FFL Firearm Trace History Report and queries in the ATF online eTrace database did not disclose any firearms traced to a foreign country.

The investigator conducted a query in the online eTrace database, which disclosed no firearms traced to this licensee during the inspection period.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not import firearms or manufacture ammunition. The licensee does not sell NFA weapons or black powder. The FLS database does not indicate that the licensee holds an ATF Type 03 Collector's license.

Prior to conducting this inspection the investigator requested the Annual Firearms Manufacturing and Exportation Report to ensure that the licensee was in compliance and found no discrepancies

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Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

10 - Referrals

The investigator did not forward any referrals to the Field Division resulting from these inspection findings.

11 - Other

The licensee complies with the Youth Handgun Safety Act (poster and notices).

The licensee has secure gun storage and/or safety devices on the premises for customers to purchase and ensure that all handguns are equipped with a safety device prior to transfer of a firearm.

The premises are not located within 1,000 feet of a school zone.

During this inspection, Mrs. Hull advised the investigator that they have purchased a new building and currently in the process of renovating. The investigator advised Mrs. Hull that she is required to notify ATF 30-days in advance and to submit an Application for an Amended Federal Firearms License.

FFL History: Under the licensee's previous FFL (5-75-03419), the licensee had a DIO led warning conference on 08/11/2011, and was cited for the following violations:

- 27 CFR 478.21a; 27 CFR 478.102a; 27 CFR 478.124a; 27 CFR 478.124(c)(1); 27 CFR 478.124(3)(i); 27 CFR 478.124(3)(iv); 27 CFR 478.124(c)(4); 27 CFR 478.124(c)(5) and 27 CFR 478.125(e).

This inspection disclosed the following repeated violations:

- 27 CFR 478.21; 27 CFR 478.102a; 27 CFR 478.124(c)(1); 27 CFR 478.124(c)(3)(i); 27 CFR 478.124(c)(4); 27 CFR 478.124(c)(5) and 27 CFR 478.125e.

12 - Closing Actions

On 02/15/2017, Investigator (b)(6) held a closing conference with Jennifer Marie Hull responsible person and owner.

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
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The investigator discussed all items on the Report of Violations and the Acknowledgement of Federal Firearms Regulations and afforded her an opportunity to ask questions. Mrs. Hull signed and dated the report of violations and the acknowledgement and received a copy for the business records. **[Exhibit 9]**

The investigator provided the following reference materials.

- Application for an Amended Federal Firearms License

13 - Violations

1. 27 CFR 478.21a

Nature of Violation: Failure to furnish all information called for in each ATF Form 4473 as indicated by the headings on the ATF Form 4473 and the instructions on or pertaining to the ATF Form 4473. (b)(3) forms)

On ATF Form 4473 (2012 Edition) Item # 24, 25 was blank on one form, Item # 32 was blank on one form and Item # 33 and 35 was blank on one form.

Licensee's Response: Mrs. Hull stated that the errors were an oversight. She further stated that she reviews all forms prior to a customer leaving the premises. Her spouse and business partner does a 2nd review later. In the future, she plans to have another person verify the ATF Forms 4473, while the customer is still onsite.

Corrective Action: The licensee will ensure that all ATF Forms 4473 are properly completed.

Reference: Worksheet 2 and Exhibit 2

2. 27 CFR 478.102(a)

Nature of Violation: Failure to conduct the required NICS background check and have the NICS system inform the licensee that it has no information that receipt of the firearm by the transferee would be in violation of Federal or State Law prior to the completion of the firearm transfer. (b)(3) form)

On ATF Form 4473 (2012 Edition) Licensee utilized an Oklahoma permit in lieu of conducting a NICS background check (b)(3)-112 Public Law 95-729 Stat. 892, (b)(3)).

Licensee's Response: Mrs. Hull stated that she was under the impression that they could accept any state that border Texas concealed license/handgun permit. She further stated that the error was an oversight. She currently reviews all forms prior to a

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

customer leaving the premises. Her spouse and business partner does a 2nd review later. In the future, she plans to have another person verify the ATF Forms 4473, while the customer is still onsite.

Corrective Action: The licensee will properly conduct the required NICS background checks prior to the completion of the firearm(s) transfer for all out of state residents.
Reference: Worksheet 2 and Exhibit 3

3. 27 CFR 478.124(c)(1)

Nature of Violation: Failure to obtain a properly completed ATF Form 4473 from a nonlicensee prior to the transfer of a firearm. (b)(3)-1 forms)

On ATF Form 4473 (2012 Edition) Item #1 was an error on (b)(3)-1 form; Item # 2 was an error on (b)(3)-112 form and Item # 17 was blank on (b)(3)-112 forms and an error on (b)(3)-112 forms.

