

BLUE VALLEY SALES INC's FCI

FCI-21646

04/11/2022 04:50 PM

IOI: (b)(6), Kansas City III (IO) Field Office

LICENSEE INFORMATION

| | | | |
|--|-----------------------|---|-------------------------------------|
| Licensee Name BLUE VALLEY SALES INC | RDS Key 5-48-03643 | License/Permit Number 5-48-091-01-1A-03643 | License Type 01 - Dealer License |
|--|-----------------------|---|-------------------------------------|

Business Type
Corporation

Premises Address

Mailing Address

Premises Ownership Type
Owned

Same as Premises Address

Premises Location Type
Single Family Dwelling

Address
9601 LOWELL AVE
Unit N/A
OVERLAND PARK, Kansas 66212
JOHNSON United States

| Phone Type | Phone Number | Remarks |
|------------|-----------------|---------|
| Business | +1 913-884-1000 | |

RECOMMENDATIONS

Final Decision
Revocation
Date
04/11/2022

Details
FCI-21646
Lead IOI: (b)(6)
Inspection Date: 6/30/2021

Summary: A compliance inspection was conducted for the above referenced licensee.

Recommendation: REVOCATION

Violation 3 (27 CFR 478.102(a) – 6 instances – Licensee failed to complete the required NICS check in 6 instances. Licensee could not explain anomalies such as transfer dates before NICS checks, missing NICS information. Criminal history checks were conducted by the IO resulting in no prohibited purchasers in possession of firearms as a result of this violation.

Violation 1 (27 CFR 478.124(b) & Violation 4 (27 CFR 478.121(c)) Making false entry, omitting entry, or failing to properly maintain required recordkeeping... Specifically, the licensee failed to properly maintain an A&D Record, produced a blank book when asked by IOI's for the record and was unable to produce all of his A&D records since becoming licensed ultimately was only able to provide the IO Investigators with incomplete Excel spreadsheets that did not meet recordkeeping requirements and were absent critical information and missing most disposition information. The licensee repeatedly argued that he had the information, it was just not organized and had not been transposed into his book record. In addition, the licensee falsified an existing NICS NTN from (b)(3) (112 Public Law 55 125 Stat 552), (b)(6) showing a different NICS date, same NTN number and also created a ATF 4473 showing the same firearm being transferred on separate dates.

Violation 5 (27 CFR 478.100(a)(1) – Unlawful conduct of business away from licensed premise. Licensee twice denied transferring a firearm off-site. During a forward trace, the purchaser advised the IOI that the transfer took place in a grocery store parking lot. The licensee later admitted that he "has transferred off premise a few times" and that he "didn't think it was a big deal". During the interview, the licensee made statements to the IOIs supporting the willfulness of his actions.

1. The licensee knew the firearms records must be maintained and acknowledged that the state of his records "did not look good".
2. The licensee knew of the required timeliness of A&D records management. He continually argued and delayed producing the required records to IO Investigators throughout the course of this inspection.
3. The licensee's indifference and argumentative nature regarding his lax recordkeeping reasonably poses a threat to public safety and could contribute to violent crime or other criminal activities based on his inability to produce future firearm trace information.
4. The licensee argued that ATF was "setting him up" by coming to his business unannounced and that the government was coming in "trying to take his business."

Additional violations meeting AAP and/or that are repeat:

- Violation-2: Failure to report multiple sales or other dispositions of pistols and revolvers (instances forms)
- Violation-6: Failure to maintain an accurate/complete/timely acquisition and disposition record (instances, resulting in a Theft/Loss report of firearms)
- Violation-7: Failure to record firearm information on an ATF 4473 (instances forms)
- Violation-8: Failure to obtain a completed ATF 4473 (instances forms)

- Violation-9: Failure to complete forms as prescribed ([redacted] instances [redacted] forms)
- Violation-10: Failure to verify or record Identification information on ATF 4473 ([redacted] instances [redacted] forms)
- Violation-11: Failure to record NICS contact information on an ATF 4473 ([redacted] instances [redacted] forms)
- Violation-12: Failure by transferor to sign and/or date ATF 4473 ([redacted] instance [redacted] forms)

Revocation Notice sent: 9/22/2021
 Request for Hearing received: 10/5/2021
 Revocation Hearing held: 12/15/2021
 Final Notice of Revocation sent: 2/3/2022

No request for District Court De Novo review was received within 60 days from date of Final Notice of Revocation receipt. (60 days=4/8/2022)

FFL is REVOKED.

Out of Business Records and Inventory Management

Licensee Records

Licensee Inventory

✓ The records are not available
 Records Unavailable Explanation
 Licensee sent a letter reminding of obligation to surrender records.

✓ Inventory transferred to self

Deputy Assistant Director - Industry Operations Megan Bennett's Recommendation
 Revocation

Details

I concur with the recommendation of revocation as the FFL falsified records and failed to keep records.

Special Agent in Charge Frederic Winston's Recommendation

Concur with proceeding with revocation.

Division Counsel (b)(6) Review

Details

The ACC-Central Region and KC Field Division Counsel reviewed the inspection information and findings and concur with the decision to proceed with revocation. Advise is that the Notice focus on citing the willful violations related to the lack of an A&D record, the acquisitions/inventory violations with the missing firearms, the NICS violations, the dealing away from the business premises, the false records and the violations related to prohibited person questions and failing to record purchaser identification, but can discuss these options further with the DIO.

Director of Industry Operations William Miller's Recommendation
 Revocation

Details

Concur with recommendation for Revocation based, in part, on the following:

The licensee knowingly and willfully failed to conduct NICS checks, the FFL made false entries into the record regarding NICS checks, failed to complete multiple sales forms, failed to accurately complete the acquisition/disposition record, failed to record identification of the purchaser on the ATF F 4473, and failed to complete the 4473 as required.

While the FFL states he is willing to achieved compliance, his actions during the inspection indicate he may be unable to achieve voluntary compliance. The failure of the FFL to conduct NICS checks poses a threat to public safety as the FFL is unable to determine a purchasers prohibited stats. Lastly, the lack of a complete acquisition/disposition record negatively effects the ability of the FFL to complete a timely trace request.

Area Supervisor (b)(6) Recommendation
 Revocation

Details

The A/S concurs with IOI's recommendation Revocation.

Violation 3 (27 CFR 478.102(a) – 6 instances – Licensee failed to complete the required NICS check in 6 instances. Licensee could not explain anomalies such as transfer dates before NICS checks, missing NICS information. Criminal history checks were conducted by the IO resulting in no prohibited purchasers in possession of firearms as a result of this violation.

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Violation 5 (27 CFR 478.100(a)(1) – Unlawful conduct of business away from licensed premise. Licensee twice denied transferring a firearm off-site. During a forward trace, the purchaser advised the IOI that the transfer took place in a grocery store parking lot. The licensee later admitted that he "has transferred off premise a few times" and that he "didn't think it was a big deal". During the interview, the licensee made statements to the IOIs supporting the willfulness of his actions.

1. The licensee knew the firearms records must be maintained and acknowledged that the state of his records "did not look good".

2. The licensee knew of the required timeliness of A&D records management. He continually argued and delayed producing the required records to IO Investigators throughout the course of this inspection.
3. The licensee's indifference and argumentative nature regarding his lax recordkeeping reasonably poses a threat to public safety and could contribute to violent crime or other criminal activities based on his inability to produce future firearm trace information.
4. The licensee argued that ATF was "setting him up" by coming to his business unannounced and that the government was coming in "trying to take his business."

Additional violations meeting AAP and/or that are repeat:

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- Violation-6: Failure to maintain an accurate/complete/timely acquisition and disposition record ([redacted] instances, resulting in a Theft/Loss report of [redacted] firearms)
- Violation-7: Failure to record firearm information on an ATF 4473 ([redacted] instances, [redacted] forms)
- Violation-8: Failure to obtain a completed ATF 4473 ([redacted] instances, [redacted] forms)
- Violation-9: Failure to complete forms as prescribed ([redacted] instance, [redacted] forms)
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- Violation-11: Failure to record NICS contact information on an ATF 4473 ([redacted] instances, [redacted] forms)
- Violation-12: Failure by transferor to sign and/or date ATF 4473 ([redacted] instances, [redacted] forms)

Inspection History:

- Qualification Inspection: 11/2014
779025-2015-0227-B1B
- Amended Qualification: 02/2015

7790225-2015-0340-B1B

Industry Operations Investigator [redacted (b)(6)] Recommendation
Revocation

Details

As a result of the licensee's continuous willful disregard, revocation is recommended. This is based upon the findings and standards established within the Federal Firearms Administrative Action Policy and Procedures under:

- 6.f.(5)(d) Falsify records required under the GCA or making a false or fictitious written statement in the FFL's required records.
- 6.f.(5)(f) Failure to conduct a NICS check or obtain alternative permit OR fail to retrieve a NICS response prior to the transfer of a firearm.
- 6.f.(5)(h) Failure to create or discontinue use of required GCA records.

It is noted that this was a first inspection and that the licensee is currently showing effort in remedying his records, however, Blue Valley Sales knew a Firearms Compliance Inspection was coming as far back as 2019. With most FFL's, this would inspire a culture that strives for perfection whereas Blue Valley's records seemed to have gotten worse (since 2019) as there were no A&D Books (simply scattered gun information across multiple Excel spreadsheets and printouts strung out in [redacted (b)(3) (112 Public Law 55 125 Stat 552)] falsifications of official records, business transactions that were taking place away from the licensed premise, and countless failures to run NICS background checks on buyers. Further, the licensee admitted in multiple instances that he was aware of his requirements as an FFL which shows a willful disregard of standards.

Inspection Findings

Records and Forms

1. Failure to timely and/or correctly maintain records of receipt, manufacture, importation or other acquisition of [redacted (b)(7)(E)] the licensee's total acquisitions during the inspection period, with a [redacted (b)(7)(E)] instances.
2. Failure to timely and/or correctly maintain records of sales or other dispositions of [redacted (b)(7)(E)] of the licensee's total dispositions during the inspection period, with a [redacted (b)(7)(E)] instances.
10. Failure to create or discontinue use of required GCA records.
11. Failure to retain required GCA records for transferred firearms for period of time specified by regulation.
13. Falsify records required under the GCA or making a false or fictitious written statement in the FFL's required records or in applying for a firearms license.

Transfer of Firearm

2. Transfer of a firearm prior to receiving a final NICS response (or applicable State POC background check) and 3 business days have not elapsed since the FFL contacted the system and the purchaser is NOT prohibited.

Firearms

1. Missing firearms after inventory reconciliation (e.g., no records of disposition, required or otherwise).

License Type

2. Conducting business at locations not authorized as an extension of the licensed business premises.

NICS

- 4. Failure to conduct a NICS check or obtain an alternate permit (Exception: Select findings 1, 2, and 3 above for consignment sales, transfers to law enforcement officers for personal use, and FFL responsible persons if the transferee is NOT prohibited).
- 5. Failure to retrieve a NICS (or equivalent State background check system) e-check response prior to the transfer of a firearm, and the transferee is NOT prohibited.

ELIGIBILITY VERIFICATION

Business Information Verification

| | | |
|-----------------------|---------------|------------------------|
| Licensee Name | Business Type | Is the business valid? |
| BLUE VALLEY SALES INC | Corporation | Yes |

Additional Findings

According to the Kansas Secretary of State, the business has been "forfeited-failed to timely file A/R". The members of the LLC are correctly identified as responsible persons in FLS. No issues of hidden control/ownership were identified. After informing Cochran over the phone that he was required to file with the state, Cochran updated with the KS SoS and got in good standing (see attached).

Attachment(s):

FCL-21646 KS SoS Active and Good Standing.pdf

FCL-21646 KS SoS Forfeited.pdf

Property Ownership Verification

| | | |
|-------------------------|------------------------|---|
| Premises Ownership Type | Premises Location Type | Has the property ownership been verified? |
| Owned | Single Family Dwelling | Yes |

Address

9601 LOWELL AVE
 Unit N/A
 OVERLAND PARK, Kansas 66212
 JOHNSON United States

Additional Findings

The business premises is suitable for the activities conducted (b)(6) According to the Johnson County Appraiser's Office, the business premises is owned by Cochran. Off-site storage is not utilized.

Attachment(s):

FCL-21646 Cty Assessor.pdf

Trade Name/DBA Verification

| | |
|----------------------|-----------------------------------|
| Trade Name/DBA | Is the trade name/DBA registered? |
| BLUE VALLEY FIREARMS | Yes |

Additional Findings

Kansas does not require the registration of fictitious business or trade names.

Attachment(s):

Trade Names Registration Not Required - Kansas Sec of State.pdf

Zoning Information Verification

Is the proposed business activity in compliance with zoning?

Yes

Additional Findings

There are no zoning regulations prohibiting the licensee's business activities per KSA 12-16,124 which states, "No city or county shall adopt any ordinance, resolution or regulation, and no agent of any city or county shall take any administrative action, governing the purchase, transfer, ownership, storage or transporting of firearms or ammunition, or any component or combination thereof."

Attachment(s):

KSA 12-16, 124 - Firearms and Ammo; Regulation by City or County, Limitations (2015).pdf

APPOINTMENT DETAILS

Interview Date

06/30/2021

Address

9601 LOWELL AVE, Unit N/A, OVERLAND PARK, Kansas 66212

Responsible Attendee(s)

JAMES DOUGLAS COCHRAN

Non-Responsible Person(s)

No Items

RESPONSIBLE PERSON(S)

JAMES DOUGLAS COCHRAN

Name
JAMES DOUGLAS COCHRAN

Gender
Male

Race

Ethnicity

Date of Birth
(b)(6)

SSN
(b)(6)

Job Title
PRESIDENT

Physical Identifiers

Height

Weight

Hair Color

Eye Color

Place of Birth

Country
United States Of America

State
Missouri

City

Home Address

(b)(6)

Additional Names

Citizenship

United States

| | | | |
|------------------|---------------|-------|-----------|
| ID Type | Country | State | ID Number |
| Driver's License | United States | Iowa | (b)(6) |

| | | |
|------------|--------------|---------|
| Phone Type | Phone Number | Remarks |
| Mobile | (b)(6) | |

| | |
|---------------|---------------|
| Email Address | Email Remarks |
| (b)(6) | |

Criminal History Check

Date Criminal History Check Conducted
02/20/2020

Criminal History Check Comments

An Open Fox inquiry was conducted on the above date with no prohibiting information identified. The individual received a proceed in NICS on 12/28/2017 via NTN (b)(6)

INTERVIEW QUESTIONNAIRE

What is the proposed business activity?

BUSINESS PROFILE-

The licensee works full time for (b)(6). He appeared to have a very busy lifestyle in that he was working a full time job (b)(6) and has tried to do greater volume under his FFL (b)(6).

