Details

# **Report of Firearms Compliance Inspection**

KELLER INVESTMENTS LLC's FCI FCI-24626 07/26/2022 02:49 PM IO (b)(6) Houston VI (IO) Field Office				
LICENSEE INFORMATION           Licensee Name         RDS Key           KELLER INVESTMENTS LLC         5-76-03582		License/Permit Number 5-76-201-01-1G-03582		cense Type - Dealer License
Business Type Limited Liability Company (LLC)				
Premises Address		Mailing Address		
Premises Ownership Type Owned		Same as Premises Address		
Premises Location Type Store Front				
Address 22323 LOOP 494 STE F Unit N/A KINGWOOD, Texas 77339 HARRIS United States				
Phone Type	Phone Number			Remarks
Business	+1 713-408-2129			
Email Address			Email Ren	narks
(b)(6)				
RECOMMENDATIONS				
Final Decision Revocation Date 07/11/2022				
Details				
A Final Notice of Denial of Application, Revocation, Suspenffective date of 07/01/2022. The notice was provided to the				of Industry Operations Tanarra James, with an
Out of Business Records and Inventory Management				
Licensee Records		Licensee Inventory		
Deputy Assistant Director - Industry Operations Megan Bennet Revocation	tt's Recommendation			
Details				
I concur with the recommendation of revocation. The licensee has repeat violations from previous inspections and falsified records.				
Special Agent in Charge Frederick Milanowski's Recommendation				
After review, I concur with the recommendation for revocation.				
Division Counse (b)(6) Review				
Details  DC concurs with recommendation for revocation due to the multiple violations noted herein.				
Director of Industry Operations Tanarra James's Recommendation  Revocation				
Details  During this inspection, there were seventeen (17) violations cited. Three (3) violations warrant revocation for false statement made by licensee on any ATF record in instances, making false entry, omitting entry or failing to properly maintain required recordkeeping it instances and false statement made by non-licensee on any ATF Record in instances. In addition, there were a number of repeat violations. This is the licensee's 3rd inspection in 5 years. A recommendation of revocation is proposed.				
Area Superviso (b)(6) Recommendation Revocation				

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Concur with the recommendation of Revocation. The licensee has had several inspections that are Recall Inspections and has been repeatedly advised of the importance of keeping and maintaining accurate and timely records. The inspection disclosed that the licensee not only failed to maintain accurate and complete records but acknowledged that they knowingly entered information into the record without a source of reference and from memory. These actions resulted in that acquisition dates being incorrect, to include acquisition dates that occurred after the recorded date of disposition. It also resulted in the acquisition information regarding the source of the firearm to be incorrect. The licensee also did not know how to properly enter certain information into their electronic Acquisition and Disposition Records, which resulted in incorrect or misleading information being entered. These actions made reconciling the inventory of the licensee extremely difficult. The ability of the licensee to provide accurate information for a trace or other purposes, is highly questionable due to all of the inaccuracies found in the system.

The licensee also engaged in activities in which approximately 80 rifles or pistols were manufactured by the licensee. Based on information provided by the licensee, this became a regular course of business due to their inability to receive completed rifles and pistols on a consistent basis. The licensee stated they did this due to the Covid-19 pandemic as justification for manufacturing firearms without the proper license.

The licensee also engaged in facilitating false statements on an ATF Form 4473, commonly referred to as a "straw purchase." The licensee enlisted law enforcement officers and other first responders to complete an ATF Form 4473 for a Glock pistol that was obtained through a special program through Glock to provide law enforcement and other first responders the ability to buy a Glock firearm at a greatly reduced price. The licensee then submitted paperwork required by Glock to document the "sale" of the firearm to the qualified individual. The licensee would then show a disposition in the Acquisition & Disposition Record and then immediately record the acquisition from the individual who completed the false paperwork. The firearms in question were never actually transferred to the individuals as documented on the ATF Form 4473. The completion of the ATF Form 4473 was part of the scheme to provide Glock the necessary documentation and then they were able to resell the firearm for a greatly increased profit. The licensee would pay the individuals a fee for completing the ATF Form 4473 or provide them with some other incentive for doing so. The licensee said they did this because it was hard to get firearms, especially Glock firearms, during the pandemic and this was a way he could get inventory.

The recommendation of Revocation is warranted based on: the repeated history of violations by the licensee regarding the accuracy of the required records; the demonstrated inability of the licensee to properly maintain the required records; the uncertainly of the required records to be accurate should trace information be requested; the willingness to place false information in the records without regard to accuracy; willingly manufacturing firearms without having the proper ATF license; and willingly and knowingly having individuals complete a false ATF Form 4473 as part of a scheme to obtain firearms from Glock at a reduced price and then sell them for an increased profit. Due to these and the previous actions of the licensee, Revocation is the recommended action for the licensee.

Industry Operations Investigato Revocation	(b)(6)	Recommendation
Details		
Revocation is recommended		

# Records and Forms

Inspection Findings

- 1. Failure to timely and/or correctly maintain records of receipt, manufacture, importation or other acquisition on percent or more of the licensee's total acquisitions during the inspection period, with a minimum of the inspection period, with a minimum of the inspection period of the licensee's total acquisitions during the inspection period, with a minimum of the inspection period of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the inspection period, with a minimum of the licensee's total acquisitions during the licensee's total acquisitions are the licensee's total acquisition are the licensee's total acquisition and the licensee's total acquisition are the licensee's total acquisition ar
- 2. Failure to timely and/or correctly maintain records of sales or other dispositions of benefit or more of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period, with a minimum of the licensee's total dispositions during the inspection period of the licensee's total dispositions during the licensee's total dispos
- 11. Failure to retain required GCA records for transferred firearms for period of time specified by regulation.
- 13. Falsify records required under the GCA or making a false or fictitious written statement in the FFL's required records or in applying for a firearms license.

# Firearms

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

# License Type

1. FFL is engaged in an activity not authorized by the Federal firearms license (e.g., engaging in manufacturing firearms without a manufacturer's license).

# 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 manipulation of the control of the contr

# FFL History

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.

## Miscellaneous

6. Actively engage in a straw purchase transaction (i.e., the licensee knows or has reasonable cause to believe that the transferee of record is not the actual buyer).

# ELIGIBILITY VERIFICATION Business Information Verification

Additional Findings

Keller Investments LLC is a Domestic Limited Liability Company established in the State of Texas in August 2007, and recognized by the Texas Secretary of State (SOS). Mr. Jenkins provided a copy of the Keller Investments LLC Operating Agreement. Mr. Jenkins and his wife, Cathy Jenkins, are the only Managing Members, and each own 50% of the company.

A query of the Texas Comptroller of Public Accounts taxable entity search revealed the licensee as "Active" in regards to the Franchise Tax Account Status. Please note, 2017 is the most recent Public Information Report available on both the Texas SOS and the Texas Comptroller websites.

#### **Contact Information**

Name (b)(6)

Date Contacted 07/12/2021

Organization

ATF

Job Title Investigator

Phone Type Phone Number Remarks

Mobile (b)(6)

Contact Remarks

Instructed by Spartan Help Desk to add a contact:

Hello IOI **(b)(6)** 

Can you try adding a contact, I understand you have an attachment and it should be either or, but doing that should complete the follow up work.

Many Thanks, Spartan HelpDek

Attachment(s):

Franchise Tax Account Status.pdf

Public Information Report, 2017.pdf

Certificate of Formation & Management Page.pdf

# Property Ownership Verification

Premises Ownership Type Owned Premises Location Type Store Front Has the property ownership been verified?

Ye

Address

22323 LOOP 494 STE F

Unit N/A

KINGWOOD, Texas 77339

HARRIS United States

Additional Findings

A query of the Harris County Appraisal District website revealed the property is owned by Keller Investments LLC.

Attachment(s):

HCAD Property Details.pdf

# Trade Name/DBA Verification

Trade Name/DBA

Is the trade name/DBA registered?

KINGWOOD GUNS

Yes

Additional Findings

The licensee has registered the business name "Kingwood Guns" which will expire in February 2024.

Attachment(s):

Registered Assumed Names.pdf

# Zoning Information Verification

Is the proposed business activity in compliance with zoning?

Yes

Additional Findings

The premises is located in a commercially zoned area of Kingwood, Texas in Harris County. There are no zoning restrictions that would prohibit this business from operating.

## **Contact Information**

Name

(b)(6)

Date Contacted 07/12/2021

Organization

ATF

Job Title

Investigator

Phone Type	Pho	ne Number		Remarks
Mobile		(b)(6)		-
Contact Remarks Instructed by Sparian Help Desk to ad Hello IO (b)(6)				
Can you try adding a contact, I unders	tand you have an attachmen	nt and it should be either or, bu	at doing that should complete t	he follow up work.
Many Thanks, Spartan HelpDesk				
Attachment(s): Harris County Zoning Letter 2021.pdf	î			
APPOINTMENT DETAILS				
Interview Date 01/04/2021				
Address 22323 LOOP 494 STE F, Unit N/A, K	INGWOOD, Texas 77339			
Responsible Attendee(s)		Non	-Responsible Person(s)	
WILLIAM LANCE JENKINS		(Dea	ctivated)	
CATHY KELLER JENKINS				
RESPONSIBLE PERSON(S)				
WILLIAM LANCE JENKINS				
Name WILLIAM LANCE JENKINS	Gender (b)(6)	Race (b)(6	<u>6)        </u>	Ethnicity (b)(6)
Date of Birth (b)(6)	SSN (b)(6)	Job T MAX	Title NAGING MEMBER	
Physical Identifiers				
Height	Weight	Hair	Color	Eye Color
Place of Birth				
Country <b>(b)(6)</b>	State (b)(6)	City (b	)(6)	
Home Address				
(b)(6)				
Additional Names				
Citizenship				
Citationip				
United States				
ID Type	Cour	ntry	State	ID Number
Driver's License		ed States	Texas	(b)(6)
				-
Phone Type Phone Number  Mobile (b)(6)			Remarks	
Email Address Email Remarks				
(b)(6)				
Criminal History Check				
Date Criminal History Check Conducted 12/31/2020	I			
Criminal History Charle Comments				

Criminal History Check Comments

A background check was conducted via Omnixx Force. No disabling factors were revealed.

CATHY KELLER JENKINS				
Name CATHY KELLER JENKINS	Gender (b)(6)	Race (b)(6)	Et	hnicity (b)(6)
Date of Righ (b)(6)	(b)(6)	Job Title MEMBER	l	i
Physical Identifiers	(8)(0)	HEMBER		
-		W1.84-	_	
Height	Weight	Hair Color	Еу	e Color
Place of Birth				
Country (b)(6)	State (b)(6)	City		
Home Address	L.X/XXi			
Home Address	-1			
(b)(6) Additional Names				
Citizenship				
United States				
Phone Type	Phone	e Number		Remarks
Mobile	(k	o)(6)		
Email Address			Email Ren	narks
(b)(6)				
Criminal History Check				
Date Criminal History Check Conduct 12/31/2020	oted			
Criminal History Check Comments A background check was conducted	d via Omnixx Force. No disablir	ng factors were revealed.		
NON-RESPONSIBLE PERSON(S	S)			
Name	Date of Birth	Job Title <b>Sales</b>		
INTERVIEW QUESTIONNAIRE	E			
What is the proposed business activit This license was originally issued i conducts retails sales of new and us completing the transfer of a firearm stated less than 5% of sales are only	y? n June 2012. This was the licens sed handguns and long guns to the sold online for a customer. Fire inel (b)(6) Londuct (b)(6) (b)(6)	see's fifth compliance inspection. Keller Investmer he general public Used firearms are acquired from earms are sold through the licensee's website at kir is gunsmith activities such as cleaning, parts replace	individuals as trade ngwoodguns.com, a cement, and general The licensee doe	-ins, and from other licensees when nd occasionally on Gunbroker. Mr. Jenkins repairs under this license. The licensee holds a ss not conduct business at gun shows. Clothing.
It was discovered the licensee was rifles in the inventory, but were on FFL), and stated they are also cons. CFR 478.41(b), for failure to be licensee.	engaging in unlicensed firearms the inventory list as receivers. V idering manufacturing NFA iten ensed as a dealer, manufacturer	manufacturing by assembling receivers into rifles When asked about this (b)(6) stated they as IOI (b)(6) instructed (b)(6) to disass or importer of firearms for the manufacturing of o andemic began. Mr. Jenkins stated he was able to fi	and pistols. IOI ( ) were thinking about the manufact over 80 firearms whe	b)(6) jobserved firearms that were completed it getting a Manufacturer's license (Type 07 ured firearms. The licensee was cited under 27 in not licensed to manufacture. Mr. Jenkins
Do they need an additional license or Yes	permit?			
Who are their primary suppliers?	a!	(b)(A)	)	
Primary suppliers of firearms inclu  Other State or Local Permits	ae	(b)(4)	]	
Conce State of Local I citills				
Туре		Number	Exp	iration
State Sales Tax		(b)(3)(26 USC § 6103) i		

**Business Activities** 

(b)(3)(26 USC § 6103)	Controlled Access to ATF Recordkeeping
Internet Sales/Transfers	
Retail	
Gunsmith	
Internet Sales/Transfers Website	
www.kingwoodguns.com	
gunbroker.com	
8	
SUPPLEMENTAL QUESTIONNAIRE	
General Business Operations	
<u> </u>	
If there is a security system, who has access to the security codes?  Lance Jenkins an (b)(6) have access to the security codes.	
Who has keys to the premises?  Lance Jenkins an (b)(6) have keys to the premises.	
Who has keys to locked inventory?  Lance Jenkins an (b)(6) have access to locked inventory. The locked inventory.	ar can be accessed by any employee during store hours.
Who is operating the business on a day-to-day basis?  IO[(b)(6); observe((b)(6); was responsible for operating the business on a complex by helping with the inventory, providing requested forms and other information, and was regularly did not arrive to the store until late afternoon, and then went into a back office. No	day-to-day basis as far as interacting with customers. (b)(6) assisted with the inspection responsible for answering the large majority of questions. Lance Jenkins, Managing Member, Mr. Jenkins did not make himself available or offer assistance, but deferred to (b)(6) 1
Is financial backing provided by anyone that is not a responsible person on the license/permit?	
Are any employees known to be prohibited?  No employees are known to be prohibited.	
Are any employees associated with a previously denied/revoked/surrendered license/permit?	
PREMISES INFORMATION	
Inspection Area Description  The business premises are a commercial storefront located in Kingwood, Texas (Harris Co	ounty). There is a main showroom area, and several back rooms to include a workroom with
gunsmith table, two offices, walk-in gun vault and closets.	
The majority of firearms are displayed on wall racks on the sales floor. Handguns are store firearms are moved into the walk-in gun vault for overnight storage. The door is kept lock premises. There is no off-site storage of firearms.	ed both on the wall and in glass show cases. Gunsmith firearms are stored in a back office. All ed. Customers must be buzzed into the store. No other business are operated from the
Primary Activity	Selected Physical Security Measures
Retail	Security Cameras
GPS Coordinates	Safe(s)/Vault(s)
	Alarm Monitoring (with Cellular Back-Up)
Latitude	Motion Sensors
30.03621	
Longitude	
-95.25426	
ONSITE SUMMARY	
Total Number of ATF Form 4473s for Inspection Review Period	
SUPPRIME TO SERVER	
Total Number of Open Dispositions in A & D Record	
Total Number of Firearms in Inventory 458	
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

