



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

www.atf.gov

December 14, 2015

REFER TO: 2015-0677

Mr. David T. Hardy
8987 E. Tanque Verde
PMB 265
Tucson, AZ 85749

Dear Mr. Hardy:

This is in response to your March 12, 2015, Freedom of Information Act (FOIA) request to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Your request is part of ongoing litigation with this agency. This is the first release of documents that ATF has provided to you in response to your request. We are providing documents responsive to items 2, 3, 4, 5, and 6 of your request. We will continue to provide you more documents on a rolling production.

Certain material has been withheld from these documents pursuant to 5 U.S.C. § 552(b)(7)(E).

For this release, we have processed a total of 943 pages of potentially responsive material. We are releasing 835 pages in full, and we are releasing 10 pages in part. There are 98 pages of non-responsive material. Each page of this production indicates whether it is being released in full ("RIF") or released in part ("RIP"). Individual redactions identify the exemption pursuant to which the redacted material has been withheld. If pages were withheld in their entirety, a deletion sheet is included noting the reason for the withholding.

Sincerely,

Stephanie M. Boucher
Chief, Disclosure Division

Enclosures

Order

ATF O 5370.1B

SUBJECT: FEDERAL FIREARMS ADMINISTRATIVE ACTION
POLICY AND PROCEDURES

DATE: 02/08/2013
OPI RECERTIFICATION
DATE: 02/08/2018
OPI: 700000

TO: All ATF Offices

1. PURPOSE. This order provides fair and consistent guidelines for administrative remedies for violations disclosed relative to inspections of Federal firearms licensees (licensees).
2. DISCUSSION. Administrative action is defined as a Warning Letter (WL), Warning Conference (WC), fine/suspension, or revocation of a Federal Firearms License (FFL), including a recommendation of denial of a renewal application or an original application based on the results of an inspection. The issuance of a Report of Violations, ATF Form 5030.5, is not an administrative action but rather a documentation of inspection findings. This order does not include all violations for which administrative action could be taken. While it is desirable in the field to have definitive guidelines in this area, every inspection is unique. This order identifies minimum guidelines for administrative action; however, within the provisions of this order, Directors of Industry Operations (DIOs) may determine that the minimum levels are not necessary to ensure licensee compliance and protect the public. Only a DIO's determination that violations do not require revocation/denial shall constitute an alternate decision.
3. BACKGROUND. This order is for internal use only and is law enforcement sensitive.
 - a. Inspections of licensees are conducted to prevent and detect the diversion of firearms from legal to illegal commerce and to ensure compliance with Federal firearms laws. This is accomplished through the education of licensees of their responsibilities, verification that they are complying with the provisions of the Gun Control Act (GCA) and its implementing regulations, and analysis of operations to detect possible diversion of firearms from legal commerce. Compliance with the GCA by the firearms industry is an essential part of addressing nationwide crime control and public safety efforts as outlined in ATF's Strategic Plan.
 - b. A national policy for determining administrative actions is necessary to promote consistent and equitable resolutions of violations. All administrative actions should be pursued in direct relation to the severity of the cited violations and their surrounding circumstances. The severity of the violations, their potential for affecting public safety and their impact on ATF's ability to reduce violent crime will be significant considerations in the decision as to the appropriate administrative action.
4. REFERENCES.
 - a. The Industry Operations Manual details the most recent standard operating procedures for ATF Industry Operations Investigators (IOIs) conducting compliance inspections.

