

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) RECOIL GUNWORKS LLC RECOIL GUNWORKS 1904 N SHELBY ST SALEM, IN 47167, WASHINGTON		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 775045-2016-0174-B1B		
		3. PERMIT/LICENSE NUMBER 435175076C05120	4a. TARGET DATE 4/25/2016	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		
6. ATF OFFICER(S) ASSIGNED (b)(6) - Lead Investigator (b)(6) - Assigned Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6), Area Supervisor, 02/25/2016				
8. PURPOSE/SPECIAL INSTRUCTIONS Conduct FFL RENEWAL application inspection in accordance with applicable provisions of ATF H 5030.2C and the 2016 Domain Assessment. Please verify all items in the application for correctness.				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	8	NO. OF REFERRALS	2	10. TRAVEL EXPENSES (OPTIONAL)
NO. OF TECS CHECKS	33	NO. OF TECS HITS	1	2111 - PER DIEM
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2112 - P.O.A.
		\$ VALUE OF TAX DECREASES		2113 - COMM. AIR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2114 - RENTAL CAR
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2115 - GPV EXPENSES
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		2116 - MISC.
				TOTAL \$ FOR INSP.
11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) - Senior Industry Operations Investigator  Submitted on: 05/09/2016 Recoil Gunworks LLC filed a renewal application that included a change of address. On 3/23/2016, Senior Industry Operations Investigator (b)(6) and Industry Operations Investigator (b)(6) commenced a compliance inspection at the business premises of Recoil Gunworks LLC. See attached narrative for full details.  Recommend approval of renewal application and issuance of license to the new location as follows:  Recoil Gunworks LLC 202 W. Market St. Salem, IN 47167  Recommend Warning Letter and recall inspection. Licensee was cited for 8 violations of the Gun Control Act (GCA). Licensee's failure to timely and/or correctly record acquisition entries rises to the level of Warning Letter (statistical calculation of 6.9%).  Violts WL ONLY and Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
FEB 2016 9.00				
MAR 2016 44.00				
APR 2016 72.00				
MAY 2016 6.00				
ATF OFFICER'S SUBTOTAL		131.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
MAR 2016 37.00				

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) RECOIL GUNWORKS LLC RECOIL GUNWORKS 1904 N SHELBY ST SALEM, IN 47167, WASHINGTON	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 775045-2016-0174-B1B		
	3. PERMIT/LICENSE NUMBER 435175076C05120	4a. TARGET DATE 4/25/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

### 12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
APR 2016	9.00
ATF OFFICER'S SUBTOTAL	46.00
ATF OFFICER'S SIGNATURE	
TOTAL HOURS	177.00

### 13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION  
9 violations. WL, recall. PII and WL mailed on 5/11/2016.  
Viols WL ONLY and Recall Inspection

☒ REVIEWED      ☒ CONCUR      ☒ SEE COMMENTS      ☒ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor	REVIEW DATE 05/11/2016
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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 RECOIL GUNWORKS LLC RECOIL GUNWORKS	Street Address 1904 N SHELBY ST	City SALEM	State IN	Zip Code 47167-	County WASHINGTON	Page 1 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435175076C05120		Expiration Date		Date(s) or Period of Inspection 03/23/2016 through 04/22/2016		

### 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:

- Licensee failed to make accurate and complete acquisition entries in the A&D Record Book.
- In (b)(3) instances, licensee failed to record the acquisition of a firearm.  
\*\* (b)(3) receivers had been further manufactured but not re-entered into the A&D Book  
\*\* (b)(3) Glock pistol containing (b)(3) 112 Public auto sear was transferred to another manufacturer for repair and was not re-entered into the A&D Book upon return to Recoil Gunworks.
  - In (b)(3) 112 Public instances, the type of firearm was recorded as a handgun or long gun.
  - In (b)(3) instance, the serial number of the firearm was incorrect.
  - In (b)(3) instances, the type was not recorded.
  - In (b)(3) instances, the caliber was not recorded.

Date Corrections to be Made: 04/22/2016  
*(If not corrected immediately)*

Corrective Action to be Taken: Licensee properly recorded the (b)(3) firearms into the A&D Record Book and made corrections to the other entries.  
*(If not corrected immediately)* Licensee will ensure that future entries to the A&D Record Book are accurate and complete and comply with all the requirements contained within 27 CFR 478.123(a), ATF Ruling 2010-8 and ATF Ruling 2013-5.

Citation: 27 CFR 478.123(a)

## Report of Violations

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Name of Proprietor RECOIL GUNWORKS LLC RECOIL GUNWORKS	Street Address 1904 N SHELBY ST	City SALEM	State IN	Zip Code 47167-	County WASHINGTON	Page 2 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435175076C05120		Expiration Date		Date(s) or Period of Inspection 03/23/2016 through 04/22/2016		

### Inspection Results

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

**Number:** 2

**Date Corrections to be Made:** 04/22/2016  
*(If not corrected immediately)*

**Nature of Violation:**

For transfers to other federal firearms licensees, licensee failed to make accurate and complete entries to the A&D Record Book.

- In 3 instances, licensee failed to record the disposition of a firearm.
- In 3 instances, the name of the licensee was incomplete.
- In 3 instances, the transferee's license number was incorrect.
- In 3 instances, the transferee's license number was incomplete.

**Corrective Action to be Taken:** Licensee has made corrections to the items cited and will ensure that all future A&D Record Book entries are made timely, accurately and completely in accordance with 27 CFR 478.123(b) and the parameters of ATF Ruling 2010-8 and ATF Ruling 2013-5.  
*(If not corrected immediately)*

**Citation:** 27 CFR 478.123(b)



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Name of Proprietor RECOIL GUNWORKS LLC RECOIL GUNWORKS	Street Address 1904 N SHELBY ST	City SALEM	State IN	Zip Code 47167-	County WASHINGTON	Page 3 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435175076C05120		Expiration Date		Date(s) or Period of Inspection 03/23/2016 through 04/22/2016		

### 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:**

For transfers to nonlicensees, licensee failed to make accurate and complete entries to the A&D Record Book.

- In <sup>(b)(3)</sup> instance, the disposition of a firearm was not recorded.
- In <sup>(b)(3)</sup> instances, the name of the transferee was incomplete.
- In <sup>(b)(3)</sup> instances, the address of the transferee was incomplete.
- In <sup>(b)(3)</sup> instance, the name of the transferee was incorrect.
- In <sup>(b)(3)</sup> instances, the address of the transferee was incorrect.
- In <sup>(b)(3)</sup> instances, the transferee address was not recorded.
- In <sup>(b)(3)</sup> instances, the disposition date was not recorded
- In <sup>(b)(3)</sup> instance, the disposition date was incorrect.

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

Licensee has completed the A&D Record Book corrections and will ensure that all future entries are accurate, complete and meet all parameters of 27 CFR 478.125(e), ATF Ruling 2010-8 and ATF Ruling 2013-5.

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

## Report of Violations

### Instructions

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Name of Proprietor RECOIL GUNWORKS LLC RECOIL GUNWORKS	Street Address 1904 N SHELBY ST	City SALEM	State IN	Zip Code 47167-	County WASHINGTON	Page 4 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435175076C05120		Expiration Date		Date(s) or Period of Inspection 03/23/2016 through 04/22/2016		

### Inspection Results

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

Number: 4

#### Nature of Violation:

Licensee failed to obtain correct information on ATF Form 4473, Section A.

- Item #2 - On [REDACTED] occasions, the city of residence was abbreviated [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #2 - On [REDACTED] occasion, the residence address was incomplete [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #2 - On [REDACTED] occasion, the state was recorded with the city [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #3 - On [REDACTED] occasions, the city of birth was abbreviated [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #3 - On [REDACTED] occasions, the state of birth was not recorded [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #13 - On [REDACTED] occasion, the state of residence was not recorded [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #14 - On [REDACTED] occasions, the country of citizenship was not recorded [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #17 - On [REDACTED] occasions, the certification date was not recorded [REDACTED] (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Citation: 27 CFR 478.124(c)(1)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

In the future, licensee will ensure that all Forms 4473 are thoroughly reviewed for accuracy and completeness prior to firearm transfer. The purchaser will correct any errors or omissions discovered in Section A, initialing and dating the changes made.



## Report of Violations

### Instructions

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Name of Proprietor RECOIL GUNWORKS LLC RECOIL GUNWORKS	Street Address 1904 N SHELBY ST	City SALEM	State IN	Zip Code 47167-	County WASHINGTON	Page 5 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435175076C05120		Expiration Date		Date(s) or Period of Inspection 03/23/2016 through 04/22/2016		

### Inspection Results

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

Number: 6

Date Corrections to be Made: 04/22/2016

*(If not corrected immediately)*

#### Nature of Violation:

Corrective Action to be Taken:

*(If not corrected immediately)*

Licensee will correct copies of the ATF Forms 4473 for items #18, 19 and 30a, initialing and dating all changes, and will attach the corrected copy to the original Form 4473. In the future, licensee will ensure that all Forms 4473 are thoroughly reviewed for accuracy and completeness prior to firearm transfer and will not proceed with any transfer where the purchaser answers "no" to item #11a or "yes" to items #11b-k.

Licensee failed to obtain a complete and accurate ATF Form 4473.

- Item # 11a - On [REDACTED] occasions, purchaser indicated he or she was not the actual purchaser of the firearm. Licensee proceeded with the transfer (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #18 - On [REDACTED] occasions, the type of firearm was not indicated (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #18 - On [REDACTED] occasion, the incorrect type of firearm was checked (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #19 - On [REDACTED] occasions, the city and state of the gun show were not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #19 - On [REDACTED] occasions, the city of the gun show was abbreviated (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

- Item #30a - On [REDACTED] occasions, the number of firearms transferred was not recorded J. (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Citation: 27 CFR 478.21(a)

Number: 7

Date Corrections to be Made:

*(If not corrected immediately)*

#### Nature of Violation:

Corrective Action to be Taken:

*(If not corrected immediately)*

In the future, licensee will ensure that all Forms 4473 are thoroughly reviewed for accuracy and completeness prior to firearm transfer.

Licensee failed to provide required information on ATF Form 4473, Section B.

Item #21a - On [REDACTED] occasion, an incorrect date was recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Item #21c - On [REDACTED] occasions, item was left blank (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

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

## Report of Violations

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License/Permit/Registry Number <i>(If any)</i> 435175076C05120		Expiration Date		Date(s) or Period of Inspection 03/23/2016 through 04/22/2016		

### Inspection Results

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

<b>Number:</b> 8	<b>Date Corrections to be Made:</b> 04/22/2016 <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Licensee failed to provide accurate information on ATF Form 4473, Section D. - Item #28 - on [REDACTED] occasion, the serial number was incorrect [REDACTED] - Item #29 - on [REDACTED] occasion, type was listed as "other" instead of "receiver" [REDACTED]	<b>Corrective Action to be Taken:</b> Licensee will correct a copy of the applicable Form 4473, indicating the correct type and initialing and dating the change. The corrected copy will be attached to the original ATF Form 4473. <i>(If not corrected immediately)</i>
<b>Citation:</b> 27 CFR 478.124(c)(4)	
<b>Number:</b> 9	<b>Date Corrections to be Made:</b> <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Licensee failed to maintain in a separate file ATF Forms 4473 where the NICS check was initiated but the transfer of the firearm did not take place.	<b>Corrective Action to be Taken:</b> Licensee has created a separate file for all ATF Forms 4473 where a NICS check was initiated but the firearm transfer did not take place. Forms are filed chronologically by the date in Section A. Licensee will ensure that all future forms are completed through item #35. <i>(If not corrected immediately)</i>
<b>Citation:</b> 27 CFR 478.129(b)	

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

600 Dr. Martin Luther King Jr. Place, Suite 500  
Louisville, Kentucky 40202

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May 11, 2016

[www.atf.gov](http://www.atf.gov)

775045 (b)(6)  
5300

**CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

Recoil Gunworks LLC  
Attention: Mark Nantz  
1904 N. Shelby St.  
Salem, IN 47167

Dear Mr. Nantz:

During a recent compliance inspection at your firearms business covering the period of January 15, 2015, through April 23, 2016, you were cited for violations of 27 Code of Federal Regulations, Part 478. A copy of the ATF Form 5030.5, Report of Violations, issued at the time of the inspection is enclosed.

The violations were fully explained to you by Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (IOI) (b)(6). You indicated that you understood the requirements of the firearms laws and regulations, including the importance of ensuring your electronic recordkeeping system remains in compliance with the Federal firearms regulations. You further indicated 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 effort 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 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.



Recoil Gunworks LLC  
Mr. Mark Nantz

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

Should you have any questions regarding this matter, please contact IOI (b)(6) or me at (b) (6)

Sincerely yours,

(b)(6)

Area Supervisor  
Louisville II Field Office

Enclosure

cc: Federal Firearms Licensing Center  
Director, Industry Operations  
File

# FIREARMS INSPECTION REPORT

**Name:** Recoil Gunworks LLC  
**Trade Name:**  
**Address:** 1904 N. Shelby St  
Salem IN 47167

**UI#:** 775045-2016-0174  
**FFL#:** 4-35-175-07-6C-05120

## 1 - Introduction

### Inspection Profile:

Recoil Gunworks LLC filed a renewal application that included a change of address. The application was subsequently forwarded to the Louisville Area Office. With supervisory approval, Investigator (b)(6) gave advance notice of the inspection on 3/21/2016; Recoil Gunworks operates from a residence and the sole responsible person holds a full time job as an insurance agent.

On 3/23/2016, Senior Industry Operations Investigator (b)(6) and Industry Operations Investigator (b)(6) commenced a compliance inspection at the business premises of Recoil Gunworks LLC. Responsible person Mark Nantz was present and provided assistance during the inspection. Employee (b)(6) was also present on 3/23/16 and 3/24/16. Mark Nantz was identified by his Indiana driver's license (b)(6) exp. 6/10/2016).

The 12 month inspection period was 3/23/2015 through 3/23/2016. However, due to discrepancies discovered during review of the required records, the scope of the inspection was expanded to include the period from 1/15/2015 through 3/23/2016.

### Business Profile:

Recoil Gunworks LLC has been licensed as a manufacturer of firearms since 2013 and conducts business primarily through the internet at recoilgunworks.com (see Exhibit #2). The business deals in new and used handguns and long guns as well as NFA firearms and offers transfer services for individuals who purchase firearms through firearms auction websites. Licensee also sells ammunition, ammunition magazines, firearms parts and accessory items such as holsters. Over the last 12 months, licensee acquired (b)(4) firearms and disposed of (b)(4) firearms. Approximately (b)(4) of firearms acquired were used firearms, with about (b)(4) new firearms. Approximately (b)(4) of transfers were to other licensees, with about (b)(4) of transfers to non-licensees. Of the transfers to non-licensees, approximately (b)(4) were conducted at large gun shows, with the remainder conducted from the business premises. Primary suppliers are (b)(4). There is no off-site storage of firearms.

Licensee does not hold any other ATF licenses. The City of Salem, IN does not require licensing for businesses, and licensee is in compliance with all zoning requirements. Licensee holds a current Indiana Retail Merchant Certificate and has applied for an Indiana Handgun Sales License (see Exhibit #5).

# FIREARMS INSPECTION REPORT

**Name:** Recoil Gunworks LLC  
**Trade Name:**

**UI#:** 775045-2016-0174  
**FFL#:** 4-35-175-07-6C-05120

## Ownership and Control:

Recoil Gunworks LLC is a limited liability company, registered and in good standing with the state of Indiana (see Exhibit #1). Mark Nantz is the only LLC member and the only responsible person listed for the business. The business employs 4 other individuals: (b)(6). Mr. Nantz stated that he will be adding his sons, (b)(6), as responsible persons for the Federal firearms license and as members of the LLC. Investigator (b)(6) explained the process for adding responsible persons to the license and forwarded to the licensed premises fingerprint cards; ATF F 5330.20, Certification of Compliance with 18 U.S.C. 922(g)(5)(B); and copies of pages 2-4 of the Application for a Federal Firearms License.

## Variance:

Licensee has an approved marking variance on file, allowing for the marking of RG-15 receivers by New Frontier Armory, FFL #9-88-02240 (see Exhibit #3).

(b)(3) 112 Public Law 55 125 STAT 552 marks the receivers with the following information:

Manufacturer name: Recoil Gunworks

Model: RG-15

Caliber or Gauge: Multi

City and State: Salem, IN

Serial Number range: (b)(3) 112 Public Law 55 125 STAT 552

When the receivers are assembled into rifles or pistols, Recoil Gunworks uses barrels that are marked with the caliber of the firearm, in accordance with the approved variance.

## 2 - Recommendation

Violations, Warning Letter and recall inspection.

Licensee was cited for 8 violations of the Gun Control Act (GCA). Licensee's failure timely and/or correctly record acquisition entries rises to the level of Warning Letter (statistical calculation of 6.9%).

Also recommend approval of renewal application with new address as follows:

202 W. Market St.  
Salem, IN 47167

## 3 - Inspection History

**Date of Inspection:** February 13, 2013  
**Type of Inspection:** Qualification  
**UI#:** 775045-2013-0153-B1B



# FIREARMS INSPECTION REPORT

**Name:** Recoil Gunworks LLC  
**Trade Name:**

**UI#:** 775045-2016-0174  
**FFL#:** 4-35-175-07-6C-05120

**Inspection Results:** Application Approved  
**Cited Violations:** None

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

Licensee maintains a computerized A&D Record Book for all GCA firearms. The software package currently in use is AIMsi, a POS system developed by Tri Technical Systems (see Exhibit #4). Recoil Gunworks began using the system in January 2015. Records for transactions prior to January 2015 are maintained in EZ Arms Keeper. Mr. Nantz stated that his intent is to transfer the information from EZ Arms Keeper to AIMsi. He stated that, while the EZ Arms Keeper software was easy to use, it was unable to be used as a comprehensive POS system. He further stated that AIMsi offers the POS features he needs, coupled with the convenience of an electronic A&D Record Book. A monthly subscription fee allows the company access to features such as supplier product catalogs, unlimited technical support and regular software updates and patches. The software is installed directly on the business' computer. Signing into the system includes internet connection only for purposes of searching for catalog or software updates. Investigator (b)(6) inquired as to what would happen to the A&D Record Book information should Recoil Gunworks decide to cease payment of the subscription fee. Mr. Nantz stated that the company would no longer have access to the catalog updates, technical support or software updates but would still be able to use the software. Mr. Nantz provided a short demonstration of the system (both with and without internet connection) conducting queries by manufacturer, serial number, transferee name and transferee address. The system contains a notes field for recording information related to any changes made to the entries. Mr. Nantz stated that the system makes it very easy to track multiple sales and firearm serial numbers. He also stated that the salesman indicated the system was "ATF Approved" and fully in compliance with all regulatory requirements. Investigator (b)(6) informed Mr. Nantz that ATF does not endorse nor approve individual companies' software systems or packages. She stated that the salesman was correct in stating that the format of the printed A&D Book was in accordance with ATF regulations under 27 CFR 478.125(e), but at no time has ATF given the company formal approval for their software.

Using AIMsi, Mr. Nantz printed a full copy of the A&D Record Book, which was in the proper format, as well as a listing of the firearms purported to be in inventory. He also provided a printout of the A&D Record Book from EZ Arms Keeper for A&D records prior to January 2015, the A&D Record Book for NFA Firearms and a Recoil Gunworks Manufacturing Log (see Exhibits #6 through #10).

Investigators (b)(6) commenced an inventory of all firearms on hand. The inventory list provided by Mr. Nantz contained a total of 62 firearms. (b)(3) - 112 F firearm listed (b)(3) - 112 Public Law 55 125 Stat 552 was not in inventory but had been reported on FFL Theft/Loss Report (b)(3) - 112 Public Law 55 125 Stat 552; the A&D Record Book contained the proper disposition entry for the firearm. Mr. Nantz stated that he was unsure as to why the firearm remains as an active item in the inventory list. He stated that he had consulted Tri Technical Systems several times and received no resolution for the problem. The



## FIREARMS INSPECTION REPORT

**Name:** Recoil Gunworks LLC  
**Trade Name:**

**UI#:** 775045-2016-0174  
**FFL#:** 4-35-175-07-6C-05120

NFA A&D book contained (b)(3) open entries, the Recoil Gunworks Manufacturing Log contained (b)(3) open entries, the EZ Arms Keeper A&D book contained (b)(3) open entries and the AIMsi A&D book contained (b)(3) open entries. The total number of open entries contained in all "books" was (b)(3) firearms were located in inventory.

Comparison of the inventory to the A&D records disclosed the following discrepancies:

- 1) (b)(3) 112 Public firearms in inventory were not recorded in the NFA A&D Record Book.
  - (b)(3) - 112 Public Law 55 125 Stat 552
  - (b)(3) firearms listed in the Recoil manufacturing log had not been re-entered into the A&D Book upon completion of manufacturing activity (serial numbers (b)(3) 112 Public Law 55 125 STAT 552).
- 2) (b)(3) 112 Public open entries in the EZ Arms Keeper Book were for firearms that had not been properly reported as lost on FFL Theft/Loss Report (b)(3) 112 Public Law 55 125 Stat 552 (serial numbers (b)(3) 112 Public Law 55 125 STAT 552).
- 3) (b)(3) 112 Public open entry was for a disposition that had not been recorded at the time of transfer (serial number (b)(3) 112 Public Law 55 125 STAT 552).

Regarding the firearms reported lost on FFL Theft/Loss Report (b)(3) 112 Public Law 55 125 Stat 552 Mr. Nantz stated that firearms were discovered missing upon returning from a large gun show in Indianapolis. He stated that upon return to the business premises he conducted an inventory and determined several receivers were missing. He filed a Theft/Loss Report at that time (see Exhibit #11). (b)(3) 112 Public of the receivers were discovered on a shelf several months later (serial numbers (b)(3) 112 Public Law 55 125 STAT 552). Mr. Nantz did not contact NTC to report discovering the receivers nor did he conduct a second inventory to determine if any other firearms were missing. Prior to the start of the current inspection, Mr. Nantz attempted to conduct an inventory and discovered the (b)(3) 112 Public open entries in the A&D book. He stated that he determined those to be the actual receivers lost at the gun show. Investigator (b)(3) 112 Public advised Mr. Nantz to prepare a new FFL Theft/Loss Report and submit it to NTC along with a copy of the original report and an explanation of what had happened. Mr. Nantz received a response from NTC, advising him that the record was amended (see Exhibit #12). Mr. Nantz made the appropriate disposition entries to the A&D Record Book.

Since Recoil Gunworks is licensed as a manufacturer of firearms, the business is subject to the recordkeeping requirements found in 27 CFR 478.123. The A&D Record Books generated by both EZ Arms Keeper and AIMsi are in the format prescribed by 27 CFR 478.125(e). The licensee's intent is to maintain a combined electronic record in accordance with ATF Ruling 2010-8 and ATF Ruling 2013-5. Investigator (b)(6) informed Mr. Nantz that the firearms still listed in the Recoil Manufacturing Log should have been re-entered into the A&D Record Book once manufacturing activity had been completed. She further stated that use of the manufacturing log as another A&D Record Book is not in compliance with the provisions of ATF Ruling 2010-8. Mr. Nantz stated



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that he only created the manufacturing log because he thought that was what he was required to do. He stated that he had read it somewhere that if he was not intending to sell the firearms he manufactured, he should leave them in the manufacturing log. Investigator (b)(6) directed Mr. Nantz to 27 CFR 478.123 and explained that manufacturers not keeping a combined record in accordance with the ruling are required to keep acquisition and disposition records in the following manner: manufacture or other acquisition, dispositions to licensees and dispositions to non-licensees. Mr. Nantz stated that he did not wish to keep the records as the regulations stated because the system could not support that format. Investigator (b)(6) stated that the business is essentially keeping a combined record with the system that is in place. She reviewed the ruling with Mr. Nantz, including the provisions for further manufacture of receivers, and suggested that the manufacturing log be used as an internal record for tracking purposes when receivers are transferred to the company for further manufacturing. Mr. Nantz was reminded that the firearms must be re-entered into the A&D Book once manufacturing activity is complete.

Other discrepancies discovered in the A&D Record Book are as follows:

## Acquisitions

- In (b)(3) instance, the serial number was incorrect
- In (b)(3) instances, the firearm type was not recorded
- In over (b)(3) 112 instances, the type of firearm was incorrect
- In (b)(3) instances, the caliber was not recorded

## Transfers to licensees

- In (b)(3) instances, the name of the licensee was incomplete
- In (b)(3) instances, the transferee's license number was incorrect
- In (b)(3) instances, the transferee's license number was incomplete

## Transfers to non-licensees

- In (b)(3) instances, the name of the transferee was incomplete
- In (b)(3) instance, the name of the transferee was incorrect.
- In (b)(3) 11 instances, the transferee address was incomplete
- In (b)(3) instances, the address of the transferee was incorrect
- In (b)(3) instances, the address of the transferee was not recorded
- In (b)(3) instances, the disposition date was not recorded
- In (b)(3) instance, the disposition date was incorrect

Licensee was informed of but not cited for several instances of a missing manufacturer and/or importer name, missing dates of receipt and missing or incomplete supplier names and addresses or FFL numbers. As per 27 CFR 478.123(a), the manufacturer name and supplier information are not required to be recorded as acquisition information. However, as per 27 CFR 478.123(b) and 27 CFR 478.123(c), the manufacturer information must be recorded when firearms are transferred. Licensee was informed that ATF Ruling 2010-8 requires said information to be recorded in the acquisition section if a manufacturer wishes to keep combined records in compliance

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with the ruling. Failure to do so would require the licensee to keep records in the manner prescribed in 27 CFR 478.123.

The type of firearm had been recorded as either long gun or handgun in over [REDACTED] instances. Mr. Nantz stated that he was unaware at the time he began using the software that he was required to manually set-up certain fields. After several hours on the phone with Tri Technical Systems, he was able to correct all entries to reflect the proper type of firearm.

Investigator (b)(6) inquired as to why there were so many other errors in the A&D Record Book. Mr. Nantz stated that, in addition to not being familiar enough with the system when he first began using it, there appears to be a glitch in the computer software that causes additions or deletions to information entered into the system. There is also an issue with character limits for certain fields, such as transferee name and address. He stated that he had been in almost constant contact with technical support personnel at Tri Technical Systems since the start of the inspection in an attempt to resolve these issues. Investigator (b)(6) again cautioned Mr. Nantz that all aspects of an electronic recordkeeping system must be in compliance with ATF Ruling 2013-5 or it cannot be used. She also reminded Mr. Nantz that any information entered into the system should be verified at the time it is recorded to ensure it is accurate and complete. This is especially important since some of the information is scanned into the system upon receipt or sale of the firearm. Mr. Nantz stated that he had actually been researching other POS systems and may change vendors once he relocates if Tri Technical Systems continues providing inadequate assistance in resolving the software issues he has been experiencing.

Investigator (b)(6) provided Mr. Nantz with a list of A&D Record Book errors requiring correction. He was afforded 2 weeks to make the required corrections. On 4/6/2016, Investigator (b)(6) contacted Mr. Nantz to request an update on the status of corrections and to schedule a time for the closing conference. He stated that he would need at least one more week to make corrections. He also stated that he was going to be unavailable until 4/22/2016 due to previously scheduled commitments. The closing conference was scheduled for 4/22/2016.

Details of the violations (27 CFR 478.123(a), 27 CFR 478.123(b), and 27 CFR 478.125(e)) can be found in the Violations section of this report. ATF Form 5030.5, Report of Violations, Worksheet #1, Exhibit #4 and Exhibits #6, through #12 also contain information and supporting documentation for these violations.

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

Investigator (b)(6) reviewed ATF Forms 4473 for the inspection period. A total of [REDACTED] Forms 4473 were on file; this included denials and forms where the NICS check had been completed but the transfer did not occur. All forms are kept in three ring binders and are filed chronologically by date of transfer in item #36. [REDACTED] forms contained errors.

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Errors found included incomplete or missing information in Section A, missing or incorrect information in Section B and missing or incorrect information in Section D (see Exhibit #13). For items the licensee was able to correct, IOI (b)(6) provided photocopies of each ATF Form 4473, instructing licensee to correct the photocopies, initial and date the corrections, and attach the photocopies to the respective Forms 4473. Licensee accomplished these corrections on 4/22/2016.

At the time of the Form 4473 review, it was discovered that licensee failed to maintain in a separate file Forms 4473 where the NICS check was initiated but the transfer of the firearm did not take place. Mr. Nantz stated that he was not aware of the requirement to file the forms separately. He immediately created a separate file for the forms, filing them in chronological order by date in item #17.

Transfers to other licensees are made in compliance with the regulations. Licensee maintains an electronic file containing certified license copies and verifies the validity of the license through FFL eZ Check prior to shipping of the firearms. Licensee conducted one transfer of firearms to a law enforcement agency, obtaining and maintaining proper documentation for the transaction.

Investigator (b)(6) compared the FFL Audit Report to NICS Transaction Numbers recorded on ATF Forms 4473 with no discrepancies.

For ATF Forms 4473 that licensee was able to correct, Investigator (b)(6) provided photocopies of the applicable forms and instructed Mr. Nantz to make the corrections to the photocopies, initialing and dating all changes, and staple the corrected copies to the original Forms 4473.

Details of the violations (27 CFR 478.124(c)(1), 27 CFR 478.21(a), 27 CFR 478.124(c)(3)(iv), 27 CFR 478.124(c)(4) and 27 CFR 478.129(b)) can be found in the Violations section of this report. ATF Form 5030.5, Report of Violations, Worksheet #2 and Exhibit #13 also contain information and supporting documentation for these violations.

## **6 - Multiple Sales**

Investigator (b)(6) verified (b)(6) multiple sales listed on the Firearms Trace History (see Exhibit #14). There were no unreported multiple sales discovered at the time of inspection.

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

No suspicious or prohibited purchasers were disclosed.

## **8 - Trace Activity**

(b)(6) successful trace was reported for the inspection period. The subject of the trace was not associated with any other records contained within eTrace.



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Investigator (b)(6) conducted a secondary market analysis. Approximately 30 firearms were queried through OpenFox, with (b)(3) 112 Public Law 55 125 STAT 552 hit. (b)(3) 112 Public Law 55 125 STAT 552, had been entered into NCIC as a stolen gun in 1972. The entry had been updated in January 2016. On 4/27/2016, Investigator (b)(6) contacted the originating agency to verify the validity of the record and obtain a copy of the original police report. As of 5/9/2016, Investigator (b)(6) had not received the police report. Investigator (b)(6) also requested firearm acquisition information from the supplier FFL, (b)(4), (b)(6). (b)(6) provided the name, address and telephone number for (b)(6). The firearm was purchased by (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) through an internet transaction with (b)(6). (b)(6) utilized the services of Comeaux's Gun Clinic to ship the firearm to Recoil Gunworks LLC for transfer to (b)(3) 112 Public Law 55 125 STAT 552 (b)(6). According to (b)(6), (b)(6) inherited a large number of firearms upon the death of his stepfather, including the firearm in question. A referral was generated to provide this information to the Davenport, Iowa Police Department (see Exhibit #23).

Approximately (b)(3) firearms were queried through ATF eTrace, disclosing that (b)(3) 112 Public Law 55 125 STAT 552, was traced on 2/25/2016. Summary of results indicated that the firearm had been traced to a law enforcement agency. It does not appear that any other information regarding the subsequent transfer of the firearm was relayed to NTC after the trace response. A referral was generated to provide additional dealer transfer information to NTC for this trace (see Exhibit #24).

## 9 - NFA/Importer/Collector/Manufacturer

Recoil Gunworks is a Class 2 special occupational taxpayer, manufacturing and selling various types of NFA firearms. All NFA firearms manufactured are marked in accordance with the regulations. Recoil Gunworks affixes the company name, city and state as required (see Exhibit #15). The special occupational tax stamp is current. As previously mentioned, Mr. Nantz keeps a separate A&D Record Book for all NFA firearms. The book is created on EZ Arms Keeper and is also printed after each change and maintained in a three ring binder with the registration forms. Registration forms are kept in chronological order. A total of 21 NFA firearms were located in physical inventory. The NFRTR Weapon Inventory was compared to the physical inventory with no discrepancies. As discussed in Section 4 – Acquisition and Disposition Record, (b)(3) firearms were not recorded in the A&D Record Book at the time the inventory was conducted. Mr. Nantz recorded the firearms into the A&D Book as required.

The ATF Form 2 for the manufacture of (b)(3) 112 Public Law 55 125 STAT 552 was not located in the binder (see Exhibit #16). Recoil Gunworks is enrolled in ATF eForms. Mr. Nantz speculates that he had forgotten to print the Form 2 when he received the approval from ATF. He signed into the account, printed the approved form and placed it in the binder.

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The only manufacturing activity taking place at the business premises is assembly of complete firearms from receivers. As previously mentioned, Recoil Gunworks contracts with New Frontier Armory LLC to manufacture and mark RG-15 firearm receivers. Complete firearms are assembled in response to specific orders received through the company's website. When the receivers are assembled into rifles or pistols, Recoil Gunworks uses barrels that are marked with the caliber of the firearm, in accordance with the approved variance (see Exhibit #17). Recoil Gunworks has timely filed all AFMERs (see Exhibit #21). Mr. Nantz is aware of the requirement to pay Firearms and Ammunition Excise Tax (FAET). He stated that the Tax and Trade Bureau (TTB) had informed him that no tax was due until he manufactured in excess of 50 firearms in a year. Mr. Nantz was not aware of the requirement for firearm manufacturers to register with the Directorate of Defense Trade Controls (DDTC). Investigator (b)(6) provided contact information and advised Mr. Nantz to contact DDTC and determine if the business is required to register.

## 10 – Referrals

One referral was forwarded to the Davenport, IA Police Department providing additional information for firearm reported stolen (see Exhibit #23).

One referral was forwarded to the National Tracing Center to provide additional transfer information for trace number (b)(3) - 112 Public Law 55 125 Stat 552 (see Exhibit #24).

## 11 - Other

Recoil Gunworks LLC timely filed a renewal application that included a change of address. The new location is located in the central business district of Salem, IN. The city does not require licensing of businesses, and local zoning ordinances allow operation of a retail business from the proposed location. The premises is owned by Recoil Gunworks LLC (see Exhibit #18) and is suitable for business operations. Mr. Nantz has refurbished the interior of the building, even building a locking storage cage to house the business' firearms safes and various other inventory items (see Exhibit #19). A security system installed at the premises allows 24 hour monitoring and alerts through Mr. Nantz's mobile phone. Mr. Nantz stated that he wishes to relocate the business because it has outgrown the basement of his residence. He verified that all information contained in the renewal application remains accurate.

## 12 - Closing Actions

On 4/22/2016, a closing conference was held at the business premises. Investigator Hasler and Mark Nantz were present. Investigator Hasler physically verified corrections to the A&D Record Books and ATF Forms 4473. Because of the large volume of errors in the A&D Record Books, Investigator (b)(6) did not obtain a full copy of the corrected books but obtained a sampling of corrections made by Mr. Nantz (see Exhibit #22). The Report of Violations was thoroughly reviewed with Mr. Nantz. He signed the form and was provided a copy for the business' records. The Acknowledgement of Federal Firearms Regulations (Exhibit #20) was also reviewed, with particular emphasis placed on proper recordkeeping, electronic recordkeeping and



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scenarios specific to manufacturers. Mr. Nantz signed the form and was provided a copy for the business' records.

Investigator (b)(6) verified that Mr. Nantz is in possession of the following publications and documents:

ATF P 5300.4, Federal Firearms Regulations Reference Guide  
ATF Ruling 2010-8  
ATF Ruling 2013-5  
ATF Forms 4473  
ATF Forms 3310.4

Investigator (b)(6) provided a brief tutorial on the firearms section of the atf.gov website as well as the Distribution Center order form. Mr. Nantz was encouraged to register to receive email updates.

On 4/29/2016, prior to submitting this assignment for area supervisor review, ATF Rulings 2016-1 and 2016-3 were released. Investigator (b)(6) forwarded copies of both rulings to Mr. Nantz, informing him that the rulings have superseded ATF Rulings 2010-8 and 2013-5.

## 13 – Violations

### 1. 27 CFR 478.123(a)

**Nature of violation:** Licensee failed to make accurate and complete acquisition entries into the A&D Record Book.

- In (b)(6) instances, licensee failed to record the acquisition of a firearm
- In over (b)(3) 112 instances, the type of firearm was recorded as handgun or long gun instead of pistol, revolver, shotgun or rifle.
- In (b)(6) instance, the serial number of the firearm was incorrect.
- In (b)(3) instances, the type of firearm was not recorded.
- In (b)(3) instances, the caliber of the firearm was not recorded.

**Licensee Response:** Mr. Nantz stated that he thought he was required to keep a manufacturing log with the firearms manufactured but not yet sold or transferred. He also stated that he had forgotten to re-enter (b)(3) 112 PUBLIC LAW 55 1 pistol with auto sear into the A&D Record upon receipt from (b)(4). Mr. Nantz attributed the other errors to lack of attention to detail when making entries into the computer system.

**Corrective Action:** Licensee properly recorded the (b)(6) firearms into the A&D Record Book and made corrections to the other entries. Licensee will ensure that future entries to the A&D Record Book are accurate and complete and comply with all the requirements contained within 27 CFR 478.123(a), ATF Ruling 2010-8 and ATF Ruling 2013-5.

**Worksheets and exhibits:** Worksheet 1, Exhibit #4, and Exhibits #6 through #12.

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2. **27 CFR 478.123(b)**

**Nature of violation:** For transfers to other Federal firearms licensees, licensee failed to make accurate and complete entries to the A&D Record Book.

- In (b)(3) instances, licensee failed to record the disposition of a firearm.
- In (b)(3) instances, the name of the licensee was incomplete.
- In (b)(3) instances, the transferee's license number was incorrect.
- In (b)(3) instances, the transferee's license number was incomplete.

**Licensee Response:** Mr. Nantz stated that many of the errors were due to a lack of knowledge when placing the new computer system into use. He stated that he is much more knowledgeable and comfortable using the computer system now and has direct contact with the company that produces the software any time a technical issue arises.

**Corrective Action:** Licensee has made corrections to the items cited and will ensure that all future A&D Record Book entries are made timely, accurately and completely in accordance with 27 CFR 478.123(b) and the parameters of ATF Ruling 2010-8 and ATF Ruling 2013-5.

Worksheets and exhibits: Worksheet 1 and Exhibit #6.

3. **27 CFR 478.125(e)**

**Nature of violation:** For transfers to non-licensees, licensee failed to make accurate and complete entries to the A&D Record Book.

- In (b)(3) instance, the disposition of a firearm was not recorded.
- In (b)(3) instances, the name of the transferee was incomplete.
- In (b)(3) instances, the address of the transferee was incomplete.
- In (b)(3) instance, the name of the transferee was incorrect.
- In (b)(3) instances, the address of the transferee was incorrect.
- In (b)(3) instances, the transferee address was not recorded.
- In (b)(3) instances, the disposition date was not recorded
- In (b)(3) instance, the disposition date was incorrect.

**Licensee Response:** Mr. Nantz stated that many of the errors were due to a lack of knowledge when placing the new computer system into use. He stated that he is much more knowledgeable and comfortable using the computer system now and has direct contact with the company that produces the software any time a technical issue arises.

**Corrective Action:** Licensee has completed the A&D Record Book corrections and will ensure that all future entries are accurate, complete and meet all requirements of 27 CFR 478.125(e), ATF Ruling 2010-8 and ATF Ruling 2013-5.

Worksheets and exhibits: Worksheet #1 and Exhibit #6



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4. 27 CFR 478.124(c)(1)

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**Nature of violation:** Licensee failed to obtain correct information on ATF Form 4473, Section A.

- Item #2 - On (b)(3) occasions, the city of residence was abbreviated (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #2 - On (b)(3) occasion, the residence address was incomplete (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #2 - On (b)(3) occasion, the state was recorded with the city (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #3 - On (b)(3) occasions, the city of birth was abbreviated (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #3 - On (b)(3) occasions, the state of birth was not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #13 - On (b)(3) occasion, the state of residence was not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #14 - On (b)(3) occasions, the country of citizenship was not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #17 - On (b)(3) occasions, the certification date was not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).

**Licensee Response:** Mr. Nantz stated that the forms are supposed to be reviewed by a second person prior to firearm transfer but errors aren't always caught, especially during busy gun show events. He stated that he and his staff will make an effort to be more vigilant with reviewing the forms.

**Corrective Action:** In the future, licensee will ensure that all Forms 4473 are thoroughly reviewed for accuracy and completeness prior to firearm transfer. The purchaser will correct any errors or omissions discovered in Section A, initialing and dating the changes made.

Worksheets and exhibits: Worksheet #2 and Exhibit #13.

5. 27 CFR 478.21(a)

**Nature of violation:** Licensee failed to obtain a complete and accurate 4473.

- Item # 11a - On 2 occasions, purchaser indicated he or she was not the actual purchaser of the firearm. Licensee proceeded with the transfer (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #18 - On 3 occasions, the type of firearm was not indicated (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #18 - On (b)(3) occasion, the incorrect type of firearm was checked (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #19 - On (b)(3) occasions, the city and state of the gun show were not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).
- Item #19 - On (b)(3) occasions, the city of the gun show was abbreviated (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).

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- Item #30a - On (b)(3) occasions, the number of firearms transferred was not recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)).

**Licensee Response:** Mr. Nantz stated that the forms are supposed to be reviewed by a second person prior to firearm transfer but errors aren't always caught, especially during busy gun show events. He stated that he and his staff will make an effort to be more vigilant with reviewing the forms.

**Corrective Action:** Licensee will correct copies of the ATF Forms 4473 for items #18, 19 and 30a, initialing and dating all changes, and will attached the corrected copy to the original Form 4473. In the future, licensee will ensure that all Forms 4473 are thoroughly reviewed for accuracy and completeness prior to firearm transfer and will not proceed with any transfer where the purchaser answers "no" to item #11a or "yes" to items #11b-k.

Worksheets and exhibits: Worksheet #2 and Exhibit #13

6. **27 CFR 478.124(c)(3)(iv)**

**Nature of violation:** Licensee failed to provide required information on ATF Form 4473, Section B.

- Item #21a - On (b)(3) occasion, an incorrect date was recorded (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)
- Item #21c - On (b)(3) occasions, item was left blank (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)).

**Licensee response:** Mr. Nantz stated that the forms are supposed to be reviewed by a second person prior to firearm transfer but errors aren't always caught, especially during busy gun show events. He stated that he and his staff will make an effort to be more vigilant with reviewing the forms.

**Corrective action:** In the future, licensee will ensure that all Forms 4473 are thoroughly reviewed for accuracy and completeness prior to firearm transfer.

Worksheets and exhibits: Worksheet #2 and Exhibit #13

7. **27 CFR 478.124(c)(4)**

**Nature of violation:** Licensee failed to provide accurate information on ATF Form 4473, Section D.

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

**Licensee response:** Mr. Nantz stated that the forms are supposed to be reviewed by a second person prior to firearm transfer but errors aren't always caught, especially during busy gun show events. He stated that he and his staff will make an effort to be more vigilant with reviewing the forms.



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**Corrective action:** Licensee will correct a copy of the applicable Form 4473, indicating the correct type and initialing and dating the change. The corrected copy will be attached to the original ATF Form 4473.

Worksheets and exhibits: Worksheet #2 and Exhibits #6 and #13

8. **27 CFR 478.129(b)**

**Nature of violation:** Licensee failed to maintain in a separate file ATF Forms 4473 where the NICS check was initiated but the transfer of the firearm did not take place.

**Licensee response:** Mr. Nantz stated that he had no idea that the forms for denials and transfers that did not take place were required to be filed in a separate file.

**Corrective action:** Licensee has created a separate file for all ATF Forms 4473 where a NICS check was initiated but the firearm transfer did not take place. Forms are filed chronologically by the date in Section A. Licensee will ensure that all future forms are completed through item #35.

X

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Industry Operations Investigator



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### **Exhibits**

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- Exhibit #3 Marking variance
- Exhibit #4 AIMsi brochure and description
- Exhibit #5 Indiana Retail Merchant Certificate and handgun dealer license application
- Exhibit #6 Copy of A&D Record Book – January 2015 through present (AIMsi)
- Exhibit #7 Inventory listing – GCA firearms (AIMsi)
- Exhibit #8 Copy of A&D Record Book – prior to January 2015 (EZ Arms Keeper)
- Exhibit #9 Copy of A&D Record Book for NFA firearms (EZ Arms Keeper)
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- Exhibit #13 Copies of ATF Forms 4473 with errors
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- Exhibit #17 Photographs – RG15 receiver and barrel marked with caliber
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