Controlled Access to Keys

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
	SOT Verified	
	NFA Documents Verified Yes	
	Additional Comments Industry Operations Investigators (IOI) (b)(6) and I (b)(6) ; Sales Clerk, on January 4, 2021, to conduct a Firearms Recall Inspection of a licensee does not hold any variances or any other ATF licenses. The period of the inspectipermission for notice of inspection to be provided to due the licensee's limited hours of or	Type 01 Federal Firearms Licensee, Dealer of Firearms Other Than Destructive Devices. The ion was from January 4, 2020, to January 4, 2021. (b)(6) Area Supervisor, gave
	This license was originally issued in June 2012. This was the licensee's fifth compliance in	nspection. This is the third inspection in the last five years.
	Date and Type of Inspection: 3/28/19 Assignment #: Recall Compliance Inspection, FCI-302 Inspection Results: Violations, Warning Conference and Recall Inspection Cited Violations: 27 CFR 478.125(e), 27 CFR 478.126a, 27 CFR 478.21(a), 27 CFR 478.124(c)(1), 27 CFR 478.124(c)(3)(i), 27 CFR 478.124(c)(3)(c)(5)	8)(iv), 27 CFR 478.102(a), 27 CFR 478.131(a)(2), 27 CFR 478.124(c)(4), and 27 CFR 478.124
	Date and Type of Inspection: 1/3/18 Assignment #: Southwest Border DE Compliance Inspection, 782050-2018-0061 Inspection Results: Violations, Warning Conference with Warning Letter and Recall Cited Violations: 27 CFR 478.39a, 27 CFR 478.50, 27 CFR 478.21(a), 27 CFR 478.124(c) 478.124(c)(4), 27 CFR 478.124(c)(5), 27 CFR 478.124(a), 27 CFR 478.124(b), 27 CFR 478.126a, 27 CFR 478.129(b), 27 CFR 478.129(e), 27 CFR 478.131(a)(2), and 27 CFR 478.126a, 27 CFR 478.129(b), 27 CFR 478.129(c), 27 CFR 478.131(a)(2), and 27 CFR 478.126a, 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(2), and 27 CFR 478.126a, 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(2), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.131(a)(c), and 27 CFR 478.129(c), 27 CFR 478.129(	
	firearms that had been manufactured when not licensed to do so. There were 458 firearms in. Approximately firearms were not logged out of which were reported missing a	olving firearm identification markings, firearms not logged out, firearms not logged in, and in inventory, and open entries in the A&D Records. There were firearms not logged is a result of this inspection, ATF Incident Number firearms. It should be noted, the last ral Firearms Licensee Firearms Inventory Theft/Loss Reports are included in the attachments. tion.
	(b)(6) provided three inventory print outs from CDS, a handgun list, a long gun list, were not tagged with any identifying number to correspond to the inventory lists. Firearms	Data Solutions (CDS). The A&D Record is in the proper format with the required headings. and a NFA list. The gunsmith firearms were recorded in a manual A&D Book. The firearms is were entered into the record by scanning without comparing the physical firearm to the ation being incorrect, and firearms being on the wrong list such as a handgun on the long gun
[	since March 2019 and was unaware of the problems until this inspection. While working t already logged out in ELOG (b)(6) stated he logged some of the firearms out before (b)(6) the system automatically pre-fills the date, and customer name and address fe unless there is also a NICS number, firearm permit number, or another FFL number with t Networking, in April (b)(6) stated the licensee must not have selected the correct fi send the inventory lists and ELOG (c) (b)(6) to analyze (b)(6) confirmed the provided IO (b)(6) with the inventory lists and full A&D Record as they were on Jan	e ELOG was provided and explained a "partial log out" issue with the software. According to or firearms sold online or put in layaway (b)(6) stated a firearm is not truly logged out the disposition information. IOI (b)(6) spoke to (c)(7)(6) requested the licensee to
	(b)(6) worked to reconcile the inventory. Regularly, the ATF Forms 4473 provide	both. Numerous contacts had to be made with customers and other FFLs to ensure firearms
	(b)(3) (112 Public Lav	his firearm was disposed by them to Primary Arms. Primary Arms confirmed (b)(6) was for (b)(3) (112 Public Law 55 125 Stat 552),(b)(6) However, the form was for summand w 55 125 Stat 552,(b)(6)
	(b)(3) (112 Public Law (b)(6) p who stated she only purchased one Aero Precision Irc the firearm, s/i (b)(6) i. This is just one example of many where the form provided to re	w 55 125 Stat 552),(6)(6)  om Kingwood Guns which was a fully assembled rifle.   (0)(9)   iprovided a picture of econcile a firearm uncovered many additional errors, including the licensee manufacturing a b)(6)
	Changes were made to the A&D Record as forms were found to reconcile inventory. Man was on the inventory list to be reconciled. The licensee later incorrectly logged this line of contacted (b)(6) who provided a picture of the firearm. See Onsite Work Summary A	y of the changes were incorrectly made. For example (b)(3) (112 Public Law 55 125 Stat 552) ut to the changes were incorrectly made. For example (b)(3) (112 Public Law 55 125 Stat 552)  However, an ATF Form 4473 was provided for   IOI (b)(6)  Attachment (b)(6)
	The licensee previously kept manual A&D Books to include 11 sales books. The licensee ELOG. There were open entries in the manual books all the way back to book one. IO the ELOG line number on the disposition side of each open entry in the manual books to a moved forward to ELOG. Some were moved to another electronic log called EGOSS, and EGOSS was an electronic system he used prior to ELOG. The licensee kept manual books firearms in EGOSS that were moved forward to ELOG without logging them out of EGOS and EGOSS to IOF (h)(6)	some were not moved forward at all and are unaccounted for. Mr. Jenkins later stated and EGOSS at the same time but failed to keep either one current. There were also open

firearm checked in the sample. IOIs
More than 200 firearms were traced through the licensee's required records from acquisition through disposition by comparing the A&D Record to the ATF Forms 4473. The trace revealed discrepancies with firearm information, disposition dates, incorrect customer names and more. (b)(3) (112 Public Law 55 125 Stat 552)  Firearms were found to have been acquired once but were disposed to two people.
Or occasions, the licensee withheld requested information resulting in much time and effort spent to resolve errors. For example (b)(3) (112 Public Law 55 125 Stat 552) determined this firearm was ordered from (b)(3) (112 Public Law 55 125 Stat 552),(b)(6)   Of (b)(6)   spoke t   (b)(6)   spoke t
Not all errors are documented due to the quantity and complexity as demonstrated in the examples above. The ability to accurately trace any firearm is questionable as it is unknown which entry, if any, is correct. The time involved to research each entry became too great, therefore it is not possible to determine the true number of errors or the correct information.
IOIs discovered Kingwood Guns facilitated straw purchases of firearms by purchasers. The A&D Record shows firearms being disposed to an individual, and then being entered back into the inventory coming from that individual on the same day or shortly thereafter. IOIs discovered all the firearms involved are part of special discount programs (Glock Blue Label and Sig Armed Professional Program) applicable only to approved purchasers to include law enforcement, military, and first responders. Kingwood Guns is required to provide verification forms and identification or credentials of the approved purchaser to the distributor when a firearm is sold. Kingwood Guns utilized an approved purchaser for the initial ATF Form 4473, but the purchaser did not pay for or take possession of the firearm. Kingwood Guns paid the approved purchaser approximately \$20 for completing the form. The firearms were then sold to an individual who would not have qualified for the initial purchase. Mr. Jenkins stated Glock pistols have been difficult to acquire since the Covid-19 pandemic began. Mr. Jenkins stated he needed inventory, and this was a way to get Glock pistols in the store to sell. IOI
The licensee had approximatels ATF Forms 4473, to include denials, for the inspection period. IOIs (b)(6) eviewed all ATF Forms 4473, which revealed discrepancies. The total number of firearms acquired and disposed during the last 12 months were reported by Mr. Jenkins. Given the nature of the violations related to the A&D Record, there can be no way to validate the numbers. Transfers to other licensees were documented properly. No sales to law enforcement officers were conducted by the licensee. IO (b)(6) bbtained a FFL Audit Report, which reflected approximately 491 responses for this FFL. Approximately 480 NICS transaction responses were verified. Discrepancies were discovered involving the date and NICS responses. The Violent Crime Analysis Branch (VCAB) trace history report listed inultiple sales involving firearms for the last 12 months. The licensee failed to submit ATF Forms 3310.10, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, involving handguns. The licensee failed to submit ATF Forms 3310.12, Report of Multiple Sale or Other Disposition of Certain Rifles, involving ong guns. The forms have been completed and submitted to the ATF National Tracing Center. IOI (b)(6) received a firearms trace history report of the licensee from Violent Crime Analysis Branch, and there were ifferarms successfully traced to this license for the inspection period. However, given the findings of the inspection, it is questionable if the ATF Forms 4473 provided for the traces were accurate.
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# (b)(3)(26 USC § 6103),(b)(6)

Report of Violations.pdf

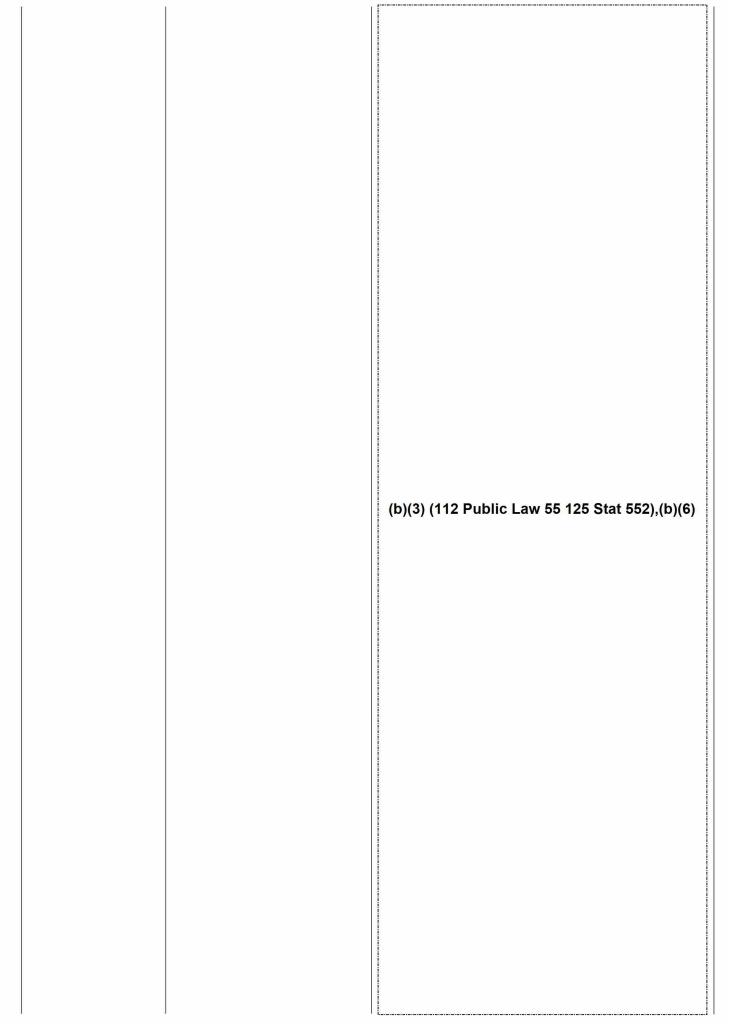
Licensee Response to Violations Report.pdf

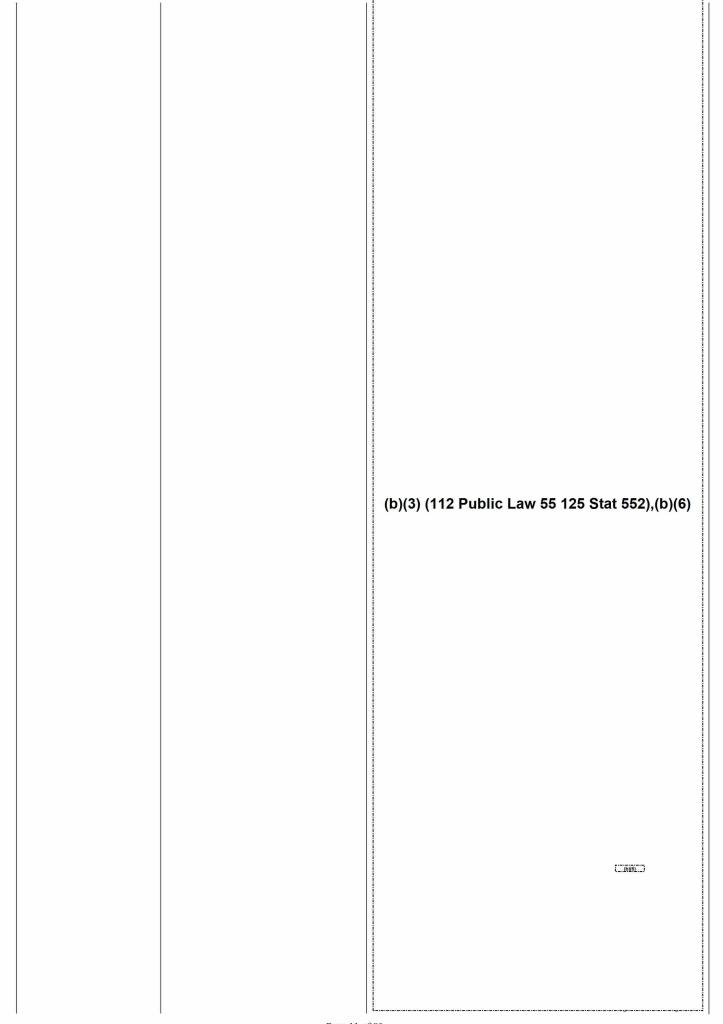
Firearm Theft Loss List.pdf

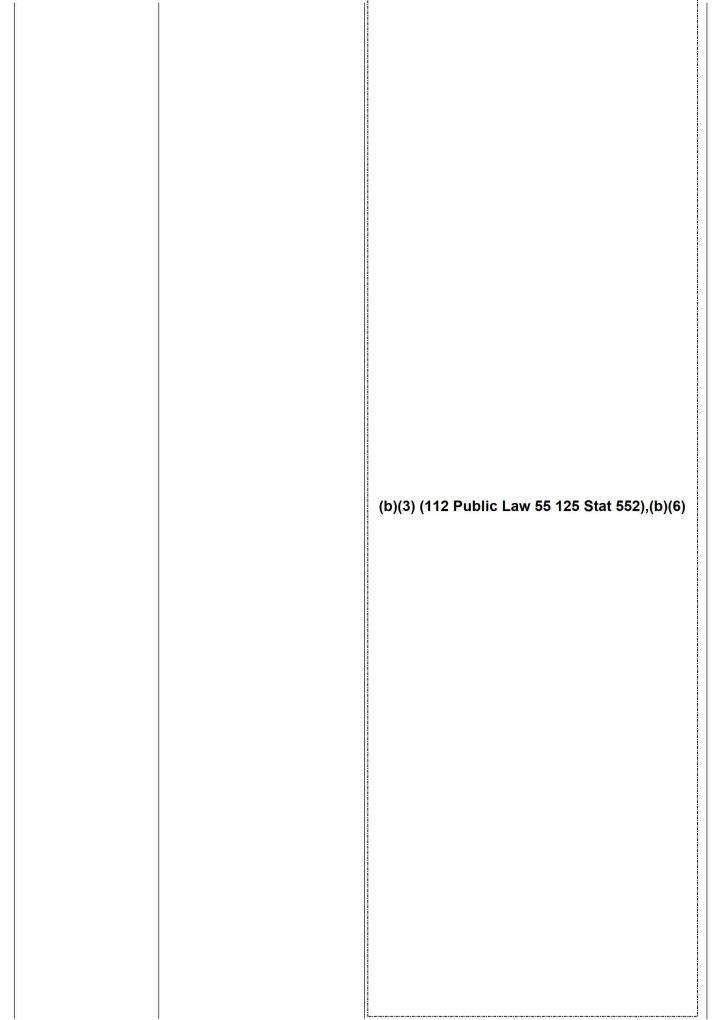
# REPORT OF VIOLATIONS

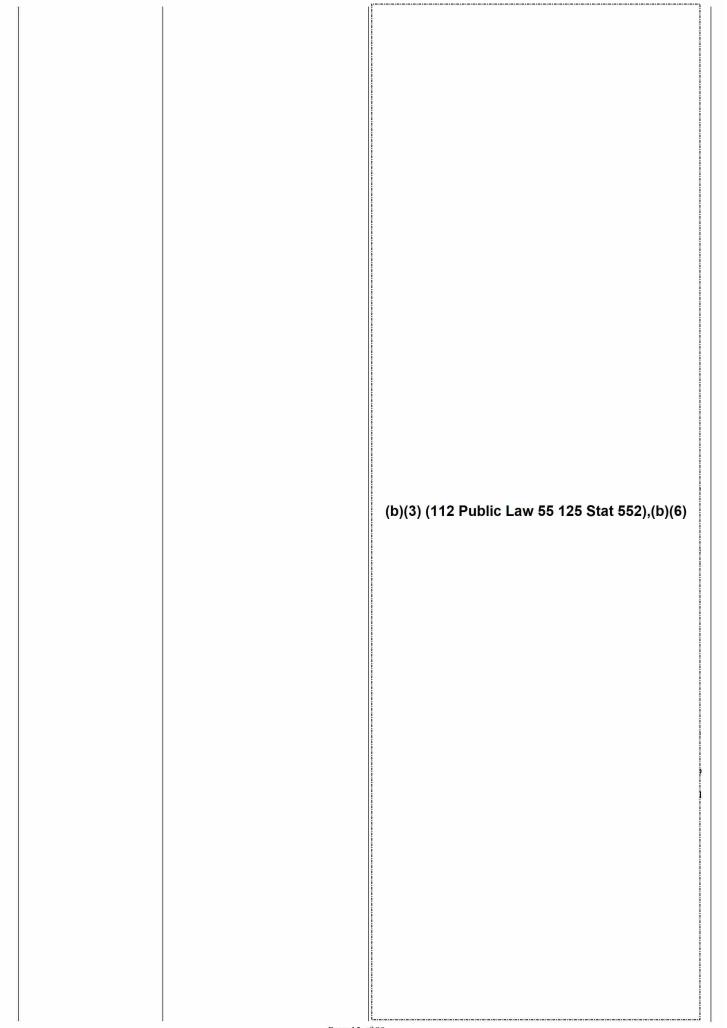
	Regulation	Corrective Actions	Instance Details		
1	27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers	Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) for all non-reported multiple sales identified as a result of this inspection.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)		
	ATF Forms 4473 [i Number of Instances: ]				
	18 U.S.C. 923(g)(5)(A): Failure to report multiple sales or other dispositions of certain rifles	Complete and submit ATF Form 3310.12 (Report of Multiple Sale or Other Disposition of Certain Rifles) for all non-reported multiple sales identified as a result of this inspection.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)		
2	ATF Forms 4473	sales identified as a result of this hispection.			
	27 CFR 478.129(c): Failure to retain Multiple Sale or Theft/Loss reports	Ensure that required records are retained at the licensed premises for prescribed 5-year retention period.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)		
3	ATF Forms 4473   Number of Instances				
	Page 8 of 80				

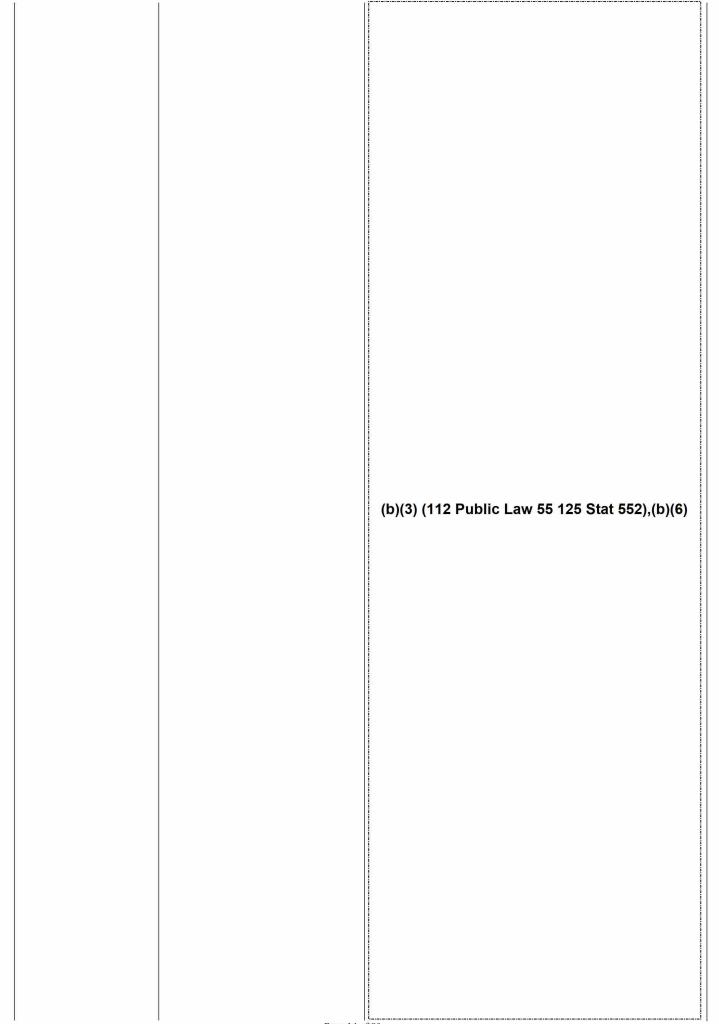
27 CFR 478.128(c): False statement made by a licensee on any ATF record	Cease and desist from engaging in deceptive practices.		
Number of Instances			
		(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)	
			-1

