

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) BUTLER, MATTHEW P GONZO TACTICAL 204 E Peachtree Street Scottsboro, AL 35768, Jackson		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 776015-2017-0080-B1B																																																		
		3. PERMIT/LICENSE NUMBER 163071079F06783	4a. TARGET DATE 1/17/2017	4b. TARGET HOURS																																																
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 10/24/2016																																																		
6. ATF OFFICER(S) ASSIGNED (b)(6) - Lead Investigator (b)(6) - Assigned Investigator (b)(6) - Assigned Investigator																																																				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6) Area Supervisor, 10/24/2016																																																				
8. PURPOSE/SPECIAL INSTRUCTIONS Birmingham II FO received information from the Intel group that this Licensee may not be putting their marks of identification on the firearms that they manufacture. Please conduct a full MIP Disposition Emphasis (DE) firearm compliance investigation. This inspection requires 100% inventory reconciliation and 100% review of the ATF F 4473s for the previous 12 months. Verify that the AFMER is being reported.																																																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td colspan="2" style="padding: 2px;">9. INSPECTION RESULTS</td><td colspan="2" style="padding: 2px;"><input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC</td><td colspan="2" style="padding: 2px;">10. TRAVEL EXPENSES (OPTIONAL)</td></tr><tr><td style="padding: 2px;">NO. OF VIOLATIONS</td><td style="text-align: center; padding: 2px;">2</td><td style="padding: 2px;">NO. OF REFERRALS</td><td style="padding: 2px;"></td><td style="padding: 2px;">2111 - PER DIEM</td><td style="padding: 2px;"></td></tr><tr><td style="padding: 2px;">NO. OF TECS CHECKS</td><td style="text-align: center; padding: 2px;">1</td><td style="padding: 2px;">NO. OF TECS HITS</td><td style="padding: 2px;"></td><td style="padding: 2px;">2112 - P.O.A.</td><td style="padding: 2px;"></td></tr><tr><td style="padding: 2px;">NO. OF TAX ADJUSTMENTS</td><td style="padding: 2px;"></td><td style="padding: 2px;">\$ VALUE OF TAX INCREASES</td><td style="padding: 2px;"></td><td style="padding: 2px;">2113 - COMM. AIR</td><td style="padding: 2px;"></td></tr><tr><td style="padding: 2px;"></td><td style="padding: 2px;"></td><td style="padding: 2px;">\$ VALUE OF TAX DECREASES</td><td style="padding: 2px;"></td><td style="padding: 2px;">2114 - RENTAL CAR</td><td style="padding: 2px;"></td></tr><tr><td style="padding: 2px;">NO. OF ASSESSMENTS</td><td style="padding: 2px;"></td><td style="padding: 2px;">\$ VALUE OF ASSESSMENTS</td><td style="padding: 2px;"></td><td style="padding: 2px;">2115 - GPV EXPENSES</td><td style="padding: 2px;"></td></tr><tr><td style="padding: 2px;">NO. OF CLAIMS</td><td style="padding: 2px;"></td><td style="padding: 2px;">\$ VALUE OF CLAIMS</td><td style="padding: 2px;"></td><td style="padding: 2px;">2116 - MISC.</td><td style="padding: 2px;"></td></tr><tr><td style="padding: 2px;">NO. OF TAX PERIODS</td><td style="padding: 2px;"></td><td style="padding: 2px;">\$ VALUE OF TAXES VERIFIED</td><td style="padding: 2px;"></td><td style="padding: 2px;">TOTAL \$ FOR INSP.</td><td style="padding: 2px;"></td></tr></table>					9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)		NO. OF VIOLATIONS	2	NO. OF REFERRALS		2111 - PER DIEM		NO. OF TECS CHECKS	1	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.	
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11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) - Industry Operations Investigator Submitted on: 02/23/2017 On 10/24/2016, an anonymous tip was received by JSOC through the ATF tips mailbox and subsequently forwarded to the Nashville III Intelligence Group. Information contained in the anonymous tip identified Gonzo Tactical located in Scottsboro, AL as allegedly manufacturing firearms without marking the firearms with required marks of identification. On 10/24/2016, AS (b)(6) of the Birmingham, AL II FO contacted Investigator (b)(6) of the ATF Huntsville, AL Satellite Office requesting Investigator (b)(6) follow up on the lead resulting in the initiation of a compliance investigation. From 11/08/2016 – 11/10/2016, Investigator (b)(6) of the Huntsville, AL Satellite Office and Investigator (b)(6) of the Birmingham, AL II Field Office conducted a firearms compliance investigation regarding Butler located at the above captioned licensed premises. Mr. Matthew Butler, Responsible Person was interviewed. Scope of investigation included but was not limited to manufacturing operations, physical inventory reconciliation, and review of records and reports for accuracy and completeness. The following violations were cited: - 27 CFR 478.92(a)(1)(ii)(C) - 27 CFR 478.92(a)(1)(ii)(D) Violts WL ONLY and Recall Inspection																																																				
12. TIME ACCOUNTING DATA																																																				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)																																																				
NOV 2016 43.00																																																				
DEC 2016 10.00																																																				
JAN 2017 3.00																																																				

