

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Bluestem Farm & Ranch Supply, Inc. 2611 W. Hwy 50 Emporia, KS 66801, LYON		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 779025-2016-0157-B1B		
		3. PERMIT/LICENSE NUMBER 548111018G03892	4a. TARGET DATE 9/15/2016	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 10/01/2015		
6. ATF OFFICER(S) ASSIGNED (b)(6) - Lead Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6), Area Supervisor, 10/04/2015				
8. PURPOSE/SPECIAL INSTRUCTIONS Conduct DE-Compliance inspection in FY 2016. Licensee has never been inspected and averages over 1,000 dispositions annually. Licensee self-reported a possible straw purchase for 8/10/2015 to duty IOI (b)(6) - referral generated.				
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	3	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: 12/02/2015 ALTERNATE RECOMMENDATION: One violation cited met the minimum requirements for a Warning Conference per the current Adverse Action Policy – Item #d (7): Failure to file Multiple Sale Reports when legally required in (b)(7)(E) instances. The licensee has been in business for over 35 years and this was their first compliance inspection. In addition, the licensee has instituted an internal control – Reviewing ATF Forms 4473 prior to filing the form to double check if a Multiple Sale Report is required.  Violts WL ONLY and Recall Inspection				
<b>12. TIME ACCOUNTING DATA</b>				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(3) 112 Public Law 55 125 S17		
OCT 2015	30.00			
NOV 2015	46.00			
DEC 2015	8.00			
ATF OFFICER'S SUBTOTAL	84.00	ATF OFFICER'S SIGNATURE		
TOTAL HOURS	84.00			

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	3. PERMIT/LICENSE NUMBER 548111018G03892	4a. TARGET DATE 9/15/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 10/01/2015		

### 13. REVIEW AND ROUTING

#### REVIEW COMMENTS AND RECOMMENDATION

ALTERNATE RECOMMENATION: WARNING LETTER with Recall.

Inspection meets the standard for Warning Conference under the Adverse Action Policy. The licensee was cited for failing to complete/submit reports of multiple handgun sales in (b)(3)(1)(2)(7) instances involving (b)(3) firearms. Section 6.d.7. Additional violations include the failure to timely record disposition information for 5% of entries in the A&D record (WL at 6.c.2); the transfer of a firearm in (b)(3)(1)(2)(7) instance to a person who appeared to be prohibited at the time of transfer (i.e., "Yes" to Block 11b) (WL at 6.c.4); the failure to contact NICS where the licensee accepted of a non qualifying State permit (FL CCW) (WL at 6.c.9); and general Form 4473 violations not rising to the level of adverse action.

JUSTIFICATION FOR ALTERNATE: This is the licensee's first inspection since obtaining a FFL in 1979. The licensee does not "sell" handguns – rather it transfers handguns as an in-state transfer dealer. The licensee acquires/disposes 500 firearms annually and had 510 forms on file. It successfully completed (b)(3)(1)(2)(7) firearms traces in the previous 12 months. Firearms sold are primarily sporting rifles and shotguns. The licensee was receptive to the corrective action and showed a strong interest in staying compliant.

12/3/2015: Sent to DIO for review.  
12/3/2015: DIO concurs with WL  
12/7/2015: WL sent certified mail  
12/7/2015: Recall staged  
12/7/2015: PII sent.

Viols WL ONLY and Recall Inspection

☒ REVIEWED ☒ CONCUR ☒ SEE COMMENTS ☐ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor	REVIEW DATE 12/03/2015
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#### REVIEW COMMENTS AND RECOMMENDATION

Concur with alternate for warning letter and recall inspection.