- b. ATF O 1100.168A, Delegation Order – Delegation of Authorities Within the Bureau of Alcohol, Tobacco, Firearms and Explosives. This order delegates certain authorities of the Director to the Assistant Director (AD), Field Operations (FO). This order also redelegates certain authorities of the AD (FO) to DIOs and, in certain circumstances, to the Deputy Assistant Director (DAD), Industry Operations (IO).
 - c. Title 27 CFR Part 478.
 - d. Title 18 U.S.C. 923.
 - e. ATF O 3200.1, Monitored Case Program.
5. CANCELLATION. ATF O 5370.1A, Federal Firearms Administrative Action Policy and Procedures dated 10/30/2009, is hereby cancelled.
6. POLICY.
- a. Unified Administrative Action Policy and Procedures.
 - (1) This order establishes a unified plan of action for resolution of violations through administrative action. The plan groups types of violations into categories that necessitate specific administrative action.
 - (2) This national policy will assist Special Agents in Charge (SACs), DIOs, field counsel, area supervisors (A/Ss), and IOIs in making appropriate recommendations. Refer to Exhibit 1, Violation Chart. See also Exhibits 2 and 3 showing examples of the review process and the different administrative actions that could be taken after additional review.
 - b. Report of Violations. Report of Violations, ATF F 5030.5, shall be issued to the licensee for all violations identified during the inspection. A determination of willfulness is not needed for this action.
 - c. Warning Letter. The following violations merit a warning letter as the minimum administrative action. A determination of willfulness is not needed to send a warning letter to a licensee.
 - (1) Failure to timely and/or correctly record the required acquisition entries for (b) (7)(E) of the licensee's total acquisitions during the inspection period.
 - (2) Failure to timely and/or correctly record the required disposition entries for (b) (7)(E) of the licensee's total dispositions during the inspection period.
 - (3) Failure by the licensee to obtain complete and accurate information for any item(s) on Forms 4473, (b) (7)(E) (b) (7)(E) (b) (7)(E) - refer to subparagraph 6.e.(4)(a).
 - (4) (b) (7)(E)

- (5) Failure to record valid and complete identification (ID) on between (b) (7)(E) (b) (7)(E) of Forms 4473 examined.
 - (6) Failure to record any ID on (b) (7)(E) of Forms 4473 examined.
 - (7) Failure to file multiple sales reports when legally required on (b) (7)(E) (b) (7)(E)
 - (8) Missing (b) (7)(E) firearms after inventory reconciliation (i.e., no records of disposition).
 - (9) Acceptance of a non-qualifying State permit as a substitute for a National Instant Criminal Background Check (NICS) check on (b) (7)(E) (b) (7)(E)
 - (10) Transfer of a long gun to a resident of another State that violates State law on (b) (7)(E)
 - (11) Transfer of a receiver to a person under the age of 21 on (b) (7)(E) (b) (7)(E)
 - (12) Failure to execute a Form 4473 for return of a firearm that was consigned to the licensee or the transfer of a firearm to a law enforcement officer for personal use or for transfer of a firearm out of the business inventory to a FFL responsible person, provided that the person is not prohibited.
 - (13) Failure to conduct a NICS check or obtain alternative permit for return of firearm that was consigned to the licensee, the transfer of a firearm to a law enforcement officer for personal use or transfer of a firearm out of the business inventory to a FFL responsible person, provided that the person is not prohibited.
 - (14) Missing (b) (7)(E) Forms 4473 for transactions with non-licensees that are documented in the acquisition and disposition (A&D) record or other business records (e.g., pawn tickets, credit card receipts, invoices).
 - (15) Licensee fails to notify ATF about a change of control, and the FFL is still valid.
 - (16) Licensee is engaged in an activity not authorized by the FFL (e.g., engaging in manufacturing firearms without a manufacturer's license).
 - (17) Failure to initiate a new NICS check when the transaction is not completed within the 30-day period from the date NICS was initially contacted, provided that the person is not prohibited.
 - (18) Failure to report theft or loss to either ATF or local law enforcement.
- d. Warning Conference. The following violations merit a warning conference as the minimum administrative action. A determination of willfulness is not needed to hold a warning conference. Revocation for the following violations may be pursued if the DIO determines such action is appropriate in light of the particular circumstances, and willfulness can be established.
- (1) Failure to timely and/or correctly record the required acquisition entries for (b) (7)(E) of the licensee's total acquisitions, with (b) (7)(E) (b) (7)(E) during the inspection period.