Assignment and Report

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	3. PERMIT/LICENSE NUMBER 163071079F06783	4a. TARGET DATE 1/17/2017	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 10/24/2016		

12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
FEB 2017	2.00
ATF OFFICER'S SUBTOTAL	58.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
NOV 2016	22.00
ATF OFFICER'S SUBTOTAL	22.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
NOV 2016	5.00
ATF OFFICER'S SUBTOTAL	5.00
ATF OFFICER'S SIGNATURE	
TOTAL HOURS	85.00

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Alternate Recommendation: A Viols Warning Letter ONLY and Recall Inspection are recommended for violations of 27 CFR 478.92(a)(1)(ii)(C) and 27 CFR 478.92(a)(1)(ii)(D). The alternate recommendation is based on the following:

Licensee History:
FFL issued in May 2016. No additional history.

Basis for alternate recommendation: According to the Administrative Action Policy, the violations of 27 CFR 478.92(a)(1)(ii)(C) and 27 CFR 478.92(a)(1)(ii)(D) supports a Warning Conference. In the instances of these cited violations, the licensee acquired completed lower receivers from various manufacturers or distributors. Subsequently, assembling the completed lower receivers into fully assembled firearms. The licensee stated he adopts the existing manufacturer marks on the firearms. When questioned whether or not he had engraved, cast, stamped or impressed his name and city and state where he maintained his place of business, the licensee responded "NO."

As a means to correct the failure, the licensee contacted his barrel manufacturer and immediately placed an order for barrels bearing his name and city and state where he maintains his place of business. Additionally, the licensee contacted the recipients of the [REDACTED] firearms which were sold/transferred advising them of the incomplete marking requirements and requesting those barrels be returned to him so he could replace the existing barrels with the properly marked barrels. The traceability of the improperly marked firearms was not/is not affected.

It is contended the continued operation of this business will not pose a threat to public safety or contribute to the likelihood of violent crime. Should any of the improperly marked firearms ever be recovered, the universally accepted means of tracing firearms would still trace back to the licensee even with the absence of his name and city and state where he maintains his business not appearing on the firearm frame, receiver, or barrel.

For these reasons, the Birmingham II FO is recommending a Viols WL ONLY and Recall in lieu of a Warning Conference.

Viols WL ONLY and Recall Inspection

☒ REVIEWED

☒ CONCUR

☒ SEE COMMENTS

☒ FINAL DISPOSITION

SIGNATURE AND TITLE

(b)(6) - Investigator

REVIEW DATE

02/23/2017

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 BUTLER, MATTHEW P GONZO TACTICAL	Street Address 204 E Peachtree Street	City Scottsboro	State AL	Zip Code 35768-	County Jackson	Page 1 of 2 Pages
License/Permit/Registry Number <i>(If any)</i> 163071079F06783		Expiration Date 6/1/2019		Date(s) or Period of Inspection 11/08/2016 through 11/10/2016		

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:

