

COWART'S ARMS & AMMO LLC's FCI
FCI-15970
08/29/2022 11:40 AM
IO: (b)(6), Oxford (IO) Satellite Office

LICENSEE INFORMATION

Licensee Name	RDS Key	License/Permit Number	License Type
COWART'S ARMS & AMMO LLC	1-64-03279	1-64-121-01-1K-03279	01 - Dealer License

Business Type
Limited Liability Company (LLC)

Premises Address

Mailing Address

Premises Ownership Type
Leased/Rented

Same as Premises Address

Premises Location Type
Store Front

Address
2605 HIGHWAY 80 EAST
Unit N/A
PEARL, Mississippi 39208-3404
RANKIN
United States

Phone Type	Phone Number	Remarks
Business	+1 601-932-1700	
Fax	+1 601-932-1700	

Email Address	Email Remarks
(b)(6)	Email

RECOMMENDATIONS

Final Decision Date
Revocation 06/02/2022

Details

SPARTAN #: FCI-15970 (OOBRC Shipment)
TITLE: Cowart's Arms & Ammo, LLC d/b/a Cowart's Arms & Ammo
FFL #: 1-64-03279 REVOKED
IO: (b)(6)

NARRATIVE:

This License was REVOKED with an effective date of June 2, 2022 (See Initial PII in SPARTAN).

Contact was made with Mr. Cowart, RP for Cowart's Arms & Ammo, LLC who was instructed to log all of the remaining inventory out of the A & D records and prepare the remaining records for pick-up and delivery of the records to the local ATF Office in Jackson, MS.

On July 28, 2022, IO (b)(6) picked up all records for Cowart's Arms & Ammo, LLC and relocated them to the Jackson IO Group II Area ATF Office in Jackson, MS where they were temporarily stored.

With Coordination with the OOBRC, YRC Freight were contacted, and records pick up was scheduled for August 23, 2022. Per YRC Freight instruction, records were packed and labeled for pick-up by IOs in the Jackson IO Group II area office.

On August 23, 2022, YRC Freight company picked-up all records for Cowart's Arms & Ammo, LLC d/b/a Cowart's Arms & Ammo for transport and shipment to the OOBRC. On August 29, 2022, Area Supervisor (b)(6) received confirmation from IO (b)(6) that all records were delivered to OOBRC on Friday August 26, 2022.

FINAL AREA SUPERVISOR RECOMMENDATION:

Records shipped to OOBRC.

Records received at OOBRC.

RECORDS DELIVERED.

Cc: (b)(6) OOBRC, DIO Close

Out of Business Records and Inventory Management

Licensee Records

Licensee Inventory

- ✔ Submitted to the Federal Licensing Center
- ✔ Submitted to an ATF Employee

- ✔ Inventory transferred to self

ATF Employee Name
IOI: (b)(6)

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

Details

I concur with the recommendation of revocation.

Special Agent in Charge Kurt Thielhorn's Recommendation

Concur with DIO and OCC opinion.

Division Counsel: (b)(6) Review

Details

The inspection reports have been reviewed by Acting Division Counsel (b)(6) and Acting ACC Central (b)(6). Counsel believes there is sufficient legal justification to pursue revocation as recommended by the DIO.

Director, Industry Operations Valentina Close's Recommendation
Revocation

Details

DIO reviewed the inspection report and concurs with the Revocation recommendation proposed by the IOI and Area Supervisor. The inspection findings warrant revocation based on discovery of 3 instances of violation of 27 CFR 478.102(a). Additionally, the inspection disclosed numerous similar repeat violations cited as a result of inspections conducted in 2017 and 2019.

Submitted to Division Counsel for review for legal sufficiency. DC and ACC concur with Revocation recommendation.

Area Supervisor: (b)(6) Recommendation
Revocation

Details

NARRATIVE:

From May 10, 2021, to August 17, 2021, an onsite firearms DE Compliance investigation was completed on the above licensee by IOI (b)(6) and IOI (b)(6). Scope of the Investigation was a DE B1B "Recall" investigation for a Type 01 "Dealer" of Firearms. Due to the COVID 19 virus, proper safety precautions were followed with PPE worn by the IOI.

During the firearms compliance investigation, the licensee was cited for fourteen (14) violations of the GCA. The ROV was issued and reviewed with the licensee who received a copy during the closing conference on August 17, 2021. Per Area Supervisor instructions, the ROV was corrected and amended by the IOI and a new "revised" ROV copy was signed by the RP on October 5, 2021.

Licensee is operating as an LLC with permission and consent to operate from the business premise. Licensee is in compliance with State and Local laws at the time of inspection. Licensee is in compliance with local Zoning regulations.

Per the current adverse action policy, IOI (b)(6) recommends REVOCATION. This Recommendation was made due to the following:

IOI (b)(6) disclosed the following violation, which, per the current Adverse Action Policy is cause for "Immediate" Revocation under 18 U.S.C. 923(e):

27 CFR 478.102(a) – failure to complete a NICS/POC background Check – three (3) instances and a repeat violation from compliance investigation 777070-2017-0363 with eighteen (18) instances.

In addition, there were multiple violations that were "repeat" violations that were cited during both previous compliance investigations 777070-2017-0363 (2017) and SPARTAN #: FCI-2548 (2019).

IOI (b)(6) disclosed the following "Repeat" violations of a willful nature, which are cause for Revocation under 18 U.S.C. 923(e):

27 CFR 478.125(e) – Failure to maintain /complete/timely acquisition and disposition record of firearms – (b)(6) instances and a repeat violation from SPARTAN #: FCI 2548 (2019) with (b)(6) instances and compliance investigation 777070-2017-0363 (2017) with (b)(3) (112 Public Law 55 125 Stat 552) instances.

Licensee has (b)(6) missing firearms as a result of this investigation (REPEAT).

27 CFR 478.124(a) – Failure to execute an ATF Form 4473 – (b)(6) instances and a repeat violation from compliance investigation 777070-2017-0363 with (b)(6) instances.

27 CFR 478.126a – Failure to report multiple sales or other dispositions of pistols and revolvers – (b)(6) instances and a repeat violation from SPARTAN#: FCI 2548 with (b)(6) instances and compliance investigation 777070-2017-0363 with (b)(6) instances.

27 CFR 478.102(a)(2)(ii) -failure to wait 3 business days (with no NICS/POC response) to transfer a firearm – two (2) instances and a repeat violation from compliance investigation 777070-2017-0363 with two (2) instances.

27 CFR 478.124(c)(1) – Failure to Obtain a completed ATF F 4473 – (b)(6) instances and a repeat violation from SPARTAN#: FCI 2548 with (b)(6) instances and compliance investigation 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

27 CFR 478.21(a) – Failure to complete forms as prescribed – (b)(6) instances and a repeat Violation from SPARTAN#: FCI 2548 with (b)(6) instances and Compliance Investigation 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

27 CFR 478.124(c)(3)(i) – Failure to verify or record Identification document on an ATF F 4473 – (b)(6) instances and a repeat violation from compliance investigation 777070-2017-0363 with (b)(6) instances.

27 CFR 478.124(c)(3)(iv) – Failure to record NICS contact information on an ATF F 4473. (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat Violation from SPARTAN#: FCI 2548 with (b)(3) (112 Public Law 55 125 Stat 552) instances and compliance investigation 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

27 CFR 478.124(c)(4) – Failure to record firearm information on an ATF F 4473. (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from compliance investigation 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

27 CFR 478.131(a)(2) – Failure to record on an ATF Form 4473 (or affix a copy of) NICS alternative permit info. (b)(3) (112 Public Law 55 125 Stat 552) instance and a repeat violation from compliance investigation 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

27 CFR 478.124(c)(5) – Failure by Transferor to sign and/or date an ATF F 4473. (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat Violation from SPARTAN#: FCI 2548 with (b)(3) (112 Public Law 55 125 Stat 552) instances and compliance investigation 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

Finally, there has been no change in the behavior or daily business operations, going back to the first compliance inspection in 2017; that could be considered as showing any improvement. During this inspection, the licensee acted very “nonchalant” and had an “oh well” attitude regarding his business operations when asked about missing firearms, ATF F 4473s, or possible prohibited purchasers. The licensee only exhibited a change in attitude during the IOI’s closing conference where the ROV was served, explained, and instructions going forward were provided to him.