- (2) Failure to timely and/or correctly record the required disposition entries for (b) (7)(E) of the licensee's total dispositions, with (b) (7)(E) during the inspection period.
- (3) Failure by the licensee to obtain complete and accurate information for any item(s) on Forms 4473, (b) (7)(E)
(b) (7)(E)
(b) (7)(E)
(b) (7)(E) - refer to subparagraph 6.e.(4)(a).
- (4) (b) (7)(E)
- (5) Failure to record valid and complete ID on (b) (7)(E) of Forms 4473 examined.
- (6) Failure to record any ID on (b) (7)(E) of Forms 4473 examined.
- (7) Failure to file multiple sales reports when legally required in (b) (7)(E)
(b) (7)(E)
- (8) Missing (b) (7)(E) firearms after reconciliation (i.e., no records of disposition).
- (9) Acceptance of a non-qualifying State permit as a substitute for a NICS check on (b) (7)(E)
- (10) Transfer of a long gun to a resident of another State that violates State law on (b) (7)(E)
- (11) Transfer of a receiver to a person under the age of 21 on (b) (7)(E)
(b) (7)(E)
- (12) Transfer of a handgun or receiver to an out-of-State resident.
- (13) Failure to respond to a trace request within 24 hours.
- (14) Failure to properly mark imported or manufactured firearms.
- (15) Failure to execute a Form 4473 (Note: (b) (7)(E)
(b) (7)(E)
- (16) Failure to conduct a NICS check or obtain alternative permit and the person is not prohibited. (Note: (b) (7)(E)
(b) (7)(E)
- (17) Failure to report theft or loss to both ATF and local law enforcement.
- (18) Licensee has previously been the subject of a warning letter or warning conference, and current inspection warrants a warning letter for repeated similar violation(s). The DIO may decide that a warning letter may be appropriate based on significance and number of violations, significance of any improvement since previous inspection, compliance history, time elapsed since previous administrative action, and other relevant factors.

e. Revocation.

- (1) Willfulness must be established in order to proceed with revocation. The term willfulness means a purposeful disregard of, or plain indifference to, a known legal obligation. ATF is not required to prove the licensee intended to violate the law. Rather, ATF must prove that the licensee knew his legal obligations under the GCA and either disregarded those obligations or demonstrated a plain indifference to them.
- (2) Willfulness can be established in a variety of ways. One method is to establish that the licensee has a history of similar, repeat violations, and the inspection report documents that an IOI discussed those violations with the licensee. The licensee's compliance history can also include other efforts by ATF personnel (including qualification inspections) to educate and inform the licensee about his legal responsibilities. Inspection reports can be used to establish willfulness even where no violations were found (i.e., Acknowledgement of Federal Firearms Regulations). Statements or admissions communicated by the licensee or his employees, as well as actions by a licensee or his employee during an inspection that hindered or obstructed the inspection, can also establish willfulness.
- (3) In addition, violations such as a licensee knowingly making sales to prohibited persons or knowingly entering false information in required records, may establish willfulness. While large numbers of violations may establish willfulness, the courts have upheld revocations based on a single GCA violation.
- (4) ATF field counsel is required to evaluate the facts and circumstances surrounding a licensee's alleged violation(s) in order to make a determination of willfulness prior to submitting to Headquarters (HQ) for further review. The following violations, when supported by sufficient evidence, merit revocation as the minimum administrative action.
 - (a) Transfer of a firearm to a prohibited person knowing or having reason to believe that the transferee is a prohibited person.
 - (b) Allow an employee who is a prohibited person to have actual or constructive possession of firearms knowing or having reason to believe that the employee is a prohibited person.
 - (c) Transfer of a receiver or handgun to an out-of-State resident and is a repeat violation.
 - (d) **(b) (7)(E)**
 - (e) Knowingly engages in a straw purchase transaction (i.e., the licensee knows or has reasonable cause to believe that the purchaser of record is not the actual buyer).
 - (f) Falsifies a required record, or makes a false or fictitious oral or written statement in the licensee's required records or in applying for a license.