27 CFR 478.92(a)(1)(ii)(C) reads "A licensed manufacturer or importer of firearms must legibly identify each firearm manufactured or imported as follows:

By engraving, casting, stamping (impressing), or otherwise conspicuously placing or causing to engraved, cast, or stamped (impressed) or placed on the frame, receiver, or barrel thereof certain additional information. This information must placed in a manner not susceptible of being readily, obliterated, altered, or removed. For firearms manufactured or imported on and after January 30, 2002, the engraving, casting, or stamping (impressing) of this information must be to a minimum depth of .003 inch. The additional information includes:

(C) Your name (or recognized abbreviation) and also, when applicable, the name of the foreign manufacturer."

From 6/18/2016 - 11/03/2016, licensee manufactured (assembled)  completed firearms from lower receivers failing to mark those firearms with the with above described required marks of identification. Subsequently, those firearms were transferred to non-licensees and licensees.

Citation: 27 CFR 478.92(a)(1)(ii)(C)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee was advised of the regulatory requirements and the obligation as a Federal Firearms Licensee to comply with those requirements. Specifically, Licensee was directed to the Federal Firearms Regulations Reference Guide (2014 Edition) where the regulations governing marking requirements are contained and ATF Ruling 2013-3.

Licensee will contact those individuals or FFLs who acquired the improperly marked firearms and provide those individuals or FFLs with properly marked barrels satisfying the marking requirement.

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 BUTLER, MATTHEW P GONZO TACTICAL	Street Address 204 E Peachtree Street	City Scottsboro	State AL	Zip Code 35768-	County Jackson	Page 2 of 2 Pages
License/Permit/Registry Number <i>(If any)</i> 163071079F06783		Expiration Date 6/1/2019	Date(s) or Period of Inspection 11/08/2016 through 11/10/2016			

Inspection Results

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

Number: 2

Nature of Violation:
27 CFR 478.92(a)(1)(ii)(D) reads "A licensed manufacturer or importer of firearms must legibly identify each firearm manufactured or imported as follows:

By engraving, casting, stamping (impressing), or otherwise conspicuously placing or causing to engraved, cast, or stamped (impressed) or placed on the frame, receiver, or barrel thereof certain additional information. This information must placed in a manner not susceptible of being readily, obliterated, altered, or removed. For firearms manufactured or imported on and after January 30, 2002, the engraving, casting, or stamping (impressing) of this information must be to a minimum depth of .003 inch. The additional information includes:

(D) In the case of a domestically made firearm, the city and State (or recognized abbreviation thereof) where you as the manufacturer maintain your place of business"

From 6/18/2016 - 11/03/2016, licensee manufactured (assembled [REDACTED]) completed firearms from lower receivers failing to mark those firearms with the with above described required marks of identification. Subsequently, those firearms were transferred to non-licensees and licensees.

Citation: 27 CFR 478.92(a)(1)(ii)(D)

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

Corrective Action to be Taken:
(If not corrected immediately)

Licensee was advised of the regulatory requirements and the obligation as a Federal Firearms Licensee to comply with those requirements. Specifically, Licensee was directed to the Federal Firearms Regulations Reference Guide (2014 Edition) where the regulations governing marking requirements are contained and ATF Ruling 2013-3.

Licensee will contact those individuals or FFLs who acquired the improperly marked firearms and provide those individuals or FFLs with properly marked barrels satisfying the marking requirement.

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

Date

Signature and Title of ATF Officer

Date

For Official Use Only

November 1 2019 Production

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ATF E-Form 5030 5
Revised April 2005

920 18th Street North
Birmingham, Alabama 35203

February 24, 2017

Mr. Matthew Butler
Gonzo Tactical
204 E Peachtree Street
Scottsboro, AL 35768

FFL # 1-63-071-07-9F-06783

Dear Mr. Butler:

During a recent compliance inspection of your license at the above listed location and covering the period from May 5, 2016 to November 8, 2016, you were cited for two (2) violations of 27 Code of Federal Regulations, Part 478. The violations contained on the attached enclosure were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator (b) (6).