Area Supervisor Warning Conferences were held with the licensee at the Jackson Field Office on both prior investigations on the following dates:

November 8, 2017- Conducted by NOFD NOLA III Area Supervisor (b)(6)

August 28, 2019- Conducted by NOFD Jackson II Area Supervisor (b)(6)

(Reference NSPECT: 777070-2017-0363 (07/18/2017 to 8/25/2017) IOI (b)(6) / WC)

(Reference SPARTAN: FCI-2548 (1/15/2019 to 4/3/2019) IOI (b)(6) / WC)

On October 7, 2021, Area Supervisor (b)(6) reviewed the investigative report and recommends REVOCATION. Initial MCBP was completed by Area Supervisor and forwarded via email to DIO for review on October 7, 2021.

AREA SUPERVISOR RECOMMENDATION:
REVOCATION of Firearms License/Permit (b)(7)(E)
Industry Operations Investigator (b)(6) Recommendation
Revocation

Details

REVOCATION:

This On-Site investigation occurred from May 10, 2021, to August 17, 2021.

During the firearms compliance investigation, the Licensee was cited for fourteen (14) violations of the GCA. The ROV was issued and reviewed with the licensee who received a copy during the closing conference on August 17, 2021. Per Area Supervisor instructions, the original ROV was amended by the IOI and signed by the RP. A new “revised” copy of the ROV signed by the RP has been uploaded into SPARTAN

During this investigation, there were multiple violations that were “repeat” violations that were cited during both previous compliance inspections from 2017 and 2019.

IOI (b)(6) disclosed the following “Repeat” violations of a willful nature, which are cause for Revocation under 18 U.S.C. 923(e):

- **27 CFR 478.102(a) – failure to complete a NICS/POC background Check** – three (3) instances and a repeat violation from compliance inspection 777070-2017-0363 with eighteen (18) instances.
- **27 CFR 478.124(a) – Failure to execute an ATF Form 4473** (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from compliance inspection 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.126a – Failure to report multiple sales or other dispositions of pistols and revolvers** (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from FCI 2548 (b)(3) (112 Public Law 55 125 Stat 552) instances and compliance inspection 777070- 2017- 0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.102(a)(2)(ii) -failure to wait 3 business days (with no NICS/POC response) to transfer a firearm** – two (2) instances and a repeat violation from compliance inspection 777070-2017-0363 with two (2) instances.
- **27 CFR 125(e) – Failure to maintain /complete/timely acquisition and disposition record of firearms** – (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from FCI 2548 with (b)(3) (112 Public Law 55 125 Stat 552) instances and compliance inspection 777070- 2017- 0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.124(c)(1) – Failure to Obtain a completed ATF F 4473** (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from FCI 2548 with (b)(3) (112 Public Law 55 125 Stat 552) instances and compliance inspection 777070- 2017- 0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.21(a) – Failure to complete forms as prescribed** – (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat Violation from FCI 2548 with (b)(3) (112 Public Law 55 125 Stat 552) instances and Compliance Inspection 777070- 2017- 0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.124(c)(3)(i) – Failure to verify or record Identification document on an ATF F 4473** (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from compliance inspection 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.124(c)(3)(iv) – Failure to record NICS contact information on an ATF F 4473.** (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat Violation from FCI 2548 with (b)(3) (112 Public Law 55 125 Stat 552) instances and compliance inspection 777070- 2017- 0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.
- **27 CFR 478.124(c)(4) – Failure to record firearm information on an ATF F 4473.** (b)(3) (112 Public Law 55 125 Stat 552) instances and a repeat violation from compliance inspection 777070-2017-0363 with (b)(3) (112 Public Law 55 125 Stat 552) instances.

• 27 CFR 478.131(a)(2) – Failure to record on an ATF Form 4473 (or affix a copy of) NICS alternative permit info. [redacted] instance and a repeat violation from compliance inspection 777070-2017-0363 with [redacted] instances.

• 27 CFR 478.124(c)(5) – Failure by Transferor to sign and/or date an ATF F 4473. [redacted] instances and a repeat Violation from FCI 2548 with [redacted] instances and compliance inspection 777070- 2017- 0363 with [redacted] (49)(3) (112 Public Law 55 125 Stat 552) instances.

Inspection Findings

Records and Forms

- 2. Failure to timely and/or correctly maintain records of sales or other dispositions of [redacted] percent or more of the licensee's total dispositions during the inspection period, with a minimum of [redacted] instances.
- 3. Failure by the licensee to obtain complete and accurate information for any item(s) on Forms 4473, questions 11 & 12, or the buyer fails to sign and date the Form 4473 (to include failing to have the buyer recertify their answers if the transfer takes place on a different date than the original signature) in Section A of [redacted] percent or more of the Forms 4473 examined.
- 9. Failure to execute a Form 4473 (Exception: Select findings 6, 7, and 8 above for consignment sales, transfers to law enforcement officers for personal use, and FFL responsible persons; if the transferee is NOT prohibited).
- 12. Failure to account for acquired firearms which records indicate were in inventory within the previous 5 years after reconciliation for which disposition could not be accounted for in required GCA records (e.g. acquisition and disposition record, F 4473) and is a repeat violation of increased frequency.

Transfer of Firearm

- 1. Transfer of a Rifle / Shotgun to a resident of another State that violates State law.
- 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).

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).

Failure to Report

- 1. Failure to file Reports of Multiple Sale or Other Disposition of Pistols and Revolvers (F 3310.4) or Reports of Multiple Sales or Dispositions of Certain Rifles (F 3310.12) (Southwest Border states only) when legally required and with a minimum of [redacted] instances.

FFL History

- 1. The current inspection reveals repeated similar violation(s) for which the FFL has been cited in a Report of Violations within the previous 5 years and there has been NO significant improvement.
- 2. The current inspection reveals repeated similar violation(s) for which the FFL has previously been the subject of a Warning Letter or Warning Conference within the previous 5 years and there has been NO significant improvement.

ELIGIBILITY VERIFICATION

Business Information Verification

Licensee Name	Business Type	Is the business valid?
COWART'S ARMS & AMMO LLC	Limited Liability Company (LLC)	Yes

Additional Findings

This business is registered with and in good standing with the Mississippi Secretary of States' office.

Attachment(s):
LLC Articles.pdf

Property Ownership Verification

Premises Ownership Type	Premises Location Type	Has the property ownership been verified?
Leased/Rented	Store Front	Yes

Address

2605 HIGHWAY 80 EAST
Unit N/A
PEARL, Mississippi 39208-3404
RANKIN
United States

Additional Findings
Licensee is leasing the premises from (b)(6) who is aware that firearms are being sold there.

Contact Information

Name (b)(6) Date Contacted 05/04/2021
Organization
G&S Auto INC
Job Title
Owner

Phone Type	Phone Number	Remarks
Mobile	(b)(6)	Day

Contact Remarks
(b)(6) the owner of the building. The FFL rents this property.

Attachment(s):

Trade Name/DBA Verification

Trade Name/DBA Is the trade name/DBA registered?
Cowart's Arms & Ammo No

Additional Findings
This Trade Name is not listed as being registered on the Mississippi Secretary of State's website. IOI (b)(6) contacted the Mississippi Secretary of State's office and verified the DBA registration is not a requirement from the State of Mississippi.

