

United States Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives



***Inspections of Licensed Importers and Manufacturers***

Joint Conference of the NFATCA, FAIR  
Trade Group and NSSF  
August 2, 2011



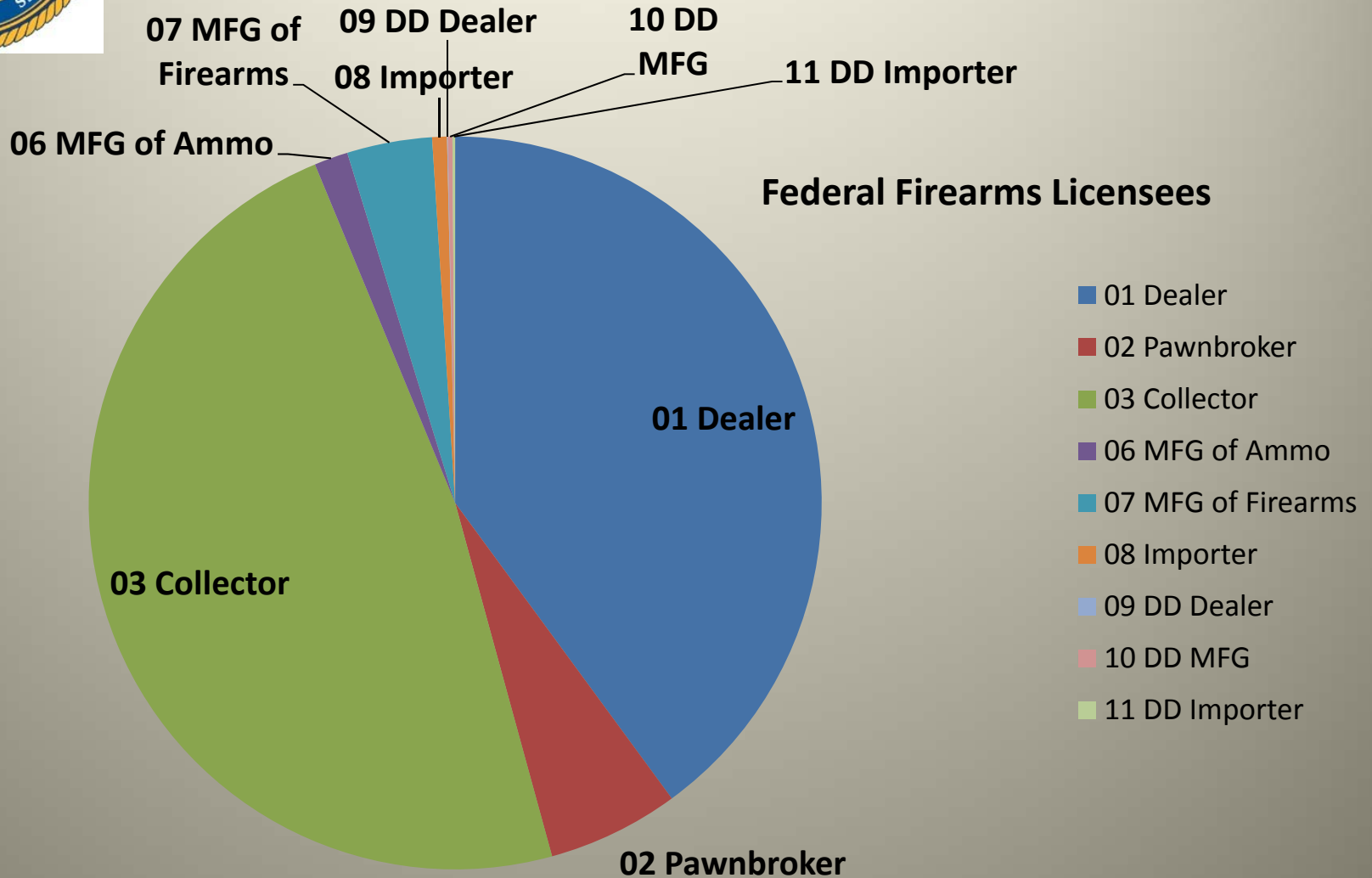
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## Active Federal Firearms Licenses

	Number	Percent
01 Dealer	47,744	39.93%
02 Pawnbroker	6,941	5.81%
03 Collector	57,393	48.01%
<b>06 MFG of Ammo</b>	<b>1,789</b>	<b>1.50%</b>
<b>07 MFG of Firearms</b>	<b>4,487</b>	<b>3.75%</b>
<b>08 Importer</b>	<b>774</b>	<b>0.65%</b>
09 DD Dealer	40	0.03%
<b>10 DD MFG</b>	<b>242</b>	<b>0.20%</b>
<b>11 DD Importer</b>	<b>146</b>	<b>0.12%</b>
	119,556	100.00%