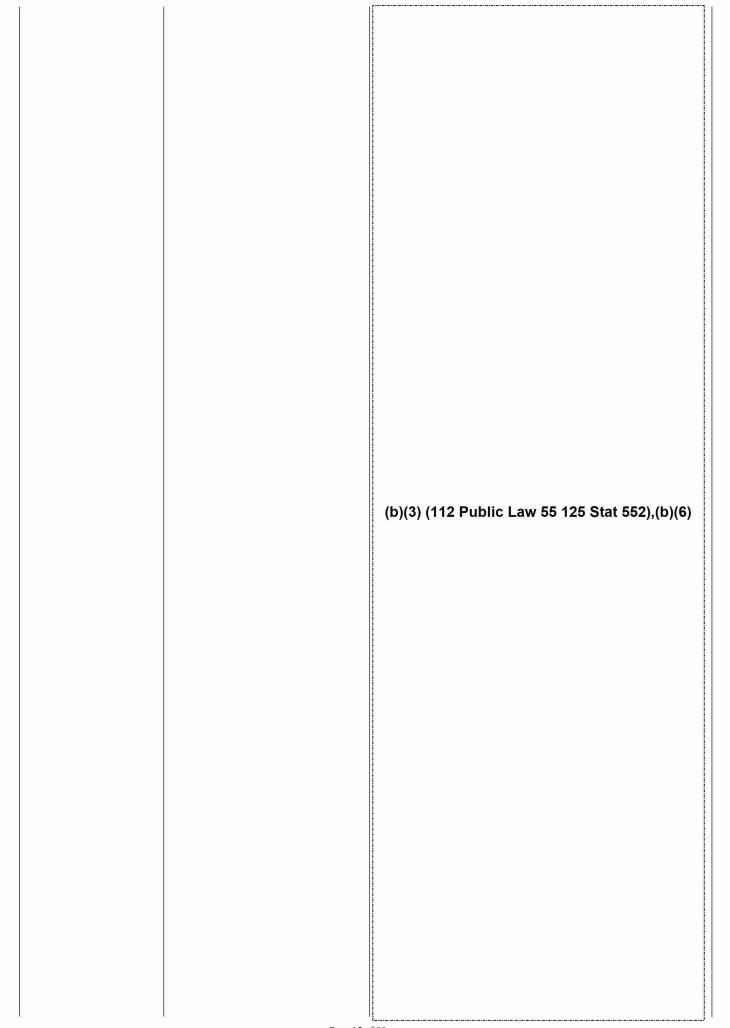


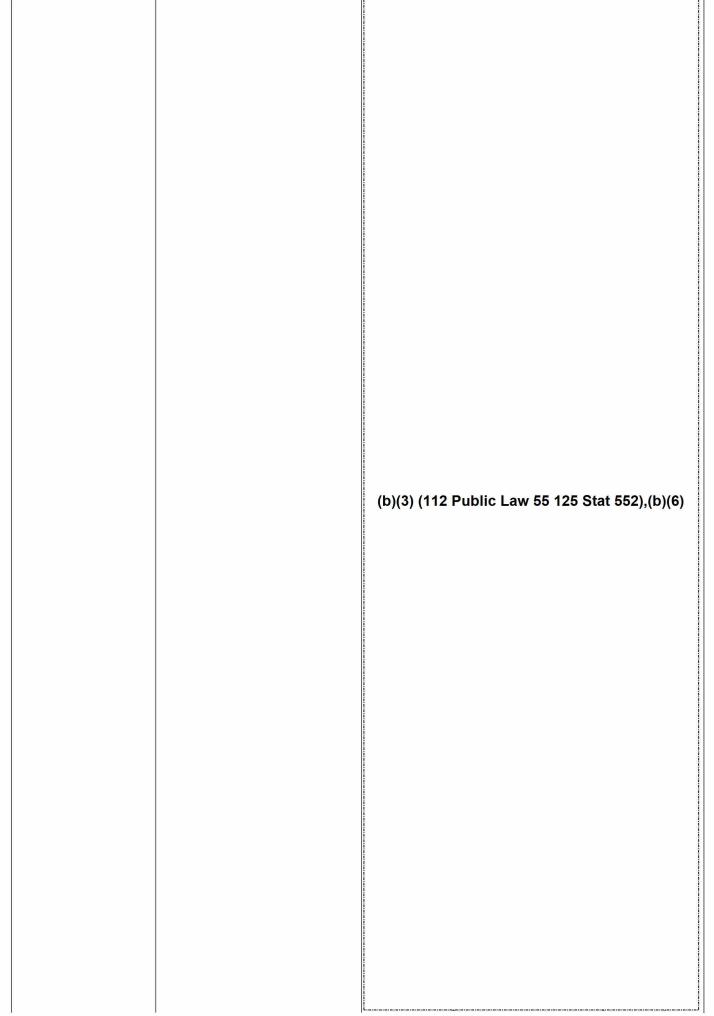




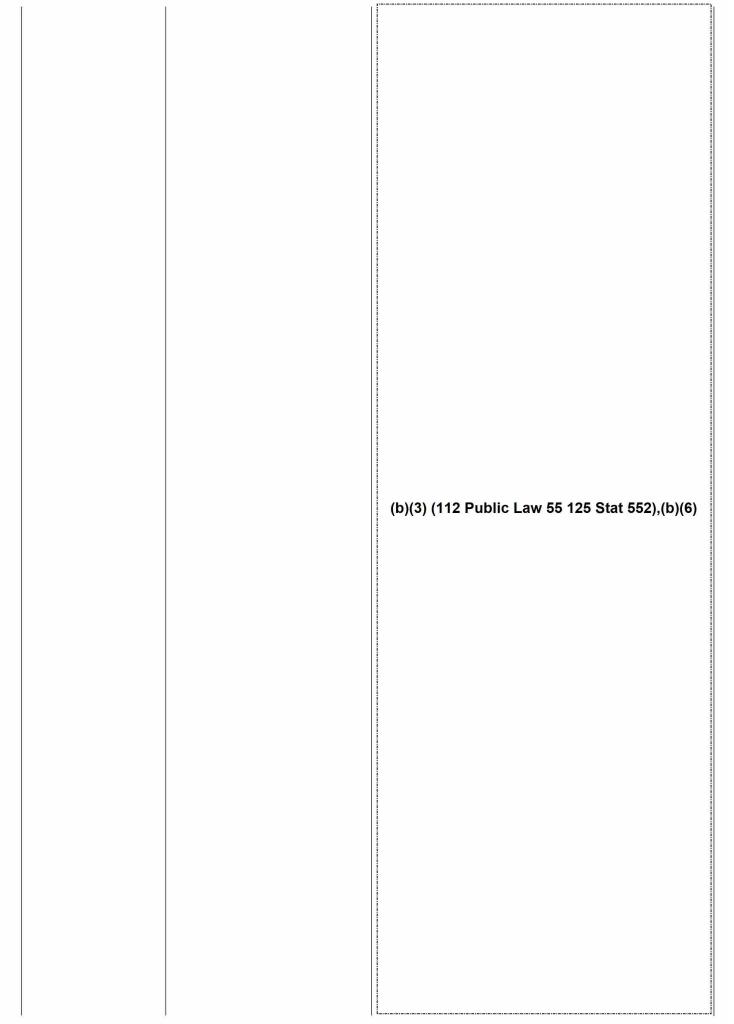


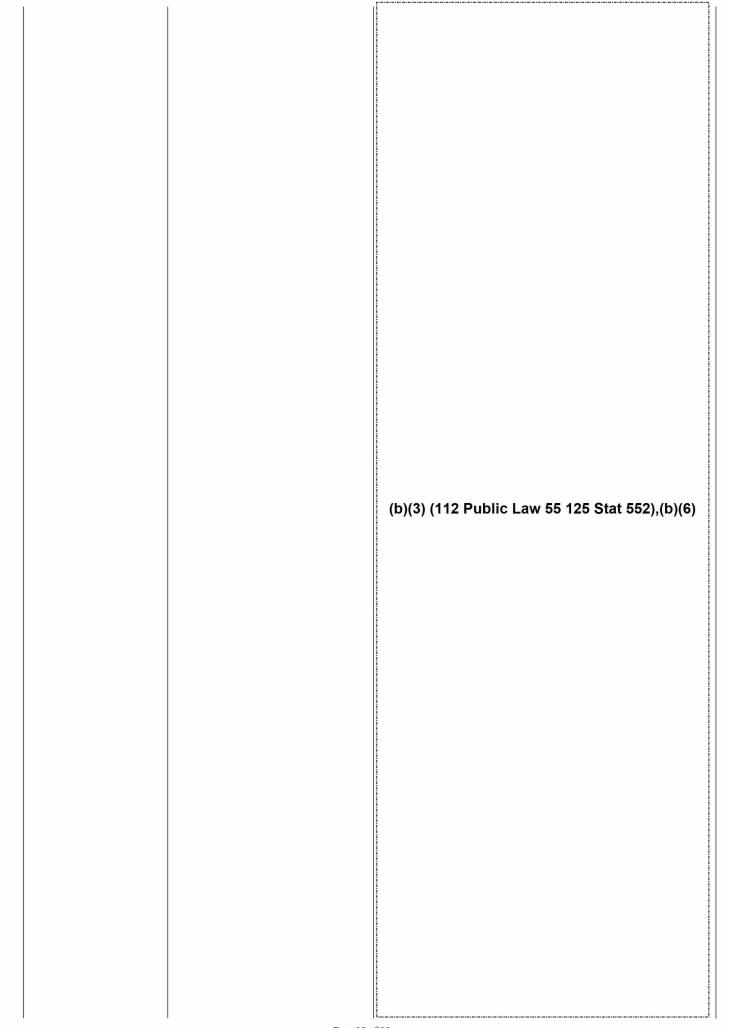


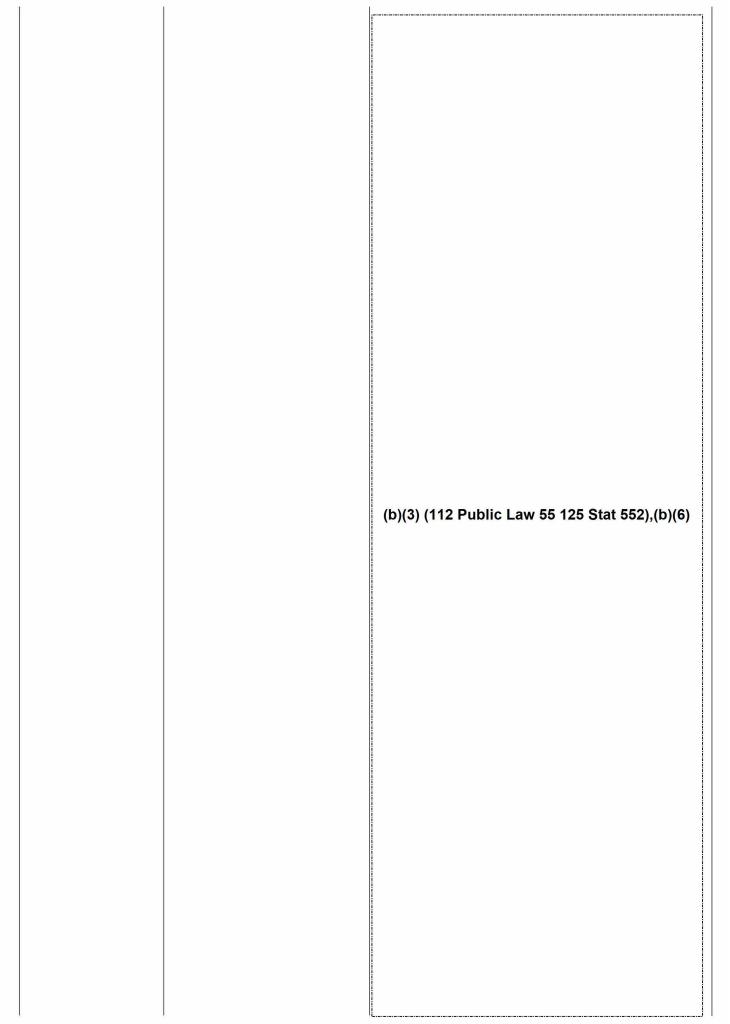


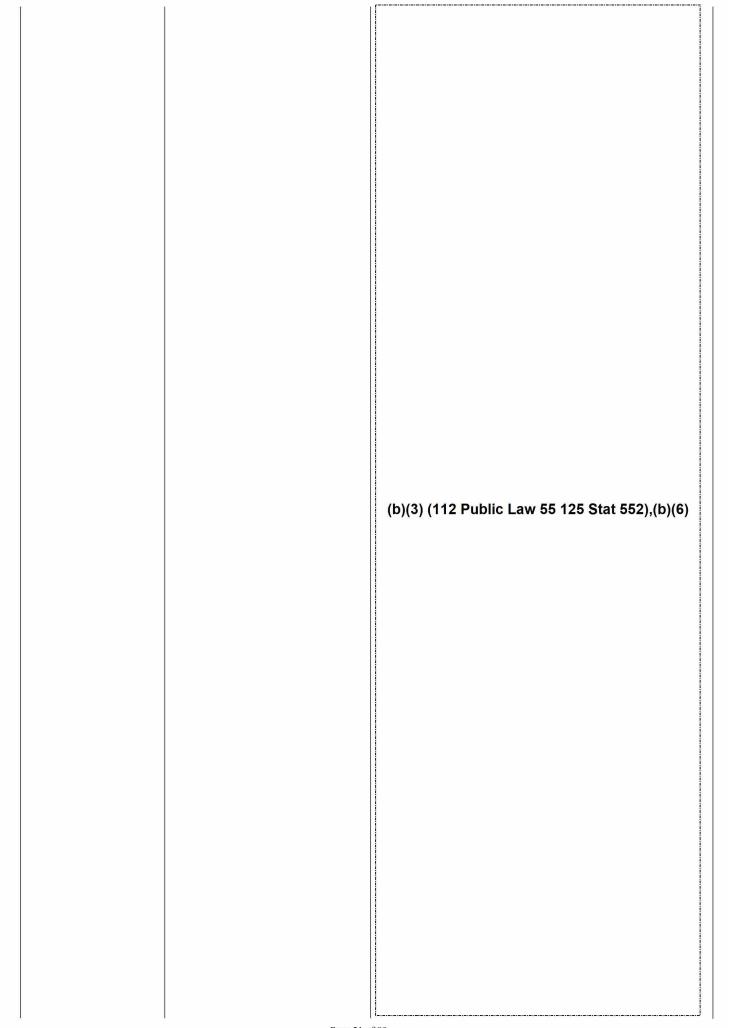


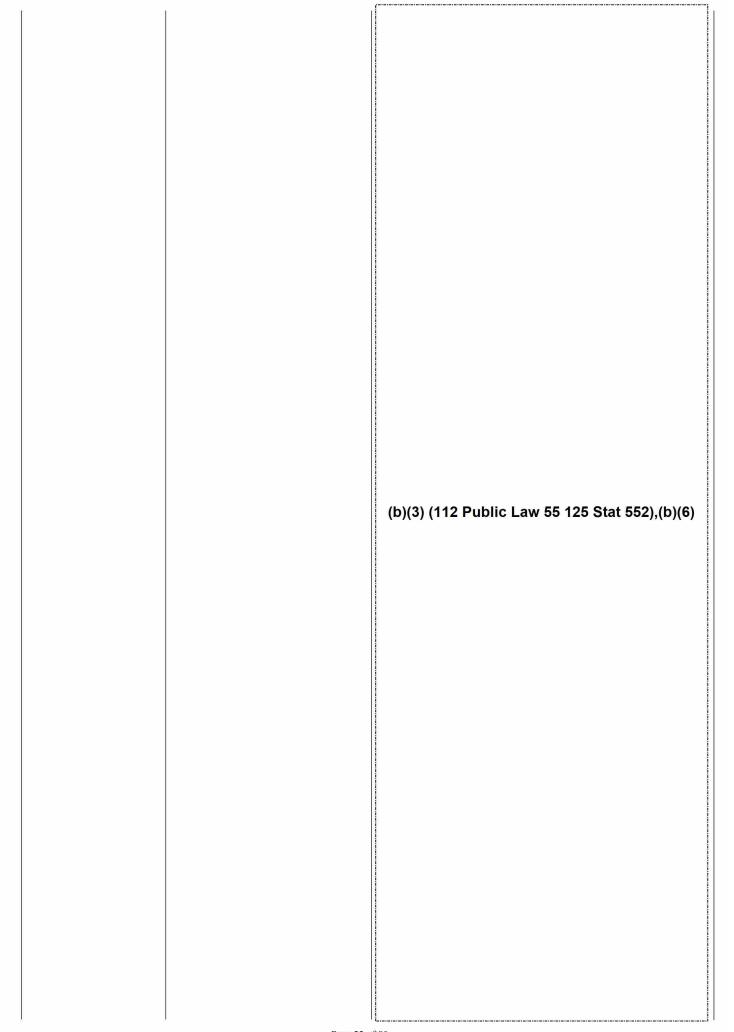
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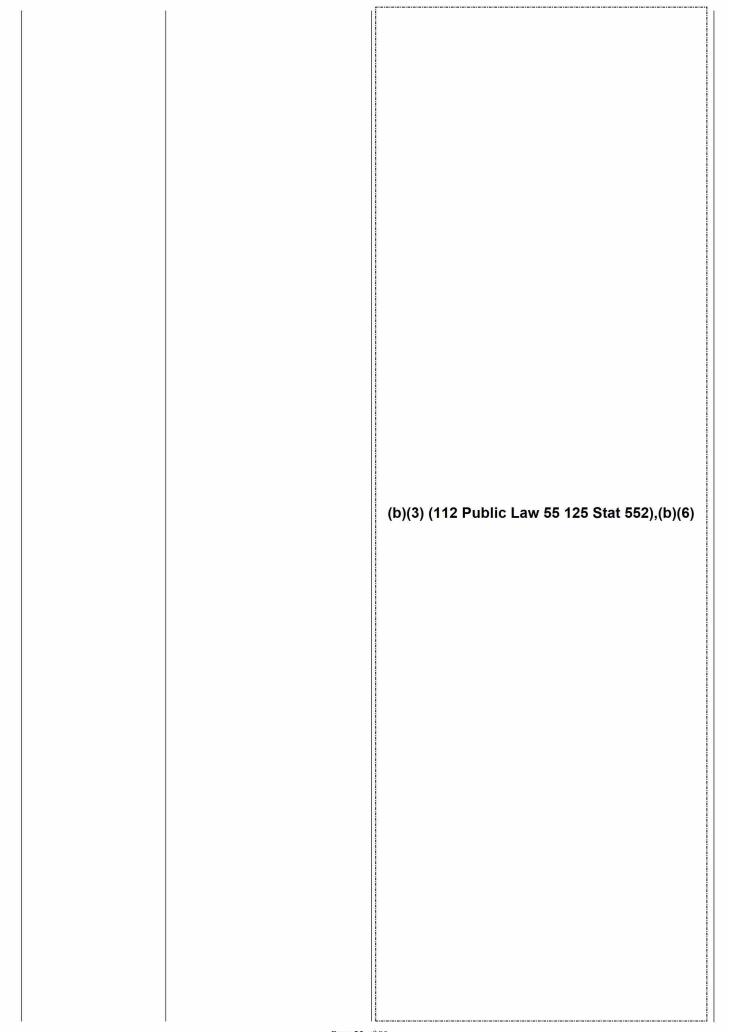