Contact Information

Name (b)(6) Date Contacted 05/04/2021
Organization
MS Secretary of State Business Services
Job Title
Secretary of State

Phone Type	Phone Number	Remarks
Business	(b)(6)	

Attachment(s):

Rental/Lease Verification

Is the proposed business activity permitted by the property owner?
Yes

Additional Findings
IOI (b)(6) obtained a copy of the written agreement for the FFL to operate at this location.

Attachment(s):
cowarts consent letter.pdf

Zoning Information Verification

Is the proposed business activity in compliance with zoning?
Yes

Additional Findings
IOI (b)(6) contacted the City or Pearl's zoning office and verified that the property is zoned C2. While this zoning allows commercial business it does not specifically name firearms. The zoning office said Cowarts has been grandfathered in to continue operating as a firearms retailer. There are no zoning issues.

Contact Information

Name (b)(6) Date Contacted 05/04/2021
Organization
City of Pearl, MS Zoning Office
Job Title
Clerk

Phone Type	Phone Number	Remarks
Business	(b)(6)	Day

Attachment(s):

APPOINTMENT DETAILS

Interview Date

05/10/2021

Address

2605 HIGHWAY 80 EAST, Unit N/A, PEARL, Mississippi 39208-3404

Responsible Attendee(s)

Non-Responsible Person(s)

FRANZ LARRY COWART

No Items

RESPONSIBLE PERSON(S)

FRANZ LARRY COWART

Name	Gender	Race	Ethnicity
FRANZ LARRY COWART	Male	White	Not Hispanic or Not Latino

Date of Birth	SSN	Job Title
(b)(6)	(b)(6)	MEMBER/MANAGER

Physical Identifiers

Height	Weight	Hair Color	Eye Color
(b)(6)	(b)(6)	(b)(6)	(b)(6)

Place of Birth

Country	State	City
United States Of America	(b)(6)	(b)(6)

Home Address

(b)(6)

United States

Additional Names

Citizenship

United States

ID Type	Country	State	ID Number
Driver's License	United States	Mississippi	(b)(6)

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

Email Address	Email Remarks
(b)(6)	

Criminal History Check

Date Criminal History Check Conducted

05/04/2021

Criminal History Check Comments

IO (b)(6) conducted a JWIN / NICS background check on Mr. Franz Cowart and disclosed no disqualifying information or hits.

INTERVIEW QUESTIONNAIRE

What is the proposed business activity?

A full retail gun store, that sells ammo, survival gear, and other similar items.

Do they need an additional license or permit?

No

Who are their primary suppliers?

(b)(4)

Other State or Local Permits

Type	Number	Expiration
State/Local Business License	40404	7/1/21
State Sales Tax	(b)(3)(26 USC § 6103)	

Business Activities

Internet Sales/Transfers
Retail

Internet Sales/Transfers Website

www.cowartsarms-ammo.com

Selected Operational Security Measures

- Controlled Access to ATF Recordkeeping
- Controlled Access to Keys
- Current & Active Security Plan
- Designated Security Coordinator
- Formal Employee Training
- Suspicious persons/activities reporting protocols

SUPPLEMENTAL QUESTIONNAIRE

General Business Operations

If there is a security system, who has access to the security codes?
The RP Larry Cowart and his employees have the code.

Who has keys to the premises?
All employees and the RP.

Who has keys to locked inventory?
All employees and the RP.

Who is operating the business on a day-to-day basis?
Larry Cowart, the FFL and RP.

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
A metal commercial building, located in an urban, commercial zoned area within the city limits of Pearl, MS. The FFL conduct s numerous FFL to FFL transfers. The FFL does not sell at gun shows. The FFL does sell new and used handguns and long guns. All ATF Forms are located behind the gun counter in the back room. All A&D records are currently located in a metal locker at the far end of the gun counter. All firearm transfers take place inside the building to the left of the gun counter entry way.

Primary Activity
Retail

GPS Coordinates

Latitude
32.28135

Longitude
-090.12608

Selected Physical Security Measures

- Alarm Monitoring (with Cellular Back-Up)
- Bars on Doors
- Bars on Windows
- Deadbolts
- Local Audible Alarm
- Lockable Display Rack(s)/Case(s)
- Security Cameras

INTERVIEW NOTES

New vs Used (b)(4) New (b)(4) Used
LG vs HG (b)(4) L (b)(4) HG
The FFL does not sell at gun shows.
The FFL does conduct online sales and transfers of firearms on www.gunbroker.com and https://cowartsarms-ammo.com/contact-us/.
No other businesses coexist at this location.
The FFL does not maintain any offsite storage.
The FFL was and is in compliance with the youth handgun poster and pamphlets.
The FFL does not employ anyone that is prohibited from possessing firearms.

ONSITE SUMMARY

Total Number of ATF Form 4473s for Inspection Review Period

Total Number of ATF F 4473 Reviewed

Total Number of Open Dispositions in A & D Record

Total Number of Firearms in Inventory
336

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

Onsite Work Summary

Total # of ATF F 4473 Reviewed

(b)(4)

Total # of Open Dispositions in A & D Record

(b)(4)

Total # of Firearms in Inventory

336

Total # of Firearms Missing after Reconciliation

(b)(4)

Total # of Acquisitions in the Last 12 Months

(b)(4)

Total # of Dispositions in the Last 12 Months

(b)(4)

Additional Comments

On 10 May 2021, IOI (b)(6) initiated a Recall Compliance Inspection (FCI-15970) for a Type 01 dealer of firearms located in Pearl, MS. The Sole Proprietor and sole Responsible Person (RP) of the license is listed as Mr. Franz Larry Cowart (aka: Larry Cowart). The scope of the inspection was a recall Compliance Inspection of a Type 01 licensee for the period, April 4, 2019 to May 10, 2021. This recall inspection was a direct result from the previous recall inspection performed by IOI (b)(6) under FCI-2548.

IOI (b)(6) conducted a physical firearms inventory with a full A & D record to inventory audit. The FFL uses paper bound books, that contained numerous errors that are reflected in the ROV. IOI (b)(6) instructed the FFL on how to correct each error in the A&D record and verified the corrections.

IOI (b)(6) disclosed (b)(6) firearms in the inventory that had no timely acquisition record made additionally (b)(6) open dispositions for a firearm that was not properly logged out of the A&D record. (b)(6) firearms were identified as missing from inventory by IOI (b)(6). IOI (b)(6) was able to locate some of these firearms as a disposition on an ATF Form 4473. (b)(6) of the firearms were located on an invoice, however IOI (b)(6) could not verify any ATF form 4473 or NICS check being ran. These firearms were listed on the Theft lost report as missing inventory, and the FFL was cited for failure to maintain an accurate A&D record, failure to execute an ATF Form 4473, and failure to conduct a NICS check. IOI (b)(6) instructed the licensee to record the disposition and properly log the firearm out of the A & D record.

A review of (b)(3) (112 Public Law 55 125 Stat 552) ATF F 4473 forms was conducted. Due to this being the licensee's second recall inspection in a row, IOI (b)(6) and (b)(6) examined all ATF F 4473 forms since the close of the last recall inspection which concluded on April 4, 2019.

An ROV was issued for fourteen (14) violations of the GCA. Many are repeat violations from the previous two (2) compliance inspection and follow-up recall.

During the investigation, IOI (b)(6) ran a secondary market analysis of fifty-four (54) used firearms with no stolen firearms identified.

During the review of the ATF Form 4473s, IOI (b)(6) identified (b)(3) (112 Public Law 55 125 Stat 552) purchasers who were delayed and received no further response from FBI NICS prior to the firearm being transferred in all (b)(6) instances. IOI (b)(6) reached out to DIO Close and requested assistance with the NICS checks for the (b)(6) forms.