Over the inspection period, Cochran has acquired approximately (b)(4) firearms and disposed of approximately (b)(4) firearms. Unfortunately, Cochran has not been maintaining an actual A&D Book. These numbers were derived from (b)(6)'s second visit to the FFL after Cochran had updated acquisition sheets of firearms and attempted to line them up to the 4473s that he could find. Please see the Acquisitions and Disposition/Inventory Section for more information on this.

Cochran stated that (b)(4) of his overall business is made up of firearms sale, (b)(4) re-sale of ammo, and (b)(4) accessories) with (b)(4) of these being retail sales. Of this, (b)(4) of firearms sold are new (b)(4) used) and he sells long guns (b)(4) and handgun (b)(4). The business also does (b)(4) of its firearms sales through special orders and approximately (b)(4) are transfers. Blue Valley's main suppliers (b)(4). The licensee does not have a website at Bluevalleyfirearmscom which directs everything to hibid.com. A majority of the licensee's sales are conducted as transfers via Hibid. The business' advertisement is through word of mouth, his website, and Facebook. The licensee does not conduct any business at gun shows and does not conduct any gunsmith activities.

Blue Valley Sales has possessed this license since 12/10/2014.

The license held is appropriate for the business and the licensee is in compliance with all state/local laws. There are multiple other businesses run from the premise (b)(6) (b)(6). None appeared related to the firearms business or suspicious in nature. There is no offsite storage of records or firearms.

OWNERSHIP AND CONTROL-

The licensee is a corporation that has one employee in Doug Cochran who is the President and only listed responsible person on the license. There are no other employees and no changes are required.

No signs of hidden ownership were disclosed.

VARIANCES-

The licensee does not have any variances on file, nor was any variance requested during the inspection.

Do they need an additional license or permit?

No

Who are their primary suppliers?

Business Activities

Internet Sales/Transfers
Retail

Selected Operational Security Measures

Controlled Access to ATF Recordkeeping
Controlled Access to Keys

Internet Sales/Transfers Website

https://hibid.com

SUPPLEMENTAL QUESTIONNAIRE

General Business Operations

If there is a security system, who has access to the security codes?

Cochran (b)(6)

Who has keys to the premises?

Cochran (b)(6)

Who has keys to locked inventory?

Cochran (b)(6)

Who is operating the business on a day-to-day basis?

Cochran

Is financial backing provided by anyone that is not a responsible person on the license/permit?

No

Are any employees known to be prohibited?

No

Are any employees associated with a previously denied/revoked/surrendered license/permit?

No

PREMISES INFORMATION

Inspection Area Description

PREMISES-

The inspection was conducted at the licensed premise on 6/30/2021, 7/6/21, 7/14/21, and 7/21/21 by IOI (b)(4) and IOI (b)(4). The licensee's premise is suitable for the activities conducted (b)(6). The property is owned by Cochran according to the Johnson County, KS Assessor (see attachments). The licensee is in compliance with state laws and zoning restrictions. The licensee does not have any off site storage.

Business is normally conducted from the office area while (b)(6)

There were no safety of health concerns identified during the inspection. The premise was clean and had a cat on site which was friendly. There were no loaded guns on the premise.

The licensee was notified of the right of entry and that records, inventory, and the premise are subject to inspection.

Spartan was not utilized on site as the litany of errors discovered precluded the use of the system.

A check of NFORCE was conducted for active CE cases and no information was derived indicating the licensee is under investigation.

Of note, the licensee was extremely difficult to schedule for an inspection (b)(6) scheduled the licensee multiple times, however, the licensee continually called or emailed (b)(6) stating that he was unable to keep his appointment. A summary of attempts to conduct the inspection are listed below:

(b)(6) was given the assignment by AS (b)(6) in approximately the fall of 2019 following the departure of the lead IOI to another group within the KC Field Division. Cochran claimed to the first IOI (b)(6) Cochran therefore rescheduled an appointment with (b)(6) was unable to complete the assignment before leaving for her new location at Fairview Heights, IL.

The first FCI attempt under (b)(6) was initially announced as the licensee does not have business hours on Mondays and was slated for 3/16/2020. Further, the licensee works full time as a real estate agent in the local area. As such, an announced inspection was deemed necessary.

This first attempted FCI by (b)(6) was cancelled the morning of as (b)(6) was driving to the licensee's premise. The licensee simply sent (b)(6) a text message saying that he was sick and would have to cancel. (b)(6) texted Cochran back and tried to call, but got no response. As this was at the beginning of the COVID-19 Pandemic, (b)(6) did not risk COVID exposure.

Following this (b)(6) contacted Cochran in May 2021 and rescheduled the inspection for May 27, 2021.

The licensee then contacted (b)(6) on 5/20/2021 and stated that his pool was causing flooding issues as the Kansas City area has received a great deal of rain over the past week. The licensee asked to reschedule for 6/7/2021 at 09:00 which (b)(6) agreed to.

The licensee then contacted (b)(6) after this and stated that he would need to postpone the inspection once more due to (b)(6). A new appointment was re-scheduled for 6/28/21 which (b)(6) agreed to (b)(6) brought up at this point to Cochran that a trend was developing in which he was not allowing the inspection to occur (b)(6) agreed to postpone the inspection and Cochran stated that this would not happen again.

Following this on 6/17/21, the licensee once again contacted (b)(6) informed him that he failed to input the appointment in his calendar for 28 Jun 21 and as a result, was scheduled not to be back via airline flight from (b)(6) rescheduled the licensee for 30 Jun 21 and once more told the licensee that he was showing a trend in cancelling appointment dates.

Finally, on the morning of 30 Jun 21 (b)(6) received an email from Cochran stating that his flights were delayed and he did not arrive back home until 1:30 AM and attempted to reschedule once again. As a result of the licensee having business hours from Tue-Fri from 09:00-17:00, IOIs (b)(6) and (b)(6) showed up on site and met with Cochran who stated "he wished he would have had more time" and "that he wasn't ready."

Primary Activity

Retail

Selected Physical Security Measures

(b)(6)

GPS Coordinates

Latitude
38.95470

Longitude
-94.67672

ONSITE SUMMARY

Total Number of ATF Form 4473s for Inspection Review Period

Total Number of ATF F 4473 Reviewed

(b)(6)

Total Number of Open Dispositions in A & D Record

Total Number of Firearms in Inventory
35

Actual Number of Firearms Verified

Number of Firearms Missing Before Reconciliation

Total Number of Firearms Missing After Reconciliation

Total Number of Acquisitions in the Last 12 Months

(b)(4)

Total Number of Dispositions in the Last 12 Months

(b)(4)

Onsite Start Date

Onsite End Date

Number of Reported Lost/Stolen Firearms During Inspection Period

Total Number of Traces During Inspection Review Period

Total Number of Those Traces That Were Unresolved

Inspection Period Start Date

Inspection Period End Date

Number Of Traces Resolved By IOI

[Click Here to See List of Perfected Traces](#)

Additional Comments

INSPECTION HISTORY

2/19/2015 – Special Report (change of address)

UI: 779025-2015-0340

Inspection Results: Application Approved

10/28/2014– Application Inspection

UI: 779025-2015-0227

Inspection Results: Application Approved

ACQUISITION & DISPOSITION (A&D) RECORD-INVENTORY-

When (b)(6) asked for the A&D record (on 6/30/2021) Cochran pulled up an Excel spreadsheet that he stated was more like an inventory sheet. (b)(6) inquired if he had an A&D Book and Cochran pulled out a blank A&D Book and stated that he had the A&D Book, he just hadn't had the opportunity to transcribe the information into the book. (b)(6) took a photo of the cover of the A&D Book and the first blank pages (see attachments) and then verified all pages in this book were blank. (b)(6) then inquired with Cochran if he had not kept an A&D Book throughout his license. Cochran responded that he had maintained all of his required information in the A&D Books up until June 2020 but got busy. He stated that he kept his old books from 2019 and prior when he was doing 2 or 3 sales a year in the A&D hard book manner. (b)(6) asked to see the 2019 and prior books, but Cochran stated that it would take a long time to pull them out as they were buried under a great deal of paperwork somewhere. (b)(6) then left this as an item for Cochran to find later and stated that he wanted to see the books prior to June 2020 to see if there were open dispositions that corresponded to his active inventory. Cochran agreed that he would find the books. (b)(6) at this point asked Cochran if he was aware that he needed to maintain A&D Books which he stated that he was and that's what he was scrambling around doing this morning because he knew (b)(6) would want to see the completed books. (b)(6) inquired why he had not kept proper books and he stated that he had been too busy. (b)(6) pointed out that the discontinuance of an A&D Book was serious and could potentially result in revocation of the license as it was willful according to his statement. Cochran was adamant that he still had the information, he simply needed to compile it. (b)(6) then asked the licensee how he expected to be able to conduct a trace for the ATF within the required 24 hour timeframe as his records were so disheveled. Cochran stated that he knew records were not in (b)(6)'s "preferred format," but that he had the information and was confident he could complete a trace. (b)(6) then corrected the licensee stating that these "aren't my preferred format" as they are required under the Gun Control Act. Cochran stated that he understood and apologized. (b)(6) followed up by asking "what if something tragic happens to you? I know I cannot read your records and I'm sure no one else can either." Cochran once again reiterated that he had all the information, and that "if you gave me 24 more hours, everything would be completed." Cochran acknowledged at this point that his records were in "shambles" and stated that his FFL business records were mixed with other business information. That it would take time to pull the records and that once more they would be available. He also stated that as (b)(6) he has to be meticulous with his records or he gets fined. He was apologetic for not having his information as required. He stated that he was aware he was required to maintain the records, he just simply got behind and needed time to catch up. At this point (b)(6) pointed out that him "being behind had not precluded him from continuance of selling firearms under the license and that if he was behind, he should have simply stopped doing transactions." Cochran continued to acknowledge that he knew his records should not be like they are.

At this time (b)(6) stated that they would come back to the records, and that Cochran needed to identify all business inventory so (b)(6) could document it. 35 firearms were found to be in inventory. (b)(6) then instructed following this that they would need to go back to the office and discuss the A&D Books and examine 4473s.

(b)(6) began discussing the A&D Books with Cochran again and what his intent was when he stopped maintaining his A&D Book. He stated that he planned to make an identical Excel sheet to what the pages in his hard copy FFL book were or to use Boundbook or FFL Boss. Cochran stated that he had always done an Excel spreadsheet that corresponded to his hard copy A&D Book and that this would make sense to go to an electronic system. Multiple times Cochran tried to assert that he had all the information, he had simply not transcribed the information into his books. (b)(6) inquired if his Excel spreadsheets possibly contained all the information needed to which he stated that the 2021 spreadsheet only had all acquisitions listed on it with no dispositions. (b)(6) asked if the 2020 records contained disposition information to which Cochran stated they did. (b)(6) asked when he stopped maintaining the disposition records for the Excel spreadsheet. Cochran stated it was when 2021 came around. (b)(6) then clarified and asked if he had not maintained records since Jan 2021? Cochran stated yes, then said no, he had maybe 30% of his dispositions entered during 2021. (b)(6) then directed the conversation back to what he had for records. (b)(6) said, so you have about 30% of 2021 dispositions in your records and all dispositions from Jun 2020 through Dec 2020? Cochran then stated that he did not have any dispositions from Jun 2020 on. (See attachments for Jun-Dec 2020 records and 2021 records.)

(b)(6) concluded the first day of the inspection on 6/30/21 by stating that he would be back on 6/30/21. (b)(6) pronously conveyed 7/5/2021 via email which was a holiday, but had verbally communicated 7/6/21 to the licensee on 6/30/21) and that the licensee needed to have 3 items completed for him that were both handwritten by (b)(6) and then followed up by (b)(6) with an email on Jul 1. These items were:

- 1) Have your A&D Books physically created and accurate for 2020 and 2021.
- 2) Have all your 4473s ready for me to examine from the start of your FFL in 2014
- 3) Have all of your A&D Books ready for examination since you got your license in 2014

Cochran responded to this email on 7/1/2021 and told (b)(6) Chris, Got it and I am very clear on your instructions." (see attachments).

IOI (b)(6) and (b)(6) once again showed up at the business premise on 7/6/2021 to examine the taskers that Cochran had been assigned. Upon arrival, Cochran told (b)(6) that he was almost completed on the electronic sheets. (b)(6) then inquired if he had completed the taskers sent out via email? Cochran stated that he had been so focused on getting his spreadsheet done and getting his 4473s together, he had not had time to physically transcribe the records into his handwritten A&D Book. (b)(6) once again asked Cochran how he expected to complete a trace or do anything else for the federal government that he was required to do under the license. (b)(6) pointed out that Cochran stated he would have everything up to date within 24 hours. Cochran responded by saying that he had been working non-stop since 6/30/21 "to try and fix the records by staying up until 02:00 and 03:00 in the morning to complete the records." He then told (b)(6) to (b)(6) followed this by stating that the FFL is Cochran's responsibility, no one else's as she doesn't work under the license.

(b)(6) then inquired if Cochran had pulled all of the A&D Books since his license began in 2014. Cochran stated that he had not had the chance to, but knew they were downstairs. (b)(6)

then asked why he had not had time to pull the records and Cochran stated he had been devoting all of his time to tracking down copies of FFL licenses for transfers, making sure driver's license information was correct on forms, and ensuring serial numbers were correct on his 2020 and 2021 electronic sheets. (b)(6) then confronted Cochran, stating that he had given him a handwritten list and an email highlighting the priorities for the inspection. Cochran stated that he assumed what he had been doing had been more important. (b)(6) instructed Cochran to immediately stop what he was doing, to go down to his basement, and find the records that (b)(6) required. Cochran complied and stated that this may take a little bit which (b)(6) stated he was fine with. Cochran began hauling boxes up from the basement. He stated that the records had to be in 1 of 4 banker boxes that he had. Cochran began tearing through the boxes and was unable to produce any of his records (A&D Book or 4473s) prior to his electronic sheets that he had starting in Jun 2020. While Cochran was pulling up boxes, (b)(6) took photos of paperwork that was at the top of each box so that a sample of records that were being mixed with FFL records could be documented. These records were business orders from Staples, Home Depot, a residential real estate contract, a settlement statement, a blank certificate of recognition, and handwritten notes on a sheet of legal pad paper (see attachments).

When Cochran finally gave up on trying to produce the records that (b)(6) made him search for, Cochran stated "he understood the importance of record keeping and this looks like shit and I really don't have excuses." (b)(6) also discussed with Cochran that as he had given him 5 to 6 days to complete the tasks, and that this appeared to show plain indifference to the federal regulations. Cochran denied this and stated that he was trying as hard as he could. (b)(6) then asked Cochran if he was sure he wanted to keep his license, to which Cochran was adamant that he did and would do whatever was necessary.