IOI (b) (6) reports that you now understand the requirements of the firearms laws and regulations. Further, he reports that you indicated corrective actions have been taken to eliminate future violations.

The records you are required to maintain and the business operations you conduct is important to law enforcement in our continuing effort to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern firearms businesses. This is critical to 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.

However, 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.

Should there be any questions regarding this matter, please contact Investigator (b)(6) (b)(6).

Sincerely,

(b)(6)

Acting Area Supervisor
Birmingham II Field Office

cc: Federal Firearms Licensing Center
Birmingham Group II

FIREARMS INSPECTION REPORT

Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
FFL#: 1-63-071-07-9F-06783

Address: 204 E Peachtree Street
Scottsboro, AL 35768
Jackson County

1 - Introduction

Inspection Profile:

On 10/24/2016, an anonymous tip was received by JSOC through the ATF tips mailbox and subsequently forwarded to the Nashville III Intelligence Group. Information contained in the anonymous tip identified Gonzo Tactical located in Scottsboro, AL as allegedly manufacturing firearms without marking the firearms with required marks of identification (see attached supporting document, ATF Tips Mailbox, marked **Exhibit 1**). On 10/24/2016, AS (b) (6) (b) (6) of the Birmingham, AL II FO contacted Investigator (b) (6) of the ATF Huntsville, AL Satellite Office requesting Investigator (b) (6) follow up on the lead resulting in the initiation of a compliance investigation.

Prior to the initiation of the compliance investigation regarding Butler, Matthew P.; dba, Gonzo Tactical a letter of inquiry was emailed to Resident Agent in Charge (b) (6) Birmingham, AL III Field Office to determine if Butler was subject to or named in a criminal investigation. No responses were received indicating contact with the licensee would interfere with a criminal investigation. As a result, the compliance investigation was initiated.

From 11/08/2016 – 11/10/2016, Investigator (b) (6) of the Huntsville, AL Satellite Office and Investigator (b) (6) of the Birmingham, AL II Field Office conducted a firearms compliance investigation regarding Butler located at the above captioned licensed premises. Mr. Matthew Butler, Responsible Person was interviewed.

Butler was identified by Alabama Drivers License (b) (6)

Scope of investigation included but was not limited to manufacturing operations, physical inventory reconciliation, and review of records and reports for accuracy and completeness.

The period of review for this investigation was 5/25/2016 – 11/08/2016¹.

No other Federal, State, or Local agencies were involved.

¹ Butler received the FFL on 5/25/2016. Action was initiated in response to the above described anonymous tip resulting in the inspection covering a period of less than 12 months.

FIREARMS INSPECTION REPORT

Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
FFL#: 1-63-071-07-9F-06783

Business Profile:

Butler operates Gonzo Tactical as an all-purpose firearms business specializing in assembly of firearms, custom built firearms, durability finishes, gun-smith services, and retail sales of firearms, ammunition, and accessories.

The business is operated from a leased commercial building located in the city limits of Scottsboro, AL. There are no zoning ordinances restricting the operation of the business.

During the period of review, Butler acquired (b) (4) firearms. Butler stated (b) (4) of the firearms transactions conducted are comprised of new firearms with the remaining (b) (4) comprised of used firearms. Butler stated new firearms are acquired from various distributors as well as firearms manufactured on-site while trade ins and internet transfers account for the used firearms acquired.²

Butler is in possession of all appropriate state and city business license(s).

Business hours are Tuesday – Saturday 9:00am to 6:00pm.

Presently, Butler does not conduct business at gun shows. Notwithstanding, Butler indicated he has not ruled out future participation in gun shows.

All firearms are secured on premises. No offsite storage is utilized.

No additional ATF licenses are held by Butler. This investigation did not generate any information or reveal any other activities requiring additional licenses.

Ownership and Control:

The Federal Firearms License database reflects a Type-7 (Manufacturer of Firearms) Federal Firearms License was issued to Butler to do business as Gonzo Tactical with Butler appearing as Responsible Person. The date of issue for the license is reflected as 5/25/2016.

This investigation did not generate any information to indicate additional individuals requiring status or clearance as responsible person(s).