IAI (b)(6) from the New Orleans IO office in Division, agreed to assist with the running of all (b)(6) forms and request for additional court records. As of August 16, 2021, IOI (b)(6) has not received any information pertaining to these specific transfers. IOI (b)(6) reached out to IAI (b)(6) via email on August 16, 2021 and requested an update. If any of the (b)(6) purchasers that were identified, have any prohibited information returned from a court, IOI (b)(6) will initiate a SAR in Spartan.

Attachment(s)

Report of Violations.pdf

Licensee Response to Violations Report.pdf

Firearm Theft Loss List.pdf

REPORT OF VIOLATIONS

Regulation	Corrective Actions	Instance Details
<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>	<p>IOIs, [redacted] directed the FFL to submit these unreported multiple sale forms throughout the inspection.</p> <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.</p> <p>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.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
<p>27 CFR 478.102(a)(2)(ii): Failure to wait 3 business days (with no NICS/POC response) to transfer a firearm</p> <p>ATF Forms 4473: 2 Number of Instances: 2</p>	<p>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.</p> <p>Ensure that the minimum time period of three business days (meaning days on which State offices are open).</p>	<p>NICS Violation, [redacted] NICS Violation, [redacted]</p>
<p>27 CFR 478.102(b): Failure to record a NICS/POC transaction number on an ATF F 4473</p> <p>Number of Instances: 0</p>	<p>Ensure that all required NICS/POC background check information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section B.</p> <p>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.</p>	
<p>27 CFR 478.99(a): Unlawful sale or delivery of a handgun to an out of state resident and/or transfer of a long gun in violation of state law</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Cease and desist all rifle/shotgun transfers to residents of another state in violation of state law.</p> <p>Cease and desist all firearm transfers (including lower receivers) other than a rifle or shotgun, to residents of another state.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
<p>27 CFR 478.102(a): Failure to complete a NICS/POC background check</p> <p>ATF Forms 4473: 3 Number of Instances: 3</p>	<p>Execute a required NICS/POC background check for all future over-the-counter firearm transactions.</p> <p>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.</p>	<p>NICS Violation, NONE, [redacted] NICS Violation, NONE, [redacted] NICS Violation, NONE, [redacted]</p>
<p>27 CFR 478.124(a): Failure to execute an ATF F 4473</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</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: [redacted]</p>	<p>Accurately, completely & timely record all required future firearm acquisition 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>Amend/Update electronic A&D record to conform with conditions set forth under ATF Ruling 2016-1.</p> <p>Complete and submit ATF Form 3310.6 - Interstate Firearms Shipment Theft/Loss Report.</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>

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

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)

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

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

ATF Forms 4473
Number of Instances:

Complete all forms as prescribed.
Correct/Update photocopies of all specified ATF Form 4473 discrepancies, in accordance with form headings and instructions.
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.
Ensure that the most up-to-date version of the ATF Form 4473 is used for all future over-the-counter transactions.
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)

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

<p>27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473</p> <p>ATF Forms 4473: <input type="text"/> 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>Ensure that all required NICS alternative permit information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</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: <input type="text"/> 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>Ensure that all required NICS alternative permit information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</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 ATF F 4473</p> <p>ATF Forms 4473: <input type="text"/> 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>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
<p>27 CFR 478.131(a)(2): Failure to record on an ATF Form 4473 (or affix a copy of) NICS alternative permit info</p> <p>ATF Forms 4473: <input type="text"/> 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 a qualifying NICS alternative permit is properly obtained, validated, verified, and documented for all applicable future over-the-counter firearm transactions.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
<p>27 CFR 478.124(c)(5): Failure by</p>		

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.
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(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)						

LICENSEE RESPONSE REPORT

Regulation	Corrective Actions	Licensee Response	Status Details
<p>27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers</p> <p>ATF Forms 4473: [] Number of Instances: []</p>	<p>IOIs [(b)(6)] directed the FFL to submit these unreported multiple sale forms throughout the inspection. 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.</p>	<p>1. 27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers. During the year 2020, [(b)(6)] be in the store. I had to training several friends to run the store for me during these times of absence. The last three months of 2020, [(b)(6)] and away from the store 99% of October, November, and December. I neglected to train my friends in the requirement of filing the ATF Form 3310.4, which was the primary cause of forms not be completed and filed. All of the staff (friends) have been trained and updated on the ATF Form 3310.4 completion and filing the form to multiplehandgunsalesforms@atf.gov, along stapling a hard copy of the completed form to the ATF form 4473 and adding the text (multiform comp) to the front of the ATF form 4473. We are in the process of activation of the software " Gun Store Master" the industry leader in FFL compliance software. Gun Store Master software has been purchased and I am current set up the software and acquiring the hardware to complete the activation and use.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 08/17/2021</p>
<p>27 CFR 478.102(a)(2)(ii): Failure to wait 3 business days (with no NICS/POC response) to transfer a firearm</p> <p>ATF Forms 4473: 2 Number of Instances: 2</p>	<p>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. Ensure that the minimum time period of three business days (meaning days on which State offices are open).</p>	<p>2. 27 CFR 478.102(a)(2)(ii): Failure to wait 3 business days (with no NICS/POC response) to transfer a firearm. My staff (friends) and I understand the requirement of three business days for and we use the Brady Bill date provided through the NICS. These errors could have been made by</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 08/17/2021</p>

2			placing the incorrect date, not updating the notice to proceed, or other input or not inputting the correct data. I have again instructed the staff to be sure to follow the NICS three days and/or the notice to proceed or denied as provided by the NICS and to be sure to update the 4473 prior to the firearm transfer. I also asked the staff to print out the NICS status and staple to the F 4473.	
3	27 CFR 478.102(b): Failure to record a NICS/POC transaction number on an ATF F 4473 Number of Instances: 0	Ensure that all required NICS/POC background check information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section B. 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.	3. 27 CFR 478.102(b): Failure to record a NICS/POC transaction number on an ATF F 4473. These error most likely are due to disruptions in the completion of the F 4473 by answering the customer or another customer questions during the completion of the F 4473. The staff and I will make sure that the NICS transaction number is written on the F 4473. Also, the use of Gun Store Master software will provide the assurance that the NICS/POC transaction number will always to included of the F 4473.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021
4	27 CFR 478.99(a): Unlawful sale or delivery of a handgun to an out of state resident and/or transfer of a long gun in violation of state law ATF Forms 4473: [] Number of Instances: []	Cease and desist all rifle/shotgun transfers to residents of another state in violation of state law. Cease and desist all firearm transfers (including lower receivers) other than a rifle or shotgun, to residents of another state.	4. 27 CFR 478.99(a): Unlawful sale or delivery of a handgun to an out of state resident and/or transfer of a long gun in violation of state law. This F 4473 the customer was a resident of California and was in the state of Mississippi for several months on a work project, he purchased an AK-47 Rifle. With that being said from this point forward my staff and I will follow all state rules and regulations of the state in which a customer is a resident to be sure we are following the correct procedures for the sell. My staff and I understand that the ATF regulates the sale of a lower receiver as if the lower receivers are potential a pistol	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021
5	27 CFR 478.102(a): Failure to complete a NICS/POC background check ATF Forms 4473: 3 Number of Instances: 3	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.	5. 27 CFR 478.102(a): Failure to complete a NICS/POC background. It is more than likely these F 4473 were misplaced or lost as we do not process any firearm without a completed F 4473 with a NICS/POC background check (Proceed). The future use of the store new Gun Store Master software will help us to ensure each firearm is retrieved and accurately recorded.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021
6	27 CFR 478.124(a): Failure to execute 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.	6. 27 CFR 478.124(a): Failure to execute ATF F 4473. Again, it is more than likely these F 4473 were misplaced or lost as we do not process any firearm without a completed F 4473 with a NICS/POC background check (Proceed). The future use of the store new Gun Store Master software will help us to ensure each firearm is retrieved and accurately recorded.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021
7	27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms Number of Instances: []	Accurately, completely & timely record all required future firearm acquisition information. Amend/Update A&D Record to accurately record all required firearm acquisition information. Amend/Update A&D Record to accurately record all required firearm disposition information. Resume proper maintenance of required acquisition and disposition record. Amend/Update electronic A&D record to conform with conditions set forth under ATF Ruling 2016-1. Complete and submit ATF Form 3310.6 - Interstate Firearms Shipment Theft/Loss Report. Create A&D Record from all available sources of record (i.e. invoices, work/claim tags, receipts, etc). Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.	7. 27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms. We make every attempt to accurately, completely, timely acquisition and disposition record of firearms. The future use of the store new Gun Store Master software will help us to ensure each firearm is retrieved and accurately recorded.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021
	27 CFR 478.124(c)(1): Failure to		8. 27 CFR 478.124(c)(1): Failure to	Status