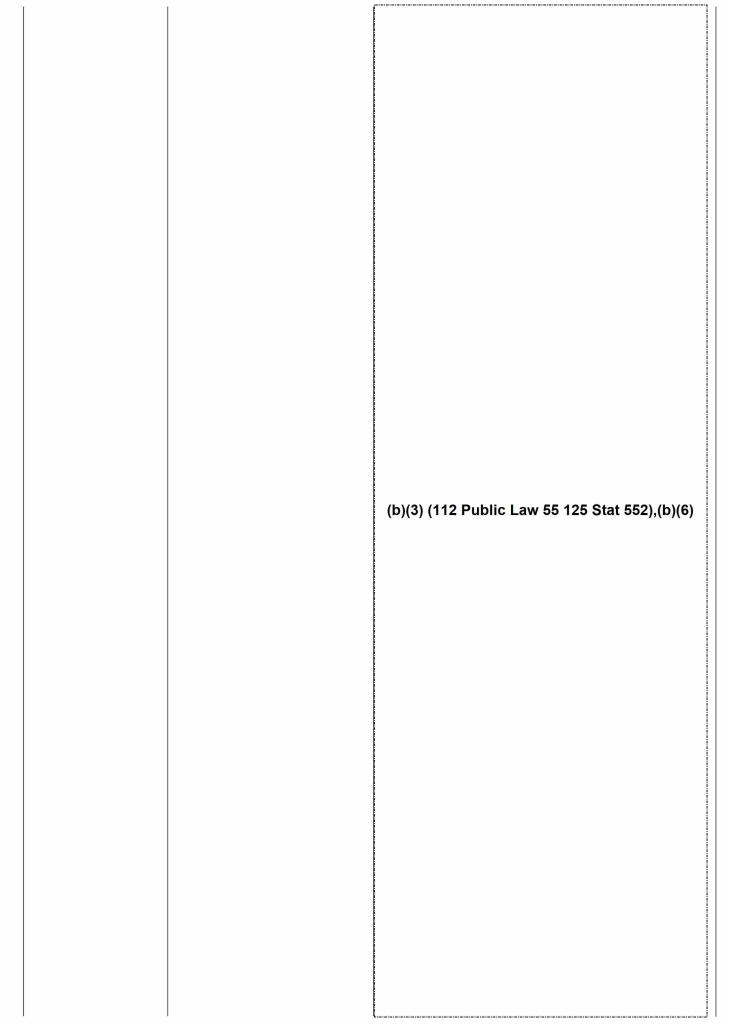


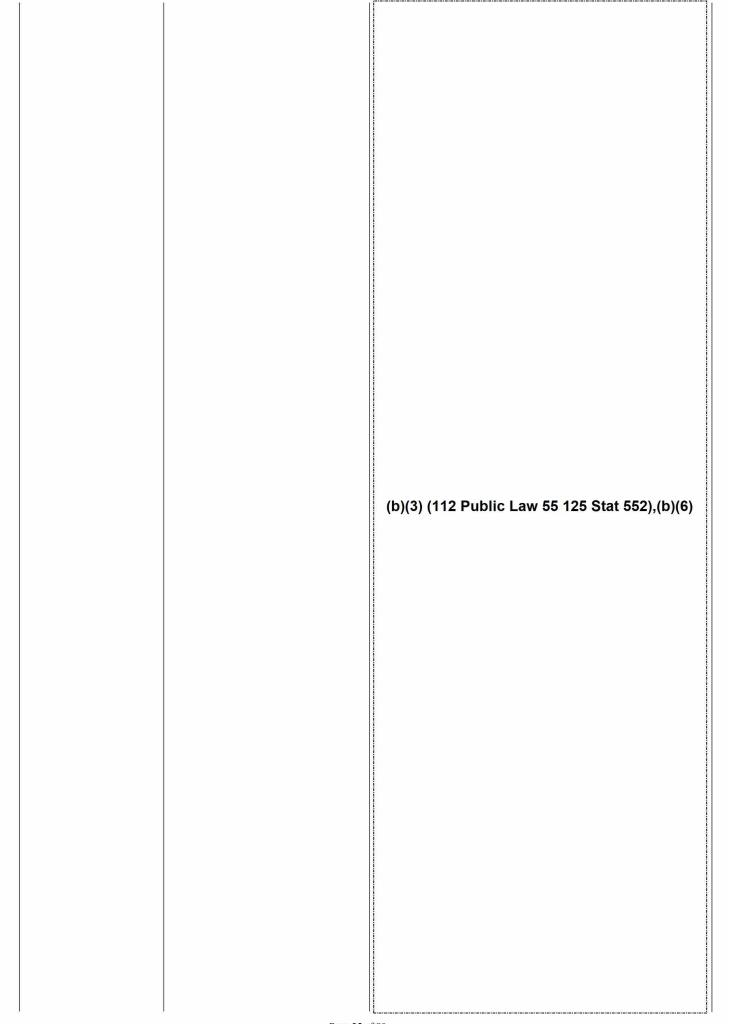




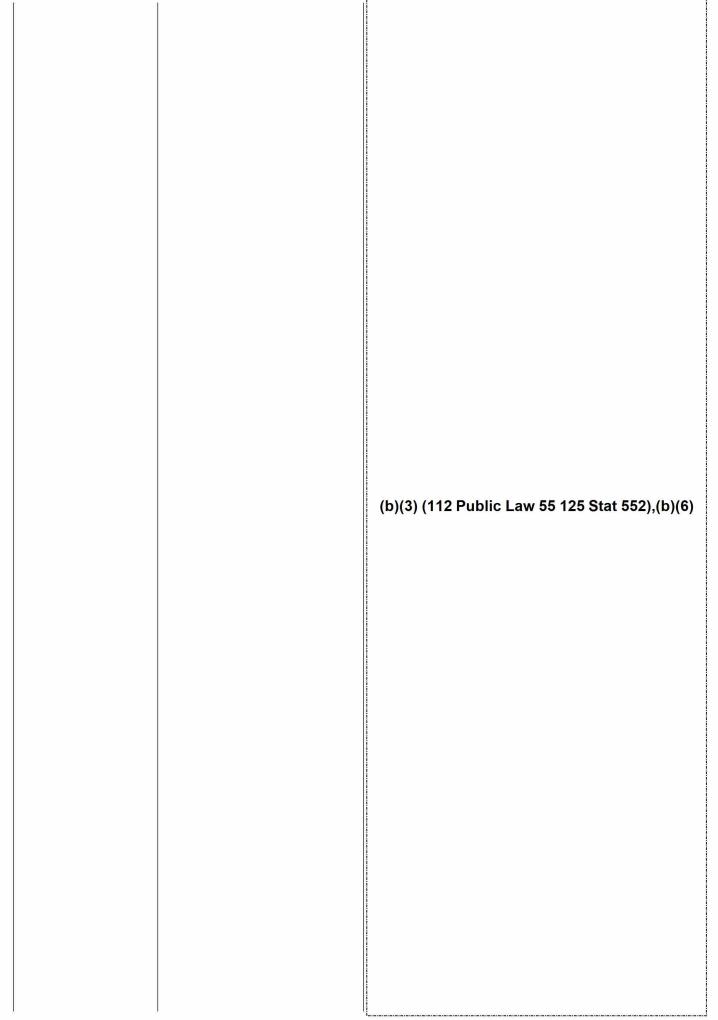


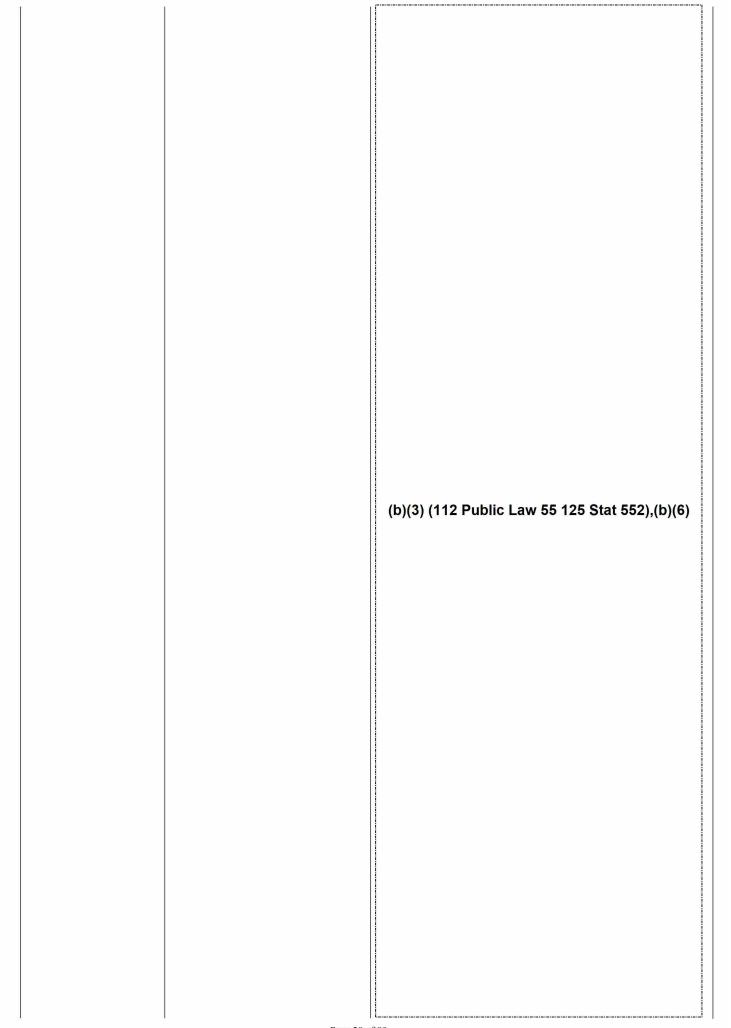


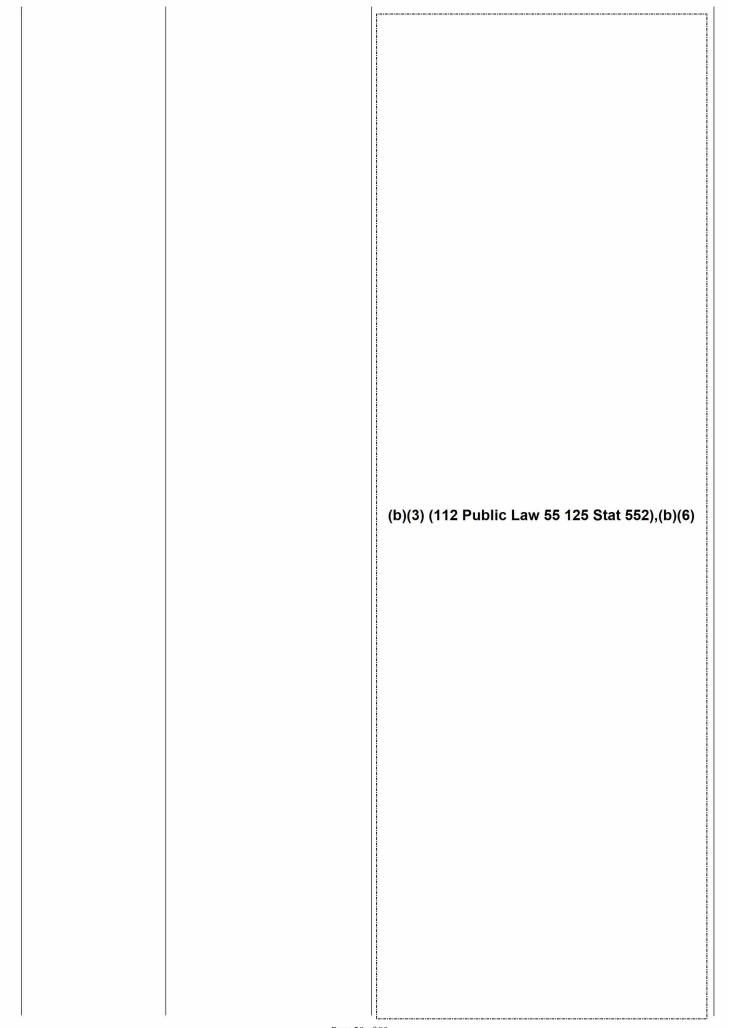


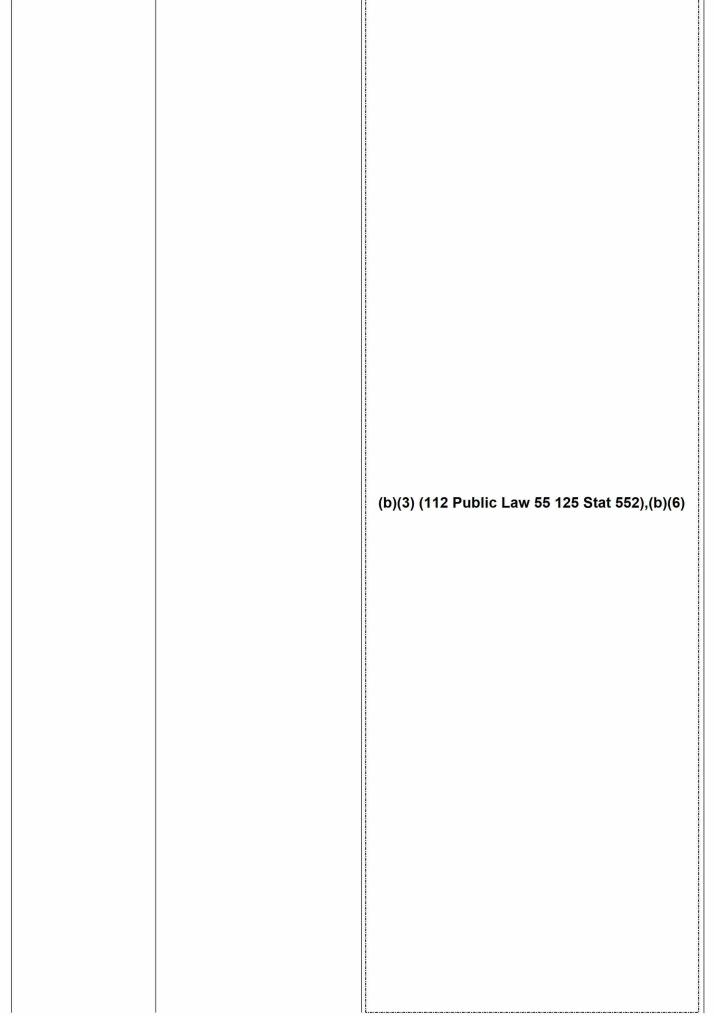


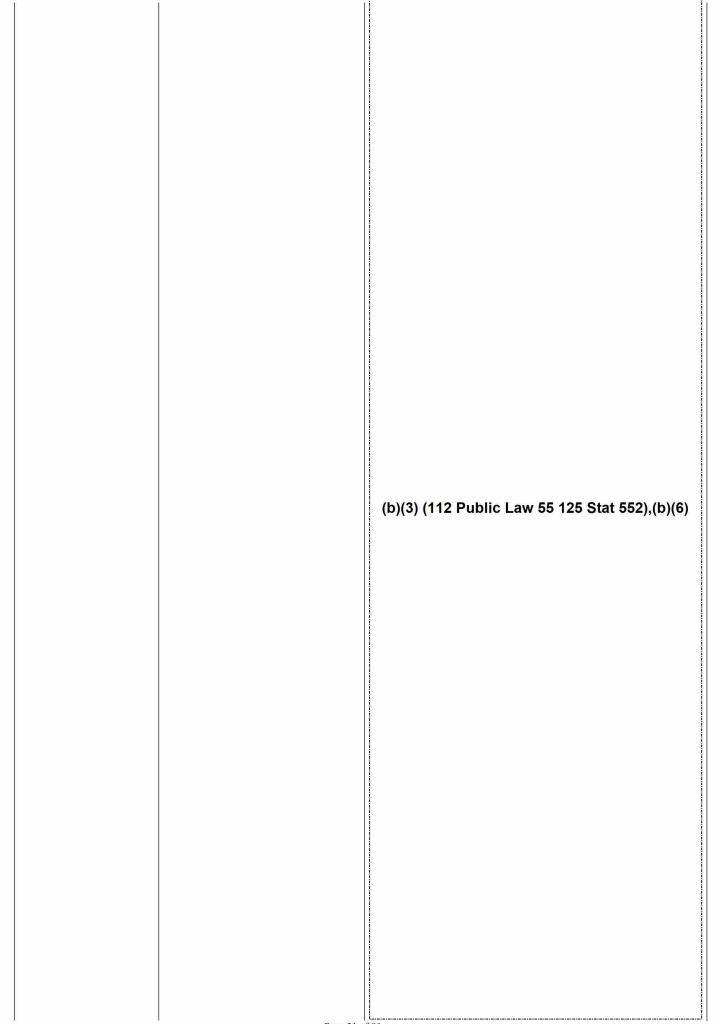
4		Page 26 of	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
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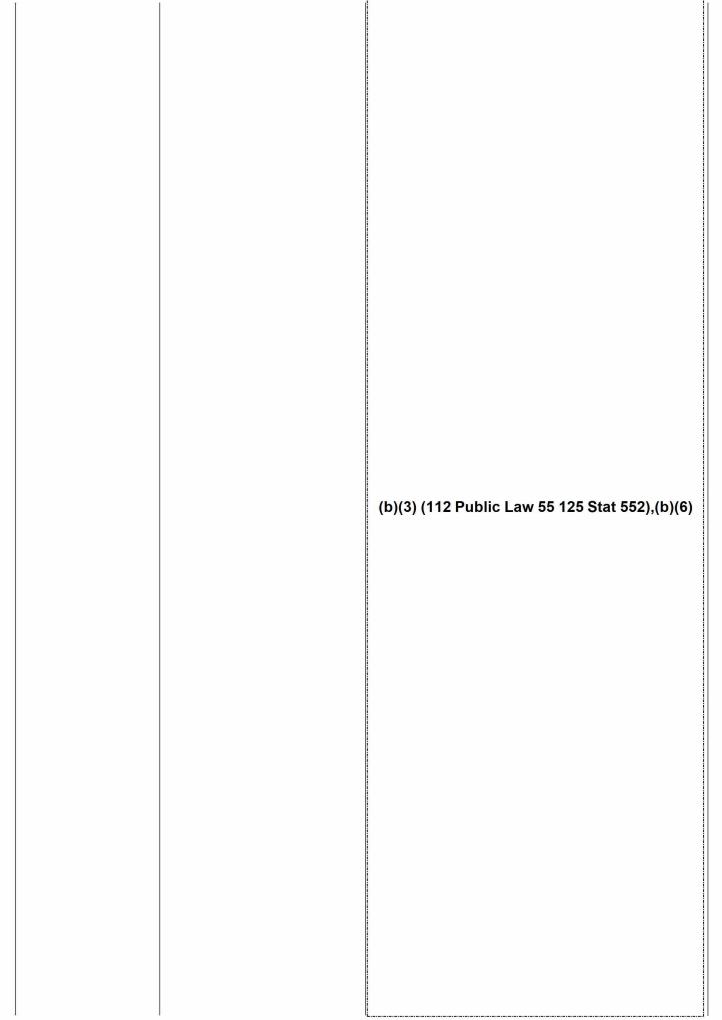