All information presently reflected in the system relating to Butler is accurate and current.

Variance:

² Butler acquires complete lower receivers from various manufacturers at which point he will assemble the receivers into complete firearms subsequently offering the completed firearm for retail sale.

FIREARMS INSPECTION REPORT

Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
FFL#: 1-63-071-07-9F-06783

As of 11/08/2016, there were no variances on record. Butler stated he is in the process of making application for private label marking variance. Once the variance is obtained, Butler will contract with the manufacture identified on the variance to make lower receivers marked with Gonzo Tactical's required manufacturer's marks of identification.

2 - Recommendation

Violations WL Only and Recall Inspection

Alternate Recommendation in Lieu of Violations, WC with WL and Recall

On 12/16/2016, Investigator (b) (6) contacted Butler regarding replacement barrels. Butler advised on or about 11/15/2016, letters were sent to recipients of th improperly marked firearms stating the barrels needed to be replaced. As of 12/16/2016, Butler stated he had received responses from of the recipients and barrels have been replaced.

3 - Inspection History

Inspection history is as follows:

Date of Inspection: 5/10/2016
Type of Inspection: Application Investigation
UI#: 776015-2016-0170-B1B
Inspection Results: Application Approved
Cited Violations: No violations cited

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

Butler maintains a manufacturing record and a retail A&D record. Lower receivers are received into the manufacturing record. Once the lower receiver has been assembled into a completed firearm, the receiver is dispositioned out of the manufacturing record and acquired into the retail A&D record. Review of both records generated open entries. A 100% inventory reconciliation was completed where all firearms were traced back to the corresponding open entries in the record. No discrepancies were found.

No theft or loss reports have been filed or reported by Butler. No evidence was generated revealing any theft or losses of firearms having occurred during the inspection period.

The manufacturing record and retail A&D record were determined to be in the proper format and consistent with governing regulations. All required information was accurately and timely entered.

FIREARMS INSPECTION REPORT

Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
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Standard operation procedures were evaluated. No deficiencies were identified.

5 - ATF Forms 4473 – NICS & Other Dispositions

All ATF Forms 4473 are filed chronologically by date of disposition.

33 Public Law 112-55 (125 Stat. 552) ATF Forms 4473 were filed during the inspection period representing proceed, denied, and no sale transactions. All 33 Public Law 112-55 (125 Stat. 552) ATF Forms 4473 were reviewed for accuracy and completeness. No discrepancies were generated.

There were 33 Public Law 112-55 (125 Stat. 552) NICS Transaction numbers reflected on the FFL Audit Report provided by the NICS Branch. The NICS transaction numbers were traced back to the corresponding ATF Forms 4473. No discrepancies were generated. It is noted, Butler is accepting qualifying concealed carry permits as substitutes for NICS checks.

All transfers to other FFL's were properly recorded and documented.

As a result of this investigation, no indication of firearms trafficking was generated.

6 - Multiple Sales

The Violent Crime Analysis Branch FFL Master Query indicate 33 Public Law 112-55 (125 Stat. 552) multiple sales reported during the inspection period. All reported multiple sales were traced back to corresponding ATF Forms 4473. No discrepancies were generated.

The review of ATF Forms 4473 did not generate any unreported multiple sales.

7 - Suspicious/Prohibited Purchasers

The review of ATF Forms 4473 did not generate evidence indicating potential suspicious purchasers, firearms traffickers, or prohibited persons.

8 - Trace Activity

There were no traces relative to Butler reported in the Trace History provided by the Violent Crime Analysis Branch.

9 - NFA/Importer/Collector/Manufacturer

Butler is not engaged in any NFA, import, or collector activities.