- (g) Withholds or misrepresents information to obtain a license (revocation and/or denial of renewal).
- (h) Failure to execute a Form 4473 and is a repeat violation. (Note: (b) (7)(E))
- (i) Failure to conduct a NICS check or obtain alternative permit and is a repeat violation. (Note: (b) (7)(E))
- (j) Discontinues use of or fails to create an A&D record.
- (k) Failure to report theft or loss to both ATF and local law enforcement and is a repeat violation.
- (l) Failure to properly mark imported or manufactured firearms and is a repeat violation.
- (m) Refuses ATF right of entry and inspection during hours of operation at the licensed premises.
- (n) Missing (b) (7)(E) firearms after reconciliation and records indicate firearms were in inventory within the previous 5 years and is a repeat violation. (e.g., no records of disposition).
- (o) Failure to have secure gun storage or safety devices available, except in any case in which such devices are temporarily unavailable due to reasons beyond control of the licensee.
- (p) Licensee has previously been the subject of warning conference within the last 5 years and current inspection warrants a warning conference for repeated similar violation(s).
- (q) Any other GCA violation not specifically addressed in this order where revocation would be appropriate.

7. GENERAL GUIDANCE.

- a. The division management team has discretion to consider an alternative to revocation. The DIO shall seek advice of field counsel and the DAD (IO) with respect to any such alternative. The DAD (IO) may consult with the Deputy Chief Counsel (DCC) Field and the Assistant Director, Field Operations when considering such options. Public safety must remain the primary focus in such deliberations.
- b. Violations that occurred during prior inspections but were not uncovered until the current inspection shall be cited. (b) (7)(E)

(b) (7)(E)

(b) (7)(E)

- c. Warning conferences must be conducted by a DIO or area supervisor and the area supervisor will, in all instances, generate a recall inspection whenever a warning conference is held.
 - d. It is expected that division management will ensure that revocation, as well as other administrative actions, are initiated and completed in a timely manner. Cases requiring warning conferences should be finalized within 90 days of the beginning of the DIO's review until the warning conference is held unless there are mitigating circumstances. Warning letters should be issued by the area supervisor within 10 days of his or her review.
 - e. The area office should submit cases involving revocation to the DIO within 60 days of the on-site end date. The DIO has 120 days upon receipt of the report to issue the Notice of Revocation. Field counsel should have a minimum of 60 days to complete their review and prepare the Notice of Revocation in final form for submission to the DIO for review and issuance. The DAD (IO) will be notified by the DIO if time frames are not met.
 - f. The holding of a warning conference does not prevent the issuance of a Notice of Revocation based on the same inspection. Generally, conducting or holding a warning conference does not result in the revocation of a license. In most, if not in all instances, the licensee has instituted procedural changes to address the violations, improved internal controls to reduce the likelihood of repeating similar violations, and has convinced the DIO that satisfactory progress has been made to ensure continued compliance. However, in all cases, the DIO shall use good judgment giving serious and just consideration to the licensee's efforts in addressing the violations keeping public safety paramount. Criminal violations and those that impact public safety should be grounds for revocation. If revocation is pursued, procedures shall be followed to include monitored cases notification and DAD (IO) review, see 8.a below.
8. HEADQUARTERS POLICY REVIEW.
- a. As outlined in the delegation orders (Refer to 4.b.) pertaining to administrative actions, some decisions will be resolved at the Headquarters level, consistent with ATF O 3200.1, Monitored Case Program (MCP). In order for this determination to be made and prior to initiating any action for revocation, denial, suspension, and/or fine, the DIO shall submit to the Field Management Staff (FMS), Investigative Support Branch (ISB) via the FMS-ISB Microsoft Outlook mailbox a completed Monitored Case Summary IO Initial Submission (template). Refer to ATF O 3200.1, specifically Exhibit 8c. The ISB will review the submission (including updates), the N-Spect case file, and provide the information to the DAD (IO). The DAD (IO) will advise the DIO if the matter should proceed in the division, or if the matter is highly complex or sensitive, or if the licensee operations and alleged violations take place in several field divisions, and therefore should be resolved at the HQ level. The DIO will wait for this determination prior to proceeding with the noted actions. The DIO is required to submit to the FMS-ISB Microsoft Outlook mailbox monthly updates regarding monitored cases using a completed Monitored Case Summary IO Monthly Update (template). Refer to ATF O 3200.1, specifically Exhibit 8d. These updates are required by the tenth day of each month and should only include new information relative to the case.

- b. The Monitored Case Summary IO Initial Submission (template) replaces the Pre-SIRS previously used to communicate preliminary case information on revocations and denials to the DAD (IO). For alternate recommendations to revocations, denials to include original and renewal applications, and suspensions/fines, the DIO should proceed with submitting a completed Monitored Case Summary IO Initial Submission (template) to the DAD (IO) directly.
 - c. The DAD (IO) shall review the completed Monitored Case Summary IO Initial Submission (template) and completed Monitored Case Summary IO Monthly Update (template) for consistency regarding implementation of policy. Concerns will be discussed with the DCC Field and division management team.
9. FIELD RESPONSIBILITIES. Responsibilities for field personnel and management are as follows:
- a. Industry Operations Investigator.
 - (1) The IOI will conduct the inspection per established ATF guidelines, which include use of the standard narrative report format and associated worksheets. In the event that violations are uncovered, the IOI will obtain and preserve all available evidence and document the violations to support whether the violations were willful, including copies of Forms 4473 and A&D records. The IOI will then make the appropriate recommendation based on the guidelines contained herein and forward the inspection report to the A/S. The IOI in conjunction with the A/S should submit cases involving revocation to the DIO within 60 days of the on-site end date.
 - (2) If, for any reason, the IOI believes that the administrative action requirement is inappropriate and proposes to make a different recommendation, the IOI will document the reasons in the narrative and forward the inspection report to the A/S for review.
 - b. Area Supervisor.
 - (1) The A/S will review all firearms inspection reports to ensure that the IOI's recommendation meets established guidelines and evidentiary requirements, all relevant inspection work steps have been adequately performed, and that necessary data have been entered correctly in N-Spect.
 - (2) If the IOI's recommendation does not conform to established guidelines, the A/S will make an independent evaluation of the recommendation and narrative basis. If the A/S agrees or disagrees with the IOI recommendation, the A/S will document the reason(s) within the recommendation section in N-Spect and the inspection report will be forwarded to the DIO for review for all warning conferences and above recommendations. The area supervisor in conjunction with the IOI should submit cases involving revocation to the DIO within 60 days of the on-site end date.
 - (3) The A/S may enter alternate recommendations at the warning letter level or below for one level down (e.g., warning letter to Report of Violations). Further review may be conducted at the DIO's discretion.
 - c. Director of Industry Operations.
 - (1) The DIO will request legal advice from field counsel for the applicable field division in all administrative actions dealing with revocation, denial of original

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request legal advice concerning willfulness determinations and significant litigation hazards.

- (2) The DIO will advise the SAC of any administrative actions that deal with revocation, alternate to revocation, denial of renewal or original application and suspension/fine recommendations authorized by statute.
- (3) The DIO will review all inspection reports that recommend warning conference, denial, revocation, alternates to revocation, and/or warning conference or suspensions/fines authorized by statute. Any reports reviewed by the DIO will include a recommendation in N-Spect and justification if appropriate. DIOs should periodically sample for a specific period of time all firearms inspection reports for adherence to all policy guidelines and inspection requirements.
- (4) The DIO may enter alternate recommendations at the warning conference level down (e.g., warning conference to warning letter) without DAD (IO) review.

d. Field counsel.