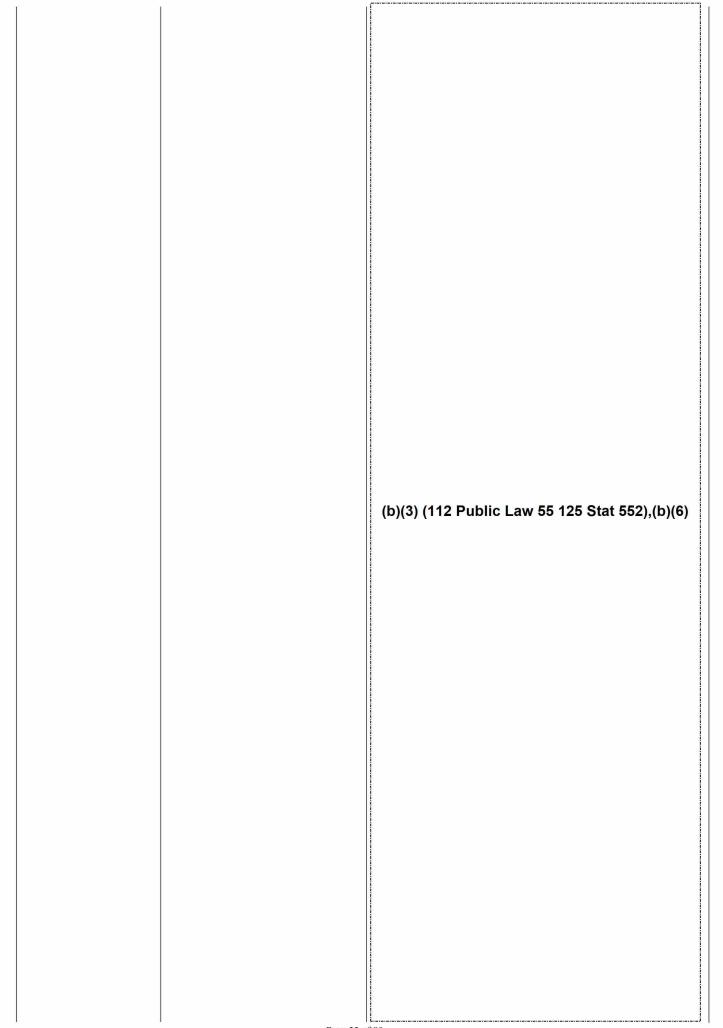


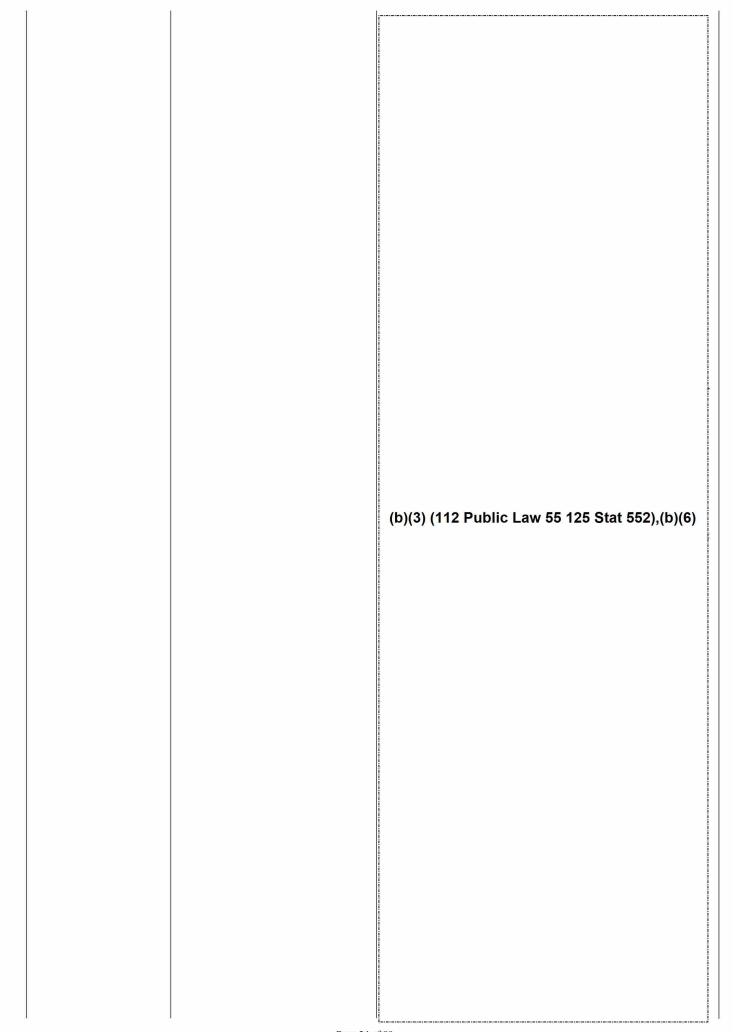


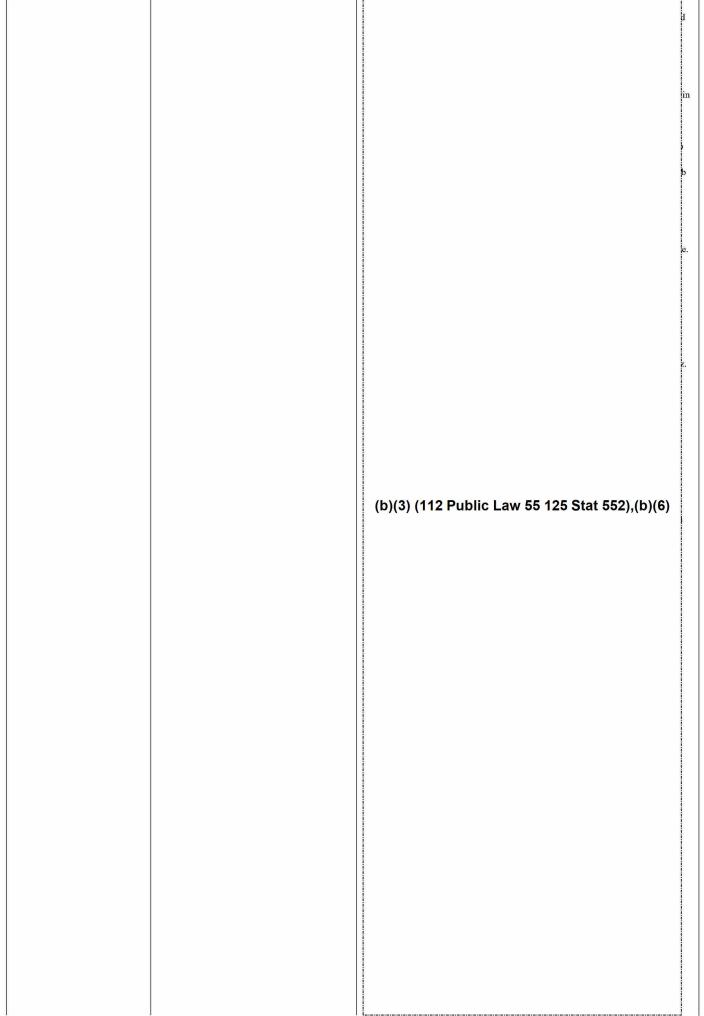


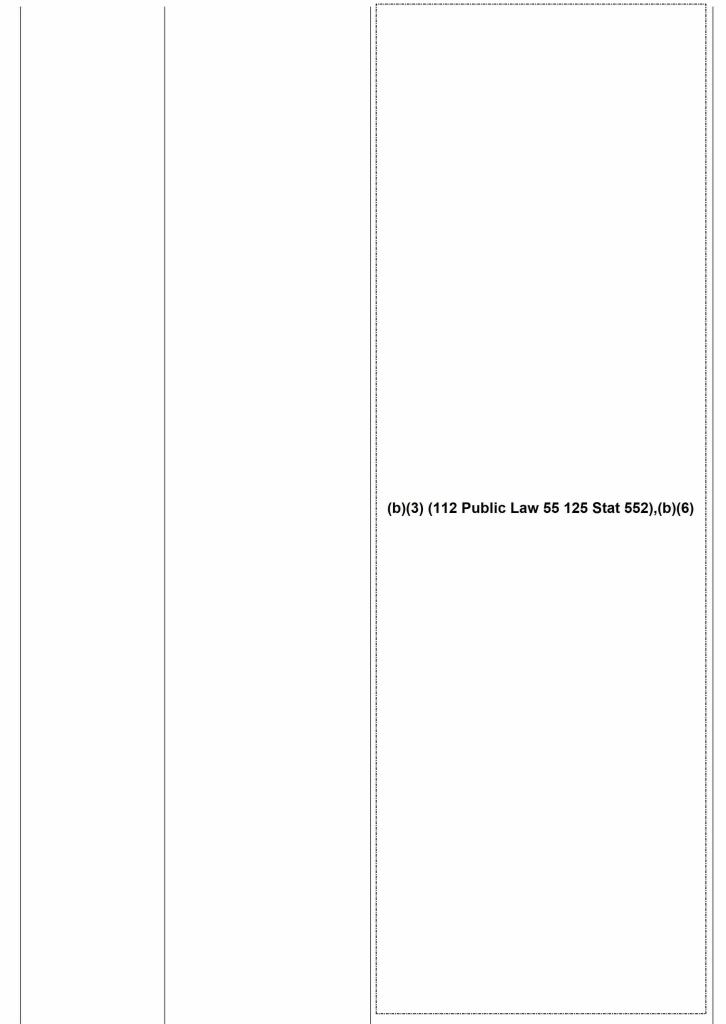


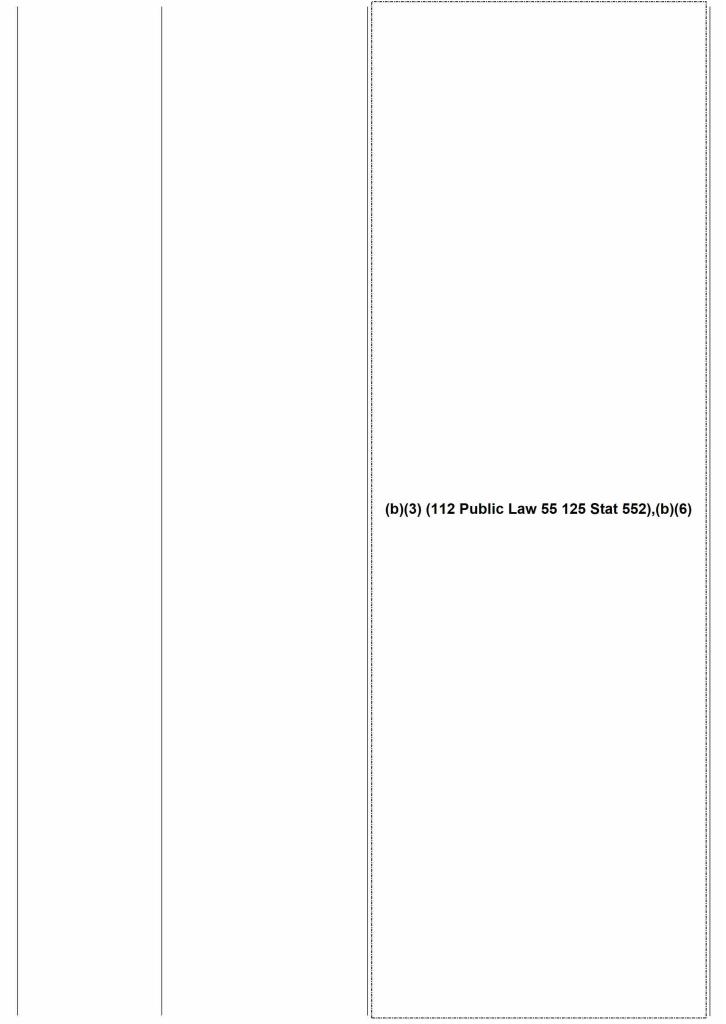


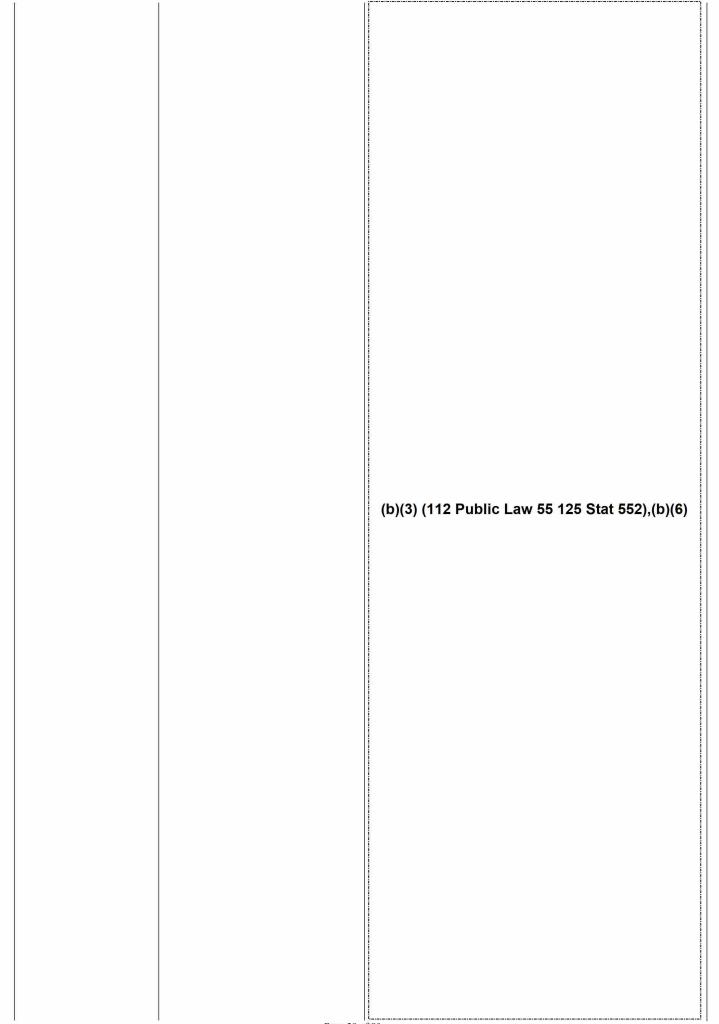


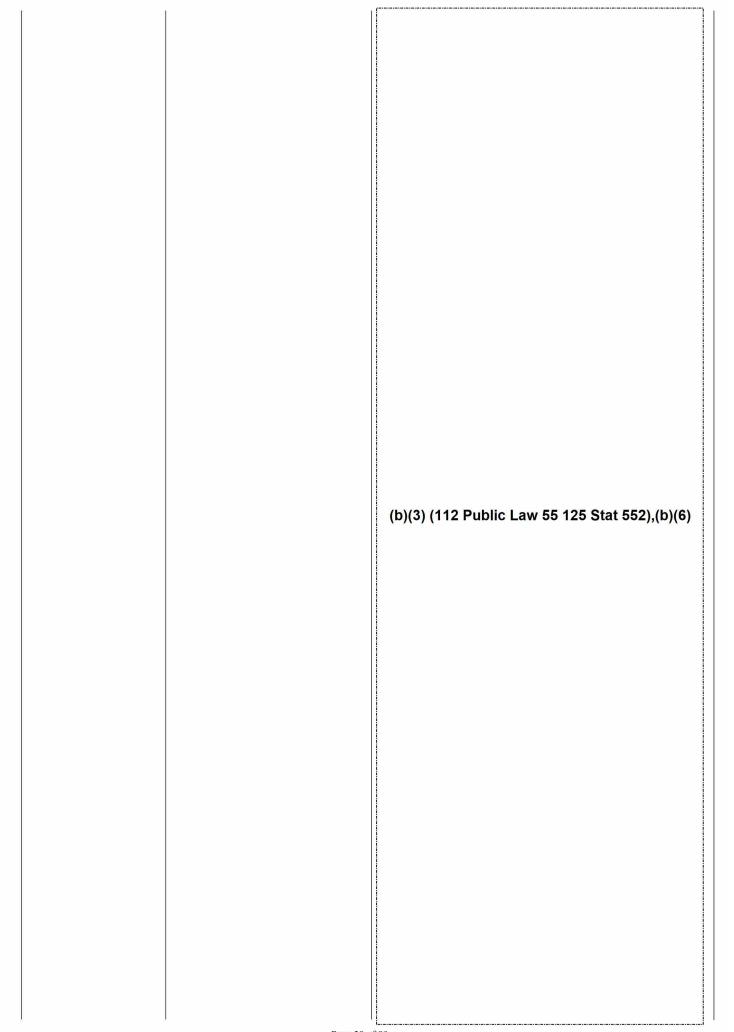


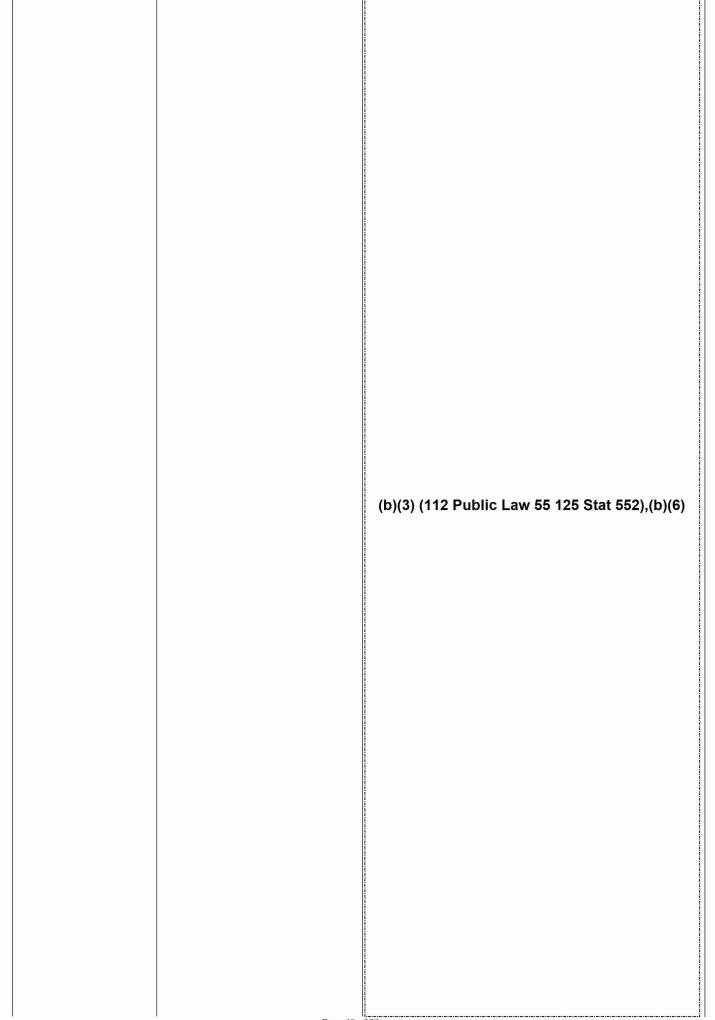


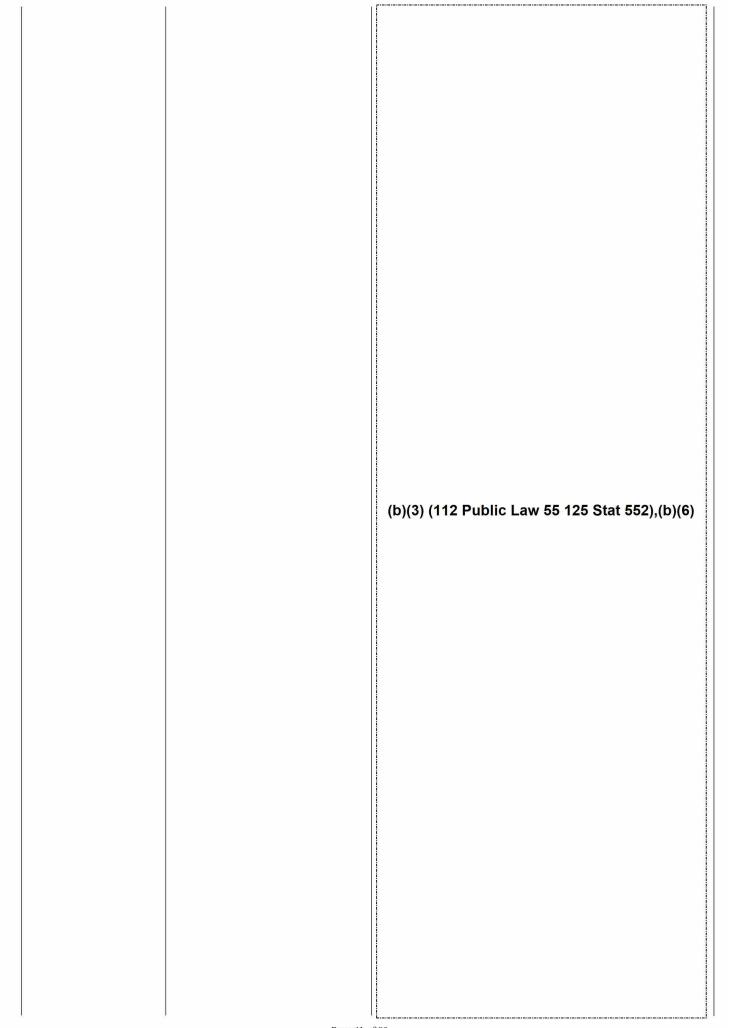


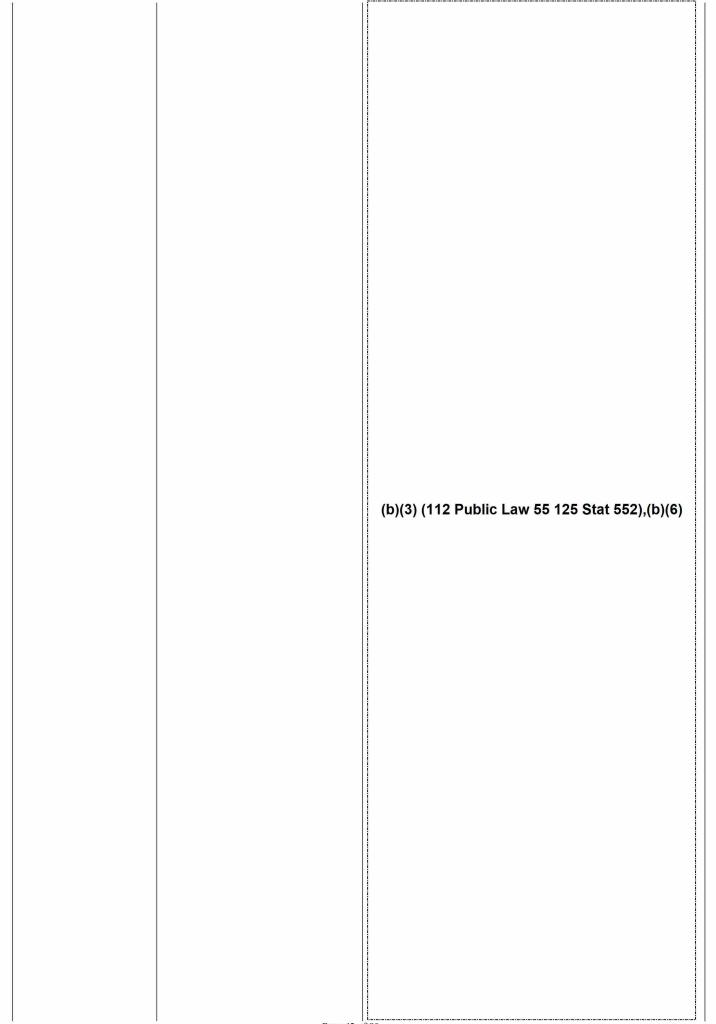








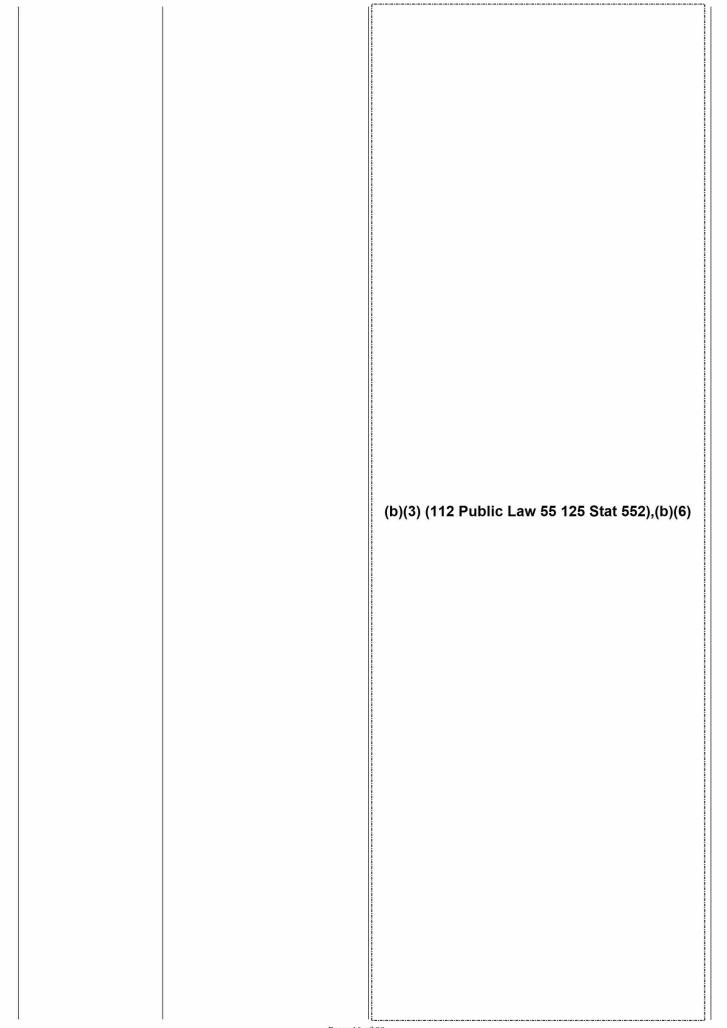




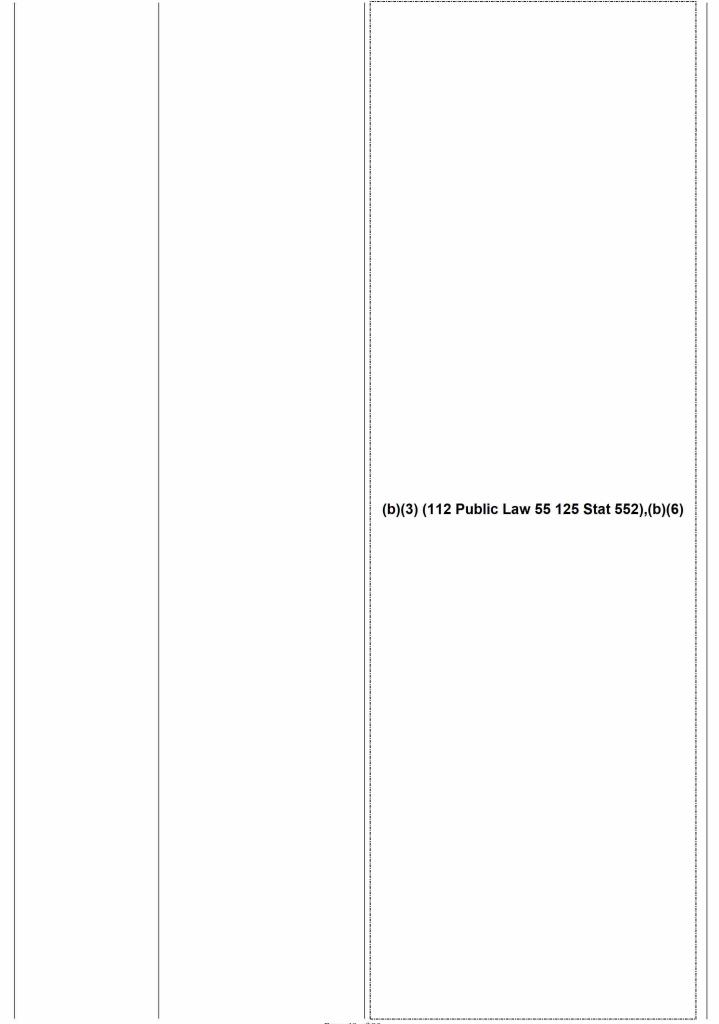
			(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)	
5	27 CFR 478.129(b): Failure to retain ATF F 4473  ATF Forms 4473  Number of Instance	Retain ATF Forms 4473 for a period of not less than 20 years after the date of sale or disposition.