<p>obtain a completed ATF F 4473</p> <p>ATF Forms 4473 Number of Instances</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>obtain a completed ATF F 4473. We never transfer a firearm without a completed ATF F 4473. More than likely the missing ATF F 4473 (s) were misplaced or lost. The future use of the store new Gun Store Master software will help us to ensure each firearm is transferred with a completed ATF F 4473.</p>	<p>Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 08/17/2021</p>
<p>27 CFR 478.21(a): Failure to complete forms as prescribed</p> <p>ATF Forms 4473 Number of Instances</p>	<p>Complete all forms as prescribed.</p> <p>Correct/Update photocopies of all specified ATF Form 4473 discrepancies, in accordance with form headings and instructions.</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>Ensure that the most up-to-date version of the ATF Form 4473 is used for all future over-the-counter transactions.</p> <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>9. 27 CFR 478.21(a): Failure to complete forms as prescribed. The missing of items and/or the missing or incorrect of a customer's responses are not typical and we have put in place a all ATF F4473 are always reviewed by two people to complete the process. As far as I know we never have used an out-of-date ATF F 4473, because I destroyed all old ATF F 4473 when the new 4473 were required. Also, the future use of the store new Gun Store Master software will help us to ensure each ATF F4473 is complete and correct.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 08/17/2021</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</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>Ensure that all required NICS alternative permit information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p>	<p>10. 27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document of ATF F 4473. With me be away from the store (b)(6) many of these violations were missing due to staff members not writing down the item on the ATF F 4473. Each staff member has been instructed to always enter the required information on the ATF F 4473 and not just printout the NICS response. Again, the staff has been instructed to be sure nonimmigrant alien is attained and entered on the AFT F 4473. We always execute NICS/POC background check and enter on the AFT F 4473, so more than likely we just forget to enter the required information on the AFT F 4473, Section B. Also, the future use of the store new Gun StoreMaster software will help us to ensure each ATF F4473 is complete and correct.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 08/17/2021</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</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>Ensure that all required NICS alternative permit information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p>	<p>11. 27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473. With me be away from the store (b)(6) many of these violations were missing due to staff members not writing down the item on the ATF F 4473, also on these have been missed by my due forgetting to write on the AFT F 44473. Each staff member has been instructed to always enter the required information on the ATF F 4473 and not just printout the NICS response. Again, the staff has been instructed to be sure nonimmigrant alien is attained and entered on the AFT F 4473. We always execute NICS/POC background check and enter on the AFT F 4473, so more than likely we just forget to enter the required information on the AFT F 4473, Section B. Also, the future use of the store new Gun Store Master software will help us to ensure each ATF F4473 is complete and correct.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 08/17/2021</p>
<p>27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473</p> <p>ATF Forms 4473</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>12. 27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473. With me be away from the store (b)(6) many of these violations were missing due to</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p>

<p>12</p> <p>Number of Instances: []</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>staff members not writing down the item on the ATF F 4473, also on these have been missed by my due forgetting to write on the AFT F 44473. Each staff member has been instructed to always enter the required firearm information on the ATF F 4473. Also, the future use of the store new Gun Store Master software will help us to ensure firearm information is recorded on each ATF F4473.</p>	<p>Date Licensee Notified 08/17/2021</p>
<p>13</p> <p>ATF Forms 4473 Number of Instances: []</p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions. Ensure that a qualifying NICS alternative permit is properly obtained, validated, verified, and documented for all applicable future over-the-counter firearm transactions.</p>	<p>13. 27 CFR 478.131(a)(2): Failure to record on an ATF Form 4473 (or affix a copy of) NICS alternative permit info. There is no reason why this was not completed and the staff and I will make every effort to be sure this is corrected and now with two eyes looking over the AFT F 4473 and with the future use of the store new Gun StoreMaster software will help us to ensure the NICS number is on each ATF F4473.</p>	<p>Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021</p>
<p>14</p> <p>ATF Forms 4473 Number of Instances: []</p>	<p>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.</p>	<p>14. 27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473. There is no reason why the required transferor/seller signature and/or date of transfer is obtained, validated and accurately recorded was not captured. The staff and I will make every effort to be sure this is corrected and now with two eyes looking over the AFT F 4473 and with the future use of the store new Gun StoreMaster software will help us to ensure the transferor has been signed and dated on each ATF F4473.</p>	<p>Status Licensee Notified Verified Method In Person Date Licensee Notified 08/17/2021</p>

CLOSING CONFERENCE

(8/24/2021)
08/24/2021

Closing Conference Additional Notes

There were multiple violations that were "repeat" violations that were cited during both previous compliance inspections from 2017 and 2019. In addition, there has been no change in the behavior or daily business operations, going back to the first compliance inspection in 2017; that could be considered as showing any improvement. During this inspection, the licensee acted very "nonchalant" and had an "oh well" attitude regarding his business operations when asked about missing firearms, ATF F 4473s, or possible prohibited purchasers. The licensee only exhibited a change in attitude during IO [redacted] closing conference where the ROV was served, explained, and instructions going forward were provided to him.

On Tuesday August 17, 2021, IO [redacted] conducted a on site closing conference with responsible person Mr. Franz Larry Cowart. IO [redacted] provided a detailed copy of the Record of Violations (ROV). IO [redacted] reviewed each and every violation, provided Mr. Cowart with a picture of each violation, and explained in detail while referencing each picture to provide Mr. Cowart with concrete evidence of each violation. During this review of the ROV, IO [redacted] identified two violations that were entered in error. IO [redacted] explained to the responsible person why these were entered in error and that they would be stricken from the record. IO [redacted] informed Mr. Cowart that a revised electronic form would be provided to reflect this. IO [redacted] requested that Mr. Cowart sign the amended ROV. IO [redacted] then reviewed the Acknowledgment of Federal Regulations with Mr. Cowart. IO [redacted] described in detail each regulation, how it was applicable to the operations that the FFL conducted, and provided specific remedial training for all the regulations the FFL was cited for during this B1B compliance Recall Inspection. IO [redacted] answered every question the FFL asked, in detail and did not leave any question unanswered.

IO [redacted] obtained a signed copy of the Acknowledgement of Federal Regulations signed by Mr. Cowart on August 17, 2021. A copy of the ROV and Acknowledgement was provided to Mr. Cowart for his FFL records. IO [redacted] referenced the ATF website as the FFL's preferred search engine for all FFL related questions and IO [redacted] provided all of his professional contact information to Mr. Larry Cowart in case he had additional questions going forward.

On August 24, 2021 IO [redacted] provided via email a revised electronic copy of the ROV. Mr. Cowart returned this new ROV copy back signed and dated August 24, 2021. IO [redacted] uploaded this signed copy into Spartan. This revision and the lack of connectivity, explains the difference from the 17th to the 24th of August for the closing.