FIREARMS INSPECTION REPORT

Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
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As addressed in prior sections, Butler acquires completed lower receivers from various distributors subsequently assembling lower receivers into completed firearms. During the interview, Butler was prompted by Investigator (b) (6) to describe how he was marking the completed firearms. Butler stated he was adopting the markings on the receivers. Investigator (b) (6) asked Butler if he had placed his business name and location of his business anywhere on the firearm. Butler responded he had not marked his name and location of his business on the firearm. Investigator (b) (6) provided Butler with a copy of ATF Ruling 2013-3 addressing adoption of existing markings on firearms. Specifically, Butler was directed to the requirement to place on the frame, receiver, or barrel his name and the location of his business. Furthermore, Butler was directed to 27 CFR 478.92 to view the regulations requiring these marks. Butler advised he misunderstood the requirements subsequently admitting to not having properly marked firearms he assembled and transferred. Investigator (b) (6) requested the number of firearms transferred which were not marked properly, the firearms identifying information, and the dates of transfer. Butler responded he had assembled and transferred firearms also providing Investigator (b) (6) with a detailed list of the firearms and to whom those firearms were transferred (see attached supporting document, Transfer List, marked **Exhibit 2**).

27 CFR 478.92(a)(1)(ii)(C) reads "A licensed manufacturer or importer of firearms must legibly identify each firearm manufactured or imported as follows:

By engraving, casting, stamping (impressing), or otherwise conspicuously placing or causing to be engraved, cast, or stamped (impressed) or placed on the frame, receiver, or barrel thereof certain additional information. This information must be placed in a manner not susceptible of being readily, obliterated, altered, or removed. For firearms manufactured or imported on and after January 30, 2002, the engraving, casting, or stamping (impressing) of this information must be to a minimum depth of .003 inch. The additional information includes:

(C) Your name (or recognized abbreviation) and also, when applicable, the name of the foreign manufacturer."

From 6/18/2016 - 11/03/2016, licensee manufactured (assembled) completed firearms from lower receivers failing to mark those firearms with the above described required marks of identification. Subsequently, those firearms were transferred to non-licensees and licensees.

A violation of 27 CFR 478.92(a)(1)(ii)(C) was cited (see violation 1). See attached supporting documents Firearms Inspection Inventory and A&D Review Worksheet and **Exhibit 2**.

FIREARMS INSPECTION REPORT


Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
FFL#: 1-63-071-07-9F-06783

27 CFR 478.92(a)(1)(ii)(D) reads "A licensed manufacturer or importer of firearms must legibly identify each firearm manufactured or imported as follows:

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(D) In the case of a domestically made firearm, the city and State (or recognized abbreviation thereof) where you as the manufacturer maintain your place of business"

From 6/18/2016 - 11/03/2016, licensee manufactured (assembled  completed firearms from lower receivers failing to mark those firearms with the above described required marks of identification. Subsequently, those firearms were transferred to non-licensees and licensees.

A violation of 27 CFR 478.92(a)(1)(ii)(D) was cited (see violation 2). See attached supporting documents Firearms Inspection Inventory and A&D Review Worksheet and **Exhibit 2**.

On 11/11/16, Butler mailed letters to those individuals or entities identified on the above described transfer list advising the firearms as originally purchased or acquired failed to meet ATF marking requirements thereby requiring the barrels replaced with properly marked barrels. Included in the letter are instructions for those individuals or entities to follow to receive the replacement barrel (see attached supporting document, Barrel Return Letter, marked **Exhibit 3**).

10 - Referrals

No referrals generated.

11 - Other

Trigger locks were available in the business. A Youth Handgun Safety Act poster was posted and handouts were available. Furthermore, Butler is aware of, understands, and complies with the provisions of the Child Safety Lock Act of 2005.

This investigation marks the first documented compliance inspection relating to Butler. As such, information relating to NICS transactions, the proper execution of ATF Forms

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Name: Butler, Matthew P
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4473, the execution of multiple handgun sales reports, and other firearms regulations were discussed with Butler. At that time, questions received were discussed and answered.

12 - Closing Actions

The closing conference was completed on 11/10/2016. Investigator (b) (6) and conducted the closing conference with Butler. Butler was presented with the Report of Violations documenting the violation(s) generated during the investigation. Each violation and the appropriate measures to ensure future compliance were discussed with Butler. Subsequently, Butler signed and dated the Report of Violations.

Butler was presented with an Acknowledgement of Federal Firearms Regulations. The acknowledgement was reviewed and discussed with Butler. Subsequently, Butler signed and dated the acknowledgement (see attached supporting document, Acknowledgement of Federal Firearms Regulations, marked **Exhibit 4**).