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)	

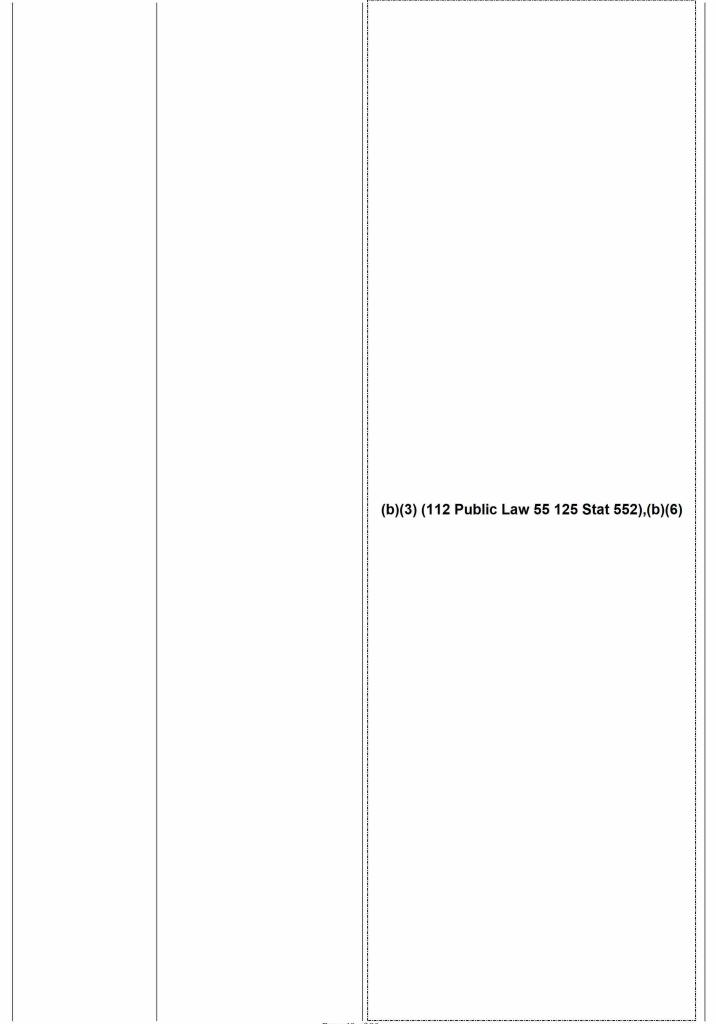
			(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
5	27 CFR 478.121(c): Making false entry, omitting entry, or failing to properly maintain required recordkeeping  Number of Instances:	Cease and desist from engaging in deceptive practices.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
	27 CFR 478.128(b): False statement made by a non-licensee on any ATF Record  Number of Instances:	Cease and desist from engaging in deceptive practices.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