"On October 5, 2021, IO [redacted] provided via email an electronic copy of the "Amended" ROV. Mr. Cowart returned this revised "Amended" ROV copy back signed and dated October 5, 2021. IO [redacted] uploaded this signed copy into Spartan."

The FFL provided via email the following Statement: These responses were directly uploaded into the ROV section of Spartan. a copy of the email is uploaded into Spartan.

Responses to the Report of Violations dated August 17, 2021

FFL: Cowart's Arms & Ammo LLC During the year 2020 [redacted] I had to training several friends to run the store for me during these times of absence. [redacted] This effected much of the violations listed below.

RDS Key: 1-64-03279

1. 27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers. During the year 2020 [redacted] I had to training several friends to run the store for me during these times of absence. The last three months of 2020 I was [redacted] I neglected to train my friends in the requirement of filing the ATF Form 3310.4, which was the primary cause of forms not be completed and filed.

All of the staff (friends) have been trained and updated on the ATF Form 3310.4 completion and filing the form to multiplehandgunsalesforms@atf.gov, along stapling a hard copy of the completed form to the ATF form 4473 and adding the text (multiform comp) to the front of the ATF form 4473.

We are in the process of activation of the software " Gun StoreMaster" the industry leader in FFL compliance software. Gun StoreMaster software has been purchased and I am current set up the software and acquiring the hardware to complete the activation and use.

2. 27 CFR 478.102(a)(2)(ii): Failure to wait 3 business days (with no NICS/POC response) to transfer a firearm. My staff (friends) and I understand the requirement of three business days for and we use the Brady Bill date provided through the NICS. These errors could have been made by placing the incorrect date, not updating the notice to proceed, or other input

or not inputting the correct data. I have again instructed the staff to be sure to follow the NICS three days and/or the notice to proceed or denied as provided by the NICS and to be sure to update the 4473 prior to the firearm transfer. I also asked the staff to print out the NICS status and staple to the F 4473.

3. 27 CFR 478.102(b): Failure to record a NICS/POC transaction number on an ATF F 4473. These error most likely are due to disruptions in the completion of the F 4473 by answering the customer or another customer questions during the completion of the F 4473. The staff and I will make sure that the NICS transaction number is written on the F 4473. Also, the use of Gun StoreMaster software will provide the assurance that the NICS/POC transaction number will always to included of the F 4473.

4. 27 CFR 478.99(a): Unlawful sale or delivery of a handgun to an out of state resident and/or transfer of a long gun in violation of state law. This F 4473 the customer was a resident of California and was in the state of Mississippi for several months on a work project, he purchased an AK-47 Rifle. With that being said from this point forward my staff and I will follow all state rules and regulations of the state in which a customer is a resident to be sure we are following the correct procedures for the sell. My staff and I understand that the ATF regulates the sale of a lower receiver as if the lower receivers are potential a pistol.

5. 27 CFR 478.102(a): Failure to complete a NICS/POC background. It is more than likely these F 4473 were misplaced or lost as we do not process any firearm without a completed F 4473 with a NICS/POC background check (Proceed). The future use of the store new Gun StoreMaster software will help us to ensure each firearm is retrieved and accurately recorded.

6. 27 CFR 478.124(a): Failure to execute ATF F 4473. Again, it is more than likely these F 4473 were misplaced or lost as we do not process any firearm without a completed F 4473 with a NICS/POC background check (Proceed). The future use of the store new Gun StoreMaster software will help us to ensure each firearm is retrieved and accurately recorded.

7. 27 CFR 478.125(e): Failure to maintain an accurate/completely/timely acquisition and disposition record of firearms. We make every attempt to accurately, completely, timely acquisition and disposition record of firearms. The future use of the store new Gun StoreMaster software will help us to ensure each firearm is retrieved and accurately recorded.

8. 27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473. We never transfer a firearm without a completed ATF F 4473. More than likely the missing ATF F 4473 (s) were misplaced or lost. The future use of the store new Gun StoreMaster software will help us to ensure each firearm is transferred with a completed ATF F 4473.

9. 27 CFR 478.21(a): Failure to complete forms as prescribed. The missing of items and/or the missing or incorrect of a customer's responses are not typical and we have put in place a all ATF F4473 are always reviewed by two people to complete the process. As far as I know we never have used an out-of-date ATF F 4473, because I destroyed all old ATF F 4473 when the new 4473 were required. Also, the future use of the store new Gun StoreMaster software will help us to ensure each ATF F4473 is complete and correct.

10. 27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document of ATF F 4473; (b)(6) many of these violations were missing due to staff members not writing down the item on the ATF F 4473. Each staff member has been instructed to always enter the required information on the ATF F 4473 and not just printout the NICS response. Again, the staff has been instructed to be sure nonimmigrant alien is attained and entered on the AFT F 4473. We always execute NICS/POC background check and enter on the AFT F 4473, so more than likely we just forget to enter the required information on the AFT F 4473, Section B. Also, the future use of the store new Gun StoreMaster software will help us to ensure each ATF F4473 is complete and correct.

11. 27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473; (b)(6) many of these violations were missing due to staff members not writing down the item on the ATF F 4473, also on these have been missed by my due forgetting to write on the AFT F 44473. Each staff member has been instructed to always enter the required information on the ATF F 4473 and not just printout the NICS response. Again, the staff has been instructed to be sure nonimmigrant alien is attained and entered on the AFT F 4473. We always execute NICS/POC background check and enter on the AFT F 4473, so more than likely we just forget to enter the required information on the AFT F 4473, Section B. Also, the future use of the store new Gun StoreMaster software will help us to ensure each ATF F4473 is complete and correct.

12. 27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473; (b)(6) many of these violations were missing due to staff members not writing down the item on the ATF F 4473, also on these have been missed by my due forgetting to write on the AFT F 44473. Each staff member has been instructed to always enter the required firearm information on the ATF F 4473. Also, the future use of the store new Gun StoreMaster software will help us to ensure firearm information is recorded on each ATF F4473.

13. 27 CFR 478.131(a)(2): Failure to record on an ATF Form 4473 (or affix a copy of) NICS alternative permit info. There is no reason why this was not completed and the staff and I will make every effort to be sure this is corrected and now with two eyes looking over the AFT F 4473 and with the future use of the store new Gun StoreMaster software will help us to ensure the NICS number is on each ATF F4473.

14. 27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473. There is no reason why the required transferor/seller signature and/or date of transfer is obtained, validated and accurately recorded was not captured. The staff and I will make every effort to be sure this is corrected and now with two eyes looking over the AFT F 4473 and with the future use of the store new Gun StoreMaster software will help us to ensure the transferor has been signed and dated on each ATF F4473.