Cochran maintained that he had handwritten records with his A&D Book until approximately Jun 2020 to which (b)(6) stated that he expected to see them on 7/14/21. At the conclusion of the 7/6/2021 meeting, (b)(6) instructed Cochran to complete his physical A&D Books, to retrieve his handwritten A&D Books from 2019 and prior, and to provide all 4473s from before June 2020. Cochran told (b)(6) that this would all be completed prior to their next meeting on 7/14/21. On the morning of 7/14/21, (b)(6) was contacted by Cochran at 7:28 AM who indicated that he was unsure what (b)(6) wanted to do because he was "still not ready with the books." He told (b)(6) that he got behind because he ended up not being able to find his books all the way back through 2014 and was having to recreate everything. When (b)(6) and (b)(6) arrived on scene, it was noted by investigators that the spreadsheets were more up to date, however, only entries had been made into the physical 2021 A&D Book. Further, no handwritten books had been accomplished for any portion of 2020 or any years prior. (b)(6) once more instructed him to accomplish his books as a priority.

By the end of the inspection, Cochran produced handwritten A&D Books that meet the formatting requirements set forth in 27 CFR 478.125(e). As of 7/6/2021, there were 35 firearms in inventory and open entries in the Acquisitions Sheets. There were approximately (b)(6) firearms acquired and approximately (b)(6) firearms disposed of. Again, due to a lack of record keeping, these numbers are approximate. As of the final day of the reconciliation on 14 Jul 21, Cochran still had a few firearms that he was tracking down. On 7/21/21, Cochran emailed (b)(6) showing that all firearms had been accounted for. His final number included 35 firearms in inventory and open entries. These 35 firearms were cited as violations for not being entered into the A&D Book.

To try and better understand actual numbers (since the FFL did not have true A&D Books), (b)(6) contacted multiple suppliers to obtain records for the FFL. (b)(4) all responded to (b)(6) requests. Interstate's and Sports Souths lists appeared to reconcile with Blue Valley's (b)(6) then inquired on 14 Jul 21 with Cochran about his sales from 2019 and prior. Specifically, (b)(6) asked him to pull up his sheet from 2015 as it showed 1 4473 being transferred. (b)(6) asked if this was the only gun that had come across his books and Cochran responded "yes." (b)(6) then presented a 2015 invoice from (b)(3) (112 Public Law 55 125 Stat 552) firearms that had been transferred to him. (b)(6) stated that he needed Cochran to show him the records of where the guns went or show them physically in inventory. Cochran then changed the story and stated that these were FFL transfer guns, and that it was true he had (b)(3) (112 Public Law 55 125 Stat 552). Following 7/14/21, Cochran emailed (b)(6) with the information for (b)(3) (112 Public Law 55 125 Stat 552). On 7/16/21, (b)(6) contacted Cochran to find out if he had reconciled the last 4. He had not and (b)(6) instructed him to file the firearms on a theft loss report (violation) which was done under (b)(3) (112 Public Law 55 125 Stat 552). Two emails and reports are attached as the licensee reported on firearm incorrectly and (b)(6) instructed him to fix (see attached).

The licensee was also cited for discontinuing the use of his A&D book under 27 CFR 478.121(c). The licensee emailed (b)(6) on 7/21/21 as requested by investigators to show that all corrections had been made (see attached). With regards to the licensee's standard operating procedures, Cochran is the only person who logs in/out firearms. There was one Interstate Theft Consignee report filed during the inspection period. The one firearm from this incident was recovered. Cochran explained that it was reported lost because a backup driver for UPS put the gun at the wrong house, a house that remained vacant for weeks due to the owner being out of town. He stated that local police began going door to door and found this item in the vacant house once the owner had returned. The owner had still not had the chance to even open the box to find out what it was and report the incident. In addition, there were no trafficking issues found while reviewing the A&D Book.

ATF FORMS 4473-NICS & OTHER DISPOSITIONS-

During the 6/30/21 meeting, (b)(6) requested the licensee provide all 4473s so that he could help to make sense of the problems discovered from the A&D Book. Cochran stated that all he had available were sitting filed in a container. In the container, (b)(6) took photos of the 4473s that were filed chronologically and by month in folders. (b)(6) inquired if this was all of the 4473s and Cochran stated that it was not, that he had not had time to file them. (b)(6) asked him where his 4473s were located at. Cochran stated that he would have to go dig them out. (b)(6) identified that this was a violation in that his 4473s were not being kept entirely in order as required. (b)(6) asked if the 4473s were on the business premise to which Cochran stated that they were. (b)(6) asked to see them again, but Cochran stated he wasn't sure where all of them were, but knew he had them all. (b)(6) asked again where they were and he stated that they were around his house. He pointed at a stack of papers that made a long line on the futon in the licensee's office and stated that he often has "groupings of paperwork like this" that are spread similar to playing cards. (b)(6) noted that many of the documents grouped together did not appear to be anything firearms related and Cochran stated that they were all business documents. (b)(6) stated that he wanted all the 4473s and the FFL was required to maintain any transferred firearm 4473s for 20 years for transfer and 5 years for denied/not transferred. Cochran stated that he would have to find them so that they could be provided. (b)(6) again asked the licensee how he expected to fulfill a trace within the required 24 hour period if he was unsure where these forms were at. Cochran stated that he understood and would fix the problem, he simply needed more time. At this point, (b)(6) asked Cochran why he had not simply stopped operating the license if he couldn't keep up. Cochran didn't address the question and asked if that would have been an option. (b)(6) responded it doesn't work like that, but he did not have to continue selling firearms if he was not abiding by the regulations. Cochran stated he had all the information, just simply got behind because of everything going on. (b)(6) then stated that his supervisors would have more sympathy if something serious happened and he stopped making sales simultaneously, but in this case, he knowingly and continually stopped keeping records. The only response to this was, "I understand."

Despite this, Cochran asserted, (b)(6) he is meticulous with his records and understands the importance of maintaining them. He continually told (b)(6) that he could have all his records back on par and multiple times suggested IOIs come back in 24 hours and all would be good. At this point, (b)(6) asked what would happen if he tragically died in a car accident. (b)(6) continued by stating that he nor any other IOI could read his records to make heads or tails of them. Cochran stated that he understood.

(b)(6) made clear to Cochran on 6/30/21 that he expected all 4473s to be filed and ready for examination by their next meeting on 7/6/21. Cochran agreed and stated that he would be ready. When investigators arrived on 7/6/21, Cochran had on file what appeared to be all of his 4473s for 2021 and Jun 2020-Dec 2020. When (b)(6) requested all the 4473s, Cochran stated that they were there. (b)(6) then inquired about the 4473s prior to Jun 2020. Cochran stated that these were located with his A&D Book. This was approximately the same moment from previously in the report where (b)(6) instructed Cochran to go find his records. Later, and after Cochran could not provide his records prior to Jun 2020, (b)(6) was searching for a 4473 in Cochran's office to use as an example to explain properly documenting. In doing so, Cochran opened a nightstand drawer beside the daybed where (b)(6) was sitting and then quickly closed it. (b)(6) noticed during that moment that there were 4473s that had writing on them. (b)(6) asked Cochran if these were more 4473s that had not been provided as requested. Cochran acknowledged that they were, but he "hadn't had time to tweak them." (b)(6) inquired how he was tweaking the forms because of the forms found in the nightstand, many of them simply had buyer information completed with the rest of the form blank. Cochran again stated that he was ensuring serial numbers were correct and doing small corrections as he was updating his books. (b)(6) then told Cochran to "stop playing games," and that he was required to provide all forms, regardless if they were ready for inspection or not. Cochran stated he was not playing games. (b)(6) asked if there were anymore hidden forms which Cochran stated there were not.

Following this 7/6/21 meeting, (b)(6) examined 4473s and discovered a litany of errors. As a result, during the next meeting 7/14/21, (b)(6) went over each 4473 with Cochran to ensure that he had the full story on each as many looked suspicious. (b)(6) also conducted multiple forward traces that were requested through the DIO (see attached). Below are some of the specific 4473s discussed with Cochran:

(b)(6) confronted as to why the buyer's certification date was two days prior to the NICS call in and transfer? Cochran stated that he "didn't know." Later after questioning multiple other forms, Cochran stated that (b)(6) and that he took the form to (b)(6) to complete the buyer's section. Two days later his (b)(6) came in and he did the NICS and physical transfer of the firearm (violation).

(b)(6) Cochran was asked how the buyer certified on 4/15/21, and transferred the gun on 4/15/21, however, a NICS check was called in on 4/9/21 (as confirmed by (b)(6) NICS Audit Log). Cochran admitted that he emailed a fillable PDF to Cochran around 4/9/21 (violation). (b)(6) requested the email but Cochran stated he doesn't save any of these. On multiple other 4473s in similar fashion, Cochran admitted that he did the same thing, however, he had them re-accomplish a 4473 on site every time. He stated that he believed the ATF had made fillable 4473s for this reason as NTNs are good for 30 days and that this would make it easier on buyers and himself. (b)(6) pointed out the directions and asked if Cochran had ever read them which he said he had, but never realized he couldn't do this. (b)(6) so asked why he had not called the ATF to ask. He stated he "just assumed" that he could.

(b)(6) Each form showed the transfer of a (b)(6) (b)(6) asked Cochran how this was possible. After discussion, Cochran admitted that no gun information had been filled out at the time of the sale on the 4/22/21. Cochran explained that (b)(6) purchased two of the same guns and that since there was no information. Following (b)(6)'s visit on 6/30/21, Cochran had gone back through this form to input the firearm, but had apparently duplicated the gun from the 5/10/21 sale. The gun that transferred on 4/22/21 was SN (b)(6) (violation).

(b)(6) All NICS information on this form was left blank. (b)(6) asked if he had run a NICS check and Cochran responded this was "really strange" and that he didn't know

what happened as he wouldn't transfer without a NICS check. Cochran could not provide a NICS printout supporting that he called (b)(6) in (which he stated he kept all this documents) (b)(6) also compared to his audit log which showed no entries for 5/9/21 (violation). Of note, (b)(6) A NCIC check was conducted on 7/17/21 showing (b)(6) is not prohibited.

(b)(6) Blue Valley transferred a pistol to Ingram via NTN (b)(6) created on 5/5/21 (b)(6) audit log also shows that a handgun transferred on this day under the NTN. On (b)(6) this same NTN (b)(3) (112 Public Law 55 125 Stat 552) (b)(6) was once again utilized, however, the firearm transferred was a rifle according to the 4473 (violation). (b)(6) audit log also shows there was not a NTN created on 5/6/21. Cochran was not able to provide a NICS printout from the transaction and stated he did not know how the NTN got on the form. A NCIC check was conducted on 7/17/21 showing (b)(6) is not prohibited.

(b)(6) asked Cochran how the buyer and seller both certified the transfer on 5/19/21, but the NICS creation date was 5/14/21? Cochran simply stated that he "did not know." (violation).

(b)(6) Cochran was unable to explain his certification dates on this form as they reflected 5/14/21 and 5/24/21 for the buyer and seller. The NTN date showed 5/19/21. As a result of 21.j and 21.k being left blank (b)(6) conducted a NCIC check was conducted on 7/17/21 showing (b)(6) is not prohibited.

(b)(6) Cochran admitted (b)(6) that he sent (b)(6) a fillable 4473 so that NICS could be conducted the day prior. Buyer and seller certifications were for 10/24/20 while the NICS was conducted on 10/23/20. Cochran stated that he had (b)(6) re-accomplish a 4473 the day of transfer on 10/23/20 (violation).

(b)(6) Cochran admitted (b)(6) that he sent (b)(6) a fillable 4473 so that NICS could be conducted the day prior. Buyer and seller certifications were for 12/2/20 while the NICS was conducted on 12/1/20. Cochran stated that he had (b)(6) re-accomplish a 4473 the day of transfer on 12/1/21 (violation).

(b)(6) Cochran admitted (b)(6) that he sent (b)(6) a fillable 4473 so that NICS could be conducted prior to the pick-up. Buyer and seller certifications were for 12/1/20 while the NICS was conducted on 11/23/20. Cochran stated that he had (b)(6) re-accomplish a 4473 the day of transfer on 12/2/21 (violation).

(b)(6) 12/3/21 (b)(6) asked Cochran how it was possible that he transferred (b)(3) (112 Public Law 55 125 Stat 552) (b)(6) on each of these dates? Cochran stated he had "no idea why this was created" in reference to the second form (b)(6) sent Blue Valley under 27 CFR 478.121(c) for creating a false form. This was known as (b)(6) conducted a forward trace to the buyer who stated he had only purchased the firearm once and had no idea why a second form would have been created.

(b)(6) Cochran admitted (b)(6) that he sent (b)(6) a fillable 4473 so that NICS could be conducted the day prior. Buyer and seller certifications were for 12/4/20 while the NICS was conducted on 12/3/20. Cochran stated that he had (b)(6) re-accomplish a 4473 the day of transfer on 12/3/20 (violation).

(b)(6) Cochran admitted (b)(6) that he sent (b)(6) a fillable 4473 so that NICS could be conducted the day prior. Buyer and seller certifications were for 12/9/20 while the NICS was conducted on 12/8/20. Cochran stated that he had (b)(6) re-accomplish a 4473 the day of transfer on 12/28/20 (violation).

All of these above mentioned forms were presented to (b)(6) on 7/6/21. Below are 4473s that contained minimal seller information were found on 7/6/21 in the nightstand that Cochran was stated he was still "Tweaking":

(b)(6) form was missing the serial number of the firearm, identification documentation of the buyer, and all NICS information. When (b)(6) asked what had happened, Cochran admitted that he had begun correcting this form along with 2 or 3 others (that he could not remember) following the 6/30/21 visit. As (b)(6) had already conducted the forward trace to (b)(6) he gave Cochran the SN to input for his future A&D Book as it was still not tracked down. Also (b)(6) had a NTN on his audit log for a rifle on this date which is believed to be the creation of the check for this gun. Cochran was unable to produce his own NICS paperwork showing he did the check. Based on evidence (b)(6) cited this instance as being left blank rather than a no NICS check. Cochran was also cited for not following the instructions of the form (violation). A background check was done on 7/17/21 which ensured (b)(6) was not prohibited.

(b)(6) asked Cochran what happened on this 4473 as the only information provided on the form was under Section B that (b)(6) filled out. Cochran stated that he "probably just did the A&D but didn't do the 4473. I don't know why" when asked why he didn't complete the 4473. Cochran then stated that "he knew he was supposed to do the 4473" and that he "probably just set it aside." (b)(6) also conducted a forward trace on this gun with (b)(6) who provided the firearm information including serial number, but nothing else atypical of a firearms transfer. The form also failed to capture the identification documentation, NICS information, and any certification on page 3 from the seller. Cochran was also cited for not following the instructions of the form (violation). Cochran was not cited for a no NICS check as he provided (b)(6) the NICS transcript from the day of on this gun.