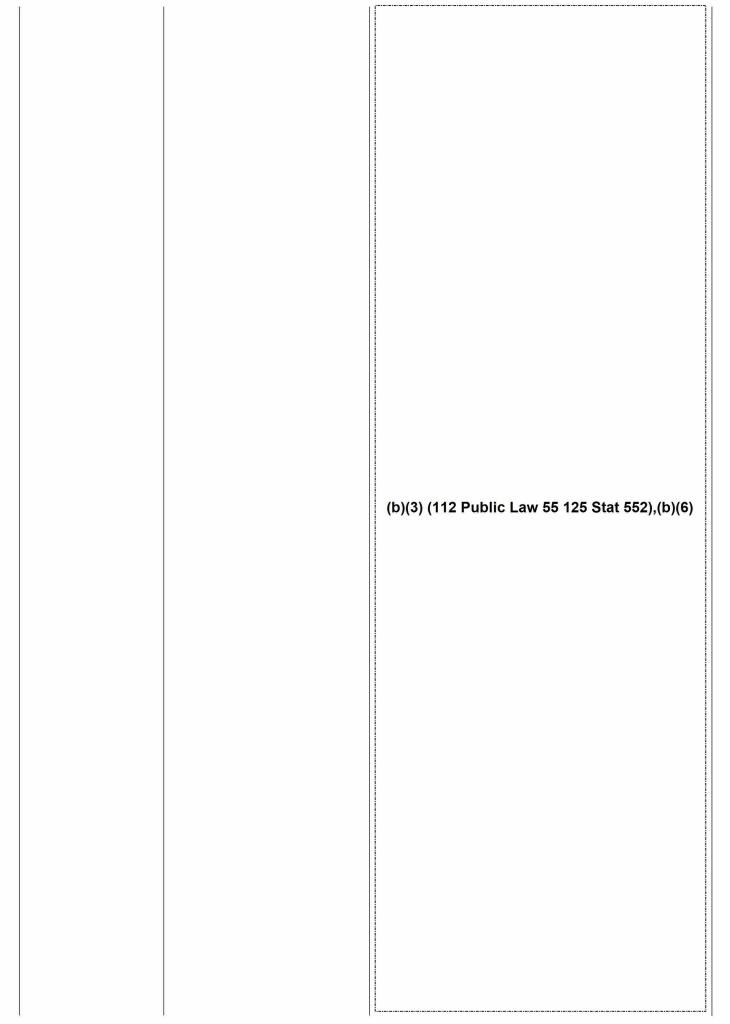
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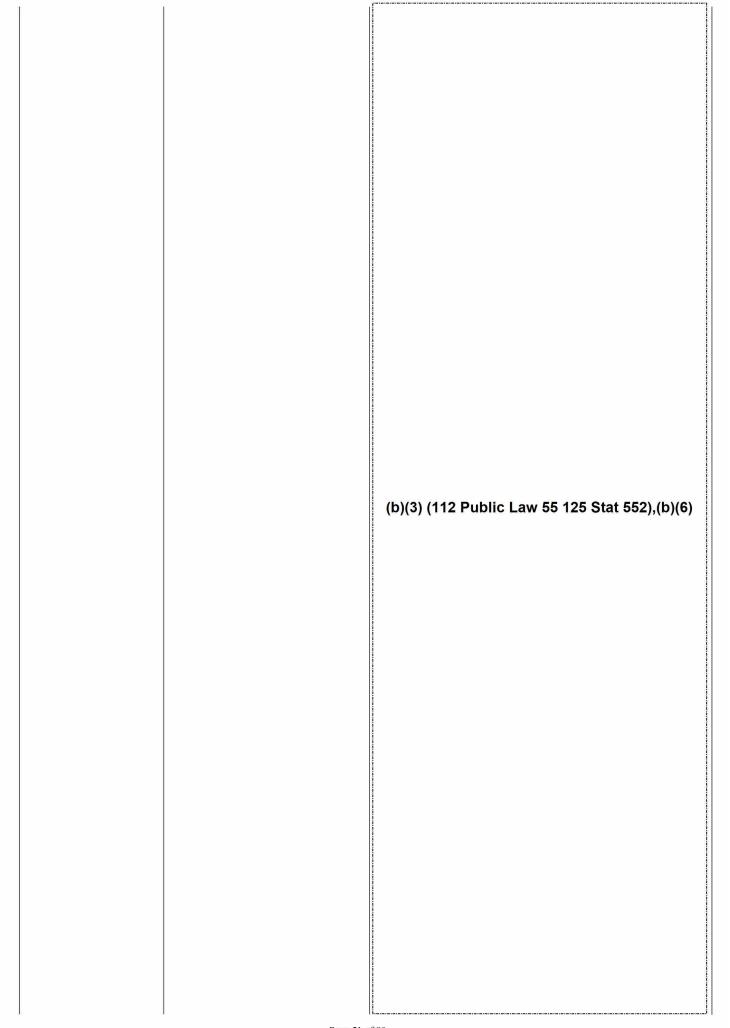


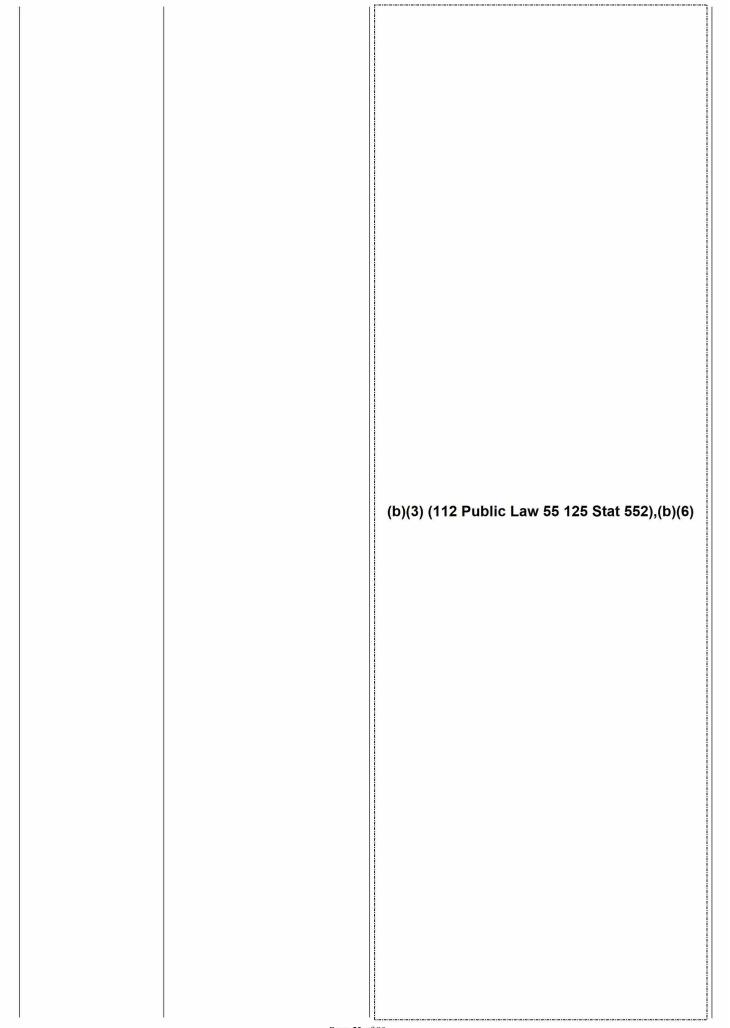
	27 CFR 478.41(b): Failure to be licensed as a dealer, manufacturer or importer of firearms	Cease and desist engaging in activities not authorized by current license type.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)  Keller Investments LLC dba Kingwood Guns holds only a Type 01 Dealer license. The licensee has manufactured over 70 firearms by assembling receivers into rifles and pistols. Kingwood Guns is not licensed as a manufacturer.
9	Number of Instances: 1  27 CFR 478.124(b): Failure to retain ATF Forms 4473 in alphabetical, numerical or chronological order  ATF Forms 4473: 1	Organize and maintain ATF Forms 4473 in alphabetical, chronological, or numerical order.	Record Management
3 3 3	Number of Instances: 1  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. Accurately, completely & timely record all required future firearm disposition information. Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