Attachment(s)

Attendee(s)

FRANZ LARRY COWART

EXHIBITS

Inspection

Category	Attachment Name
Correspondence	Spartan Notification RE: 1-64-03279 Inspection Results
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 National Licensing Center
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
UpdateLicensingCenter	Cowart's_Arms_Ammo_Hearing Confirmation.pdf
UpdateLicensingCenter	Cowart Notice of Hearing 20220131 vc.pdf
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Special Attention Flag (SAF)
UpdateLicensingCenter	COWART'S - NOR USPS Tracking Card 1-4-22.pdf

UpdateLicensingCenter	Cowart's NOR (initial - signed 1-4-22).pdf
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Inspection Results
UpdateLicensingCenter	IOI supplemental concerning firearms invoice transfers.docx
Correspondence	DADIO Megan Bennett Returned Inspection FCI-15970
Correspondence	
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
UpdateLicensingCenter	8c - Cowart's Arms and Ammo LLC MCP Summary.pdf
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
UpdateLicensingCenter	Exhibit 8C (Initial)- Cowart's Arms and Ammo LLC MCP Summary (Nov 2021 Version).docx
Correspondence	
Correspondence	DIO Valentina Close Returned Inspection FCI-15970
Correspondence	Spartan Notification RE: 1-64-03279 Monitored Case
ReturnedSignedROV	Final ROV signed Oct 5 2021.pdf
Correspondence	
Correspondence	Information Concerning Your Federal License/Permit
Correspondence	
Correspondence	Information Concerning Your Federal License/Permit
ViolationsPDF	Report of Violations.pdf
FirearmTheftLossList	Firearm Theft Loss List.pdf
LicenseeResponseToViolationsPDF	Licensee Response to Violations Report.pdf
Correspondence	Information Concerning Your Federal License/Permit
Correspondence	
Correspondence	
Correspondence	Information Concerning Your Federal License/Permit
ViolationsPDF	Report of Violations.pdf
ClosingConferenceSummary	Acknowledgment of Regulations.pdf
ViolationsPDF	Report of Violations.pdf
Correspondence	Spartan Notification RE: 1-64-03279 Inspection Results
RentalLeaseVerification	cowarts consent letter.pdf
BusinessVerification	LLC Articles.pdf

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

In the matter of License Number 1-64-121-01-1K-03279, as a/an
firearms dealer _____ issued to:

Name and Address of Licensee (*Show number, street, city, State and ZIP Code*)
Cowart's Arms & Ammo, LLC
d/b/a Cowart's Arms & Ammo
2605 Highway 80 East
Pearl, MS 39208-3404

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(f)(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 1 Galleria Boulevard, Suite 1700, Metairie, LA 70001, 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 Valentina Close, Director, Industry Operations, New Orleans Field Division	Signature VALENTINA CLOSE <small>Digitally signed by VALENTINA CLOSE Date: 2022.01.04 11:18:27 -0600'</small>
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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 1290 0000 6958 5754 Or Delivering a copy of the notice to the address shown below.

Date Notice Served 01/04/2022	Title of Person Serving Notice Senior Operations Officer	Signature of Person Serving Notice <div style="border: 1px dashed black; padding: 5px; text-align: center; font-size: 1.2em;">(b)(6)</div>
Print Name and Title of Person Served Franz Larry Cowart doing business as Cowart's Arms & Ammo, LLC		Signature of Person Served (<i>if applicable</i>)

Address Where Notice Served
2605 Highway 80 East, Pearl, MS 38208-3404

**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 1-64-121-01-1K-03279 as a/an
as a dealer in firearms, other than destructive devices, issued to:

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

Cowart's Arms & Ammo, LLC
d/b/a Cowart's Arms & Ammo
2605 Highway 80 East
Pearl, MS 39208-3404

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 June 2, 2022.
 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 One Galleria Boulevard, Suite 1700, Metairie, LA 70001

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	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official	Signature
05/11/2022	Valentina Close, Director, Industry Operations, New Orleans Field Division	VALENTINA CLOSE <small>Digitally signed by VALENTINA CLOSE Date: 2022.05.11 10:26:27 -0500</small>

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: 7016 3010 0000 4682 0318
- 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
05/11/2022	Senior Operations Officer	(b)(6)
Print Name and Title of Person Served		Signature of Person Served
Cowart's Arms & Ammo, LLC d/b/a Cowart's Arms & Ammo		

Address Where Notice Served
 2605 Highway 80 East, Pearl, MS 39208-3404

Note: Previous Edition is Obsolete

Background

Cowart's Arms and Ammo, LLC ("Licensee") holds a Federal firearms license #1-64-121-01-1K-03279 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, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478 (collectively "GCA").

On January 4, 2022, ATF issued a Notice to Revoke or Suspend License and/or Impose Civil Fine, ATF Form 5300.4, to Licensee. By letter dated January 18, 2022, ATF timely received Licensee's request for a hearing to review that Notice.

A hearing was held on February 10, 2022, at the ATF Jackson Field Office. The hearing was conducted by Valentina Close, Director, Industry Operations for the New Orleans Field Division. ATF was represented by Division Counsel [REDACTED] (b)(6) ATF Industry Operations Investigator (IOI) [REDACTED] (b)(6) appeared as witnesses on behalf of the Government. Responsible Person Larry Franz Cowart appeared as the sole witness for the Licensee. ATF New Orleans Field Division Area Supervisor [REDACTED] (b)(6) attended, and IOI [REDACTED] (b)(6) assisted in electronic presentation of evidence. The hearing was recorded and transcribed. The Government and Licensee offered testimony and exhibits. The testimony and exhibits introduced at the hearing constitute the record in this proceeding.

Findings of Fact

Having reviewed the record in this proceeding, I make the following findings:

During the hearing, the wording of the Notice was amended. The Notice, as amended during the hearing, alleged the following violations:

1. On [REDACTED] occasions, Licensee willfully sold or disposed of a firearm to a person who Licensee knew or had reasonable cause to believe was subject to Federal firearms disabilities, in violation of 18 U.S.C. § 922(d) and 27 C.F.R. § 478.99(c). See Appendix ¶ 1.
2. On [REDACTED] occasions, Licensee willfully failed to record the acquisition and disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125a. See Appendix ¶ 2.
3. On 5 occasions, Licensee willfully transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System ("NICS") and obtaining a unique identification number and/or waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102. See Appendix ¶ 3.
4. On [REDACTED] occasions, Licensee willfully failed to timely and/or accurately report the sale or other disposition of two or more pistols and/or revolvers during any five consecutive business

days to an unlicensed person, in violation of 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a. See Appendix ¶ 4.

5. On occasions, Licensee willfully sold or otherwise disposed of a firearm to an unlicensed person without recording the transaction on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. §§ 922(b)(5); 923(g)(1)(A) and 27 C.F.R. § 478.124(a). See Appendix ¶ 5.
6. 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 ¶ 6.
7. On occasions, Licensee willfully transferred a firearm to a non-licensee without verifying the identity of the transferee by examining the 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 ¶ 7.
8. On occasions, Licensee willfully transferred a firearm to a non-licensee without recording the date the Licensee contacted the National Instant Criminal Background Check System ("NICS"), any response provided by the system and/or any identification number provided by the system information 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)(3)(iv). See Appendix ¶ 8.
9. On occasions, Licensee willfully failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). See Appendix ¶ 10.

Licensee did not object to the amendments.

After review of the record in this matter, I find that the facts as set forth in the Notice to Revoke or Suspend License and/or Impose Civil Fine as amended at the time of hearing occurred.

Conclusions of Law

1. Pursuant to the GCA and as found at 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, ATF may, after notice and opportunity for hearing, revoke a Federal firearms license when a licensee willfully violates the GCA, and regulations promulgated thereunder.
2. Licensees are responsible for knowing the rules and regulations of the GCA and have a duty to follow the law and regulations while applying for, and conducting, regulated business activities. *See Trader Vic's v. O'Neill*, 169 F.Supp.2d 957 (N. D. Ind. 2001).
3. For purposes of the regulatory provisions of the GCA, a "willful" violation is committed when a known legal obligation is purposefully disregarded or not fulfilled because of a plain indifference to the requirements. *See Stein's Inc. v. Blumenthal*, 649 F. 2d 463 (7th Cir.1980).

Courts have held that willful violations can occur as the result of a reckless disregard of the statutory requirements. See *Goodman v. Benson*, 286 F. 2d 896 (7th Cir. 1961). Willful violations have been defined as those demonstrating an applicant/licensee's awareness of the proper requirements coupled with acts in contravention of those requirements. Willful violations can include violations committed by a careless disregard for the statutory requirements. See *Trader Vic's v. O'Neill*, supra, citing *Stein's Inc. v. Blumenthal*, 649 F.2d 463 (7th Cir. 1980), *Perri v. Department of Treasury*, 637 F.2d 1332 (9th Cir. 1981), *Goodman v. Benson*, 286 F.2d 896 (7th Cir. 1961).