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# The Purpose of Application Inspections

1. Ensure the applicant is qualified and that the application is accurate
2. Educate the applicant about responsibilities including record keeping and reporting requirements



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## Application Inspections

<i>Importers</i>	2009	2010	2011 (midyear)
Inspections performed	142	145	67
Denied/Abandoned/ Withdrawn	53	50	36

<i>Manufacturers</i>			
Inspections performed	1062	1371	701
Denied/Abandoned/ Withdrawn	258	362	168



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## **Compliance Inspections have three purposes:**

1. Evaluate the level of compliance and educate the licensee regarding regulatory compliance
2. Promote voluntary internal controls beyond the regulations to prevent diversion
3. To detect diversion if present







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## Importers

MOST FREQUENTLY CITED FIREARMS VIOLATIONS (Top 5)		YEAR		
		2011 (midyear)	FY 2010	FY 2009
Citation	Violation Description	RANKING	RANKING	RANKING
27 CFR 478.125(e)	Failure to timely or accurately record information in bound record (A&D record)	1	1	1
27 CFR 478.21 (a) - (b)	Failure to complete forms as indicated in instructions (this violation is often cited when the licensee failed to properly complete a form, but there is not a separate regulatory citation addressing the omitted or erroneously documented item)	2	-	3
27 CFR 478.124(c)(3)(iv)	Licensee did not record on F 4473 the date on which NICS was contacted	3	4	4
27 CFR 478.124(c)(1)	Transferee did not properly complete Section A, F 4473	4	2	2
27 CFR 478.124(c)(5)	Licensee did not sign and date F 4473	5	-	-
27 CFR 478.21 (a) - (b)	Failure to complete forms as indicated in instructions (this violation is often cited when the licensee failed to properly complete a form, but there is not a separate regulatory citation addressing the omitted or erroneously documented item)	-	3	-
27 CFR 478.126a	Licensee failed to report multiple handgun sales	-	5	5



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## Manufacturers

MOST FREQUENTLY CITED FIREARMS VIOLATIONS (Top 5)		YEAR		
		2011 (midyear)	FY 2010	FY 2009
Citation	Violation Description	RANKING	RANKING	RANKING
27 CFR 478.124(c)(1)	Transferee did not properly complete Section A, F 4473	1	3	-
27 CFR 478.125(e)	Failure to timely or accurately record information in bound record (A&D record)	2	1	1
27 CFR 478.21 (a) - (b)	Failure to complete forms as indicated in instructions (this violation is often cited when the licensee failed to properly complete a form, but there is not a separate regulatory citation addressing the omitted or erroneously documented item)	3	2	3
27 CFR 478.124(c)(3)(iv)	Licensee did not record on F 4473 the date on which NICS was contacted	4	4	4
27 CFR 478.124(c)(5)	Licensee did not sign and date F 4473	5	5	
27 CFR 478.124(c)(1)	Transferee did not properly complete Section A, F 4473	-	-	2
27 CFR 478.124(c)(5)	Licensee did not sign and date F 4473	-	-	5



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## Importers

	2009	2010	2011 (midyear)	Total
Initial Missing Firearms	2,669	1,278	246	4,193
Final Missing Firearms	701	63	39	803



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## Manufacturers

	2009	2010	2011 (midyear)	Total
Initial Missing Firearms	20,503	15,303	95,294	131,100
Final Missing Firearms	11,178	3,765	1,542	16,485