- (1) At the request of the DIO, field counsel for the applicable field division will review inspection reports and provide legal advice on willfulness determinations and significant litigation hazards in all administrative actions dealing with revocation, denial of original application, denial of renewal application, alternate to revocation, and suspensions/fines where authorized by statute. If field counsel agrees with the proposed administrative action, field counsel shall document and convey their concurrence via email. If field counsel disagrees with the proposed administrative action, field counsel shall document and articulate their non-concurrence via memorandum.
- (2) The DIO and field counsel should use discretion in determining which violations to allege in the Notice of Revocation or Denial. All willful violations will be alleged in the Notice of Revocation or Denial.
- (3) The Associate Chief Counsel for the applicable field division will review all final notices and post hearing settlements for legal soundness and compliance with this policy prior to implementing these actions.

e. Special Agent in Charge. The SAC has ultimate division responsibility to ensure that this national policy is properly enforced. To this end, additional controls may be established in each division.

10. QUESTIONS. If you have any questions regarding this order, please contact the DAD (IO).

11. This policy is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or its employees.


 Ronald Turk
 Assistant Director
 (Field Operations)

VIOLATION CHART

A&D RECORD AND INVENTORY VIOLATIONS

WARNING LETTER	WARNING CONFERENCE	REVOCATION
Failure to timely and/or correctly record the required acquisition entries for (b) (7)(E) of the licensee's total acquisitions during the inspection period.	Failure to timely and/or correctly record the required acquisition entries for (b) (7)(E) of the licensee's total acquisitions, with (b) (7)(E) during the inspection period.	Discontinues use of or fails to create A&D record. (See Inspection History.)
Failure to timely and/or correctly record the required disposition entries for (b) (7)(E) of the licensee's total dispositions during the inspection period.	Failure to timely and/or correctly record the required disposition entries for (b) (7)(E) of the licensee's total dispositions, with (b) (7)(E) during the inspection period.	Discontinues use of or fails to create an A&D record. (See Inspection History below.)
Missing (b) (7)(E) firearms after inventory reconciliation (i.e., no records of disposition).	Missing (b) (7)(E) firearms after inventory reconciliation (i.e., no records of disposition).	Missing (b) (7)(E) firearms after reconciliation and records indicate firearms were in inventory within the previous 5 years and is a repeat violation.

FORM 4473 VIOLATIONS

WARNING LETTER	WARNING CONFERENCE	REVOCATION
Failure to execute a Form 4473 for return of a firearm that was consigned to the FFL or the transfer of a firearm to a law enforcement officer for personal use or for transfer of a firearm out of business inventory to a FFL responsible person provided that the person is not prohibited.	Failure to execute a Form 4473. (b) (7)(E)	Failure to execute a Form 4473 and is a repeat violation. (b) (7)(E) (b) (7)(E)
Missing (b) (7)(E) Forms 4473 for transactions with non-licensees that are documented in the A&D record or other business records (e.g., pawn tickets, credit card receipts, invoices).	See Inspection History below.	See Inspection History below.
Failure by the licensee to obtain complete and accurate information for any item(s) on Forms 4473. (b) (7)(E) (b) (7)(E) refer to subparagraph 6.e.(4)(a) (Revocation).	Failure by the licensee to obtain complete and accurate information for any item(s) on Forms 4473. (b) (7)(E) (b) (7)(E) refer to Paragraph 6.e.(4)(a) (Revocation).	See Inspection History below.

FORMS 4473 VIOLATIONS – CONTINUED

WARNING LETTER	WARNING CONFERENCE	REVOCATION
Failure to record any ID on (b) (7)(E) of Forms 4473 examined.	Failure to record any ID on (b) (7)(E) of Forms 4473 examined.	See Inspection History below.
Failure to record valid and complete ID on between (b) (7)(E) of Forms 4473 examined.	Failure to record valid and complete ID on (b) (7)(E) of Forms 4473 examined.	See Inspection History below.

NICS VIOLATIONS

WARNING LETTER	WARNING CONFERENCE	REVOCATION
Acceptance of non-qualifying State permit as substitute for NICS check on (b) (7)(E)	Acceptance of non-qualifying State permit as substitute for a NICS check on (b) (7)(E)	See Inspection History below.
Failure to conduct a NICS check or obtain alternative permit for return of firearm that was consigned to the FFL, the transfer of a firearm to a law enforcement officer for personal use, or transfer of a firearm to a FFL responsible person, provided the person is not prohibited.	Failure to conduct a NICS check or obtain alternative permit and the person is not prohibited. (b) (7)(E)	Failure to conduct NICS check or obtain alternative permit and is a repeat violation. (b) (7)(E) (b) (7)(E)
Failure to initiate a new NICS check when the transaction is not completed within the 30-day period from the date NICS was initially contacted, provided the person is not prohibited.	See Inspection History below.	See Inspection History below.

PROHIBITED SALES VIOLATIONS

WARNING LETTER	WARNING CONFERENCE	REVOCATION
Transfer of a long gun to a resident of another State that violates State law on (b) (7)(E)	Transfer of a long gun to a resident of another State that violates State law on (b) (7)(E)	See Inspection History below.
	Transfer of a handgun or receiver to an out-of-State resident.	Transfer of a receiver or handgun to an out-of-State resident and is a repeat violation.
Transfer of a receiver to a person under the age of 21 on (b) (7)(E)	Transfer of a receiver to a person under the age of 21 on (b) (7)(E)	See Inspection History below.

PROHIBITED SALES VIOLATIONS – CONTINUED

WARNING LETTER	WARNING CONFERENCE	REVOCATION
(b) (7)(E)		
		Transfer of a firearm to a prohibited person knowing or having reason to believe that the transferee is a prohibited person and/or allows an employee who is a prohibited person to have actual or constructive possession of firearms.
		Knowingly engages in a straw purchase transaction (i.e. the licensee knows or has reasonable cause to believe that the purchaser of record is not the actual buyer).

CONDUCT OF BUSINESS VIOLATIONS

WARNING LETTER	WARNING CONFERENCE	REVOCATION
Failure to report theft or loss to either ATF or local law enforcement.	Failure to report theft or loss to both ATF and local law enforcement.	Failure to report theft or loss to both ATF and local law enforcement and is a repeat violation.
Failure to file multiple sales reports when legally required on (b) (7)(E) instances.	Failure to file multiple sales reports when legally required in (b) (7)(E) instances.	See Inspection History below.
FFL fails to notify ATF about a change of control and the FFL is still valid.	See Inspection History below.	See Inspection History below.
FFL engaged in an activity not authorized by the FFL (e.g., engaging in manufacturing firearms without a manufacturer's license).	See Inspection History below.	See Inspection History below.
	Failure to respond to a trace request within 24 hours.	See Inspection History below
	Failure to properly mark imported or manufactured firearms.	Failure to properly mark imported or manufactured firearms and is a repeat violation.
		Refuses ATF right of entry and inspection during hours of operation at the licensed premises.

CONDUCT OF BUSINESS VIOLATIONS – CONTINUED

WARNING LETTER	WARNING CONFERENCE	REVOCATION
		Failure to have secure gun storage or safety devices available, except in any case in which such devices are temporarily unavailable due to reasons beyond control of the licensee.
		Falsifies a required record, or makes a false or fictitious oral or written statement in the licensee's required records or in applying for a license.
		Withholds or misrepresents information to obtain a license (revocation and/or denial of renewal).
		Any other Gun Control Act violation not specifically addressed in this order where revocation would be appropriate.

INSPECTION HISTORY

WARNING LETTER	WARNING CONFERENCE	REVOCATION
	Licensee has previously been the subject of a warning letter or warning conference, and current inspection warrants a warning letter for repeated similar violation(s). The DIO may decide that a warning letter may be appropriate based on significance and number of violations, significance of any improvement since previous inspection, compliance history, time elapsed since previous administrative action, and other relevant factors.	Licensee has previously been the subject of a warning conference within the last 5 years and current inspection warrants a warning conference for repeated similar violation(s).

**FLOWCHART showing review process of inspection
with original warning letter recommendation**