4. There is no necessity that the government establish a licensee committed the violation willfully as the result of a bad purpose or evil motive. See *Cucciara v. Secretary of Treasury*, 652 F. 2d 28 (9th Cir. 1981); *Stein's Inc. v. Blumenthal*, 649 F. 2d 463 (7th Cir.1980); *Lewin v. Blumenthal*, 590 F. 2d 268 (8th Cir. 1979); *Cisewski v. Department of the Treasury*, 773 F. Supp. 148 (E.D. Wis. 1991); *Shyda v. Bureau of Alcohol, Tobacco and Firearms*, 448 F. Supp. 409 (M.D. Pa. 1977).

5. Having established Licensee violated the GCA and the regulations issued thereunder, it must be determined whether such violations were willfully committed. For the reasons stated below, I conclude Licensee's conduct was willful.

6. The record reveals Licensee understood the law and regulations as related to the violations cited. In this regard Cowart's Arms and Ammo, LLC has held a Federal firearms license since September 17, 2012. Prior to being licensed, the law and regulations were reviewed with Licensee and the licensee acknowledged participating in that review on September 18, 2012.

7. After receiving a Federal firearms license authorizing Licensee to engage in the business of dealing firearms other than destructive devices, ATF conducted compliance inspections in 2017 and 2019. As a result of the 2017 compliance inspection a Report of Violations was issued on November 8, 2017. Licensee received a copy of that report. At the close of the 2017 compliance inspection ATF conducted a second review of the Federal firearms laws and regulations which was acknowledged by Mr. Cowart on August 25, 2017. After this, and as a follow up, on November 8, 2017, ATF held a Warning Conference in which Mr. Cowart participated in person and reviewed the violations, law and regulations. On November 17, 2017, ATF issued a letter documenting the discussions at the Warning Conference and advising that future violations could result in revocation of the Federal firearm license held by Licensee.

8. In 2019, ATF conducted a second compliance inspection. As a result of that inspection, a Report of Violations was issued on April 3, 2019. Licensee received a copy of that report. At the close of the 2019 compliance inspection ATF again conducted a third review of the Federal firearms laws and regulations which was acknowledged by Mr. Cowart that same date.

9. On August 28, 2019, ATF held a Warning Conference in which Mr. Cowart participated in person and reviewed the violations, law and regulations. Thereafter, on November 17, 2017, ATF issued a letter documenting the discussions at the second Warning Conference and advising that future violations could result in revocation of the Federal firearm license held by Licensee.

10. In 2021, ATF conducted a third compliance inspection. As a result of that inspection, a Report of Violations was issued October 5, 2021. Following this, the instant Notice to Revoke was issued, a hearing was requested, scheduled and held.

11. During the hearing, Licensee admitted that on [redacted] occasions Licensee sold or disposed of a firearm to a person who Licensee knew or had reasonable cause to believe was subject to Federal firearms disabilities, in violation of 18 U.S.C. § 922(d) and 27 C.F.R. § 478.99(c). Licensee stated, referring to one instance: "That one right there was pure stupidity because I know the person and I wasn't paying any attention and to be honest with you". (TR P 77, L 15 – 17). In regard to another instance cited in Section 1, Licensee admitted knowledge of the law and regulations in regard to this requirement stating "Yes. He's aware of it. Just missed it I would assume and that -- that is why we started this." (TR P 78, L 2-4). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. I find these violations were committed willfully.

12. The second section of the Notice, as amended, charged that on [redacted] occasions Licensee willfully failed to record the acquisition and disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125a. Licensee contested this violation during the hearing stating "I believe I did the forms, yes". (TR P 110, L 2). While Licensee testified that he thought he did the forms, which were not produced at any time pertinent hereto, Licensee did not record the information required in accord with the regulations and thus committed this violation. Prior to these violations being cited, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

13. Licensee admitted that on 5 occasions Licensee transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System ("NICS") and obtaining a unique identification number and/or waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102. Licensee stated in response to this violation "Yes. -- excuse me -- my staff and friends and I understand the requirement of three business days for and we used the Brady bill they provided through NICS. Each error could have been made by placing the incorrect date, not updating the notice to proceed or other input not in – data". (TR P 123, L 16-25). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In 2017, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

14. Licensee did not dispute that on [redacted] occasions Licensee failed to timely and/or accurately report the sale or other disposition of two or more pistols and/or revolvers during any five consecutive business days to an unlicensed person, in violation of 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a. Licensee stated in response to being questioned if he knew he was required to report multiple sales of pistols and/or revolvers within a specified time frame “Yes. Yes, sir. Yes, ma’am.” (TR P 143, L 12). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

15. Licensee did not dispute that on [redacted] occasions Licensee sold or otherwise disposed of a firearm to an unlicensed person without recording the transaction on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. §§ 922(b)(5); 923(g)(1)(A) and 27 C.F.R. § 478.124(a). Licensee stated in response to the testimony regarding this violation: “I’m -- I can’t believe that I would not have completed a 4473 so more than likely had -- I think I actually told Mr. Burns that at one time I had my files next to the trash can... And it’s a possibility some may have gone in there and I didn’t realize it”. (TR P 153, L 18 – P 154, L 4). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In addition, in 2017, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

16. Licensee did not contest that on [redacted] occasions Licensee 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). Licensee stated that the reason for these violations was “...that was probably 99 percent and just several people in the store, trying to finish it up as quick as I could and just messed up.” (TR P 165, L 8-10). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

17. Licensee did not dispute that on [redacted] occasions Licensee transferred a firearm to a non-licensee without verifying the identity of the transferee by examining the 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). In response to being asked if he knew the regulations and requirements related to this violation, Licensee responded “Uh-huh. He (referring to an employee who committed some of the violations) does.” (TR P 178, L 8). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on

multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In addition, in 2017, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as received a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

18. Licensee did not dispute that on [redacted] occasions Licensee transferred a firearm to a non-licensee without recording the date the Licensee contacted the National Instant Criminal Background Check System ("NICS"), any response provided by the system and/or any identification number provided by the system information 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)(3)(iv). Licensee stated he purchased new software to avoid this in the in future. (TR P 158, L 21). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

19. Licensee did not dispute that on [redacted] occasions Licensee transferred a firearm to a non-licensee without recording the date the Licensee contacted the National Instant Criminal Background Check System ("NICS"), any response provided by the system and/or any identification number provided by the system information 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)(3)(iv). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

20. Licensee did not dispute that on [redacted] occasions Licensee failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). Licensee stated as an explanation for the violations "Just was going through too fast and doing stupid errors. (TR P 212, L 25- P 213, L1). Prior to these violations occurring, Licensee had been advised of the law and regulations regarding this requirement on multiple occasions including the 2012, 2017 and 2019 reviews conducted by ATF of the law and regulations which included this requirement. In both 2017 and 2019, Licensee was cited for similar violations and attended a Warning Conference discussing the law and regulations related to this requirement as well as receiving a follow up letter detailing the discussions at the conference. I find these violations were committed willfully.

21. After consideration of the record, which includes the facts, evidence, testimony, and as provided by 18 U.S.C. § 923(d) and 27 C.F.R. § 478.73, the Federal firearms license held by Cowart's Arms and Ammo, LLC is hereby REVOKED.

Dated this 11th day of May 2022.

VALENTINA CLOSE Digitally signed by
VALENTINA CLOSE
Date: 2022.05.11
12:23:09 -05'00'

Valentina Close
Director, Industry Operations
New Orleans Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives