

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY)  SHERRARD, KEVIN D THE AUCTION HOUSE 1590 SOUTH BUFFALO STREET CANTON, TX 75103, VAN ZANDT	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781025-2016-0222-B1B 3. PERMIT/LICENSE NUMBER    4a. TARGET DATE    4b. TARGET HOURS 575467017D09629 5. REQUESTED BY (SIGNATURE, TITLE AND DATE)
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6. ATF OFFICER(S) ASSIGNED  
**(b)(6)** - Lead Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)  
**(b)(6)**, Area Supervisor, 01/05/2016

8. PURPOSE/SPECIAL INSTRUCTIONS  
 CONDUCT A SOUTHWEST BORDER 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	9	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	15	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: 03/09/2016  
 REQUEST ALTERNATE RECOMMENDATION from warning conference to warning letter for the following conditions:

First inspection for this licensee.

Low volume of discrepancies verses the large volume of firearms transactions.

**(b)(6)** multiple handgun discrepancies are the reason for the standard recommendation of a warning conference. It must be noted that only **(b)(6)** multiple handgun form (for the disposition of **(b)(6)** firearms) was not submitted and for the other **(b)(6)** instances the multiple handgun forms were submitted, but multiple handgun form had **(b)(6)** handgun missing from the handguns listed on the multiple handgun form.

Viols WC with WL and Recall

### 12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		<b>(b)(6)</b>
JAN 2016	80.00	
FEB 2016	41.00	
MAR 2016	12.00	
ATF OFFICER'S SUBTOTAL	133.00	ATF OFFICER'S SIGNATURE
TOTAL HOURS	133.00	

## Assignment and Report

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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">3. PERMIT/LICENSE NUMBER 575467017D09629</td> <td style="width: 33%;">4a. TARGET DATE</td> <td style="width: 33%;">4b. TARGET HOURS</td> </tr> </table>	3. PERMIT/LICENSE NUMBER 575467017D09629	4a. TARGET DATE	4b. TARGET HOURS
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5. REQUESTED BY (SIGNATURE, TITLE AND DATE)				

### 13. REVIEW AND ROUTING

**REVIEW COMMENTS AND RECOMMENDATION**

Concur with the Request for Alternate Recommendation from a WC to a WL and Recall Inspection.

The licensee will benefit from a Recall inspection to re-inforce the corrective actions that were taken onsite. The licensee conducts business primarily as a result of auctions. The fact that this is the first inspection was taken into consideration for the alternate recommendation.

Viols WL ONLY and Recall Inspection

REVIEWED     
  CONCUR     
  SEE COMMENTS     
  FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) Director, Industry Operations	REVIEW DATE 03/21/2016
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**REVIEW COMMENTS AND RECOMMENDATION**

Viols WL ONLY and Recall Inspection

REVIEWED     
  CONCUR     
  SEE COMMENTS     
  FINAL DISPOSITION

SIGNATURE AND TITLE KRMURPHY - Director, Industry Operations	REVIEW DATE 03/28/2016
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**ROUTING SEQUENCE AND DATE**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

CONTROL FILE POSTED DATE \_\_\_\_\_

# Report of Violations

### Instructions

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

Name of Proprietor SHERRARD, KEVIN D THE AUCTION HOUSE	Street Address 1590 SOUTH BUFFALO STREET	City CANTON	State TX	Zip Code 75103-	County VAN ZANDT	Page 1 of 9 Pages
License/Permit/Registry Number <i>(If any)</i> 575467017D09629		Expiration Date 4/1/2017	Date(s) or Period of Inspection 01/13/1946 through 02/18/2016			

### 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 all of the required information indicated by the headings on the Form and instructions on or pertaining to the Form as indicated below <sup>(b)(3)</sup> ATF Forms 4473 with violations of 27 CFR 478.21(a):

Item 18 on the ATF Form 4473 (Rev 2012) (Type of firearm(s) to be transferred) no information entered or incorrect information entered <sup>(b)(3)</sup> ATF Forms 4473)

Item 24 on the ATF Form 4473 (Rev 2012) (Re-certification Signature of the Transferee/Purchaser) no information entered <sup>(b)(3)</sup> ATF Forms 4473)

Item 25 on the ATF Form 4473 (Rev 2012) (Re-certification date) no information entered <sup>(b)(3)</sup> ATF Forms 4473)

Item 30a on the ATF Form 4473 (Rev 2012) (Total Number of Firearms) <sup>(b)(3)</sup> no entry and <sup>(b)(3)</sup> incorrect entry information <sup>(b)(3)</sup> ATF Forms 4473)

Item 31 on the ATF Form 4473 (Rev 2012) (Trade/corporate name and address of transferor) no information entered <sup>(b)(3)</sup> ATF Forms 4473)

Item 32 on the ATF Form 4473 (Rev 2012) (Federal Firearms License Number) no information entered <sup>(b)(3)</sup> ATF Forms 4473)

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

Immediately begin a better review of the ATF Forms 4473 to verify all of the required information is correctly entered on the ATF Form 4473 prior to the release of firearm to a nonlicensee.

# Report of Violations

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Name of Proprietor SHERRARD, KEVIN D THE AUCTION HOUSE	Street Address 1590 SOUTH BUFFALO STREET	City CANTON	State TX	Zip Code 75103-	County VAN ZANDT	Page 2 of 9 Pages
License/Permit/Registry Number <i>(If any)</i> 575467017D09629		Expiration Date 4/1/2017	Date(s) or Period of Inspection 01/13/1946 through 02/18/2016			

### Inspection Results

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

Item 33 on the ATF Form 4473 (Rev 2012) (Transferor's Printed Name) no information entered  
 [REDACTED] ATF Forms 4473)

Item 35 on the ATF Form 4473 (Rev 2012) (Transferor's Title) no information entered [REDACTED] ATF  
 Forms 4473)

**Citation:** 27 CFR 478.21(a)

# Report of Violations

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Name of Proprietor SHERRARD, KEVIN D THE AUCTION HOUSE	Street Address 1590 SOUTH BUFFALO STREET	City CANTON	State TX	Zip Code 75103-	County VAN ZANDT	Page 3 of 9 Pages
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### 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 the required information for the following items (b)(3) ATF Forms 4473 with violations of 27 CFR 478.124(c)(1):

Item 1 on ATF Form 4473 (Rev 2012) (Transferee's Full Name (Last, First Middle) incorrect information (b)(3) ATF Form 4473)

Item 2 on ATF Form 4473 (Rev 2012) (Residence Address) incorrect and/or incomplete information entered (b)(3) ATF Forms 4473)

Item 3 on ATF Form 4473 (Rev 2012) (Place of Birth) incomplete information (b)(3) ATF Forms 4473)

Item 10a on ATF Form 4473 (Rev 2012) (Hispanic or not Hispanic) no information (b)(3) ATF Form 4473)

Item 11b on ATF Form 4473 (Rev 2012) (Are you under indictment or information in any court for a felony, or any other crime for which the judge could imprison you for more than one year, even if you received a shorter sentence including probation?) No entry and transferee/purchaser is not a prohibited person. (b)(3) ATF Forms 4473)

Item 111 on ATF Form 4473 (Rev 2012) (Are you a nonimmigrant alien?) No entry (b)(3) ATF Forms 4473)

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

Immediately being a better review of the ATF Forms 4473 to verify the forms are completely and accurately completed prior to the release of firearms to nonlicensees.

# Report of Violations

### Instructions

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Name of Proprietor SHERRARD, KEVIN D THE AUCTION HOUSE	Street Address 1590 SOUTH BUFFALO STREET	City CANTON	State TX	Zip Code 75103-	County VAN ZANDT	Page 4 of 9 Pages
License/Permit/Registry Number <i>(If any)</i> 575467017D09629		Expiration Date 4/1/2017	Date(s) or Period of Inspection 01/13/1946 through 02/18/2016			

### Inspection Results

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

Item 13 on ATF Form 4473 (Rev 2012) (What is your State of residence?) no information entered [redacted] ATF Forms 4473)

Item 14 on ATF Form 4473 (Rev 2012) (What is your country of citizenship?) no entry [redacted] ATF Forms 4473)

Item 16 on ATF Form 4473 (Rev 2012) (Transferee's Signature) no entry [redacted] ATF Forms 4473)

Item 17 on ATF Form 4473 (Rev 2012) (Date Transferee Completed Form) no entry or incorrect information entered [redacted] ATF Forms 4473)

**Citation:** 27 CFR 478.124(c)(1)

**Number:** 3

**Nature of Violation:**

Failure to obtain the required information on the ATF Form 4473 in Item 20a on ATF Form 4473 (Rev 2012) (Type of Identification) (Number of Identification) (Expiration Date of Identification) no entry or incorrect information entered [redacted] ATF Forms 4473 with violations of 27 CFR 478.124(c)(3)(i).

**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)*

Immediately begin better verifying the ATF Forms 4473 for completeness and accuracy prior to the release of a firearm to a nonlicensee.

# 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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### 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 obtain the following required information on the ATF Form 4473 (Rev 2012) in Item 20c (Nonimmigrant aliens only: Type of documentation showing an exception to the nonimmigrant alien prohibition)  ATF Form 4473 with violation of 27 CFR 478.124(c)(3)(iii)

**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)*

Immediately begin entering all of the required information on the ATF Forms 4473 prior to the release of a firearm to a nonlicensee

# Report of Violations

### Instructions

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### Inspection Results

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

**Number:** 5

**Nature of Violation:**

Failure to obtain the following required information on the ATF Form 4473 (ATF Forms 4473 with violations of 27 CFR 478.124(c)(3)(iv)):

Item 21a on ATF Form 4473 (Rev 2012) (The transferee's identification information in Section A of this Form was transmitted to NICS or the appropriate state agency on \_\_\_\_\_ (Date)) no information entered (ATF Forms 4473)

Item 21b on ATF Form 4473 (Rev 2012) (The NICS or state transaction number.) no information entered (ATF Forms 4473)

Item 21c on ATF Form 4473 (Rev 2012) (The response initially provided by NICS or the appropriate state agency was) no information entered (ATF Forms 4473)

Item 21d on ATF Form 4473 (Rev 2012) (If initial NICS or state response was "Delayed" the following response was received from NICS or the appropriate states agency on \_\_\_\_\_ (Date)) no information entered (ATF Forms 4473)

**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)*

Immediately begin entering all of the required information on the ATF Forms 4473 prior to the release of firearms to nonlicensees.



# Report of Violations

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License/Permit/Registry Number <i>(If any)</i> 575467017D09629	Expiration Date 4/1/2017	Date(s) or Period of Inspection 01/13/1946 through 02/18/2016				

### Inspection Results

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

**Number:** 6

**Nature of Violation:**

Failure to enter the following required information on the ATF Form 4473 (b)(3) ATF Forms 4473 with violations of 27 CFR 478.124(c)(4):

Item 26 on ATF Form 4473 (Rev 2012) (Manufacturer and/or Importer) (b)(3) no entry and (b)(3) incorrect information entries (b)(3) ATF Forms 4473)

Item 27 on ATF Form 4473 (Rev 2012) (Model) (b)(3) no entry and (b)(3) incorrect information entries (b)(3) ATF Forms 4473)

Item 28 on ATF Form 4473 (Rev 2012) (Serial Number) (b)(3) no entry and (b)(3) incorrect information entries (b)(3) ATF Forms 4473)

Item 29 on ATF Form 4473 (Rev 2012) (Type) (b)(3) no entry and three incorrect information entries (b)(3) ATF Forms 4473)

Item 30 on ATF Form 4473 (Rev 2012) (Caliber or Gauge) (b)(3) no entry and (b)(3) incorrect information entries (b)(3) ATF Forms 4473)

**Citation:** 27 CFR 478.124(c)(4)

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

Immediately begin entering all of the required information on the ATF Forms 4473 prior to the release of firearms to nonlicensees.

# Report of Violations

### Instructions

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### 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 enter the following required information on the ATF Form 4473 (ATF Forms 4473 with violations of 27 CFR 478.124(c)(5)):

Item 34 on ATF Form 4473 (Rev 2012) (Transferor's Signature) no entry (ATF Forms 4473)

Item 36 on ATF Form 4473 (Rev 2012) (Date Transfer is completed) no entry (ATF Forms 4473)

**Citation:** 27 CFR 478.124(c)(5)

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

Immediately begin entering all of the required information on the ATF Forms 4473 prior to the release of firearms to nonlicensees.

**Number:** 8

**Nature of Violation:**

Failure to record the disposition of firearms in the acquisition and disposition record the transfer of a firearm within 7 days following such transaction for (firearms).

**Citation:** 27 CFR 478.125(e)

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

Immediately entered the disposition for the firearms in the acquisition and disposition record

# Report of Violations

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License/Permit/Registry Number <i>(If any)</i> 575467017D09629	Expiration Date 4/1/2017	Date(s) or Period of Inspection 01/13/1946 through 02/18/2016				

### Inspection Results

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

**Number:** 9

**Nature of Violation:**

Failure to report the multiple sale of handguns to nonlicensees on ATF Form 3310.4. There were  handguns involved.  ATF Forms 4473)

**Citation:** 27 CFR 478.126a

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:** Immediately submitted the additional handgun information

*(If not corrected immediately)* to ATF

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

*April 1, 2016*

www.atf.gov

781025: (b)(6)  
5000

SHERRARD, KEVIN D  
THE AUCTION HOUSE  
1590 SOUTH BUFFALO STREET  
CANTON, TX 75103-  
RE: 575467017D09629

Dear: Mr. Kevin Sherrad

During a recent inspection at your firearms business covering the period January 1, 2015 to January 12, 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.

SHERRARD, KEVIN D

Should you have any questions regarding this matter, please contact Senior Industry Operations Investigator (b)(6) 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:** Kevin D. Sherrard  
**Trade Name:** The Auction House

**UI#:** 781025-2016-0222-B1B  
**FFL#:** 5-75-467-01-7D-09629

**Address:** 1590 South Buffalo Street, Canton, Van Zandt County, Texas, 75103

## 1 - Introduction

### Inspection Profile:

On January 13, 2016, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (b)(6) (the investigator) began an unannounced onsite inspection of Kevin D. Sherrard (Mr. Sherrard) doing business as The Auction House (the licensee). The investigator conducted the inspection at the Federal firearms licensed (FFL) location of 1590 South Buffalo Street, Canton, Van Zandt County, Texas, 75103 [GPS coordinates N 32.53862 / W 095.87650] for FFL number 5-75-467-01-7D-09629. The investigator displayed her ATF credentials and provided Mr. Sherrard her ATF business card as proof of her identification. The investigator held an opening conference with Mr. Sherrard to explain the inspection procedures and to allow Mr. Sherrard to state any concerns or ask any questions he might have about the inspection. The investigator conducted a disposition emphasis firearms inspection with special attention to the Southwest Border Initiative Program guidelines for the period covering January 1, 2015, through January 12, 2016. On February 18, 2016, the investigator completed the onsite inspection and conducted a closing conference with Mr. Sherrard.

Mr. Sherrard, sole owner of The Auction House, provided his Texas driver's license number (b)(6) (date of birth (b)(6)) as proof of his identification. The ATF Federal Licensing System License Registration Report database indicates Mr. Sherrard as the sole responsible person.

Prior to the on-site inspection the investigator queried the ATF Federal Licensing System database for the licensee and determined there are no special attention flags indicating the licensee is or has previously been under an ATF criminal enforcement investigation. The investigator also contacted the Violent Crime Analysis Branch by e-mail with an ATF Form 3312.3, Violent Crime Analysis Branch – Query Request, attached and FBI/NICS ([fflaudit.leo.gov](http://fflaudit.leo.gov)) to determine if they had any derogatory information concerning Mr. Sherrard doing business as The Auction House. The requests did not identify any derogatory information for the licensee. An OpenFox criminal history query for Mr. Sheppard and The Auction House did not identify any derogatory information. The investigator contacted (b)(6) (IOI (b)(6)), ATF Industry Operations Investigator/Intelligence Specialist, and requested any information he had for Mr. Sherrard or The Auction House. IOI (b)(6) replied he did not disclose any derogatory information for Mr. Sherrard or The Auction House. IOI (b)(6)

## FIREARMS INSPECTION REPORT

**Name:** Kevin D. Sherrard  
**Trade Name:** The Auction House

**UI#:** 781025-2016-0222-B1B  
**FFL#:** 5-75-467-01-7D-09629

provided the names of several individuals that he would like information on, if they had dealing with the licensee and requested the used firearms be check with eTrace to determine if there was any derogatory information for the used firearms.

No other Federal, State or local agencies participated in the inspection.

### **Business Profile:**

Mr. Sherrard, doing business as The Auction House, is a retail firearms business that also conducts the auction of firearms from a store front location. During the period of January 1, 2015, through January 12, 2016, the licensee received (b)(4) firearms and disposed of (b)(4). The licensee maintains an inventory of 340 firearms. Approximately (b)(4) percent of the firearms purchased and sold are new firearms purchased from other Federal Firearms Licensees such as (b)(4), (b)(4). The remaining (b)(4) percent are used firearms transferred dealer to dealer for a nonlicensee purchaser, purchased from nonlicensee and other FFL dealers or are trade-in firearms. The licensee conducts gun show activities, Internet transactions and gun auctions. The licensee sells firearms on consignment. The licensee does gunsmithing activities.

The licensee is a sole proprietor (individual owner) entity. The licensee conducts gunsmithing activities, internet purchases and sales, firearms auctions and retail firearms business transactions and does not conduct any wholesale firearms business. The licensee also conducts his public auction business with an auction that is open to the public being conducted once a week at the premises. The licensee also conducts a firearms auction at the premises once a month. The FFL premises are located within the city limits of Canton, Texas, and there are no zoning restrictions to prevent the activities covered by the FFL. The investigator contacted the Canton Code Enforcement Office (903 567-2826) and obtained confirmation there are no zoning restrictions to prevent the licensee from conducting a firearms business from the location of 1590 South Buffalo Street, Canton, Van Zandt County, Texas, 75103. The Type 01 FFL issued to the licensee is correct for the type of firearm activities conducted. There is no off-site storage of firearms. A query of the Federal Licensing System database indicates that the licensee does not hold any additional FFLs or ATF regulated permits or licenses. The licensee has a current Texas Sales and Use Tax Permit number (b)(3) - 26 USC 6103.

### **Ownership and Control:**

Mr. Sherrard doing business as The Auction House operates as a retail firearms dealer and gunsmith and received his FFL for the location of 1590 South Buffalo Street, Canton, Van Zandt County, Texas, 75103 on March 14, 2014. The licensee uses the assumed/trade name of The Auction House and has registered

# FIREARMS INSPECTION REPORT

**Name:** Kevin D. Sherrard  
**Trade Name:** The Auction House

**UI#:** 781025-2016-0222-B1B  
**FFL#:** 5-75-467-01-7D-09629

the assumed/trade name with the Van Zandt County Clerk's office. The Texas Secretary of State website does not indicate the licensee is registered as an entity with the State of Texas.

The Van Zandt County Appraisal District records the property owner as (b)(6) (b)(6). The lease agreement between (b)(6) and Mr. Sherrard allows for a firearms business to be conducted from the property located at 1590 South Buffalo Street, Canton, Van Zandt County, Texas, 75103.

Mr. Sherrard stated there have been no changes in the ownership or control of Mr. Sherrard since the issuance of the FFL in 2014.

The licensee has a current Texas Sales and Use Tax Permit and FFL posted at the licensed premises.

The investigator reviewed the responsible person listed in the Federal Licensing System (FLS) with Mr. Sherrard. Mr. Sherrard stated there have been no changes in the responsible person listed in the FLS. Mr. Sherrard is the only individual listed as a responsible person with the ATF Federal Firearms Licensing Center as indicated by the ATF Federal Licensing System License Registration Report database. The investigator did not disclose any hidden ownership. There have been no changes of license information, control or ownership of the business.

## Variance:

The licensee maintains a handwritten acquisition and disposition (A&D) record.

The investigator advised Mr. Sherrard that should he decide to use a computerized A&D record, the computerized record must meet all of the requirements established as set forth in ATF Ruling 2013-5.

The licensee currently has no approved variances on file. The licensee did not request any variances during the inspection.

## 2 - Recommendation

Report of Violations, warning conference, recall inspection and no referrals.

## 3 - Inspection History

The following inspection is the only inspection conducted during the past five years:

**Date and Type of Inspection:** February 21, 2014 / original FFL application  
**UI#:** 781025-2014-0220-B1B



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## Inspection Results:

Issue FFL

## Cited Violations:

None

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

The investigator verified the A&D Record is formatted in accordance with 27 CFR 478.125(e) and did not disclose any discrepancies. The licensee stated he immediately posts the firearm's information into the A&D Record using the information (manufacturer, model, serial number, caliber/gauge and type) indicated on the firearm. The licensee enters the firearms information into the A&D Record timely. The inspection disclosed [REDACTED] firearms that had not been timely disposed of in the A&D Record.

At the time on the inspection there were [REDACTED] A&D records for sale and consignment firearms, [REDACTED] gunsmithing A&D record and [REDACTED] personal firearms A&D record.

The licensee conducts monthly firearms inventories to verify the firearms in the inventory match the open A&D Record entries.

Prior to conducting the firearms inventory, the investigator reviewed the A&D Record and disclosed [REDACTED] open entries. The investigator conducted a full inventory and disclosed 340 firearms were in the inventory. The firearms in the inventory matched [REDACTED] of the open A&D entries. The A&D Record had [REDACTED] open dispositions that did not have corresponding firearms in the inventory [**Worksheet 1**].

Mr. Sherrard located the disposition documentation information for the [REDACTED] that had been disposed of and not timely posted out of the A&D Record [**Exhibit 1**]. A Report of Violations was issued for the recordkeeping discrepancies as follows:

*27 CFR 478.125(e) - Failure to record the disposition of firearms in the acquisition and disposition record the transfer of a firearm within 7 days following such transaction for [REDACTED] firearms. See Section 13 below for additional information.*

The investigator verified the disposition entry information in the A&D Record against [REDACTED] ATF Forms 4473 and a sampling of the commercial documents (invoices, bills of sale, etc.) and did not disclose any discrepancies.

The investigator reviewed the A&D Record for purchasers and firearms considered as trafficking issues and did not disclose any. The licensee did not have any thefts or losses during the period of January 1, 2015, through January 12, 2016. The investigator did not disclose any obliterated serial numbers or illegal firearms during

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the inspection.

The investigator conducted the following firearms forward traces for the licensee:

Verified the receipt information for (b)(3) - 112 firearms that were shipped to Mr. Sherrard by (b)(3) - 112 Public Law 55 125 Stat 552) during the past one year period. No discrepancies were disclosed.

Verified (b)(3) - 112 firearms dispositioned by Mr. Sherrard to (b)(3) - 112 Public Law 55 125 Stat 552) (b)(3) - 112 Public Law 55 125 Stat 552) were received by (b)(3) - 112 Public Law 55 125 Stat 552)

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

Prior to a firearm leaving the premises, the licensee verifies the information (manufacturer, model, serial number, caliber/gauge and type) from the firearm being removed against the information entered in the A&D Record and on the ATF Form 4473 or removal invoice to re-verify the accuracy of its entries. The licensee double-checks the ATF Forms 4473 prior to the release of firearms to nonlicensees to ensure that each ATF Form 4473 is complete and accurate. The licensee stated the information is immediately posts firearm transaction information into its A&D Record to prevent untimely postings.

(b)(3) - 112 Public Law 55 125 Stat 552) ATF Forms 4473 were on file for the period of January 1, 2015, through January 12, 2016. The licensee files the ATF Forms 4473 in chronological order by date when they are completed. The ATF Forms 4473 are maintained in the proper filing order in accordance with 27 CFR 478.124(b). Mr. Sherrard is aware of the requirement for filing and retaining ATF Forms in 4473 in accordance with 27 CFR 478.129. The ATF Forms 4473 where a NICS check is conducted but no transaction occurs are retained in separate files in accordance with 27 CFR 478.129. The denied ATF Forms 4473 are being retained for a period of no less than five years.

Mr. Sherrard maintains each his ATF Forms 4473 in a packet form that consisted of (from top to bottom of the packet for each firearm listed on the ATF Form 4473 – some ATF Forms 4473 consisted of up to (b)(3) - 112 firearms each) a 5X8 card with a transaction number on it, a copy of the receiving invoice / a signed copy of the FFL (if received from a FFL), a copy of the purchasing invoice / a copy of the seller's driver's license / a statement signed by the seller stating the firearm was legally theirs (if received from a nonlicensee), a hand written sales invoice, a computerized sales invoice, a copy of the purchaser's identification, a copy of the purchaser's handgun license or a printed copy of the computer generated NICS transaction and the ATF Form 4473. Each of these packets were held together with a minimum of two staples

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and a maximum of eight staples placed in the center/middle area of the packet that went through all of the items from top to bottom. The investigator disassembled each packet and then reassembled the packet after reviewing the ATF Form 4473. The investigator informed Mr. Sherrard that in the future the ATF Forms 4473 needed to allow quick access to the ATF Form 4473 information for review by ATF.

The investigator reviewed (b)(3) - 112 Public Law 55 125 Stat 552 ATF Forms 4473 for the period of January 1, 2015, through January 12, 2016. (b)(3) - 112 Public Law 55 125 Stat 552 of the ATF Forms 4473 (.05 percent) reviewed had discrepancies [**Worksheet 2 and Exhibit 2**]. The investigator verified the information provided on the FBI NICS Firearms Compliance Inspection FFL Audit Report against (b)(3) - 112 of the ATF Forms 4473 and did not disclose any discrepancies. The investigator issued a Report of Violations for recordkeeping discrepancies disclosed on the ATF Forms 4473 as follows:

- 27 CFR 478.21(a)
- 27 CFR 478.124(c)(1)
- 27 CFR 478.124(c)(3)(i)
- 27 CFR 478.124(c)(3)(iii)
- 27 CFR 478.124(c)(3)(iv)
- 27 CFR 478.124(c)(4)
- 27 CFR 478.124(c)(5)

(See section 13 – Violations, items 1 through 7 and 9, of this report for additional information.)

During the period of January 1, 2015, through January 12, 2016, the licensee conducted FFL dealer-to-dealer sales in accordance with Federal law and regulations. During the inspection period, the investigator did not disclose any sales to law enforcement officers, utilizing the provisions of 27 CFR 478.134.

The investigator verified the information indicated (b)(3) - 112 Public of the ATF Forms 4473 for the period of January 1, 2015, through January 12, 2016, against the A&D Record and found no discrepancies.

## 6 – Multiple Sales

(b)(3) - 112 Public Law 55 125 Stat 552) multiple handgun disposition reports were for the period of January 1, 2015, through January 12, 2016, for the disposition of (b)(3) - 112 handguns. The licensee failed to submit a handgun disposition report for (b)(3) - 112 transaction consisting (b)(3) - 112 Public handguns. The licensee failed to include (b)(3) - 112 firearm on each of (b)(3) - 112 handgun disposition reports submitted to ATF [**Worksheet 2 and Exhibit 2**]. The investigator issued a Report of Violations for failure to complete ATF Form 3310.4 for multiple handgun purchases (27 CFR 478.126a). See Section 13 below for additional information.

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multiple rifle dispositions were made and reported for the period of January 1, 2015, through January 12, 2016. The licensee had no untimely reported multiple rifle dispositions. The investigator did not issue a Report of Violations for failure to complete ATF Form 3310.12 for multiple rifle purchases.

## **7 – Suspicious/Prohibited Purchasers**

The investigator reviewed the ATF Forms 4473 to determine if there were any individuals who purchased 10 or more firearms within a one-year period and found there were no individuals who had not already been reported on multiple handgun reports. The investigator reviewed the ATF Forms 4473 for the past 12-months to determine if any address had more than one individual purchasing firearms. None of the addresses reviewed for the one-year period had multiple firearms purchasers. The investigator reviewed all of the ATF Forms 4473 for the past 12 months for Southwest Border Program firearms and did not identify any weapons of choice patterns or indicators associated with diversion. Mr. Sherrard did not provide any information concerning attempted straw purchases. The investigator conducted background checks (OpenFox) for the individual with discrepancies in Item 11 on the ATF Form 4473 and the firearms were transferred. No disabling information was disclosed for the five individuals. The investigator conducted background checks (OpenFox/NCIC/NLETS) for individuals who initially received a “Delay” response from NICS and the firearms was transferred after three (3) days without a response from NICS and no derogatory information being received. The investigator did not disclose suspicious or prohibited purchasers.

The investigator provide ATF IOI, Intelligence Specialist, (b)(6) with the information he requested [**Exhibit 3**].

The investigator conducted an eTrace check for the licensee and did not disclose any firearms recovered in international territories for the FFL.

The investigator made no referrals for this inspection.

## **8 – Trace Activity**

Requests from the ATF Violent Crime Analysis Branch resulted in firearms being successfully traced and no firearms were unsuccessfully traced for Mr. Sherrard during the period January 1, 2015, through January 12, 2016. The licensee has no “D” code firearms traces. The licensee has no international firearms traces.

The following information for the firearms traces conducted for the licensee during the period of March 14, 2014, through January 12, 2016, are listed below:

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



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



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

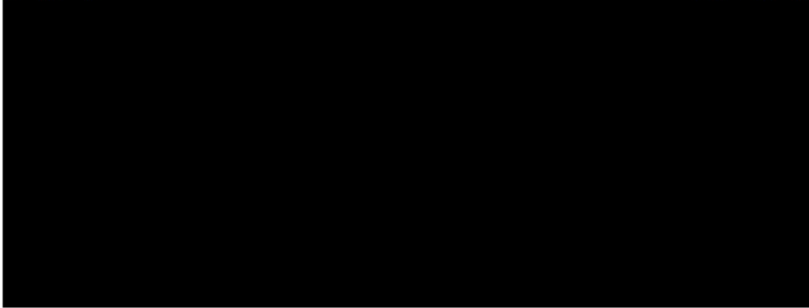


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(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)



The licensee acquired approximately (b)(4) used firearms and disposed of approximately (b)(4) used firearms during the period of January 1, 2015, through January 12, 2016.

The investigator conducted secondary market firearms analyses with eTrace firearms checks for (b)(4) used firearms received and disclosed (b)(3) of the firearms to be possible trace firearms [Exhibit 4]. The information for the (b)(3) firearms was provided to ATF IOI/Intelligence Specialist (b)(6).

The investigator conducted OpenFox queries for the five individuals indicated for traces conducted for the period of January 1, 2015, through January 12, 2016 with no additional information obtained.

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

The licensee does not conduct any National Firearms Act, importer, collector or manufacturing activities.

## **10 - Referrals**

The investigator did not make any information referrals to the ATF Dallas I Intel Unit. Information was provided to ATF IOI/Intelligence Specialist (b)(6) for his use and possible referrals if he deemed necessary.

## **11 - Other**

The licensee displays the Youth Handgun Safety Act poster (ATF I 5300.1) at the FFL premises. The licensee provides the Youth Handgun Safety Notice (ATF I 5300.2) and secure gun storage/safety devices to nonlicensees removing handguns from the FFL premises. Firearm safety devices are available for sale to the public at the FFL premises.

## **12 - Closing Actions**



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Mr. Sherrard has not attended any ATF dealer seminars. The investigator conducted a closing conference with Mr. Sherrard on February 18, 2016. The investigator provided Mr. Sherrard with a current listing of important ATF telephone numbers and addresses. The investigator reviewed the Report of Violations with Mr. Sherrard and Mr. Sherrard signed the Report of Violations. The investigator reviewed the Acknowledgement of Federal Firearms Regulations (Acknowledgement) with Mr. Sherrard and obtained a signed copy [Exhibit 5]. The investigator provided Mr. Sherrard with a copy of the Acknowledgement for his files. The investigator informed Mr. Sherrard of her recommendation of a warning conference or possibly a warning letter.

## 13 - Violations

### 1. 27 CFR 478.21(a)

**Nature of violation:** Failure to obtain all of the required information indicated by the headings on the Form and instructions on or pertaining to the Form as indicated below (25 ATF Forms 4473 with violations of 27 CFR 478.21(a)):

Item 18 on the ATF Form 4473 (Rev 2012) (*Type of firearm(s) to be transferred*) no information entered or incorrect information entered [REDACTED] ATF Forms 4473)

Item 24 on the ATF Form 4473 (Rev 2012) (*Re-certification Signature of the Transferee/Purchaser*) no information entered [REDACTED] ATF Forms 4473)

Item 25 on the ATF Form 4473 (Rev 2012) (*Re-certification date*) no information entered [REDACTED] ATF Forms 4473)

Item 30a on the ATF Form 4473 (Rev 2012) (*Total Number of Firearms*) [REDACTED] no entry and [REDACTED] incorrect entry information [REDACTED] ATF Forms 4473)

Item 31 on the ATF Form 4473 (Rev 2012) (*Trade/corporate name and address of transferor*) no information entered [REDACTED] ATF Forms 4473)

Item 32 on the ATF Form 4473 (Rev 2012) (*Federal Firearms License Number*) no information entered [REDACTED] ATF Forms 4473)

Item 33 on the ATF Form 4473 (Rev 2012) (*Transferor's Printed Name*) no information entered [REDACTED] ATF Forms 4473)

Item 35 on the ATF Form 4473 (Rev 2012) (*Transferor's Title*) no information entered [REDACTED] ATF Forms 4473)

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**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr. Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

Reference Worksheet 2 and Exhibit 2

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

**Nature of violation:** Failure to obtain the required information for the following items  
[REDACTED] ATF Forms 4473 with violations of 27 CFR 478.124(c)(1)):

Item 1 on ATF Form 4473 (Rev 2012) (*Transferee's Full Name (Last, First Middle)*) incorrect information [REDACTED] ATF Form 4473)

Item 2 on ATF Form 4473 (Rev 2012) (*Residence Address*) incorrect and/or incomplete information entered [REDACTED] ATF Forms 4473)

Item 3 on ATF Form 4473 (Rev 2012) (*Place of Birth*) incomplete information [REDACTED] ATF Forms 4473)

Item 10a on ATF Form 4473 (Rev 2012) (*Hispanic or not Hispanic*) no information [REDACTED] ATF Form 4473)

Item 11b on ATF Form 4473 (Rev 2012) (*Are you under indictment or information in any court for a felony, or any other crime for which the judge could imprison you for more than one year, even if you received a shorter sentence including probation?*) No entry and transferee/purchaser is not a prohibited person. [REDACTED] ATF Forms 4473)

Item 11i on ATF Form 4473 (Rev 2012) (*Are you a nonimmigrant alien?*) No entry [REDACTED] ATF Forms 4473)

Item 13 on ATF Form 4473 (Rev 2012) (*What is your State of residence?*) no information entered [REDACTED] ATF Forms 4473)

Item 14 on ATF Form 4473 (Rev 2012) (*What is your country of citizenship?*)

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no entry (b)(3) ATF Forms 4473)

Item 16 on ATF Form 4473 (Rev 2012) (*Transferee's Signature*) no entry (b)(3) ATF Forms 4473)

Item 17 on ATF Form 4473 (Rev 2012) (*Date Transferee Completed Form*) no entry or incorrect information entered (b)(3) ATF Forms 4473)

**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr. Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

Reference Worksheet 2 and Exhibit 2

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

**Nature of violation:** Failure to obtain the required information on the ATF Form 4473 in Item 20a on ATF Form 4473 (Rev 2012) (*Type of Identification*) (*Number of Identification*) (*Expiration Date of Identification*) no entry or incorrect information entered (b)(3) ATF Forms 4473 with violations of 27 CFR 478.124(c)(3)(i)).

**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr. Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

Reference Worksheet 2 and Exhibit 2

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

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**Nature of violation:** Failure to obtain the required information on the ATF Form 4473 (Rev 2012) in Item 20c (*Nonimmigrant aliens only: Type of documentation showing an exception to the nonimmigrant alien prohibition*) ATF Form 4473 with violation of 27 CFR 478.124(c)(3)(iii))

**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr. Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

Reference Worksheet 2 and Exhibit 2

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

**Nature of violation:** Failure to obtain the following required information on the ATF Form 4473 ATF Forms 4473 with violations of 27 CFR 478.124(c)(3)(iv)):

Item 21a on ATF Form 4473 (Rev 2012) (*The transferee's identification information in Section A of this Form was transmitted to NICS or the appropriate state agency on \_\_\_\_\_ (Date)*) no information entered ATF Forms 4473)

Item 21b on ATF Form 4473 (Rev 2012) (*The NICS or state transaction number.*) no information entered ATF Forms 4473)

Item 21c on ATF Form 4473 (Rev 2012) (*The response initially provided by NICS or the appropriate state agency was*) no information entered ATF Forms 4473)

Item 21d on ATF Form 4473 (Rev 2012) (*If initial NICS or state response was "Delayed" the following response was received from NICS or the appropriate states agency on \_\_\_\_\_ (Date)*) no information entered ATF Forms 4473)

**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr.

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Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

Reference Worksheet 2 and Exhibit 2

6. **27 CFR 478.124(c)(4)**

**Nature of violation:** Failure to enter the following required information on the ATF Form 4473 [REDACTED] ATF Forms 4473 with violations of 27 CFR 478.124(c)(4):

Item 26 on ATF Form 4473 (Rev 2012) (*Manufacturer and/or Importer*) four no entry and three incorrect information entries [REDACTED] ATF Forms 4473)

Item 27 on ATF Form 4473 (Rev 2012) (*Model*) six no entry and two incorrect information entries [REDACTED] ATF Forms 4473)

Item 28 on ATF Form 4473 (Rev 2012) (*Serial Number*) seven no entry and six incorrect information entries [REDACTED] ATF Forms 4473)

Item 29 on ATF Form 4473 (Rev 2012) (*Type*) six no entry and three incorrect information entries [REDACTED] ATF Forms 4473)

Item 30 on ATF Form 4473 (Rev 2012) (*Caliber or Gauge*) seven no entry and two incorrect information entries [REDACTED] ATF Forms 4473)

**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr. Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

Reference Worksheet 2 and Exhibit 2

7. **27 CFR 478.124(c)(5)**

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**Nature of violation:** Failure to enter the following required information on the ATF Form 4473 [REDACTED] ATF Forms 4473 with violations of 27 CFR 478.124(c)(5)):

Item 34 on ATF Form 4473 (Rev 2012) (*Transferor's Signature*) no entry [REDACTED] ATF Forms 4473)

Item 36 on ATF Form 4473 (Rev 2012) (*Date Transfer is completed*) no entry [REDACTED] ATF Forms 4473)

**Licensee's response:** Mr. Sherrard stated the discrepancies were probably due to the large volume of firearms business being conducted and his employees being in a hurry to take care of everyone quickly. Mr. Sherrard stated the discrepancies were not intentional nor were they done to evade the requirements of selling firearms. Mr. Sherrard pointed out that in an effort to be sure all of the information needed for completing the ATF Forms 4473 was available, all of the documentation concerning the firearm and the purchaser was attached to the ATF Forms 4473.

**Corrective action:** Mr. Sherrard stated he would discuss the discrepancies with his employees and stress the importance of the accuracy of the ATF Forms 4473.

### Reference Worksheet 2 and Exhibit 2

#### 8. 27 CFR 478.125(e)

**Nature of violation:** Failure to record the disposition of firearms in the acquisition and disposition record the transfer of a firearm within 7 days following such transaction for [REDACTED] firearms.

**Licensee's response:** Mr. Sherrard stated he and his employees make every attempt to enter the information into the acquisition and disposition report as soon as the firearms are disposed of. Mr. Sherrard thought that possibly the ATF Forms 4473 that did not get logged out were in a group of ATF Forms and were overlooked.

**Corrective action:** Mr. Sherrard stated he is in the process of obtaining a computerized system that would automatically show the disposal of firearms in the acquisition and disposition record. Until the computerized system is in place, Mr. Sherrard will have the employee who enters the information into the acquisition and disposition record place their initials in the upper margin of the ATF Form 4473 when the information is entered into the acquisition and disposition record. Then the ATF Forms 4473 will be review prior to filing to verify there are initials in the top margin of the ATF Forms 4473.

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## Reference Worksheet 1 and Exhibit 1

### 9. 27 CFR 478.126a

**Nature of violation:** Failure to report the multiple sale of handguns to nonlicensees on ATF Form 3310.4. There were (b)(6) handguns involved. (b)(6) ATF Forms 4473)

**Licensee's response:** Mr. Sherrard stated the one disposition of two handguns to one individual without submitting the multiple handgun form was a complete accident and he was not sure why it happened because he and his employees try very hard to sure that multiple handgun forms are submitted to ATF when required.

**Corrective action:** Mr. Sherrard stated he and his employees would make a second check of the ATF Forms 4473s prior to filing them to verify the needed multiple handgun forms have been submitted.

Reference Worksheet 2 and Exhibit 2

X

(b)(6)

Industry Operations Investigator

## **Index of Worksheets and Exhibits**

Worksheet 1, Inventory, A&D Worksheet

Worksheet 2, ATF Form 4473 (April 2012 Rev) Review Worksheet

Exhibit 1, ATF Forms 4473 for Worksheet 1

Exhibit 2, ATF Forms 4473 for Worksheet 2

Exhibit 3, Information provided to ATF IOI/Intelligence Specialist (b)(6)

Exhibit 4, Information for traced firearms

Exhibit 5, Acknowledgement of Federal Firearms Regulations