Licensee's Response: Mrs. Hull stated that the errors were an oversight. She further stated that she reviews all forms prior to a customer leaving the premises. Her spouse and business partner does a 2nd review later. In the future, she plans to have another person verify the ATF Forms 4473, while the customer is still onsite.

Corrective Action: The licensee will ensure that a nonlicensee, prior to the transfer of a firearm, completes all the required information on the ATF Form 4473.
Reference: Worksheet 2 and Exhibit 4

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

Nature of Violation: Failure to verify and correctly record identification document of transferee on ATF Form 4473. (b)(3) form)

On ATF Form 4473 (2012 Edition) 20a was blank on one form.

Licensee's Response: Mrs. Hull stated that the error was an oversight. She further stated that she reviews all forms prior to a customer leaving the premises. Her spouse and business partner does a 2nd review later. In the future, she plans to have another person verify the ATF Forms 4473, while the customer is still onsite.

Corrective Action: The licensee will always verify and correctly recorded all identification documents on the ATF Form 4473.
Reference: Worksheet 2 and Exhibit 5

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

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

Nature of Violation: Failure to completely and properly identify the firearm transferred on the ATF Form 4473 (b)(3) form)

On ATF Form 4473 (2012 Edition) Item # 28 was blank on (b)(3) form.

Licensee's Response: Mrs. Hull stated that the error was an oversight. She further stated that she reviews all forms prior to a customer leaving the premises. Her spouse and business partner does a 2nd review later. In the future, she plans to have another person verify the ATF Forms 4473, while the customer is still onsite.

Corrective Action: The licensee will completely and properly identify the firearm transferred on the ATF Form 4473.

Reference: Worksheet 2 and Exhibit 6

6. **27 CFR 478.124(c)(5)**

Nature of Violation: Failure to properly record the firearm transfer completion date upon transfer of a firearm to a nonlicensee on the ATF Form 4473. (b)(3) form)

On ATF Form 4473 (2012 Edition) Item #34 and 36 was an error on (b)(3) form.

Licensee's Response: Mrs. Hull stated that the error was an oversight. She further stated that she reviews all forms prior to a customer leaving the premises. Her spouse and business partner does a 2nd review later. In the future, she plans to have another person verify the ATF Forms 4473, while the customer is still onsite.

Corrective Action: The licensee will ensure to properly record the firearm transfer completion date on the ATF Form 4473 when the firearm is transferred to the transferee.

Reference: Worksheet 2 and Exhibit 7

7. **27 CFR 478.125(e)**

Nature of Violation: Failure to accurately and timely maintain the Acquisition and Disposition Record.
(b)(3) instances)

Licensee failed to log into inventory (b)(3) receivers (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) (b)(3)).

FIREARMS INSPECTION REPORT

Name: Shilen Rifles Inc.
Trade Name:

UI#: 781025-2017-0029-B1B
FFL#: 5-75-139-07-9F-08900

Licensee failed to record the disposition in (b)(3) - 112 instances (b)(3) - 112 Public Law 55 125 Stat 552

Licensee's Response: Mrs. Hull stated that she conducts a partial inventory each month to ensure that all firearms his entered in and out of the A&D book. In the future, she will include another person to conduct the inventory to avoid any errors.

Corrective Action: The licensee will accurately and timely maintain the Acquisition and Disposition Record.

Reference: Worksheet 2 and Exhibit 8

X

Industry Operations Investigator

Index of Worksheets and Exhibits

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2. Worksheet 1 – Inventory, A&D
3. Worksheet 2 – 4473 (2008 edition)
4. Worksheet 2 – 4473 (2012 edition)
5. Firearms Inspection Statistical Page
6. Exhibit 1- Public Information Report
6. Exhibit 2- 27 CFR 478.21(a)
8. Exhibit 3- 27 CFR 478.102a
9. Exhibit 4 – 27 CFR 478.124(c)(1)
10. Exhibit 5 – 27 CFR 478.124(c)(3)(i)
11. Exhibit 6– 27 CFR 478.124(c)(4)
12. Exhibit 7 – 27 CFR 478.124(c)(5)
13. Exhibit 8- 27 CFR 478.125(e)
14. Exhibit 9 – Acknowledgement of Federal Firearms Regulations