Viols WL ONLY and Recall Inspection

☒ REVIEWED ☒ CONCUR ☐ SEE COMMENTS ☒ FINAL DISPOSITION

SIGNATURE AND TITLE WLBOWERS - Director Industry Operations	REVIEW DATE 12/07/2015
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#### ROUTING SEQUENCE AND DATE

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

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

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

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	Street Address	City	State	Zip Code	County	Page 1 of 4 Pages
Bluestem Farm & Ranch Supply, Inc.	2611 W. Hwy 50	Emporia	KS	66801-	LYON	

License/Permit/Registry Number (If any)	Expiration Date	Date(s) or Period of Inspection
548111018G03892	7/1/2008	10/27/2015 through 10/29/2015

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 maintain an accurate Firearms Acquisition and Disposition Record. The inspection disclosed 0003 firearms in the Record that did not have a disposition entry and were not in inventory and 0451112 P08 firearms that were in inventory that did not have an acquisition entry in the Record.

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:

(If not corrected immediately)

11/20/2015

Corrective Action to be Taken:

(If not corrected immediately)

Determine dispositions of missing firearms and make correcting entries in the record. If dispositions cannot be determined, report firearms missing on ATF F 3310.11. Establish internal controls to ensure Record is maintained timely and accurately.

Number: 2

Nature of Violation:

Transfer of a firearm to an individual while having reasonable cause to believe the individual was prohibited from receiving the firearm. On 000121 P08, the licensee transferred 1 firearm to an individual who answered "YES" to question #11b on ATF Form 4473.

Citation: 27 CFR 478.99(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Establish internal controls to ensure firearms are not transferred to individuals who appear to be prohibited from receiving firearms.

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October 9 2019 Production

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ATF E-Form 5030 5  
Revised April 2005

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

Report of Violations

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Name of Proprietor Bluestem Farm & Ranch Supply, Inc.	Street Address 2611 W. Hwy 50	City Emporia	State KS	Zip Code 66801-	County LYON	Page 2 of 4 Pages
License/Permit/Registry Number (If any) 548111018G03892		Expiration Date 7/1/2008	Date(s) or Period of Inspection 10/27/2015 through 10/29/2015			

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 contact NICS prior to the transfer of a firearm. On 10/3/15, the licensee accepted a Concealed Carry License issued by the State of Florida as an exempted alternative to NICS. Only valid permits issued from the state where the transfer is to take place are qualified exemptions to NICS.

Citation: 27 CFR 478.102(a)(1)

Date Corrections to be Made:  
(If not corrected immediately)

Corrective Action to be Taken: Accept only valid Conceal Carry Permits issued by Kansas as exempted alternatives to contacting NICS.  
(If not corrected immediately)

Number: 4

Nature of Violation:  
Transfer of a firearm to an individual who did not properly complete ATF Form 4473. On [REDACTED] occasions during the inspection period the licensee transferred a firearm(s) to an individual who did not answer all the qualifying questions in Item #11 of ATF Form 4473.

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:  
(If not corrected immediately)

Corrective Action to be Taken: Ensure ATF Form 4473 is properly executed and all questions in Item #11 are correctly answered prior to transferring a firearm to an individual.  
(If not corrected immediately)

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ATF E-Form 5030 5  
Revised April 2005

## 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 Bluestem Farm & Ranch Supply, Inc.	Street Address 2611 W. Hwy 50	City Emporia	State KS	Zip Code 66801-	County LYON	Page 3 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 548111018G03892		Expiration Date 7/1/2008	Date(s) or Period of Inspection 10/27/2015 through 10/29/2015			

### Inspection Results

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

<b>Number:</b> 5	<b>Date Corrections to be Made:</b> <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to properly identify an individual on ATF Form 4473 prior to transferring them a firearm. On (b)(3), 112 Public Law 5 ATF Forms 4473 examined, the licensee failed to record any identification information in Item #20a of the Form and on (b)(3), 112 Pub forms examined the licensee failed to record proper alternate documentation in Item #20b of the Form when the transferee's driver's license did not show their current residence address.	<b>Corrective Action to be Taken:</b> Ensure the identity of the firearm transferee is verified and the type of identification used is noted in Item #20a of ATF Form 4473. If the identification document does not show the transferee's current residence address, examine and document in Item #20b of the Form the alternative government identification (as defined in 27 CFR 478.11) provided to confirm their current residence address.
<b>Citation:</b> 27 CFR 478.124(c)(3)(i)	
<b>Number:</b> 6	<b>Date Corrections to be Made:</b> <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to record the multiple sale of handguns on ATF Form 3310.4 and submit the form when required. On (b)(3), 112 Pub occasions examined, the licensee transferred (b)(3), 112 Pub handguns to an individual in a single transaction and did not complete and submit ATF Form 3310.4.	<b>Corrective Action to be Taken:</b> Establish internal controls to ensure ATF Form 3310.4 is completed and submitted when required. All missing forms were completed and submitted before the closing conference was held with the licensee.
<b>Citation:</b> 27 CFR 478.126a	