(b)(6) This form was certified by the buyer and seller on 3/20/21. As no NICS information was documented (b)(6) inquired how this happened (b)(6) also pointed out that the only NICS call in date on the audit log was for 3/22/21 which was a rifle. Cochran stated that he "must've done paperwork afterwards to match his" (referencing (b)(6) fillable form 4473). He did not "know why these dates are like that." Blue Valley was cited for No NICS in this instance and for not following the instructions on the 4473. A background check was still done on 7/17/21 which ensured (b)(6) was not prohibited.

(b)(6) inquired how (b)(6) form was certified by both the buyer and seller on 4/3/21, however, the NICS NTN creation date was 4/5/21 (b)(6) then stated you conducted a background check after the gun transferred as my audit log shows you did a check on 4/5/21. Cochran then pulled his NICS sheets and found that he had in fact run the check on 4/5/21. Cochran stated that he "can't grasp that because I know I would not let it go like that." (violation). A background check was done on 7/17/21 which ensured (b)(6) was not prohibited.

(b)(6) asked Cochran if he had ever transferred firearms off premise for this form. Cochran adamantly denied that he would ever do this (b)(6) asked him again if he had ever transferred off premise. Cochran once again denied this (b)(6) then disclosed that he had conducted a forward trace to the buyer. This buyer stated that Cochran had him fill out a blank form and email it to Cochran for the buyer portion and NICS check. On the day of the transfer, they met in a grocery store parking lot to do the transfer. Cochran tried to deny this by saying it happened at his premise and he had a copy of the driver's license from his printer (b)(6) asked why Cochran's sections were not filled out and Cochran responded that he didn't know why. He then stated, "if it did, I'll tell you why." (b)(6) (b)(6) then asked when he actually transferred the gun as the 4473 transfer date was blank. Cochran stated that it transferred on 5/18/21 which he confirmed with his electronic spreadsheet. (b)(6) disclosed that the firearm did not transfer on that date as the buyer provided an invoice from Gunbuyer indicating that he did not pay for the firearm until 6/5/20 and the ticket date of 6/6/20. Cochran couldn't believe that he did this and started going through his own records. Cochran then pulled out a printed email from Gunbuyer about the transaction which showed in Cochran's handwriting that he received the gun on 6/8/20. With these forms, no NICS information was recorded, the transfer occurred off premise, and the licensee misrepresented records (violations). A background check was done on 7/17/21 which ensured (b)(6) was not prohibited. (b)(6) continued questioning and asked if this was the only time this type of transaction would have taken place. Cochran responded that he "has transferred off premise a few times. Once with (b)(6) and that he "didn't think it was a big deal." After continuing to talk this issue with (b)(6) Cochran admitted that he knew he wasn't supposed to transfer guns like this.

(b)(6) asked on this form why no information at all had been accomplished by Cochran. There was no identification documentation, no NICS information, no firearm information, and no certification information. Cochran stated that he had "rarely took fillable 4473s" that were emailed but shouldn't have with this one as it was back in 2019. (b)(6) asked when he started doing this as a practice and that he thinks he never did a fillable 4473 before 2020 (b)(6) inquired why he picked this practice up at all and he said he "saw it on a website." (b)(6) then asked if he had thought to pick up the phone and call ATF to see if it was ok and he stated he "just thought it was good." Cochran could not find any paperwork supporting that a NICS check was conducted on (b)(6) and was therefore cited for No NICS and not following the instructions on the 4473 by completing it. Cochran stated that he was unsure this gun actually transferred, but thought it did. He stated I "couldn't tell you. I know how this appears." A background check was conducted on (b)(6) (7/17/21 with no prohibitions), however, during the forward trace, it was discovered via his wife that he was deceased. All firearms questions were then referred to the widow's daughter and son in law. Each were on the phone with (b)(6) and confirmed his death, and that he had a lot of firearms, so finding this particular one (with no firearms information documented by Blue Valley) would be a problem, especially since all but one were sold at auction.

There were ATF Form 4473's on file for the inspection period that were not maintained in any order (violation). As it pertains to the completion of 4473s and NICS, Cochran is the only person that processes and checks over these items. The licensee made no transfers to law enforcement officers for official duty. All copies of FFLS for transfers to other FFLS were on file. There was 14 transferred NTNs on the ATF FFL Audit Log and (b)(6) accounted for on ATF F 4473s. There were 0 denials in the inspection period. There were no further discrepancies. The licensee accepts the Kansas Concealed Carry permit in lieu of a NICS check. Approximately 10% of forms used the state permit in lieu of NICS. All transactions requiring NICS checks are done through call-in.

MULTIPLE SALES-

Blue Valley reported 0 multiple sales during the inspection period. There were (b)(6) unreported multiple sales identified that were cited.

Cochran properly reported the multiples sales on 7/17/21 (see attached).

SUSPICIOUS/PROHIBITED PURCHASERS-
N/A

TRACE ACTIVITY-
Blue Valley has not had any traces within the last 12 months.

NFA/IMPORTER/COLLECTOR/MANUFACTURER-
N/A

OTHER-

The inspection process was made more difficult by Cochran throughout. Aside from constant delays, his answers were often times meant to confuse investigators forcing them to repeatedly ask questions with exact precision. Often times, precise questions were met with un-true answers from Cochran. As an example, Cochran sent an email on 7/2/21 in which he sent a picture of a pile of 4473s and stated "I just wanted you to see that my 4473's were very accessible. I was just in the process of getting them filed in a better way. I kept all the necessary records, I needed them in one place and in better order." This was a follow up to the first meeting day of 6/30/21 in which Cochran presented (b)(6) with only (b)(6) of his eventual (b)(6) 4473s and stated the rest would be too difficult to pull (see attachment).

By the end of the meeting on 7/14/21, Cochran accused investigators of "setting him up" (b)(6) when he was unprepared (b)(6) pointed out that not only can investigators show up unannounced as a part of the FFL, but Blue Valley had a 2 year warning with regards to the inspection as IOI (b)(6) attempted to conduct an FCI in the summer time frame of 2019. At this point Cochran was upset and stating that the government was coming in "trying to take his business."

While (b)(6) was discussing the likely possibility that Cochran would have his FFL revoked and that (b)(6) would recommend such, Cochran reiterated his financial need to keep the FFL. He then asked (b)(6) "can you just not recommend that I get revoked." (b)(6) told Cochran that he met the standards for such action through willful discontinuance of the A&D Book (he couldn't even provide records prior to when he stopped keeping A&D Books in Jun 2020), and that he falsified multiple 4473s. Further (b)(6) noted that even after Cochran told investigators that he had provided all 4473s as required, it was discovered that he still had forms hidden in his night stand that he intentionally held back as he was "tweaking" them.

The licensee did have their FFL and Youth Handgun Safety Act Poster posted as required. Blue Valley does not sell exploding targets.

Following these conversations, Cochran sent (b)(6) an email on 7/15/21 which explained the stresses he was under, the intimidation that he felt from the process, and that he bottom line wanted to retain his license rather than surrender (see attached).

During the close on 7/21/21, Cochran began asking questions related to succession of a business (b)(6) was confused by the question at first as it had nothing to do with topics being discussed. In response (b)(6) asked, "as in if a father dies and the son wants to succeed him." Cochran clarified and stated that was not what he meant. Cochran clarified by stating that if someone were to take over a business. At this point (b)(6) caught on and realized what and why the question was being asked. (b)(6) did not confront the licensee on the topic of someone taking over Blue Valley Sales to continue the license, however, Cochran continued to try and clarify in generalities how a business can go to another person. (b)(6) responded by telling the licensee that such a transfer would require a new license as there would be a change in control of the business. Of note on this topic and earlier in the inspection, Cochran mentioned that he wanted to grow the business and take on a partner. (b)(6) re-engaged this statement on 6/14/21 and discovered his potential partner's name was (b)(6). This name is being recorded at this point as a means to help identify any future hidden ownership of an FFL which Cochran could potentially work under.

Attachment(s)

Report of Violations.pdf

Report of Violations.pdf

Licensee Response to Violations Report.pdf

Firearm Theft Loss List.pdf

REPORT OF VIOLATIONS

| Regulation | Corrective Actions | Instance Details |
|---|--|--|
| 1 27 CFR 478.124(b): Failure to retain ATF Forms 4473 in alphabetical, numerical or chronological order ATF Forms 4473: 1 Number of Instances: 1 | Organize and maintain ATF Forms 4473 in alphabetical, chronological, or numerical order. | Record Management |
| 2 27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers ATF Forms 4473: (b)(6) Number of Instances: (b)(6) | Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) for all non-reported multiple sales identified as a result of this inspection. Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) by close of the same business day, for all applicable future multiple sales. | (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) |
| 3 27 CFR 478.102(a): Failure to complete a NICS/POC background check ATF Forms 4473: 6 Number of Instances: 6 | Execute a required NICS/POC background check for all future over-the-counter firearm transactions. Retrieve and accurately record (on an ATF Form 4473) a required final NICS/POC background check response prior to all future over-the-counter firearm transactions. | NICS Violation NICS Violation NICS Violation NICS Violation NICS Violation NICS Violation (b)(6) |
| 4 27 CFR 478.121(c): Making false entry, omitting entry, or failing to properly maintain required recordkeeping ATF Forms 4473: (b)(6) Number of Instances: (b)(6) | Cease and desist from engaging in deceptive practices. | (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) The licensee has failed to properly maintain an A&D book as required during the license. When asked for the A&D Book, the licensee presented IOIs with a blank A&D Book. The licensee was asked for all A&D records from 2014 and was unable to provide them. The licensee provided investigators on 6/30/21 with Excel record sheets that did not meet requirements and was absent critical information to include disposition information in most instances. |
| 27 CFR 478.100(a)(1): Unlawful | | |

| | | |
|--|---|--|
| <p>5</p> <p>conduct of business away from licensed premises</p> <p>Number of Instances: <input type="text"/></p> | <p>Cease and desist engaging in activities not authorized by current license type.</p> | <p>IOIs conducted a forward trace on a 4473 t <input type="text"/> which revealed that the licensee met the buyer in a grocery store parking lot away from his business premise to transfer the firearm. When questioned, the licensee stated that this happened at his business premise, but then later stated that if he did do it, it was because his wife does not like people in and out of the house. When questioned if he had transferred off premise to anyone else, the licensee stated that he had a few times and did not think it was a big deal.</p> |
| <p>27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms</p> <p>Number of Instances: <input type="text"/></p> <p>6</p> | <p>Accurately, completely & timely record all required future firearm acquisition information.</p> <p>Accurately, completely & timely record all required future firearm disposition information.</p> <p>Amend/Update A&D Record to accurately record all required firearm acquisition information.</p> <p>Amend/Update A&D Record to accurately record all required firearm disposition information.</p> <p>Resume proper maintenance of required acquisition and disposition record.</p> <p>Create A&D Record from all available sources of record (i.e. invoices, work/claim tags, receipts, etc).</p> <p>Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.</p> | <p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p> |
| <p>27 CFR 478.124(c)(4): Failure to record firearm information on an</p> | <p>Execute and retain a complete and accurate ATF</p> | <p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p> |

ATF F 4473

ATF Forms 4473
Number of Instances:

Form 4473 on all future firearm transactions.
Ensure that all required firearm identification information is obtained and accurately recorded on all future ATF Forms 4473, Section D.
Ensure that the required transferor/seller signature and date of transfer is obtained and accurately recorded on all future ATF Forms 4473, Section D.

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

7

27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473

ATF Forms 4473
Number of Instances:

Ensure that all required ATF Form 4473 Section A items are completed/provided by the transferee/buyer on all future transactions.
Ensure that the transferee/buyer provides required signature and date, on ATF Form 4473 Section C, for all transactions taking place on a date different from when Section A was certified.
Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.

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

8

27 CFR 478.21(a): Failure to complete forms as prescribed

ATF Forms 4473
Number of Instances:

Complete all forms as prescribed.
Ensure that all ATF Form 4473 items, as required by form headings and instructions, are accurately completed on all future transactions.
Ensure that all required ATF Form 4473 Section A items are completed/provided by the transferee/buyer on all future transactions.
Ensure that the transferee/buyer provides required signature and date, on ATF Form 4473 Section C, for all transactions taking place on a date different from when Section A was certified.
Ensure that the required transferor/seller printed name and title is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.

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

9

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

10

27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473

ATF Forms 4473
Number of Instances:

Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.
Ensure that all required transferee/buyer identification information is obtained and accurately recorded on all future ATF Forms 4473, Section B.
Ensure that all required transferee/buyer nonimmigrant alien exception documentation is obtained, accurately recorded on, and retained with all future ATF Forms 4473, Section B.
Execute a required NICS/POC background check for all future over-the-counter firearm transactions.
Ensure that all required NICS/POC background check information is obtained and accurately recorded on all future ATF Forms 4473, Section B.

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

11

27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473

ATF Forms 4473
Number of Instances:

Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.
Ensure that all required transferee/buyer identification information is obtained and accurately recorded on all future ATF Forms 4473, Section B.
Ensure that all required transferee/buyer nonimmigrant alien exception documentation is obtained, accurately recorded on, and retained with all future ATF Forms 4473, Section B.
Execute a required NICS/POC background check for all future over-the-counter firearm transactions.
Ensure that all required NICS/POC background check information is obtained and accurately recorded on all future ATF Forms 4473, Section B.

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

12

27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473

ATF Forms 4473
Number of Instances:

Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.
Ensure that the required transferor/seller signature and date of transfer is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.