Butler was advised in addition to those items listed on the Acknowledgement he is also responsible for the regulations that do not appear listed on the Acknowledgement which are contained in the *Federal Firearms Regulations Reference Guide 2014 Edition* which can be accessed through ATF.gov.

13 - Violations

1. **27 CFR 478.92(a)(1)(ii)(C)**
How must licensed manufacturers and licensed importers identify firearm, armor piercing ammunition, and large capacity ammunition feeding devices?

27 CFR 478.92(a)(1)(ii)(C) reads "A licensed manufacturer or importer of firearms must legibly identify each firearm manufactured or imported as follows:

By engraving, casting, stamping (impressing), or otherwise conspicuously placing or causing to be engraved, cast, or stamped (impressed) or placed on the frame, receiver, or barrel thereof certain additional information. This information must be placed in a manner not susceptible of being readily, obliterated, altered, or removed. For firearms manufactured or imported on and after January 30, 2002, the engraving, casting, or stamping (impressing) of this information must be to a minimum depth of .003 inch. The additional information includes:

(C) Your name (or recognized abbreviation) and also, when applicable, the name of the foreign manufacturer."

FIREARMS INSPECTION REPORT

Name: Butler, Matthew P
Trade Name: Gonzo Tactical

UI#: 776015-2017-0080-B1B
FFL#: 1-63-071-07-9F-06783

From 6/18/2016 - 11/03/2016, licensee manufactured (assembled 23 Public Law 112-56 125 Stat. 552) completed firearms from lower receivers failing to mark those firearms with the above described required marks of identification. Subsequently, those firearms were transferred to non-licensees and licensees.

Reference: Firearms Inspection Inventory and A&D Review Worksheet and **Exhibit 2**.

Licensee's Response: Licensee accepted complete responsibility for the violation. Licensee admitted he misunderstood the regulations governing marking requirements. The failure to properly mark the firearm was not an intentional attempt to circumvent the governing regulations. Licensee immediately contacted his barrel maker and ordered properly marked barrels which satisfy the marking requirements.

Corrective Action: Licensee was advised of the regulatory requirements and the obligation as a Federal Firearms Licensee to comply with those requirements. Specifically, Licensee was directed to the Federal Firearms Regulations Reference Guide (2014 Edition) where the regulations governing marking requirements are contained and ATF Ruling 2013-3.

Licensee will contact those individuals or FFLs who acquired the improperly marked firearms and provide those individuals or FFLs with properly marked barrels satisfying the marking requirement.

2.

27 CFR 478.92(a)(1)(ii)(D)

How must licensed manufacturers and licensed importers identify firearm, armor piercing ammunition, and large capacity ammunition feeding devices?

27 CFR 478.92(a)(1)(ii)(D) reads "A licensed manufacturer or importer of firearms must legibly identify each firearm manufactured or imported as follows:

By engraving, casting, stamping (impressing), or otherwise conspicuously placing or causing to be engraved, cast, or stamped (impressed) or placed on the frame, receiver, or barrel thereof certain additional information. This information must be placed in a manner not susceptible of being readily, obliterated, altered, or removed. For firearms manufactured or imported on and after January 30, 2002, the engraving, casting, or stamping (impressing) of this information must be to a minimum depth of .003 inch. The additional information includes:

(D) In the case of a domestically made firearm, the city and State (or recognized abbreviation thereof) where you as the manufacturer maintain your place of business"

From 6/18/2016 - 11/03/2016, licensee manufactured (assembled 23 Public Law 112-56 125 Stat. 552) completed firearms from lower receivers failing to mark those firearms with the above described

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X

Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheets

- Informational Page
- Firearms Inspection Inventory and A&D Review Worksheet
- Firearms Inspection ATF Form 4473 (2012 Edition) Review Worksheet
- Other Statics

Exhibits

1. ATF Tips Mailbox
2. Transfer List
3. Barrel Return Letter
4. Acknowledgement of Federal Firearms Regulations

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