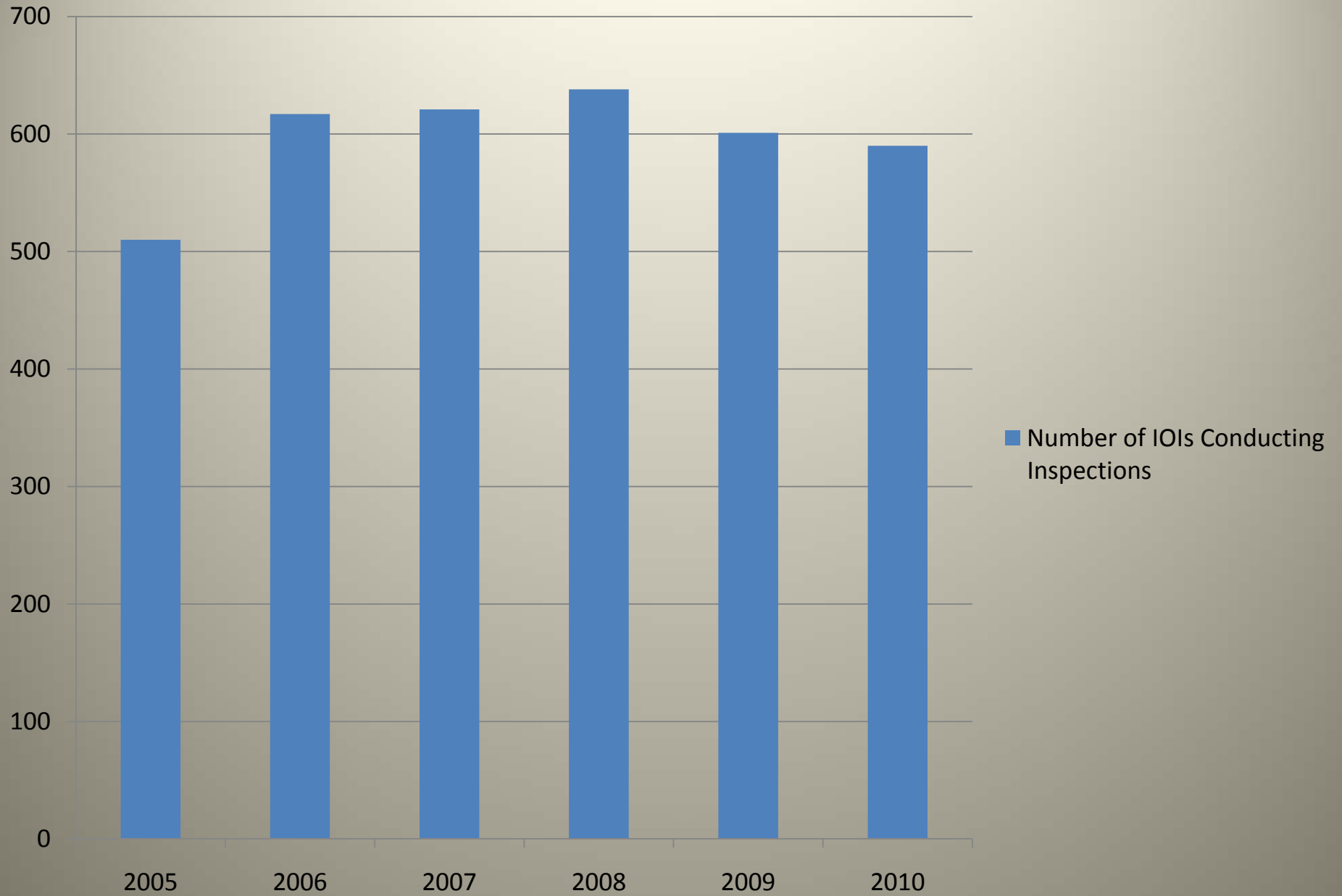


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# IOI Staffing and Firearms-related Workload

624 Nonsupervisory IOIs

## Number of IOIs Conducting Inspections



# IOI Workload (Firearms)

## Priority Order

- Mandatory
  - Firearms Theft Investigations
  - Prohibited Person Verification
  - FFL Qualification (excludes 03 Collectors)
  - 20% of licensed importers and MFGs  
(excludes 06 MFG of Ammo)
  - Recall Inspections – Alternate to Revocation
  - Gun Show and Other Outreach Activities

## Other Firearms Activities

- Recalls-Warning Conference on Prior Inspection
- High Risk Firearms – Field Division choice of what FFLs to Inspect:
  - \* 1 IOI dedicated to support violent crime investigations
  - \* FFLs targeted based upon division intelligence
  - \* FFLs targeted based upon several risk assessment tools such as traces, multiple sale data, NICS denial ratio, weapons recovered in Mexico, FFLs not inspected for more than 5 years, etc.



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# Additional Requirements

- Internal audits
- Outreach
- Special requests
- Collateral inspection requests
- Explosives/Firearms Theft/loss
- ATF Magazines
- Etc, etc., etc...

## **Performance Measures**

### **What Gets Measured, Gets Done**

FY 2010 and subsequent:

- \* Percent of industry members who have been inspected (qualification and/or compliance) in the last five years.
- \* Firearms missing from inventory (initial and post reconciliation).
- \* number of compliance inspections conducted annually
- \* % of ATF license actions upheld by judicial rulings
- \* % of license applications acted upon within authorized time frames



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