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

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 Bluestem Farm & Ranch Supply, Inc.	Street Address 2611 W. Hwy 50	City Emporia	State KS	Zip Code 66801-	County LYON	Page 4 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 548111018G03892		Expiration Date 7/1/2008	Date(s) or Period of Inspection 10/27/2015 through 10/29/2015			

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 follow the instructions pertaining to ATF Form 4473. Questions #31 and #32 were not properly completed on 0037 of the 0137 forms examined during the inspection.

Citation: 27 CFR 478.21(a)

Date Corrections to be Made: 11/27/2015

*(If not corrected immediately)*

Corrective Action to be Taken:

*(If not corrected immediately)*

Establish internal controls to ensure Questions #31 and #32 are properly completed on each ATF Form 4473. Complete Items #31 and #32 on the 0037 forms examined.

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

Date

Signature and Title of ATF Officer

Date

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953

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U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

Kansas City Field Division – KC III (Regulatory)

1251 NW Briarcliff Pkwy, Ste 600  
Kansas City, MO 64116  
www.atf.gov

December 7, 2015

779025: (b)(6)  
5373

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Bluestem Farm & Ranch Supply, Inc.  
Attn: Ms. Ann Bruner, Vice President  
2611 W. Hwy 50  
Emporia, KS 66801

RE: 5-48-11-01-8G-03892

Dear Ms. Bruner:

This letter summarizes the issues discussed with you and store manager Bruce Burenheide during the recent compliance inspection conducted on October 27-29, 2015, related to your company's Federal firearms license. The inspection covered the period of October 28, 2014 through October 27, 2015. During the inspection, your company was cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5 issued at the time of the inspection is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator (b)(6). You indicated that you understood the requirements of the firearms laws and regulations. Additionally, you ensured IOI (b)(6) that your company would take action to prevent future violations.

The records your company is required to maintain 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 company's firearms activities as a licensed firearms dealer. This is critical to ATF carrying out our mission to protect the public and ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area and we look forward to continuing to work with you in that regard.

Bluestem Farm & Ranch Supply, Inc.  
Attn: Ms. Ann Bruner,  
Vice President  
Page 2

You are reminded that retention of your company's Federal firearms license is conditioned upon its 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 the license. Please contact Investigator (b) (6) or the ATF Kansas City Group III Office if you have any questions regarding this matter at (816) 410-6000.

Sincerely,  
A large black rectangular redaction box covering the signature area. The text "(b)(6)" is printed in white across the center of the box.

Area Supervisor  
Industry Operations (Kansas)  
Kansas City Group III (Regulatory)  
Kansas City Field Division

cc: National Licensing Center  
Director of Industry Operations



# FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

**Address:** 2611 W Hwy 50  
Emporia, KS 66801

## 1 - Introduction

### Inspection Profile:

From 10/27 to 10/29/15 ATF IO Investigator (b) (6) conducted a compliance inspection at the licensed premises of Bluestem Farm & Ranch Supply, Inc. ("licensee"). Advanced notification of the inspection was not provided.

The primary contacts during the inspection were Vice President/Responsible Person – Ann BRUNER (Identified by KS DL # (b) (6) ) and Store Manager – Bruce BURENHEIDE (Identified by KS DL (b) (6) ).

Queries of N-Force conducted on 10/26/15 disclosed no ATF investigations, open or closed, involving Ann BRUNER. The licensee was the subject of an ATF investigation (779015-07-0179), involving the burglary theft of (b) (7)(F) 112 Public Law 96-389 firearms on 7/3/07 (F20070001654). The case is closed and was not federally prosecuted (**Exhibit #1**).

Special instructions accompanying the inspection assignment were "*Conduct DE-Compliance inspection in FY 2016. Licensee has never been inspected and averages over 1,000 dispositions annually. Licensee self-reported a possible straw purchase for 8/10/2015 to duty IOI (b) (6) - referral generated.*"

The scope of the inspection was one year, from 10/28/2014 to 10/27/2015.

### Business Profile:

The licensee operates a retail Hardware and Farm supply business from a store-front building within the city limits of Emporia, KS. They are affiliated with the Ace Hardware franchise. They do not currently store any firearms away from the licensed premises.

The licensee has held this Type 01 License since 1979 and it appears to be the correct type of license for the business being conducted. The licensee does not hold any other ATF Licenses or permits.

The licensee sells both new and used long guns and with the primary focus on hunting type shotguns and rifles. They do not sell handguns. They also serve as an "internet transfer" dealer charging \$20 a transaction. Approximate source

## FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

of firearms is divided as follows: New firearms – (b) (4); and Used firearms – (b) (4).

The licensee stated they do not accept firearms on consignment or pawn firearms. They do accept shotguns and rifles on trade, which accounts for their used inventory.

The licensee stated they did not attend any gunshows during the inspection period. They were the transfer dealer at the annual Emporia National Wild Turkey Federation Banquet held on 6/6/15

The licensee does not engage in gunsmithing activities. They do sell firearm ammunition.

The licensee is a factory direct dealer with (b) (4). The licensee's primary wholesale suppliers of new firearms are Davidsons and the JSC Family of licensees.

During the last 12 months, the licensee has acquired (b) (4) and transferred approximately (b) (4) firearms.

### **Ownership and Control:**

The licensee is a corporation formed in Kansas in 1965. It is currently in good standing with the state (**Exhibit #2**).

Ann BRUNER currently owns (b) (4) of the corporate stock. Her husband and President of the company Kenneth BRUNER owns the remaining (b) (4). Both are actively involved in the day to day operations of the business.

Bruce BURENHEIDE is responsible for purchasing the licensee's firearms and is the primary firearms record keeper.

It was suggested the licensee add both Kenneth BRUNER and Bruce BURENHEIDE as Responsible People on the license. They were provided instructions and the necessary documents to do this at the closing conference on 11/13/15.

Criminal history queries of Ann and Kenneth BRUNER and Bruce BURENHEIDE on 11/6/15 did not disclose any prohibiting information.

No signs of hidden ownership were disclosed.

# FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

## Variance:

The licensee does not hold any variances, nor was the need to apply for any variances disclosed.

## **2 - Recommendation**

ALTERNATE RECOMMENDATION: Violations; Warning Letter Only; Recall inspection.

One violation cited met the minimum requirements for a Warning Conference per the current Adverse Action Policy – Item #d (7): Failure to file Multiple Sale Reports when legally required in (b)(3) 112 Public Law 55 125 STAT 552 instances. The licensee has been in business for over 35 years and this was their first compliance inspection. In addition, the licensee has instituted an internal control – Reviewing ATF Forms 4473 prior to filing the form to double check if a Multiple Sale Report is required.

## **3 - Inspection History**

This was the licensee's first compliance inspection.

The license was issued in 1979.

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

The licensee maintains a hand written A & D Record. The record meets the formatting requirements of 27 CFR 478.125(e) and dates back beyond the required 20 year retention period.

With the assistance of Store Employee – (b)(6), a complete physical inventory of all firearms was taken. A total of 388 firearms were inventoried.

The licensee's A & D Record was compared to the physical inventory and the following discrepancies were disclosed (**Worksheet #1**):

1. (b)(3) firearms did not have disposition entries in the Record, but were not in inventory. Further investigation disclosed none had been transferred in the last seven (7) days.
2. (b)(3) 112 Public Law firearms were in inventory without having an acquisition entry in the Record

The A & D Record was only examined for the required 20 year retention period (i.e. acquisitions from 10/28/95 to 10/27/2015).

# FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

A violation of 27 CFR 478.125(e) was cited on ATF Form 5030.5 (**Violation #1**). The licensee subsequently determined the disposition for [REDACTED] of the missing firearms and the correcting entries were made in the Record. A disposition could not be determined for the [REDACTED] remaining firearms and they were reported missing on ATF F 3310.11 on 11/19/15 [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552

The licensee was reminded of the requirements prescribed by 27 CFR 478.125a and Industry Circular 72-30 related to personal firearms on the premises.

All firearms examined were properly identified according to 27 CFR 478.92 standards. No firearms with obliterated serial numbers or illegal firearms were examined.

The licensee did not file any Theft/Loss Reports during the inspection period. No evidence of any unreported thefts or losses was discovered.

## **STANDARD OPERATING PROCEDURES:**

The licensee stated they take periodic inventories of all firearms. This inventory is compared to a computerized inventory report and not to the A & D Record.

The licensee stated that firearms are removed from all packaging and examined for serial number accuracy upon receipt.

All firearms on display are kept in locked gun cabinets. All back-stock firearms are kept in locked metal cages.

The licensee has an extensive alarm and security system.

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

The licensee files their ATF Forms 4473 chronologically by transaction serial number. They have forms on file beyond the required 20 year retention period.

The licensee had on file 510 ATF Forms 4473 for the inspection period. A review of the forms resulted in the following violations being cited on ATF F 5030.5:

- **27 CFR 478.99(c)(1)** - Transfer of a firearm to an individual while having reasonable cause to believe the individual was prohibited from receiving the firearm. (b)(3) 112 Public Law 55 125 STAT 552 [REDACTED] (**Violation #2; Worksheet #2; Exhibit #3**) A criminal history query conducted on the transferee of the firearm determined he was NOT prohibited from receiving the firearm (**Exhibit #4**).

## FIREARMS INSPECTION REPORT

Name: Bluestem Farm & Ranch Supply, Inc.  
Trade Name:

UI#: 779025-2016-0157  
FFL#: 5-48-03892

- **27 CFR 478.102(a)(1)** - Failure to contact NICS prior to the transfer of a firearm when required. On 10/3/15, the licensee accepted a Concealed Carry License issued by the State of Florida as an exempted alternative to NICS. Only valid permits issued from the state where the transfer is to take place are qualified exemptions to NICS. **(Violation #3; Worksheet #2; Exhibit #5)**. A criminal history query conducted on the transferee of the firearm determined he was NOT prohibited from receiving the firearm **(Exhibit #6)**.
- **27 CFR 478.124(c)(1)** - Transfer of a firearm to an individual who did not properly complete ATF Form 4473. On (b)(3) 112 Public Law occasions during the inspection period the licensee transferred a firearm(s) to an individual who did not answer all the qualifying questions in Item #11 of ATF Form 4473. **(Violation #4; Worksheet #2; Exhibit #7)**.
- **27 CFR 478.124(c)(3)(i)** – Failure to properly identify an individual on ATF Form 4473 prior to transferring them a firearm. On (b)(3) 112 Public Law ATF Forms 4473 examined, the licensee failed to record any identification information in Item #20a of the Form and on (b)(3) 112 Public Law forms examined the licensee failed to record proper alternate documentation in Item #20b of the Form when the transferee's driver's license did not show their current residence address **(Violation #5; Worksheet #2; Exhibit #8)**.
- **27 CFR 478.21(a)** – Failure to follow the instructions pertaining to ATF Form 4473. Questions #31 and #32 were not properly completed on (b)(3) 112 of the 510 forms examined during the inspection **(Violation #7; Worksheet #2; Exhibits #3, 5, 7, 8 and 11)**.

The licensee makes occasional sales/transfers to other FFLs. These transfers were made in accordance with 27 CFR 478.94.

The licensee did not transfer any firearms to Law Enforcement Officers under the provisions of 27 CFR 478.134 during the inspection period.

An FFL Audit Log was obtained from the FBI covering the non-denied status date range of 8/20/15 to 10/19/15 **(Exhibit #9)**. During the period, the licensee conducted 48 NICS checks. A comparison of the log to the licensee's forms did not disclose any violations.

The licensee also had six (6) NICS denials during the inspection period. They are filing their NICS denials and other ATF Forms 4473, where the firearm is not transferred, separate from their other forms as required by 27 CFR 478.129(b).

# FIREARMS INSPECTION REPORT

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## STANDARD OPERATING PROCEDURES:

There were no prescribed internal controls in place to ensure the ATF Form 4473 was properly completed prior to transferring a firearm.

The licensee conducts their NICS checks by both the telephone and via the internet.

## **6 - Multiple Sales**

Prior to the inspection, a Firearm Trace History Report was obtained from The ATF Violent Crimes Analysis Branch (**Exhibit #10**). The Report showed the licensee filed nine (9) Multiple Handgun Sale Reports (ATF 3310.4) during the inspection period.

The inspection disclosed an additional (b)(3) (1)(2) Public occasions where the licensee transferred (b)(3) (1)(2) Public Law 5 handguns to an individual in a single transaction and failed to file a Multiple Handgun Sale Report (**Worksheet #2; Exhibit #11**).

A violation of 27 CFR 478.126a was cited on ATF Form 5030.5 (**Violation #6**). The licensee submitted all the required reports prior to the closing conference.

## **7 - Suspicious/Prohibited Purchasers**

Of the (b)(3) (1)(2) Public NICS denials that occurred during the inspection period (**Exhibit #9**), (b)(3) (1)(2) of the firearms were still in the licensee's inventory, and (b)(3) (1)(2) Public Law 5 of the firearms were transferred to individuals sharing no common characteristics (e.g. last name, address) with the denied individual. The remaining firearm related to a denied transaction was transferred on 8/13/15 to a potential straw purchaser. The licensee determined a straw purchase may have occurred and contacted ATF on 8/18/15 to report the transaction. A Referral of Information was prepared by ATF IO Investigator (b)(6) and forwarded to The ATF Kansas City Field Intelligence Group (**Exhibit #12**). IOI (b)(6) confirmed the group is investigating the referral on 11/23/15 (b)(6) (b)(6)).

The licensee had a "Don't Lie for the Other Guy" poster on display near their firearm cabinets.

## **8 - Trace Activity**

Prior to the inspection, a Firearm Trace History Report was obtained from The ATF Violent Crimes Analysis Branch (**Exhibit #10**). The Report showed the licensee successfully provided all required information on the (b)(3) (1)(2) Public Law 5 firearm traces which they were contacted about during the inspection period.

## FIREARMS INSPECTION REPORT

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

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

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

The licensee did not engage in NFA, Importer, Collector or Manufacturing activities during the inspection period.

### 10 - Referrals

No referrals were prepared.

### 11 - Other

The licensee does not sell exploding targets. They were provided a copy of The National Explosives Task Force – Public Service Advisory, dated 5/29/15.

The licensee had the required written notification to purchasers of handguns sign (ATF I 5300.1) on display. They were reminded to provide the required written notification (ATF I 5300.2) to recipients of handguns.

### 12 - Closing Actions

A closing conference was held with Ann BRUNER and Bruce BURENHEIDE on 11/13/15. The attached ATF Form 5030.5 was issued and the violations discussed.

Applicable regulations were discussed with the licensee and the licensee signed an Acknowledgement of Regulations at the conclusion of the inspection (**Exhibit #14**).

### 13 - Violations

#### 1. 27 CFR 478.125(e)

*Except as provided in § 478.124a with respect to alternate records for the receipt and disposition of firearms by dealers, each licensed dealer shall enter into a record each receipt and disposition of firearms.....*

# FIREARMS INSPECTION REPORT

Name: Bluestem Farm & Ranch Supply, Inc.  
Trade Name:

UI#: 779025-2016-0157  
FFL#: 5-48-03892

## Nature of Violation:

**Failure to maintain an accurate Firearms Acquisition and Disposition Record.**

The inspection disclosed (b)(3) firearms in the Record that did not have a disposition entry and were not in inventory and (b)(3) 112 Public Law firearms that were in inventory that did not have an acquisition entry in the Record.

## Licensee's Response:

The licensee stated they planned to take more inventories and review their Record more often to ensure their inventory is accurately reflected in the Record

## Corrective Action:

Determine dispositions of missing firearms and make correcting entries in the record. If dispositions cannot be determined, report firearms missing on ATF F 3310.11. Establish internal controls to ensure Record is maintained timely and accurately.

**REF: Worksheet #1**

## **2. 27 CFR 478.99(c)(1)**

*A licensed manufacturer, licensed importer, licensed dealer, or licensed collector shall not sell or otherwise dispose of any firearm or ammunition to any person knowing or having reasonable cause to believe that such person: (1) Is, except as provided by § 478.143, under indictment for, or, except as provided by § 478.144, has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year;*

## Nature of Violation:

**Transfer of a firearm to an individual while having reasonable cause to believe the individual was prohibited from receiving the firearm.** (b)(3) 112 Public Law 55 125 STAT 552

[REDACTED]

## Licensee's Response:

The licensee stated they will institute a double-check system and possibly create an overlay template to ensure the ATF Form 4473 is properly completed.

## Corrective Action:

Establish internal controls to ensure firearms are not transferred to individuals who appear to be prohibited from receiving firearms.

**REF: Worksheet #2 and Exhibits #3 & 4**



## FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

### 3. 27 CFR 478.102(a)(1)

*Except as provided in paragraph (d) of this section, a licensed importer, licensed manufacturer, or licensed dealer (the licensee) shall not sell, deliver, or transfer a firearm to any other person who is not licensed under this part unless the licensee meets the following requirements: (1) Before the completion of the transfer, the licensee has contacted NICS;*

#### Nature of Violation:

**Failure to contact NICS prior to the transfer of a firearm. On 10/3/15, the licensee accepted a Concealed Carry License issued by the State of Florida as an exempted alternative to NICS. Only valid permits issued from the state where the transfer is to take place are qualified exemptions to NICS.**

#### Licensee's Response:

The licensee stated that they mistakenly thought that since the Florida conceal carry permit was recognized in Kansas that it was a suitable alternative to conducting a NICS check.

#### Corrective Action:

Accept only valid Conceal Carry Permits issued by Kansas as exempted alternatives to contacting NICS.

**REF: Worksheet #2 and Exhibits #5 & 6**

### 4. 27 CFR 478.124(c)(1)

*Prior to making an over-the-counter transfer of a firearm to a nonlicensee who is a resident of the State in which the licensee's business premises is located, the licensed importer, licensed manufacturer, or licensed dealer so transferring the firearm shall obtain a Form 4473 from the transferee showing the transferee's name, sex, residence address (including county or similar political subdivision), date and place of birth; height, weight and race of the transferee; the transferee's country of citizenship; the transferee's INS-issued alien number or admission number; the transferee's State of residence; and certification by the transferee that the transferee is not prohibited by the Act from transporting or shipping a firearm in interstate or foreign commerce or receiving a firearm which has been shipped or transported in interstate or foreign commerce or possessing a firearm in or affecting commerce.*

#### Nature of Violation:

**Transfer of a firearm to an individual who did not properly complete ATF Form 4473. On [REDACTED] occasions during the inspection period the licensee transferred a firearm(s) to an individual who did not answer all the qualifying questions in Item #11 of ATF Form 4473.**

## FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

### **Licensee's Response:**

The licensee stated they will institute a double-check system and possibly create an overlay template to ensure the ATF Form 4473 is properly completed.

### **Corrective Action:**

Ensure ATF Form 4473 is properly executed and all questions in Item #11 are correctly answered prior to transferring a firearm to an individual.

**REF: Worksheet #2 and Exhibit #7**

### **5. 27 CFR 478.124(c)(3)(i)**

*After the transferee has executed the Form 4473, the licensee: Shall verify the identity of the transferee by examining the identification document (as defined in § 478.11) presented, and shall note on the Form 4473 the type of identification used;*

### **Nature of Violation:**

**Failure to properly identify an individual on ATF Form 4473 prior to transferring them a firearm. On [REDACTED] ATF Forms 4473 examined, the licensee failed to record any identification information in Item #20a of the Form and on [REDACTED] forms examined the licensee failed to record proper alternate documentation in Item #20b of the Form when the transferee's driver's license did not show their current residence address.**

### **Licensee's Response:**

The licensee stated they knew that the driver's license or conceal carry license information needed to be recorded in Item #20 even if the conceal carry license was recorded in Item #23. The fact that the information was not recorded on the [REDACTED] forms and supplemental information was not obtained was a training issue with some of their associates.

### **Corrective Action:**

Ensure the identity of the firearm transferee is verified and the type of identification used is noted in Item #20a of ATF Form 4473. If the identification document does not show the transferee's current residence address, examine and document in Item #20b of the Form the alternative government identification (as defined in 27 CFR 478.11) provided to confirm their current residence address.

**REF: Worksheet #2 and Exhibit #8**

## FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

### 6. 27 CFR 478.126a

*Each licensee shall prepare a report of multiple sales or other disposition whenever the licensee sells or otherwise disposes of, at one time or during any five consecutive business days, two or more pistols, or revolvers, or any combination of pistols and revolvers totaling two or more, to an unlicensed person:*

#### Nature of Violation:

**Failure to record the multiple sale of handguns on ATF Form 3310.4 and submit the form when required. On (b)(3) - 112 Public Law 552 occasions examined, the licensee transferred (b)(3) - 112 Public Law 552 handguns to an individual in a single transaction and did not complete and submit ATF Form 3310.4.**

#### Licensee's Response:

The licensee did not know how this was missed, but said they will double-check all forms before filing to ensure the Multiple Sale Report is submitted if required.

#### Corrective Action:

Establish internal controls to ensure ATF Form 3310.4 is completed and submitted when required. All missing forms were completed and submitted before the closing conference was held with the licensee.

**REF: Worksheet #2 and Exhibit #10 & 11**

### 7. 27 CFR 478.21(a)

*The Director is authorized to prescribe all forms required by this part. All of the information called for in each form shall be furnished as indicated by the headings on the form and the instructions on or pertaining to the form.*

#### Nature of Violation:

**Failure to follow the instructions on ATF Form 4473. Questions #31 and #32 were not properly completed on (b)(3) - 112 Public Law 55 125 Stat 552 forms examined during the inspection.**

#### Licensee's Response:

The licensee stated they will immediately begin completing Questions #31 and #32 of the ATF Form 4473. In an 11/18/15 email the licensee stated they had retroactively completed the questions on all completed forms for 2014 and 2015.

#### Corrective Action:

Establish internal controls to ensure Questions #31 and #32 are properly completed on each ATF Form 4473. Complete Items #31 and #32 on the (b)(3) - 112 Public Law 55 125 Stat 552 forms examined.

**REF: Worksheet #2 and Exhibits #3, 5, 7, 8 & 11**

# FIREARMS INSPECTION REPORT

**Name:** Bluestem Farm & Ranch Supply, Inc.  
**Trade Name:**

**UI#:** 779025-2016-0157  
**FFL#:** 5-48-03892

**X**

(b)(6)

Industry Operations Investigator

## Index of Worksheets and Exhibits

1. Summary Report:779015-07-0179 (Gun Theft)
2. Kansas Secretary of State Information
3. 27 CFR 478.99(c): Photograph of ATF Form 4473 #14-459
4. Criminal History results: (b)(6)
5. 27 CFR 478.102(a)(1): Photograph of ATF Form 4473 #15-430
6. Criminal History results: (b)(6)
7. 27 CFR 478.124(c)(1): Photographs of ATF Forms 4473
8. 27 CFR 478.124(c)(3)(i): Photographs of ATF Forms 4473
9. FFL Audit Log
10. Firearm Trace History Report
11. 27 CFR 478.126a: Photographs of ATF Forms 4473
12. Referral of Information - 8/18/15
13. Trace Information: (b) (7)(E)
14. Regulation Acknowledgement Form