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

THEFT/LOSS REPORT

Acquisition Date Type Manufacturer Importer Model Caliber/Gauge Serial Number

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

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

LICENSEE RESPONSE REPORT

| Regulation | Corrective Actions | Licensee Response | Status Details |
|--|---|---|---|
| <p>27 CFR 478.124(b): Failure to retain ATF Forms 4473 in alphabetical, numerical or chronological order</p> <p>ATF Forms 4473: 1 Number of Instances: 1</p> | Organize and maintain ATF Forms 4473 in alphabetical, chronological, or numerical order. | The licensee stated that he had moved from his office upstairs to the basement, and then back up again and this is why his records were scattered throughout the house. | <p>Status Correction Verified</p> <p>Verified Method In Person</p> <p>Date Correction Verified 07/21/2021</p> |
| <p>27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p> | Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) for all non-reported multiple sales identified as a result of this inspection. Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) by close of the same business day, for all applicable future multiple sales. | The licensee stated that he thought it was 4 or more firearms that would require the report to be generated. | <p>Status Correction Verified</p> <p>Verified Method Email</p> <p>Date Correction Verified 07/21/2021</p> |
| <p>27 CFR 478.102(a): Failure to complete a NICS/POC background check</p> <p>ATF Forms 4473: 6 Number of Instances: 6</p> | Execute a required NICS/POC background check for all future over-the-counter firearm transactions. Retrieve and accurately record (on an ATF Form 4473) a required final NICS/POC background check response prior to all future over-the-counter firearm transactions. | The licensee stated initially that he would never transfer a firearm without doing background checks. This changed to not knowing how this occurred when confronted with the forms and audit logs across multiple instances in which no check was conducted | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |
| <p>27 CFR 478.121(c): Making false entry, omitting entry, or failing to properly maintain required recordkeeping</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p> | Cease and desist from engaging in deceptive practices. | The licensee stated he had no idea why a second form was created for (b)(6) and acknowledged this as being incorrect. The licensee did not know how the NTN from (b)(6) got onto (b)(6) form. Licensee was perplexed that he could not find the NICS printout from (b)(6) 4473. The licensee stated that he stopped keeping an A&D Book around Jun 2020 as he was looking for an electronic style version to his book. He stated he got behind and therefore never got one set up. He often tried to argue that he had all the information required in an Excel format, just not in the preferred format. Licensee also stated that he would provide IOIs with books prior to Jun 2020, but was unable to do so and ultimately recreated the books as he stated he must have lost them. | <p>Status Correction Verified</p> <p>Verified Method In Person</p> <p>Date Correction Verified 07/21/2021</p> |
| <p>27 CFR 478.100(a)(1): Unlawful conduct of business away from licensed premises</p> <p>Number of Instances: [redacted]</p> | Cease and desist engaging in activities not authorized by current license type. | The licensee stated that he had never done this. After confronting with forward trace information, the licensee stated his wife did not like people in and out of the house. The licensee also stated that he had transferred one off premise to (b)(6) and that he had done a few off premise. He stated he didn't think this was a big deal. He later stated he knew he was not supposed to do this. | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |

| | | | |
|---|--|--|---|
| <p>27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms</p> <p>Number of Instances: <input type="text"/></p> | <p>Accurately, completely & timely record all required future firearm acquisition information.</p> <p>Accurately, completely & timely record all required future firearm disposition information.</p> <p>Amend/Update A&D Record to accurately record all required firearm acquisition information.</p> <p>Amend/Update A&D Record to accurately record all required firearm disposition information.</p> <p>Resume proper maintenance of required acquisition and disposition record.</p> <p>Create A&D Record from all available sources of record (i.e. invoices, work/claim tags, receipts, etc).</p> <p>Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.</p> | <p>The licensee stated that he understood why these were cited as they were not present in his A&D Book.</p> | <p>Status Correction Verified</p> <p>Verified Method In Person</p> <p>Date Correction Verified 07/21/2021</p> |
| <p>27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473</p> <p>ATF Forms 4473 Number of Instances: <input type="text"/></p> | <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p> <p>Ensure that all required firearm identification information is obtained and accurately recorded on all future ATF Forms 4473, Section D.</p> <p>Ensure that the required transferor/seller signature and date of transfer is obtained and accurately recorded on all future ATF Forms 4473, Section D.</p> | <p>The licensee stated that he would sometimes allow the buyer to do a fillable pdf 4473 so that he could run an early background check and they could pick the gun up after creating a new 4473 the day of. He stated that he thought he could do this and that is why the ATF put out a fillable form and the NICS checks were good for 30 days. He stated this was atypical and that he normally filled out the forms completely.</p> | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |
| <p>27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473</p> <p>ATF Forms 4473 Number of Instances: <input type="text"/></p> | <p>Ensure that all required ATF Form 4473 Section A items are completed/provided by the transferee/buyer on all future transactions.</p> <p>Ensure that the transferee/buyer provides required signature and date, on ATF Form 4473 Section C, for all transactions taking place on a date different from when Section A was certified.</p> <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p> | <p>The licensee was unaware that he would have to have buyers recertify the form if they picked up on a different date.</p> | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |
| <p>27 CFR 478.21(a): Failure to complete forms as prescribed</p> <p>ATF Forms 4473 Number of Instances: <input type="text"/></p> | <p>Complete all forms as prescribed.</p> <p>Ensure that all ATF Form 4473 items, as required by form headings and instructions, are accurately completed on all future transactions.</p> <p>Ensure that all required ATF Form 4473 Section A items are completed/provided by the transferee/buyer on all future transactions.</p> <p>Ensure that the transferee/buyer provides required signature and date, on ATF Form 4473 Section C, for all transactions taking place on a date different from when Section A was certified.</p> <p>Ensure that the required transferor/seller printed name and title is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.</p> | <p>The licensee stated that he would sometimes allow the buyer to do a fillable pdf 4473 so that he could run an early background check and they could pick the gun up after creating a new 4473 the day of. He stated that he thought he could do this and that is why the ATF put out a fillable form and the NICS checks were good for 30 days. He stated this was atypical and that he normally filled out the forms completely.</p> | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |
| <p>27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473</p> <p>ATF Forms 4473 Number of Instances: <input type="text"/></p> | <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p> <p>Ensure that all required transferee/buyer identification information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p> <p>Ensure that all required transferee/buyer nonimmigrant alien exception documentation is obtained, accurately recorded on, and retained with all future ATF Forms 4473, Section B.</p> <p>Execute a required NICS/POC background check for all future over-the-counter firearm transactions.</p> <p>Ensure that all required NICS/POC background check information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p> | <p>The licensee stated that he would sometimes allow the buyer to do a fillable pdf 4473 so that he could run an early background check and they could pick the gun up after creating a new 4473 the day of. He stated that he thought he could do this and that is why the ATF put out a fillable form and the NICS checks were good for 30 days. He stated this was atypical and that he normally filled out the forms completely.</p> | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |
| <p>27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473</p> <p>ATF Forms 4473 Number of Instances: <input type="text"/></p> | <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p> <p>Ensure that all required transferee/buyer identification information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p> <p>Ensure that all required transferee/buyer nonimmigrant alien exception documentation is obtained, accurately recorded on, and retained with all future ATF Forms 4473, Section B.</p> <p>Execute a required NICS/POC background check for all future over-the-counter firearm transactions.</p> <p>Ensure that all required NICS/POC background check information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p> | <p>The licensee stated that he would sometimes allow the buyer to do a fillable pdf 4473 so that he could run an early background check and they could pick the gun up after creating a new 4473 the day of. He stated that he thought he could do this and that is why the ATF put out a fillable form and the NICS checks were good for 30 days. He stated this was atypical and that he normally filled out the forms completely.</p> | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |

| | | | |
|--|--|--|---|
| <p>27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473</p> <p>ATF Forms 4473 Number of Instances: 12</p> | <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p> <p>Ensure that the required transferor/seller signature and date of transfer is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.</p> | <p>The licensee stated that he would sometimes allow the buyer to do a fillable pdf 4473 so that he could run an early background check and they could pick the gun up after creating a new 4473 the day of. He stated that he thought he could do this and that is why the ATF put out a fillable form and the NICS checks were good for 30 days. He stated this was atypical and that he normally filled out the forms completely.</p> | <p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 07/21/2021</p> |
|--|--|--|---|

CLOSING CONFERENCE

Review Regulations conducted offline

(7/21/2021)

07/21/2021

Attachment(s)

Attendee(s)

JAMES DOUGLAS COCHRAN

EXHIBITS

Inspection

| Category | Attachment Name |
|---------------------------------|---|
| Correspondence | Spartan Notification RE: 5-48-03643 Inspection Results |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
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| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | DADIO Megan Bennett Returned Inspection FCI-21646 |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| UpdateLicensingCenter | Final 8c - Blue Valley Sales Inc_.pdf |
| Correspondence | |
| Correspondence | DIO William Miller Returned Inspection FCI-21646 |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| Correspondence | Spartan Notification RE: 5-48-03643 Monitored Case |
| UpdateLicensingCenter | MCP Exhibit 8c - Blue Valley Sales Inc_.docx |
| BusinessVerification | FCI-21646 KS SoS Active and Good Standing.pdf |
| LicenseeResponseToViolationsPDF | Licensee Response to Violations Report.pdf |
| ViolationCorrection | Email 7-17-21 Correction to theft loss form.pdf |
| ViolationCorrection | (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) |
| ViolationCorrection | Email 7-17-21 revised theft loss.pdf |
| ViolationCorrection | Email 7-21-21 Stating all corrections have been made.pdf |
| ViolationCorrection | (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) |
| OnSiteSummaryInformation | Email 7-21-21 Stating all corrections have been made.pdf |
| OnSiteSummaryInformation | (b)(4) Email.pdf |
| OnSiteSummaryInformation | Email 7-2-21 Photo of stack of 4473s.pdf |
| OnSiteSummaryInformation | Email 7-1-21 saying instructions for rectifying records were very clear.pdf |
| OnSiteSummaryInformation | (b)(4) spreadsheet.pdf |
| OnSiteSummaryInformation | Email 7-17-21 revised theft loss.pdf |
| OnSiteSummaryInformation | Email 7-17-21 Correction to theft loss form.pdf |
| OnSiteSummaryInformation | Email 7-15-21 Stating he wants to keep the license.pdf |

| | |
|-------------------------------|--|
| OnSiteSummaryInformation | Email 7-16-21 attachment Theft loss form.pdf |
| OnSiteSummaryInformation | Email 7-16-21 with missing firearms reported.pdf |
| OnSiteSummaryInformation | Email 7-2-21 saying 4473s were accessible.pdf |
| OnSiteSummaryInformation | Email 6-30-21 trying to delay the inspection.pdf |
| OnSiteSummaryInformation | FCI-21646 Audit Log 5-14-21.xlsx |
| OnSiteSummaryInformation | FCI-21646 Forward Trace Request.pdf |
| OnSiteSummaryInformation | Email 6-30-21 2020 Acquisitions sent by Cochran.xlsx |
| OnSiteSummaryInformation | Email 6-30-21 2021 Acquisitions sent by Cochran.xlsx |
| OnSiteSummaryInformation | MS form submitted Patterson.pdf |
| OnSiteSummaryInformation | FCI-21646 2nd Forward Trace Request.pdf |
| OnSiteSummaryInformation | (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) |
| OnSiteSummaryInformation | FCI-21646 VCAB email 5-6-21.pdf |
| OnSiteSummaryInformation | FCI-21646 VCAB Interstate Theft loss.docx |
| ViolationsPDF | Report of Violations.pdf |
| ViolationsPDF | Report of Violations.pdf |
| FirearmTheftLossList | Firearm Theft Loss List.pdf |
| PropertyOwnershipVerification | FCI-21646 Cty Assessor.pdf |
| TradeNameVerification | Trade Names Registration Not Required - Kansas Sec of State.pdf |
| ZoningVerification | KSA 12-16, 124 - Firearms and Ammo; Regulation by City or County, Limitations (2015).pdf |
| BusinessVerification | FCI-21646 KS SoS Forfeited.pdf |

Notice to Revoke or Suspend License and/or Impose a Civil Fine

In the matter of License Number 5-48-091-01-4A-03643, as a/an A Dealer of Firearms Other Than Destructive Devices

issued to:

Name and Address of Licensee (Show number, street, city, State and ZIP Code)

Blue Valley Sales, Inc.
d/b/a Blue Valley Arms
9601 Lowell Ave
Overland Park, Kansas 66212

Notice Is Hereby Given That:

Pursuant to the statutory provisions and reasons stated in the attached page(s), the Director or his/her designee, Bureau of Alcohol, Tobacco, Firearms and Explosives, intends to take action on the license described above.

- The above identified license may be revoked pursuant to 18 U.S.C. 923(e), 922(t)(5) or 924(p).
- The above identified license may be suspended pursuant to 18 U.S.C. 922(t)(5) or 924(p).
- The above identified licensee may be fined pursuant to 18 U.S.C. 922(t)(5) or 924(p).

Pursuant to U.S.C. 923(t)(2) and/or 922(t)(5), you may file a request with the Director of Industry Operations, Bureau of Alcohol, Tobacco, Firearms and Explosives, at 1251 NW Briarcliff Parkway, Suite 600 Kansas City, MO 64116, in duplicate, for a hearing to review the revocation, suspension and/or fine of your license. The request must be received at the above address within 15 days of your receipt of this notice. Where a timely request for a hearing is made, the license shall remain in effect pending the outcome of the hearing; and if the license is due to expire, the license will remain in effect provided a timely application for renewal is also filed. The hearing will be held as provided in 27 CFR Part 478.

If you do not request a hearing, or your request for a hearing is not received by ATF on time, a final notice of revocation, suspension, and/or imposition of civil fine (ATF Form 5300.13) shall be issued.

- Please see included brochure

| Date | Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official | Signature |
|------------|--|-----------|
| 09/22/2021 | William J. Miller Director, Industry Operations ATF Kansas City Field Division | (b)(6) |

I certify that on the date shown below I served the above notice on the person identified below by:

- Certified mail to the address shown below.
Tracking Number: 7020 0640 0000 4995 Or Delivering a copy of the notice to the address shown below.

| Date Notice Served | Title of Person Serving Notice | Signature of Person Serving Notice |
|--------------------|--------------------------------|------------------------------------|
| 9/22/21 | Investigative Analyst | (b)(6) |

Print Name and Title of Person Served

Address Where Notice Served

Under the provisions of 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, notice is hereby given that the Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”) intends to revoke the Federal firearms license held by Blue Valley Sales, Inc. d/b/a Blue Valley Arms (“Licensee”), a Dealer in Firearms Other Than Destructive Devices. Specifically, the Director, Industry Operations, United States Department of Justice, ATF Kansas City Field Division, has reason to believe that Licensee willfully violated the provisions of the Gun Control Act of 1968, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478 (collectively the “GCA”) as described herein.

Compliance History

ATF first issued a Federal firearms license to Licensee in 2014. At that time, ATF reviewed and explained the federal firearms laws and GCA regulations and requirements with Licensee, through business president and responsible person James Cochran, and provided resource and reference information.

Current Inspection

On June 30, 2021, ATF began a compliance inspection of Licensee’s premises that revealed the following:

Failure to Maintain Required Records Violations:

1. From December 2014 through June 2021, Licensee willfully failed to maintain such records of importation, production, shipment, receipt, sale, or other disposition, whether temporary or permanent, of firearms as the regulations prescribe in the provisions of Title 18, United States Code, Chapter 44 or Title 27, Code of Federal Regulations, Part 478, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.121(c).

Acquisition and Disposition Record Violations:

2. On occasions, Licensee willfully failed to timely and/or accurately record the acquisition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125(e). See Appendix ¶ A.
3. On occasions, Licensee willfully failed to timely and/or accurately record the disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125(e). See Appendix ¶ B.

Background Check Violations:

4. On six occasions, Licensee willfully transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System (“NICS”) and waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a). See Appendix ¶ C.

Falsified Entries:

5. On occasions, Licensee willfully made a false entry in the records required by the GCA, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.121(c). See Appendix ¶ D.

Transfer in Violation of Law

6. On occasion, Licensee willfully conducted business at an unauthorized location other than the licensed premises address, in violation of 18 U.S.C. § 923(j) and 27 C.F.R. §§ 478.50 and 478.100. See Appendix ¶ E.

ATF Form 4473 Violations:

7. On occasions, Licensee willfully failed to obtain a complete and/or accurate Firearms Transaction Record, ATF Form 4473, from the transferee prior to making an over-the-counter transfer of a firearm to a non-licensee, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1). See Appendix ¶ F.
8. On occasions, Licensee willfully transferred a firearm to a non-licensee without verifying the identity of the transferee by examining an identification document presented and noting the type on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(i). See Appendix ¶ G.
9. On occasions, Licensee willfully transferred a firearm to a non-licensee without recording on the Firearms Transaction Record, ATF Form 4473, the date Licensee contacted NICS, any response provided by the system and/or any identification number provided by the NICS system, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv). See Appendix ¶ H.
10. On occasions, Licensee willfully failed to identify the firearm to be transferred on the Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(4). See Appendix, ¶ I.
11. On occasions, Licensee willfully failed to sign and/or date the Firearms Transaction Record, ATF Form 4473 certifying that Licensee does not know or have reason to believe the transferee is disqualified by law from receiving the firearm described on the Form, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(5). See Appendix ¶ J.

Failure to Retain Records in Order

12. Licensee willfully failed to retain each ATF Form 4473 in alphabetical, chronological or numerical order in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(b).

APPENDIX

Notice Violation 2, Appendix ¶ A [478.125(e) Acquisition Violations]:

Firearms Located in Inventory but Not Entered as Acquisitions

| | Manufacturer | Model/Make | Serial Number | Type | Caliber |
|--|--------------|------------|---------------|------|---------|
|--|--------------|------------|---------------|------|---------|

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

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

Notice Violation 3, Appendix ¶ B [478.125(e) Disposition Violations]:

Firearms Transferred without Recording the Disposition & Missing/Lost/Stolen

| | Manufacturer | Model/Make | Serial Number | Type | Caliber |
|--|--------------|------------|---------------|------|---------|
|--|--------------|------------|---------------|------|---------|

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

Notice Violation 4, Appendix ¶ C [478.102(a) NICS Violations]:

| | Transferee | Date | 4473 Version | Violation |
|---|---------------|------------|--------------|-------------------------------|
| 1 | (b)(6) | 5/9/2021 | 2020 | No NICS check conducted |
| 2 | | 3/20/2021 | 2020 | No NICS check conducted |
| 3 | | 4/3/2020 | 2016 | NICS conducted after transfer |
| 4 | | 10/10/2019 | 2016 | No NICS check conducted |
| 5 | | 5/6/2021 | 2020 | No NICS check conducted |
| 6 | | 5/18/2020 | 2016 | No NICS check conducted |

Notice Violation 5, Appendix ¶ D [478.121(c) Falsified Entry Violations]:

| Transferee | Date | 4473 Version | Violation |
|------------|------|--------------|-----------|
|------------|------|--------------|-----------|

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

Notice Violation 6, Appendix ¶ E [478.50 & 100 Transfer Not at Premises Violation]:

| Transferee | Date | 4473 Version | Violation |
|---|------|--------------|-----------|
| (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) | | | |

Notice Violation 7, Appendix ¶ F [478.124(c)(1) Form 4473 Violations]:

| | Transferee | Date | 4473 Version | Violation |
|---|------------|------|--------------|-----------|
| (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) | | | | |

Notice Violation 8, Appendix ¶ G [478.124(c)(3)(i) Form 4473 Violations]:

| | Transferee | Date | 4473 Version | Violation |
|---|------------|------|--------------|-----------|
| (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) | | | | |

Notice Violation 9, Appendix ¶ H [478.124(c)(3)(iv) Form 4473 Violations]:

| | Transferee | Date | 4473 Version | Violation |
|--|------------|------|--------------|-----------|
|--|------------|------|--------------|-----------|

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

Notice Violation 10, Appendix ¶ I [478.124(c)(4) Form 4473 Violations]:

| | Transferee | Date | 4473 Version | Violation |
|--|------------|------|--------------|-----------|
|--|------------|------|--------------|-----------|

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

Notice Violation 11, ¶ J [478.124(c)(5) Form 4473 Violations]:

| | Transferee | Date | Version | Violation |
|---|------------|------|---------|-----------|
| (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) | | | | |

EXPLANATION OF THE HEARING PROCESS



The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has decided to deny your original or renewal application for a Federal firearms license, or to revoke, suspend and/or impose a civil fine on your existing license.

As stated on the enclosed Notice of Denial, Revocation, Suspension and/or Fine, you have the right to request a hearing. This brochure provides general guidance to assist you in making a decision on requesting a hearing, and to appropriately prepare for a hearing should you request one.

Background

27 C.F.R. §§ 478.71 – 478.73

The Gun Control Act of 1968 (GCA) and its implementing regulations specify certain licensing requirements for those intending to engage in the business of importing, manufacturing, or dealing in firearms, or importing or manufacturing ammunition.

The GCA authorizes ATF to deny a license application when an inspection reveals the applicant is not qualified to receive or continue to hold the license. ATF may revoke a license when a licensee willfully violates the GCA or its implementing regulations.

For purposes of the regulatory provisions of the GCA, a “willful” violation occurs when the licensee knew of his or her legal obligations and either purposefully disregarded or was plainly indifferent to those requirements. ATF is not required to prove a licensee *intended* to violate the law.

Under limited circumstances, ATF may revoke or suspend a license and/or impose a civil fine against a licensee who knowingly violates certain provisions of the GCA.

Hearing Request and Representation

27 C.F.R. §§ 478.74 and 478.76

You have the right to request a hearing. If you wish to do so, you must file a request, in writing, with the Director, Industry Operations (DIO) within 15 days after the receipt of the enclosed Notice.

An applicant or licensee may be represented at the hearing by an attorney, certified public accountant or other person recognized to practice before ATF as provided in 31 C.F.R. Part 8.

Pre-Hearing Resolution

27 C.F.R. §§ 478.72 and 478.74

You may submit an offer to settle or other proposed resolution prior to the hearing. If you wish to present your offer in person, you must request to do so within the same 15 days as allotted for a hearing. A request for a pre-hearing resolution should be made in writing to the DIO. ATF is not obligated to grant requests for in-person meetings or proposals for resolution.

You may also submit offers of potential resolution to the DIO after the hearing, but before a final decision is rendered; however, the DIO will not entertain settlement offers at the hearing.

EXPLANATION OF THE HEARING PROCESS

Hearing Overview

27 C.F.R. §§ 478.72, 478.74, 478.76, 478.77

Upon receipt of a timely request and after consultation with you, ATF will set the date, time and place of the hearing. You will then receive formal notification via certified mail, return receipt request. Please be advised that ATF may reschedule a hearing for good cause, as determined by the DIO.

The DIO will preside over the hearing. The purpose of the hearing is to allow both parties to present, in an orderly manner, all relevant evidence and arguments regarding the proposed licensing action.

The hearing itself is informal in nature which means that formal courtroom procedures, including sworn testimony and rules of evidence are not followed. During the hearing, you will have the opportunity to submit facts and arguments for review and consideration. An ATF-hired court reporter will be present to transcribe the hearing. The resulting transcript, along with the exhibits presented at the hearing, constitute the official record of the hearing. You may order a copy of the transcript at your own expense. Video recording of the hearing is not permitted.

An ATF attorney will present evidence in support of the licensing action. The ATF industry operations investigator(s) who conducted your inspection and/or other ATF employees who have relevant information concerning your case may testify.

At the conclusion of the government's presentation, you will have the opportunity to respond. You should state your case as clearly and factually as possible. Your presentation should focus on the violation(s) described in the Notice you received. You may also bring other witnesses who are able to speak to the violation(s) cited in the Notice. Both you and the government have

the right to question all witnesses. Please note that all persons attending the hearing must bring a valid form of state or federal government issued identification (e.g., driver's license or passport) for entry.

In addition to oral testimony, you may also present written documentation. Regardless of its form, all evidence presented at the hearing must be relevant. Relevant evidence is evidence that tends to prove or disprove an issue at the hearing, such as whether the alleged violation occurred as stated in the Notice.

NOTE: It is a violation of law to possess or cause to be present a firearm or other dangerous weapon in a Federal facility. 18 U.S.C. § 930(a). Violation of this law will result in termination of hearing proceedings and a referral to law enforcement.

After the Hearing

27 C.F.R. §§ 478.72, 478.74, 478.78

Following completion of the hearing, the court reporter will prepare a transcript of the hearing. After reviewing the transcript and all evidence submitted at the hearing, the DIO will make the final licensing decision for ATF.

Should the DIO determine that the allegation(s) contained in the Notice are substantiated, he or she may issue a Final Notice of Denial, Revocation, Suspension and/or Fine of Firearms License, which ATF would send to you via certified mail, return receipt requested.

You may appeal the DIO's final decision to the appropriate Federal district court within 60 days for de novo judicial review.

If you have any questions concerning the hearing, please contact the DIO for the ATF division in which you are located.

**Final Notice of Denial of Application, Revocation,
Suspension and/or Fine of Firearms License**

In the matter of:

The application for license as a/an _____, filed by:

or
 License Number 5-48-091-01-4A-03643 as a/an dealer in firearms other than destructive devices

_____, issued to:

Name and Address of Applicant or Licensee (*Show number, street, city, state and ZIP Code*)

Blue Valley Sales, Inc. d/b/a Blue Valley Firearms
9601 Lowell Ave
Overland Park, Kansas 66212

Notice Is Hereby Given That:

A request for hearing pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5) was not timely filed. Based on the findings set forth in the attached document, your

license described above is revoked pursuant to 18 U.S.C. 923(e), 922(t)(5) or 924(p), effective:

15 calendar days after receipt of this notice, or _____,

license is suspended for _____ calendar days, effective _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).

licensee is fined \$ _____, payment due: _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).

After due consideration following a hearing held pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5), and on the basis of findings set out in the attached copy of the findings and conclusions, the Director or his/her designee concludes that your

application for license described above is denied, pursuant to 18 U.S.C. 923(d).

application for renewal of license described above is denied pursuant to 18 U.S.C. 923(d), effective:

15 calendar days after receipt of this notice, or _____,

license described above is revoked pursuant to 18 U.S.C. 923(e), 922(t)(5) or 924(p), effective:

15 calendar days after receipt of this notice, or upon Notice receipt,

license is suspended for _____ calendar days, effective _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).

licensee is fined \$ _____, payment due: _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).

If, after the hearing and receipt of these findings, you are dissatisfied with this action you may, within 60 days after receipt of this notice, file a petition pursuant 18 U.S.C. § 923(f)(3), for judicial review with the U.S. District Court for the district in which you reside or have your principal place of business. If you intend to continue operations after the effective date of this action while you pursue filing for judicial review or otherwise, you must request a stay of the action from the Director of Industry Operations (DIO), Bureau of Alcohol, Tobacco, Firearms and Explosives, at 1251 NW Briarcliff Parkway Suite 600 Kansas City MO 64116, prior to the effective date of the action set forth above. You may not continue licensed operations unless and until a stay is granted by the DIO.

Records prescribed under 27 CFR Part 478 for the license described above shall either be delivered to ATF within 30 days of the date the business is required to be discontinued or shall be documented to reflect delivery to a successor. See 18 U.S.C. 923(g)(4) and 27 CFR § 478.127.

After the effective date of a license denial of renewal, revocation, or suspension, you may not lawfully engage in the business of dealing in firearms. Any disposition of your firearms business inventory must comply with all applicable laws and regulations. Your local ATF office is able to assist you in understanding and implementing the options available to lawfully dispose of your firearms business inventory.

| | | |
|--------------------|--|----------------------------|
| Date 02/03/2022 | Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official William J. Miller Director, Industry Operations ATF Kansas City Field Division | Signature (b)(6) |
|--------------------|--|----------------------------|

I certify that, on the date below, I served the above notice on the person identified below by:

- Certified mail to the address shown below.
 Tracking Number: 7017 2620 0000 8869 7339
- Or**
- Delivering a copy of the notice to
 the address shown below.

| | | |
|---------------------------------------|---|---|
| Date Notice Served 02/03/2022 | Title of Person Serving Notice Executive Assistant | Signature of Person Serving Notice (b)(6) |
| Print Name and Title of Person Served | | Signature of Person Served |

Address Where Notice Served
 Blue Valley Sales, Inc. d/b/a Blue Valley Firearms, 9601 Lowell Ave, Overland Park, Kansas 66212

Note: Previous Edition is Obsolete

Blue Valley Sales, Inc. d/b/a Blue Valley Firearms
9601 Lowell Ave
Overland Park, Kansas 66212

RE: FFL 5-48-091-01-4A-03643

Blue Valley Sales, Inc. d/b/a Blue Valley Firearms, 9601 Lowell Ave, Overland Park, Kansas 66212 (“Licensee”) holds a Federal firearms license, under number 5-48-091-01-4A-03643, as a dealer in firearms other than destructive devices, issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) pursuant to the Gun Control Act of 1968 (GCA), as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478.

On September 22, 2021, ATF issued a Notice to Revoke License, ATF Form 4500, (“Initial Notice”) based upon violations discovered during an inspection commencing on June 30, 2021. By letter dated October 5, 2021, Licensee timely requested a hearing to review the Initial Notice.

The hearing was held on December 22, 2021, at the ATF Kansas City Field Division Office located in Kansas City, Missouri. The hearing was conducted by ATF Kansas City Director, Industry Operations (DIO) William J. Miller. The Government was represented by ATF Kansas City Division Counsel (b)(6) ATF Industry Operations Investigator (IOI) (b)(6) (b)(6) and IOI (b)(6) appeared as witnesses on behalf of the Government.

Licensee appeared by and through Licensee’s sole responsible person and corporation president, James “Doug” Cochran, along with attorney (b)(6). The hearing was recorded and transcribed through a court reporting service. DIO Miller allowed the hearing record to remain open until December 29, 2021, for Licensee to provide any additional information or exhibits, which Licensee offered by way of e-mail and attachments. The testimony and exhibits provided by both parties at the hearing constitute the administrative record in this proceeding.

Findings and Conclusions

Having considered the record in this proceeding, I make the following findings and conclusions:

Licensee obtained a Federal firearms license in 2014. At that time, ATF held a qualification inspection with Licensee and reviewed the pertinent Federal firearms laws and regulations with Doug Cochran as the president and sole responsible person for the licensed incorporated business entity, Blue Valley Sales, Inc.¹ ATF provided Licensee with resources and reference information regarding the expectations and requirements for a Federal firearms licensee.

Following the 2014 qualification inspection, Doug Cochran signed the Acknowledgment of Federal Firearms Regulations form indicating that ATF explained and reviewed the information listed on the form relating to firearms laws and regulations and answered all questions regarding the information. Mr. Cochran further acknowledged his responsibilities as a responsible person

¹ Although the licensed entity is the corporation, Mr. Cochran is the only decisionmaker for the entity with exclusive control and authority over all the licensed activity. Therefore, the two are addressed interchangeably in this Notice.

for Licensee to be aware and familiar with all the laws and regulations governing a licensed firearms business. Several reference sources and resource materials regarding the GCA requirements were provided to Licensee.

Beginning on June 30, 2021, ATF conducted a compliance inspection at Licensee's business premises. The violations found during this inspection were the basis for the Initial Notice and corresponding Appendix and are discussed more as follows:

Violation #1 Failure to Maintain Required Records

From December 2014 through June 2021, Licensee willfully failed to maintain such records of importation, production, shipment, receipt, sale, or other disposition, whether temporary or permanent, of firearms as the regulations prescribe in the provisions of Title 18, United States Code, Chapter 44 or Title 27, Code of Federal Regulations, Part 478, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.121(c).

At the beginning of the inspection, Licensee presented Excel spreadsheets with firearms information listed, but these were not in the required format as prescribed. Licensee knew the spreadsheets (also referenced as inventory sheets) being used for firearms inventory were not compliant. At this time, Licensee also admitted the need to transcribe the information into a compliant record book (also known as an A&D record book) but said he had gotten too busy to do so. Licensee indicated compliant A&D books were kept from 2014 until June 2020. However, Licensee was never able to produce any such books during the course of the inspection and ultimately had to reconstruct the entire A&D records into the prescribed format.

Even still, and as reflected throughout Government's Exhibit #2 and the Licensee's Exhibits #18 and #19, there were several occasions where disposition information was not documented in the spreadsheets, such as none for 2020 and less than half for 2021. Throughout the pendency of the inspection, it was necessary for Licensee to continually correct and/or update the Excel spreadsheets for ATF to review and work to reconcile firearms acquisitions and dispositions. This was all due to Licensee's failure to keep a compliant A&D record. Licensee owned a compliant A&D record book, which was available on the premises to use, but it was completely blank when the inspection commenced. [Gov. Ex. 1].

I find that Licensee did not maintain a compliant acquisition and disposition record, as the regulations prescribe and require, from approximately 2014 until the inspection began in June 2021. I further conclude that this violation was willful. Licensee was aware of this requirement based upon the instructions provided when the license was first issued, as well as Mr. Cochran's own admissions at the inspection and at the hearing.

Violations #2 & #3 Acquisition and Disposition Records

On occasions, Licensee willfully failed to timely and/or accurately record the acquisition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125(e).

On [redacted] occasions, Licensee willfully failed to timely and/or accurately record the disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125(e).

I find that Licensee willfully failed to record the firearm acquisitions for the firearms located in inventory at the time of the inspection. I also find that Licensee willfully failed to record the dispositions of four firearms, resulting in those firearms not being accounted for in any manner. This violation made it necessary to report the four firearms as lost or stolen in the national law enforcement database (know more officially as the National Crime Information Center system). [Gov. Ex. 3].

At the time of the qualification inspection, Licensee was instructed on, and was aware of, the obligations to timely and correctly record firearms acquisitions and dispositions. Licensee further acknowledged knowing of this requirement. I find that it willfully failed to do so.²

Violation #4 Background Checks

On four occasions, Licensee willfully transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System (“NICS”)³ and waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a).

Upon reviewing Government’s Exhibit 4 and Licensee’s Exhibits 20 through 26, along with the testimony provided for these violations, I make the following determinations:

As to the NICS violations involving the transfers to [redacted] [Gov. Ex. 4 pp. 4-6] and [redacted] [Gov. Ex. 4 pp. 7-9], in both transactions the evidence on the corresponding ATF Forms 4473 establishes from the signed and certified dates that a NICS check was conducted two days *after* each transfer occurred. This is further confirmed per the NICS audit log and Licensee’s NICS E-Check sheets⁴ and/or Excel inventory spreadsheets. [Gov. Ex. 2 pp. 9, 36; Gov. Ex. 4 p. 28; Lic. Exs. 21 & 22]. The NICS section on the [redacted] form is completely blank and the NICS section on the [redacted] form documents the NICS check on April 5, 2020 (two days after the listed transfer date). At the hearing, Licensee could not provide a clear explanation for these violations but generally asserted that a background check is always done before a transfer, despite tangible evidence to the contrary. Therefore, I find that in both of these instances a NICS background was conducted after the transfer of a firearm and not before, as required by the law and regulations.⁵

Regarding the NICS violations associated with the transfers to [redacted] and to [redacted] I make the following determinations:

² Although there were other firearms that could have been cited for these violations, this Notice only cites the 35 firearms located in physical inventory at inspection and the four firearms that were identified by supplier records as transferred to Licensee but could not be found.

³ NICS is operated by the Federal Bureau of Investigation (FBI).

⁴ These were informally referenced as “rip sheets” at the hearing.

⁵ The Initial Notice Appendix indicates a NICS check was not conducted for [redacted] Upon considering all the information in the hearing record, my finding is that a check occurred but this was after the transfer.

- As to [REDACTED] the certified/signed dates by both the transferee and Licensee establish the shotgun transfer occurred on May 9, 2021. [Gov. Ex. 4 pp. 1-3]. This same date and transferee are also listed in Licensee’s Excel spreadsheet. [Gov. Ex. 2 p. 41]. There is no information transcribed in the required NICS section of the Form 4473. [Gov. Ex. 4 p. 2]. Per the NICS audit log, Licensee did not contact NICS on May 9, 2021. [Gov. Ex. 2 p. 28]. Licensee provided the NICS E-Check sheet showing a background check for [REDACTED] on June 17, 2020, but this was for a transaction occurring almost a year earlier. [Lic. Ex. 20].

At the hearing, Licensee was confused regarding when the transfer took place and could not provide an explanation why there was no record of a NICS contact for the May 9, 2021, transfer. The record was kept open until December 29, 2021, for Licensee to offer any additional information on this violation but nothing further was provided. Therefore, I find there is no record or information that a NICS background check was ever conducted for Transferee [REDACTED], as required by law.

- As to [REDACTED] the certified/signed dates by both the transferee and Licensee establish the transfer of a rifle occurred on May 6, 2021. [Gov. Ex. 4 pp. 17-19]. This transferee and the transfer date correspond with the information provided in Licensee’s Excel spreadsheet. [Gov. Ex. 2 p. 42]. The NICS Transaction Number (NTN)⁶ recorded on the ATF Form 4473 is NTN [REDACTED]. However, this is the exact same NTN issued for the transfer of a pistol to a purchaser named [REDACTED] the day earlier on May 5, 2021. [Gov. Ex. 4 p. 21]. The NICS audit log shows Licensee contacted NICS once on May 5, 2021, and received a “proceed” on that date under the NTN [REDACTED]. [Gov. Ex. 4 p. 28]. There is no contact listed on the NICS audit log for the [REDACTED] transfer on May 6, 2021. [Gov. Ex. 4 p. 28].

At the hearing, Licensee submitted a NICS E-Check sheet for [REDACTED] but this check was from several months prior in November 2020. [Lic. Ex. 24]. Licensee stated this was to show the purchaser had previously passed a background, although I find that this was well outside the legally permitted timeframe for a transfer in May 2021. The “purged” NTN on the last page of Licensee’s Exhibit 24 is again the same NTN [REDACTED] associated with the prior purchaser (Ingram) who is unrelated to this Tucci transaction. The hearing record was kept open to allow Licensee to enter any records showing a NICS check was conducted for the May 6, 2021, rifle transfer to [REDACTED]. However, Licensee was only able to provide the NICS E-Check sheet again confirming that [REDACTED] NTN was improperly reused on May 6, 2021. [Lic. Ex. 26]. Therefore, I find there is no record or information that a NICS background check was ever conducted for Transferee [REDACTED] on May 6, 2021, as required by law.

Concerning the transaction with Transferee [REDACTED] although not properly recorded in any manner on the corresponding ATF Form 4473, I find there is sufficient proof this purchaser provided Licensee a valid Kansas concealed carry license, and therefore a NICS check was not required. [Gov. Ex. 4 p. 16]. In this instance there is not a 27 C.F.R. § 478.102(a) violation.

⁶ The NTN is a unique number generated by FBI used only once for a specific date, transfer, and person.

Regarding the transaction with Transferee (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) while the record is unclear as to the timing of the transfer, it appears this transfer likely occurred within the allowable 30-day period after the NICS check was initially conducted for this specific transferee and firearm. Therefore, I make no additional findings on this (b)(6) transfer and do not consider this violation as a basis for revocation.⁷

The ATF Form 4473 explicitly states, directly above the sections for the NICS information, that a licensee must complete these sections and the NICS background prior to the transfer of the firearm(s). [Gov. Ex. 16]. The corresponding instructions on the Form 4473 further provide guidance to licensees on the NICS process and clearly state 18 U.S.C. § 922(t) requires that *prior* to transferring any firearm to an unlicensed person a dealer must first contact NICS. The importance of background check compliance is stressed throughout the Form 4473 and its instructions to ensure a prohibited person does not receive a firearm from a licensee.

Licensee often asserted a NICS check is always completed prior to a firearm transfer. However, in these cited instances, this assertion is contradicted by the certified dates on the respective ATF Forms 4473, the NICS audit log and/or NICS records provided by Licensee, and additional information provided during the hearing. Despite repeated opportunities, Licensee provided no documentation to contradict this evidence. Rather, Licensee admitted that he was aware of the requirement to contact NICS prior to the transfer of a firearm, set up the E-Check NICS account, reviewed the instructions and other resource materials related to NICS, and demonstrated on other occasions the ability to properly follow the NICS background requirements.

Given the evidence, especially as there is no documentation to contradict it, I conclude that the NICS violations involving the transfers to (b)(6) occurred as documented and discussed and that each one was willfully committed.

Violation #5 Falsified Entries

On (b)(6) occasions, Licensee willfully made a false entry in the records required by the GCA, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.121(c).

Upon reviewing the exhibits and the testimony provided for this violation, I find the following:

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

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6) Inexplicably, this same firearm/serial number is listed in the Licensee's Excel spreadsheet as acquired by Licensee from (b)(4) on November 6 and December 3, 2020. [Gov. Ex. 2 pp. 6, 24]. To help understand the circumstances of this transaction, IOI (b)(6) contacted purchaser (b)(6) who stated he did not conduct a transaction for the same gun a month apart in this scenario.

⁷ This is just one example of how Licensee's own record keeping problems and failure to maintain a compliant A&D record book added confusion to the circumstances and discussions of many transactions.

Licensee could provide no clear explanation for this violation. Therefore, I find that a false record was created by Licensee on the Form 4473 dated December 3, 2020, indicating the [redacted] was transferred on that date. That recorded information was not true since the rifle was already transferred the month prior.⁸ I conclude this violation was willful.

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

There is no NTN or any record of a NICS contact on May 6, 2021, and Licensee could not otherwise provide any clear explanation for this violation. Therefore, I find Licensee created a false record on the ATF Form 4473 for the May 6, 2021, transaction with Transferee (b)(6). This false entry represented that NICS was contacted and a “proceed” was received for (b)(6) on May 6, 2021, under the listed NTN when that information was not true. I further conclude this violation was willful.

Violation #6 Transfer in Violation of Law

On [redacted] occasion, Licensee willfully conducted business at an unauthorized location other than the licensed premises address, in violation of 18 U.S.C. § 923(j) and 27 C.F.R. §§ 478.50 and 478.100.

While Licensee stated confusion about the impact of the COVID pandemic on conducting transactions at the licensed premises, he could point to no communication or guidance from ATF that would have excused the requirements. Licensee also noted that [redacted] (b)(6) [redacted] (b)(6). It was also unclear if there were other instances in which business was conducted away from the premises beyond this cited instance.

Upon considering all this information, I find Licensee knew of the legal requirements to conduct business at the licensed premise and properly did so on several other occasions. However, I recognize that there was generalized confusion during the early days of the pandemic. Thus, I will not consider or rely upon this violation in my decision.

Violations #7, 8, 9, 10 and 11 ATF Form 4473:

On [redacted] occasions, Licensee willfully failed to obtain a complete and/or accurate Firearms Transaction Record, ATF Form 4473, from the transferee prior to making an over-the-counter transfer of a firearm to a non-licensee, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1).

On [redacted] occasions, Licensee willfully transferred a firearm to a non-licensee without verifying the identity of the transferee by examining an identification document presented and noting the

⁸ In the alternative, I could find the November 6, 2021, ATF Form 4473 is false. Either way, one record must be incorrect as the same firearm was not acquired and disposed of twice to/from identical parties.

type on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(i).

On [redacted] occasions, Licensee willfully transferred a firearm to a non-licensee without recording on the Firearms Transaction Record, ATF Form 4473, the date Licensee contacted NICS, any response provided by the system and/or any identification number provided by the NICS system, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv).

On [redacted] occasions, Licensee willfully failed to identify the firearm to be transferred on the Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(4).⁹

On [redacted] occasions, Licensee willfully failed to sign and/or date the Firearms Transaction Record, ATF Form 4473 certifying that Licensee does not know or have reason to believe the transferee is disqualified by law from receiving the firearm described on the Form, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(5).

Licensee acknowledged familiarity with the Form 4473 and the instructions within the form. Although admitting to being at fault, Licensee contended these were merely clerical errors. However, every section of the Form 4473 is important, and the required information is on the form for specific reasons to ensure the traceability of firearms and promote public safety and therefore must be afforded care and attention.

Licensee also demonstrated the knowledge and ability to complete, and ensure completion of, other Forms 4473 reviewed during the inspection. Licensee acknowledged there were Forms 4473 (such as those located in a closed office end table/stand which came to IOI [redacted] (b)(6) attention by happenstance) that Licensee was attempting to review and correct in order to obtain a “clean audit” prior to ATF’s arrival for the announced inspection. Licensee further admitted he was at fault. This conduct and admission further establish Licensee knew there was noncompliance with the legal obligations related to the Forms 4473.

Therefore, I find that each of these violations occurred based upon my review of the respective ATF Forms 4473 and the hearing testimony. Further, I conclude that each of these violations were willfully committed in violation of the law and regulations.

Violation #12 Failure to Retain Records in Order

Licensee willfully failed to retain each ATF Form 4473 in alphabetical, chronological, or numerical order in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(b).

I find Licensee failed to retain each ATF Form 4473 in alphabetical, chronological, or numerical order as required. The information established at the inspection, and provided at the hearing, established that Licensee was aware of this requirement. This is evidenced by the fact that he correctly maintained a portion of the Forms 4473 in an appropriate filing system at the time the inspection began.

⁹ As noted at the hearing, [redacted] of the [redacted] cited instances in Violation #10 were removed from consideration.

Despite this knowledge and ability to comply with this legal requirement, Licensee nonetheless had Forms 4473 located throughout the business premises at the time of inspection, including forms that were inappropriately placed in an end table/stand as discussed earlier. Therefore, I find that this violation occurred and conclude it was willfully committed in violation of the law and regulations.

Application of Legal Standard for Federal Firearms License Revocations

ATF may, after notice and opportunity for a hearing, revoke a Federal firearms license if it has reason to believe a licensee has willfully violated any provision of the GCA or the regulations issued thereunder. *See* 18 U.S.C. §§ 923(e) and (f)(3); 27 C.F.R. §§ 478.73 and 478.74.

For the Government to prove a willful violation of the Federal firearms statutes, it need only establish that a licensee knew of its legal obligation and “purposefully disregarded or was plainly indifferent” to the legal requirements. *See Borchardt Rifle Corp. v. Cook*, 684 F.3d 1037, 1042-43 (10th Cir. 2012) (holding that plain indifference towards a known legal obligation meets the willfulness requirement and that plain indifference may be shown with circumstantial evidence); *see also Lewin v. Blumenthal*, 590 F.2d 268, 269 (8th Cir.1979); *On Target Sporting Goods, Inc. v. Attorney General of the United States*, 472 F.3d 572 (8th Cir. 2007) (violations by Federal firearms licensee were deemed willful and justified ATF’s licensing action when the licensee committed violations including the failure to keep proper records on acquisition and disposition of firearms; ATF inspectors had informed the licensee's owner of the record-keeping and firearm duties and the owner admitted falling behind in these responsibilities); *Trader Vic's v. O'Neill*, 169 F.Supp.2d 957, 965 (N.D. Ind. 2001) (finding that a licensee has a duty to be cognizant of the rules and regulations issued by ATF and has a duty to follow those mandates in the course of his regulated business activities). The Government is also not required to show that the violations occurred with any bad purpose. *Lewin*, 590 F.2d at 269; *On Target*, 472 F.3d at 575.

Additionally, any single willful violation of the Federal statutes or regulations controlling the firearms industry can be a basis for revoking or denying a license. *See Gun Shop, LLC. v. United States Dep't of Justice*, No. 4:10-CV-1459 (MLM), 2011 WL 2214671, at *6 (E.D. Mo. June 3, 2011) (“By the statute's plain language, even a single willing violation can trigger ATF's power of revocation.”), *citing American Arms Int'l v. Herbert*, 563 F.3d 78, 86 (4th Cir. 2009); *see also General Store, Inc. v. Van Loan*, 560 F.3d 920, 924 (9th Cir. 2009); *Armalite, Inc. v. Lambert*, 544 F.3d 644, 647 (6th Cir. 2008); *Article II Gun Shop, Inc. v. Gonzales*, 441 F.3d 492, 498 (7th Cir. 2006).

Furthermore, “[i]mproper recordkeeping is a serious violation.” *Fin & Feather Sport Shop, Inc. v. U. S. Treasury Dept.*, 481 F.Supp. 800, 806 (Neb. 1979) *quoting Huddleston v. United States*, 415 U.S. 814, 824 (1974). “Thus, a firearms dealer, by failing to keep the required records, seriously undermines the effectiveness and purpose of the Act and ultimately endangers society.” *Fin & Feather*, 482 F.Supp at 806. ATF has the right to insist on total compliance with the GCA to retain the privilege of dealing in firearms. *Willingham Sports, Inc. v. ATF*, 348 F.Supp.2d 1299, 1309 n.14 (S.D. Ala. 2004) (“gravity of the policy objectives of the Gun Control Act, from both a law enforcement standpoint and a safety standpoint, strongly militates in favor of allowing the ATF to insist on total compliance as a condition of retaining the

privilege of dealing in firearms.”); *Dick's Sport Center, Inc. v. Alexander*, No. 2:04-CV-74482, 2006 WL 799178, at *5 (E.D. Mich. Mar. 29, 2006) (licensee's “failure to comply with exacting book keeping regulations may hinder the ATF's ability to perform its mandated function.”).

It is acknowledged that this was Licensee's first compliance inspection. Although prior warnings can be used to establish willfulness, they are not necessary for such a finding. *See Borchardt*, 684 F.3d at 1043; *Nat'l Lending Grp., LLC v. Holder*, 365 F. App'x 747, 749 (9th Cir. 2010) (unpublished); *Nat'l Lending Group v. Mukasey*, No. CV 07-0024-PHX-PGRET, 2008 WL 5329888, at *8 n.13 (D. Az. Dec. 19, 2008) (no requirement to show there have been prior warnings in order to establish willfulness); *Francis v. ATF*, 2006 WL 1047026, at *4 (E.D. Okla. Apr. 20, 2006) (holding it does not logically follow that repeated violations following warnings are necessary to find willfulness); *Taylor v. Hughes*, 2013 WL 752838, at *3 (M.D.Pa., 2013) (“While it is true that this was the first compliance inspection ever conducted by the ATF upon [the licensee], given the scope of the violations in this case, the duration of time in which [the licensee] failed to record any A&D information in his books, and his failure for years to take any steps prior to inspection to come into compliance demonstrates willful violation.”).

Periodic compliance, such as a licensee's occasional adherence to regulatory obligations, can also support a finding of willfulness. *CEW Properties, Inc. v. U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives*, 979 F.3d 1271, 1280 (10th Cir. 2020), *citing Simpson v. Att'y Gen.*, 913 F.3d 110, 115-16 (3d Cir. 2019) (noting that a licensee's “full compliance with [Gun Control Act] requirements in some instances belies his assertion that he did not understand those requirements,” and his “inconsistent conduct suggests both that [he] knew of his obligations and was indifferent to complying with them”).

The evidence and testimony presented at the hearing revealed that Licensee understood the legal requirements concerning the violations documented in the Initial Notice. In this regard, ATF reviewed the applicable laws and regulations with Licensee during the 2013 qualification inspection. At that time, ATF provided Licensee with resource materials and informed Licensee of the opportunity to ask any questions or contact ATF as needed.

Further, Licensee acknowledged awareness of the legal requirements and responsibilities to hold a Federal firearms license. Licensee was familiar with, or had reviewed, the various written or online resources provided by ATF. This included guidance in the ATF Quick Reference Guide as well as the instructions contained within the ATF Form 4473. Licensee demonstrated on other occasions the ability to properly complete, and ensure proper completion by the transferee of, the required ATF Form 4473 and to conduct a background check for a purchaser at the licensed premises. [See Gov. Ex. 5, Lic. Ex. 26 regarding purchaser Ingram].

Licensee stated that one of the reasons the acquisitions and dispositions were not kept as required, and why the Excel inventory spreadsheets were a “mess” by his admission, was due to having a third-party attempt to merge the data. However, even if this problem occurred, it does not excuse Licensee from compliance. *See James v. Houston ATF*, No. G-11-457, 2012 WL 1898874, at *2 (S.D.Tex. 2012) (although licensee created an electronic A&D records program, he failed to maintain an independent A&D bound book or other recording system to back up and/or verify acquisitions and dispositions and alleged “computer crash” constitutes no defense

to these violations). Furthermore, Licensee continued to conduct firearms transactions for a substantial length of time. This was done without correcting the compliance problems or otherwise properly recording the firearms acquisitions or dispositions as the regulations prescribe, while also admitting to becoming too busy to keep up with the requirements.

Licensee further asserted that any violations committed were not intentional or were mistakes. The GCA does not require a purposeful bad act to establish willfulness. Instead, a purposeful disregard or plain indifference to a known legal obligation is legally sufficient. The conduct of Licensee also cannot be attributed to being excusable mistakes. As discussed during the inspection and at the hearing, Licensee attributed many of the violations to becoming too busy, getting distracted during transactions or other external factors in Mr. Cochran's life. He argued this then caused him to get behind in maintaining the records and failing to complete them without errors. Regardless, allowing himself to be distracted due to the volume of transactions cannot excuse Licensee's responsibilities to known legal obligations.

Although I do appreciate the situations that were occurring in Mr. Cochran's personal life, these do not mitigate or alleviate the responsibility that a licensed entity must comply with the requirements under the GCA. Licensee continued to acquire firearms and conduct transactions despite these known deficiencies and problems in complying with the legal requirements. As noted in Licensee's e-mail to IOI (b)(6) on July 15, 2021, Licensee was aware of the mess it made for itself. [Gov. Ex. 2 p. 48]. However, there is no legal support for a licensee's claim that circumstances, such as poor health or being overwhelmed, excuses the failure to keep the A&D books, to have properly completed Forms 4473 with compliant background checks, or otherwise excuses cited violations from being willful. *See Taylor v. Hughes*, No. 1:12-CV-138, 2012 WL 7620316, at *11 (M.D. Pa. 2012). This continued failure to comply with the GCA requirements shows a purposeful disregard or, at a minimum, a plain indifference to the known legal obligations of a Federal firearms licensee.

Licensee asserts that it now has the licensed business in compliance, but these subsequent actions do not otherwise mitigate or change the fact that the willful violations occurred as documented during the inspection. *Post hoc* remedial efforts have little bearing on a licensee's willfulness at the time of the violation. *CEW Properties*, 979 F.3d at 1281 n.12 (disregarding a licensee's claim of no willfulness due to subsequent efforts to remedy noncompliance by compiling A&D records into a bound book); *see also Shawano Gun & Loan, LLC v. Hughes*, 650 F.3d 1070, 1079 (7th Cir. 2011) (noting that "workplace changes to ensure compliance with Federal firearms laws" following a revocation notice "come too late," and that the promise to "do better if given another chance is not an argument that reaches the merits of the case"); *Cucchiara v. Sec'y of Treasury*, 652 F.2d 28, 30 (9th Cir. 1981) (concluding that a licensee's attempt to "correct his faulty recordkeeping system, after the violations ... is immaterial to the question of willfulness at the time the violations occurred"); *Sturdy v. Bensten*, 129 F.3d 122 (8th Cir.1997) (a licensee's after-the-fact efforts to correct the specific violations cited are irrelevant to the issue of willfulness at the time the errors occurred).

It is significant to note Licensee was unable to account for four firearms which remain nationally documented with law enforcement as missing still to this day. These missing firearms, which cannot be successfully traced if used in a crime, are directly attributed to Licensee's willful

disregard of the legal obligations. This failure by Licensee undermines the public safety directive of the GCA. Licensee’s systemic problems with recording and maintaining compliant records as whole also further undermine the essential purposes of the GCA.

After presiding over the hearing and giving a full review and consideration of all the testimony and exhibits provided in the hearing record, I find and conclude that Licensee willfully violated the provisions of the GCA, and the regulations issued thereunder. Even though Licensee understood the responsibilities under the GCA, the evidence reveals that Licensee was plainly indifferent to, or purposefully disregarded, the firearms laws and regulations as documented and thoroughly discussed and reviewed herein.

Despite the knowledge and awareness of these obligations under its license, Licensee failed to maintain any legally compliant records of acquisition and disposition, failed to timely or correctly record firearms located in inventory, failed to conduct background checks as required, and was repeatedly unable to properly complete the ATF Forms 4473 under the explicit directions and instructions of the form. At the commencement of the inspection, Licensee even admitted to ATF that the business was not in compliance although having several weeks advance notice that ATF was seeking to conduct the inspection.

Therefore, except as addressed within the respective violations above, I find Licensee willfully committed Violations #1, #2, #3, #4, #5, #7, #8, #9, #10, #11 and #12 and my findings and conclusions are the basis for my license revocation determination.

Accordingly, under the provisions as provided by 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, the Federal firearms license held by Licensee Blue Valley Sales, Inc. d/b/a Blue Valley Firearms, 9601 Lowell Ave, Overland Park, Kansas 66212, under Federal firearms license number 5-48-091-01-4A-03643, is hereby **REVOKED**.

Dated this 03 day of February 2022.

(b)(6)

William J. Miller

Director, Industry Operations - Kansas City Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives
United States Department of Justice



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Washington DC

www.atf.gov

IMPORTANT NOTICE

Selling Firearms AFTER Revocation, Expiration, or Surrender of a Federal Firearms License

Former Federal Firearms licensees (FFLs) who continue to sell firearms after the revocation, expiration, or surrender of their license are subject to the same rules as persons who have never been licensed, in determining whether they are "engaged in the business" of selling firearms without a license in violation of 18 U.S.C. § 922(a)(1)(A), and 27 CFR 478.11 and 478.41. Accordingly, former licensees who wish to dispose of any remaining business inventory must adhere to the statutory and regulatory restrictions that are applicable to all unlicensed persons selling firearms.

All firearms formerly in the business inventory must be disposed of by the former FFL in a manner that, objectively, does not constitute being engaged in the business of dealing in firearms, using the same facts and circumstances test that would apply to persons who have never been licensed.

The preferred manner of disposition of firearms is for the former licensee to:

- Arrange for another FFL to purchase the business inventory; or
- Consign the inventory of firearms to another FFL to sell on consignment, or at auction.

Should a former FFL decide against those options, he/she should be aware that future firearms sales – whether from his/her personal firearms collection or otherwise – will be evaluated for a potential violation of 18 U.S.C. § 922(a)(1)(A), just as would occur with a person who had never been licensed.

If a former FFL is disposing of business inventory, the fact that no firearms purchases are made after the date of license revocation, expiration, or surrender does not immunize him/her from potential violations of 18 U.S.C. § 922(a)(1)(A). Instead, business inventory acquired through repetitive purchases while licensed are attributed to the former FFL when evaluating whether subsequent firearms sales constitute engaging in the business of dealing in firearms without a license.

ATF remains committed to assisting former licensees in complying with Federal firearms laws. If you have questions, please contact your local ATF office.

(b)(6) Digitally signed by
MEGAN BENNETT
Date: 2021.06.02
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Megan A. Bennett
Deputy Assistant Director (Industry Operations)
Field Operations