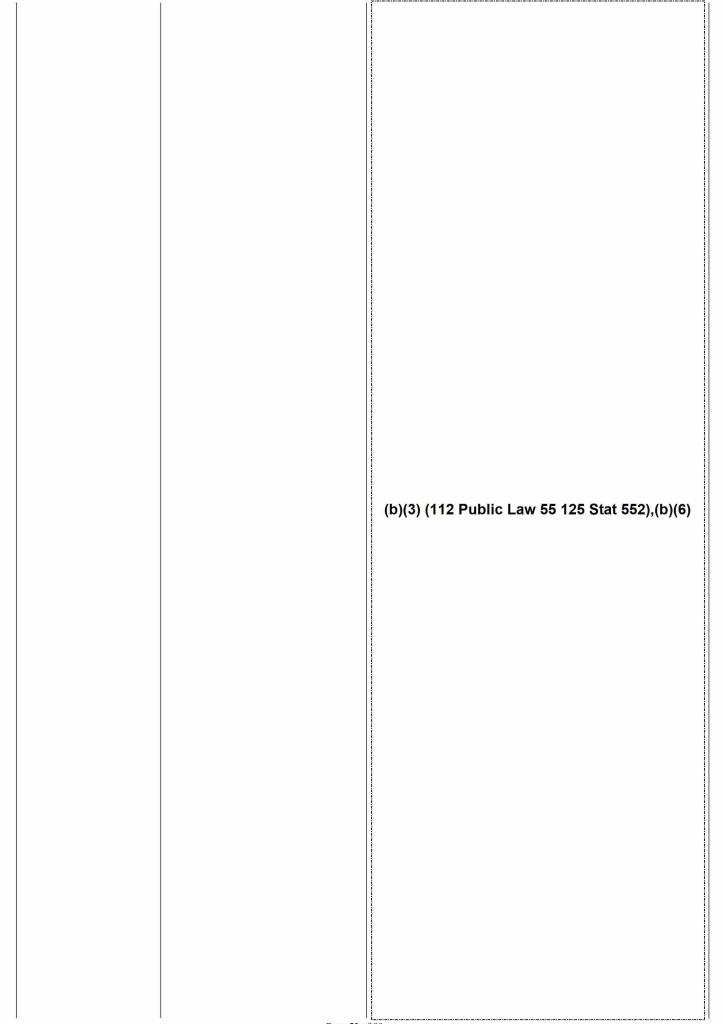


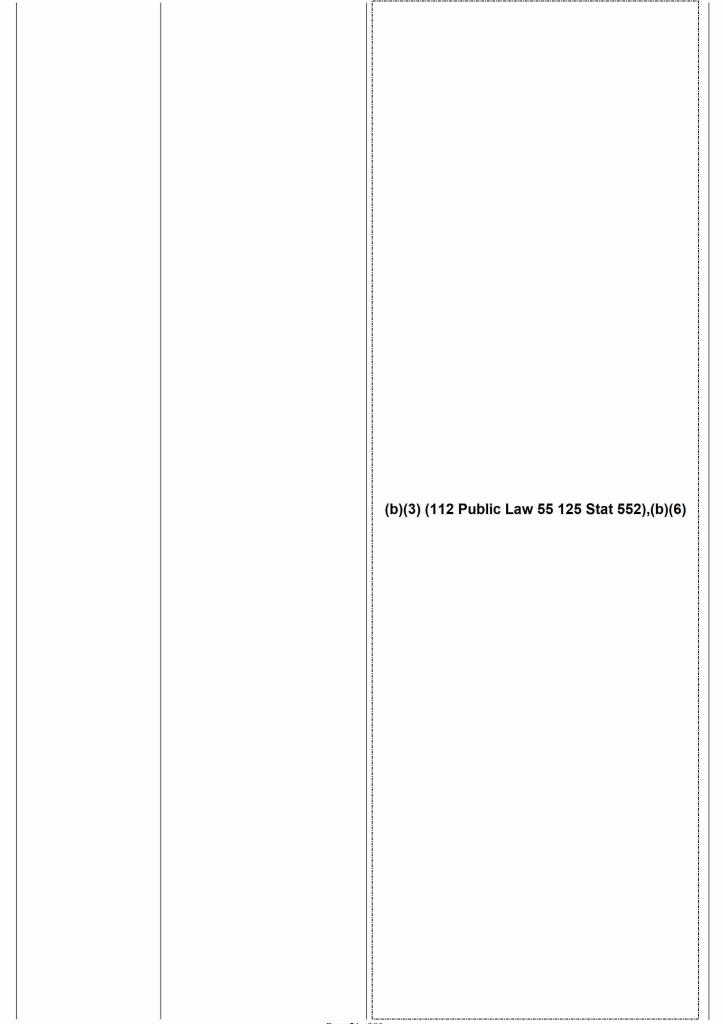


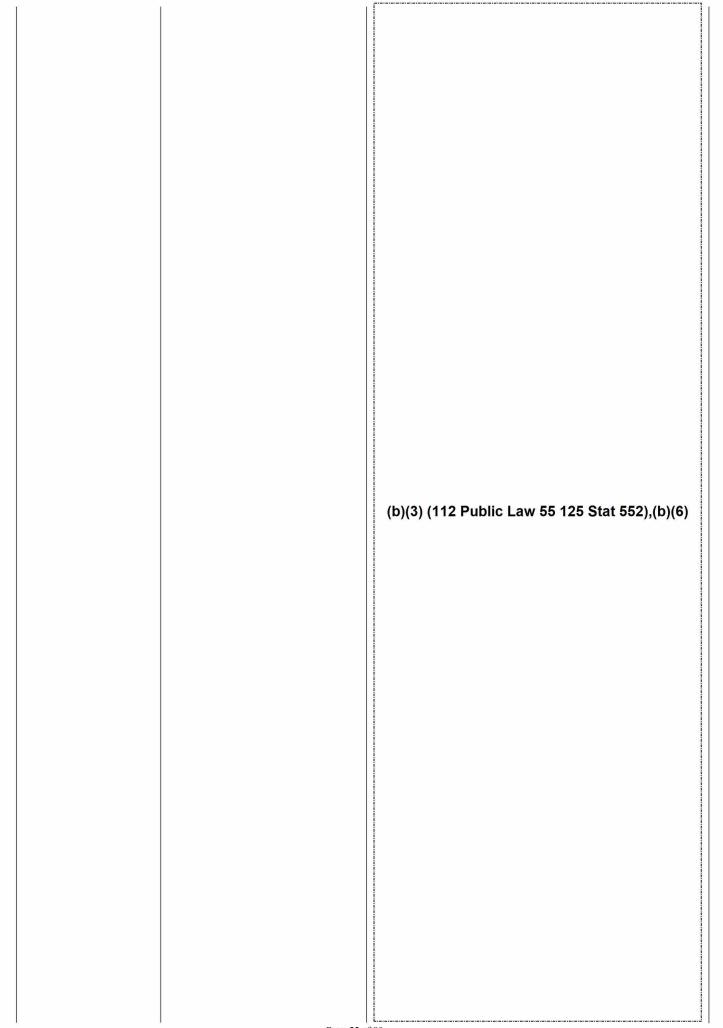


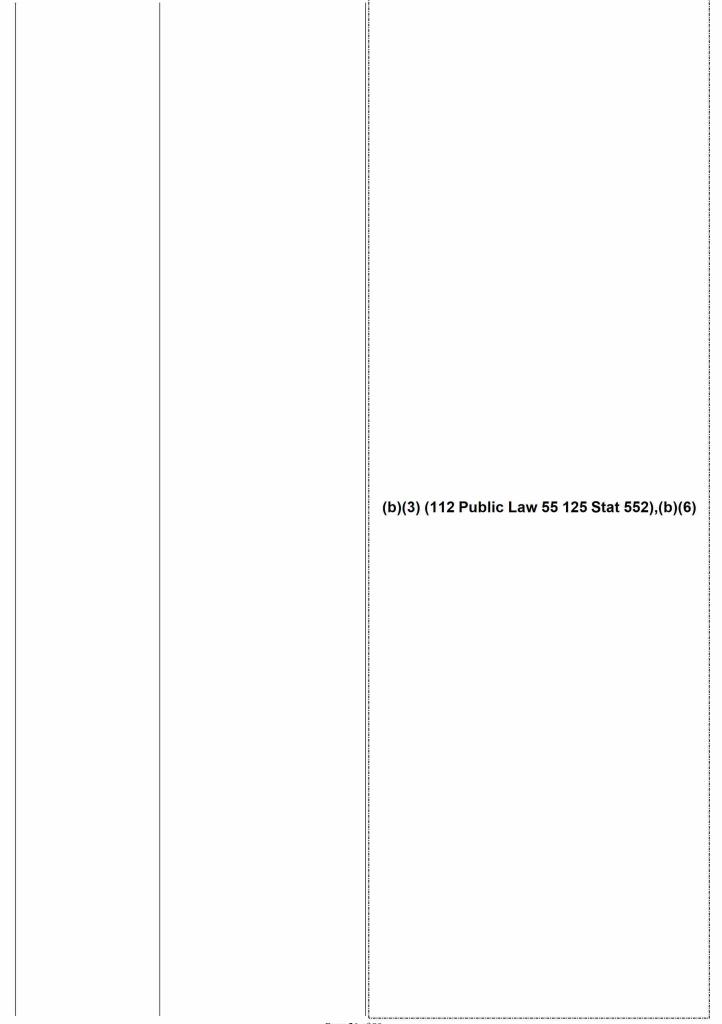


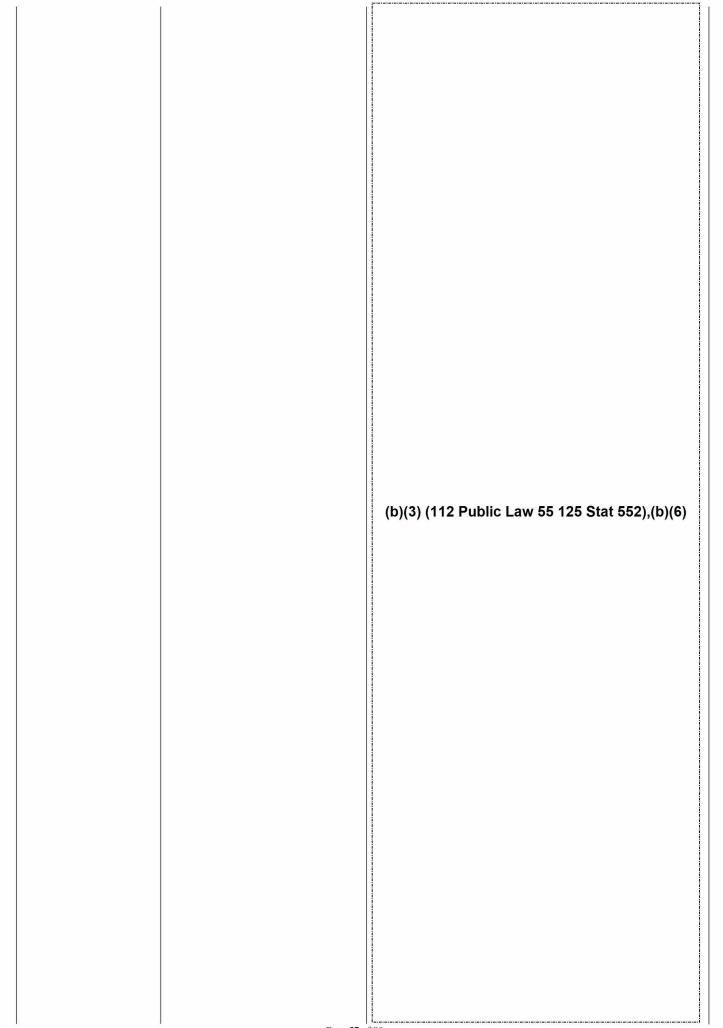




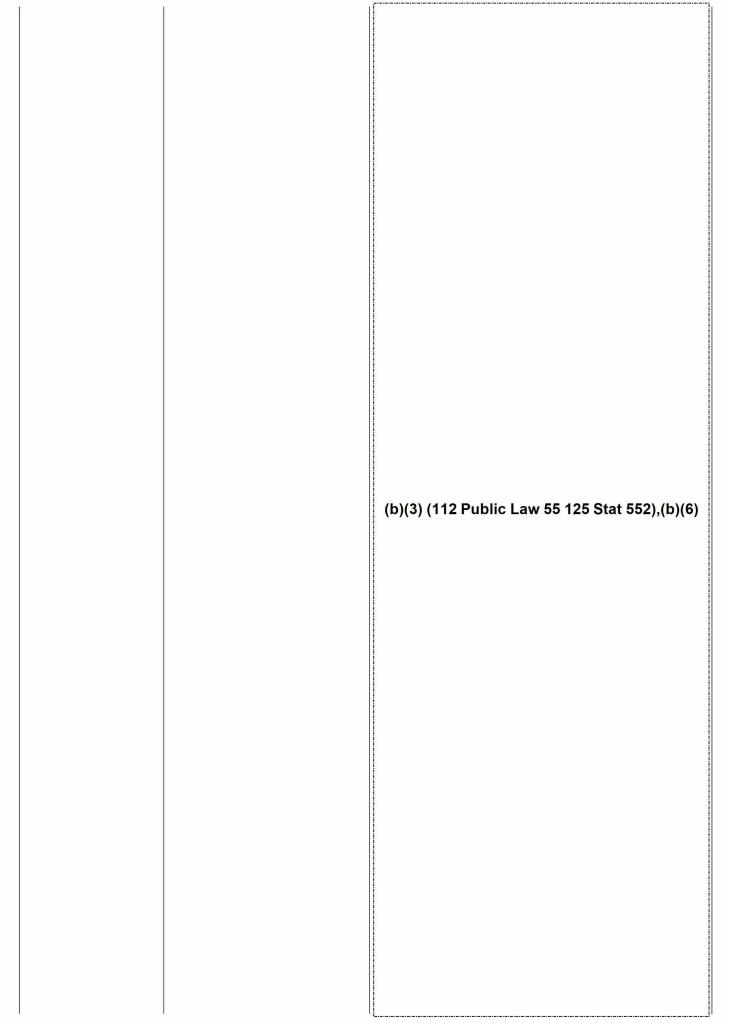


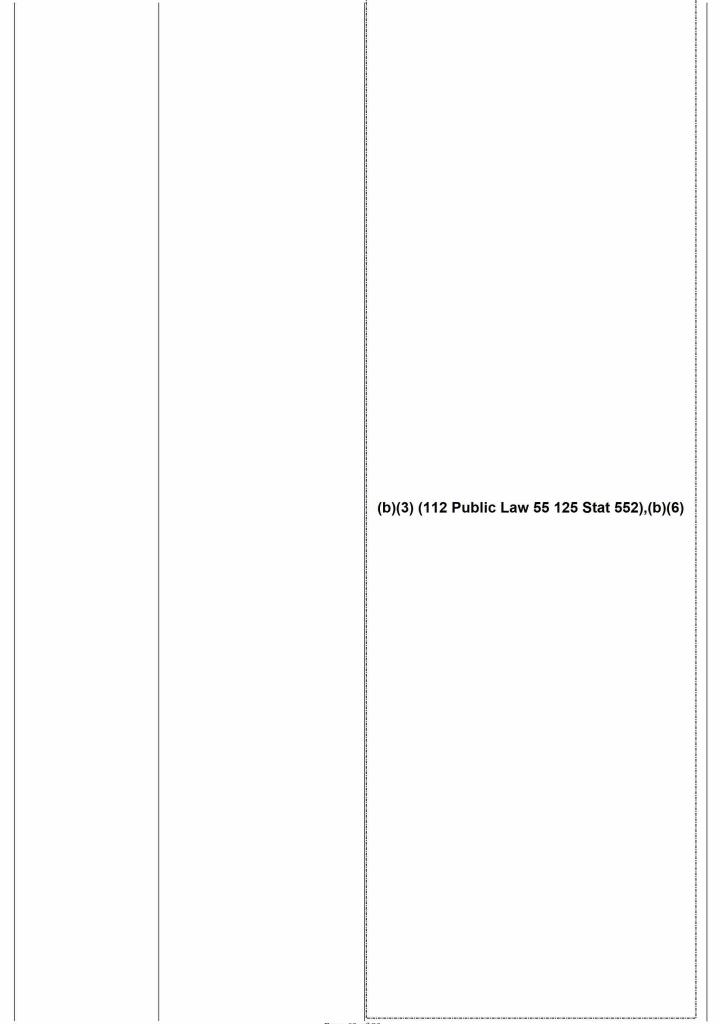


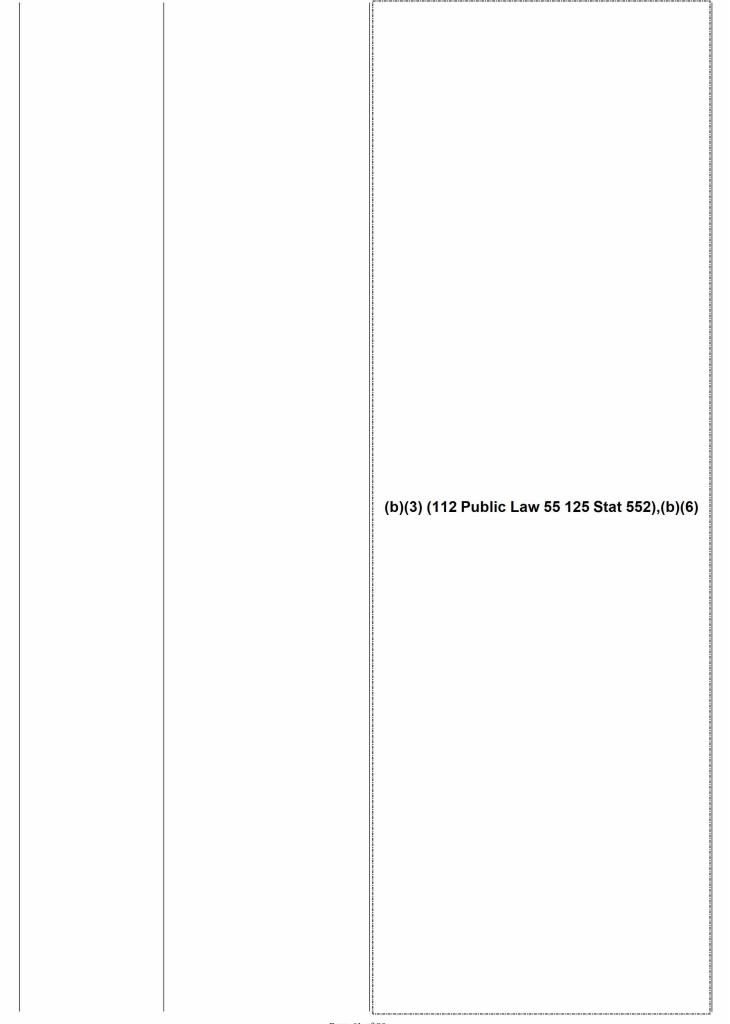


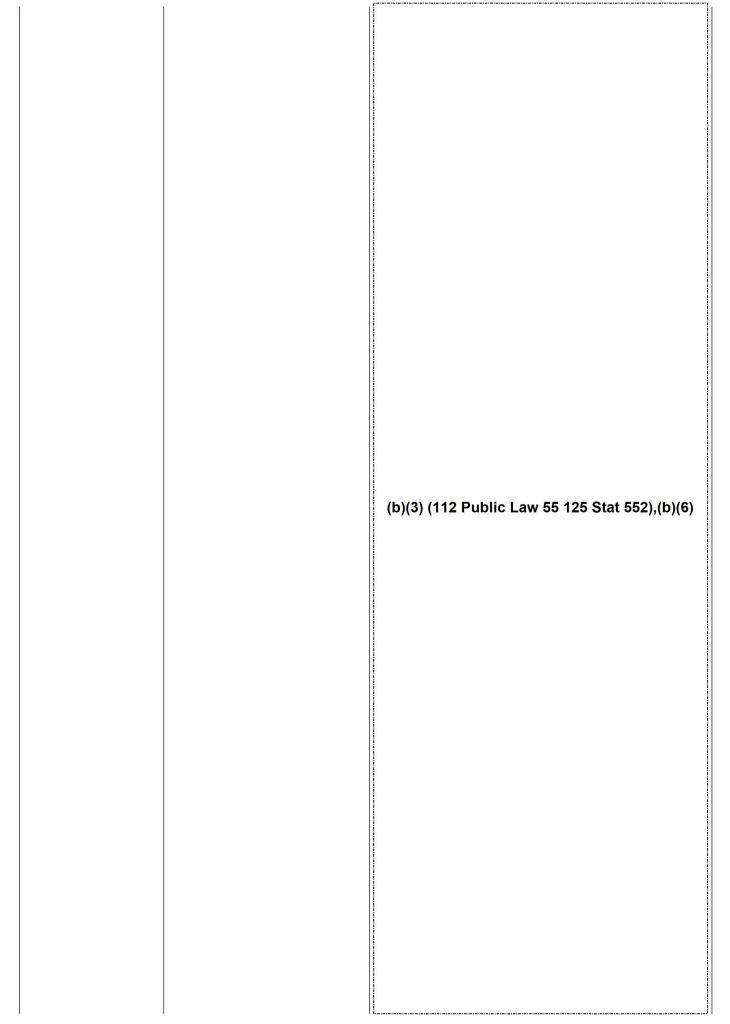


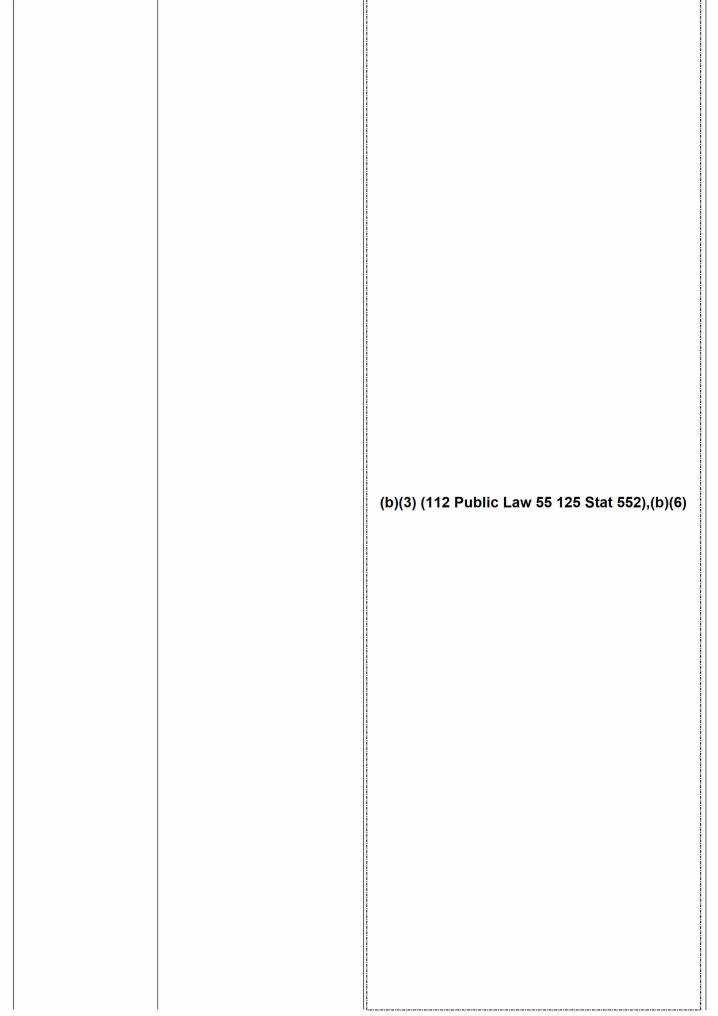
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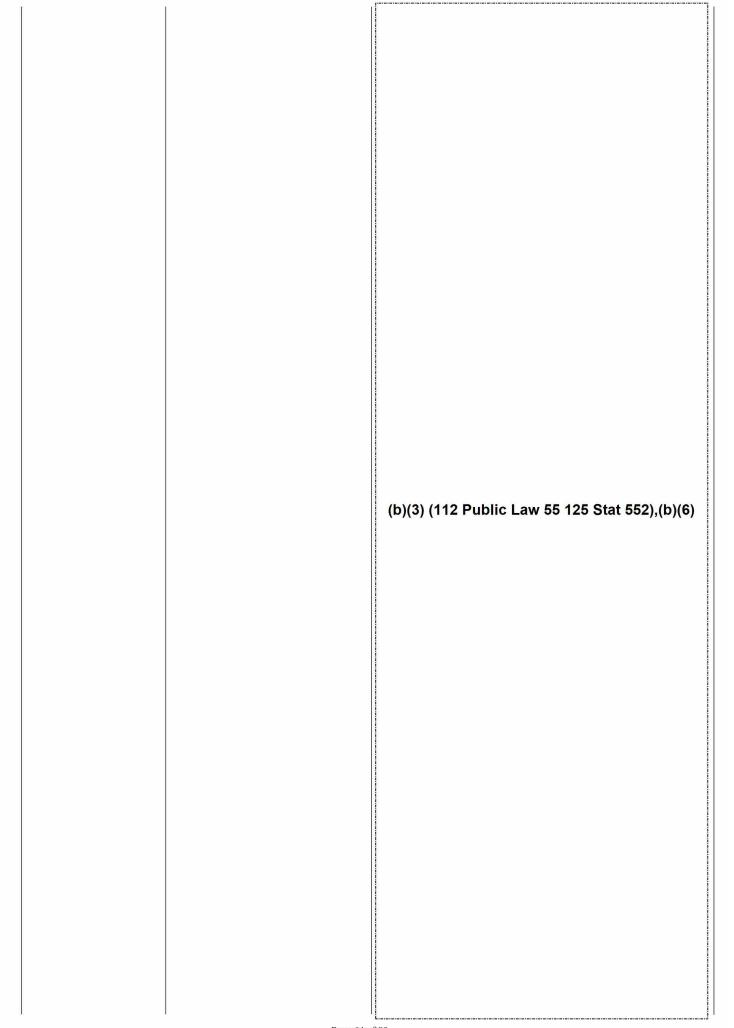


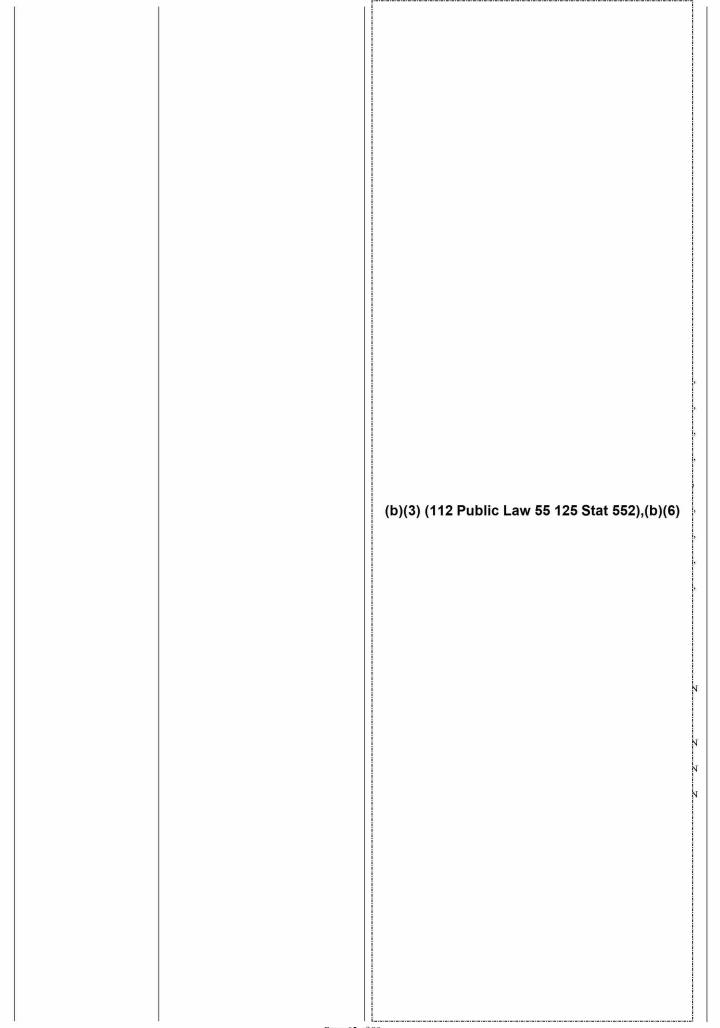


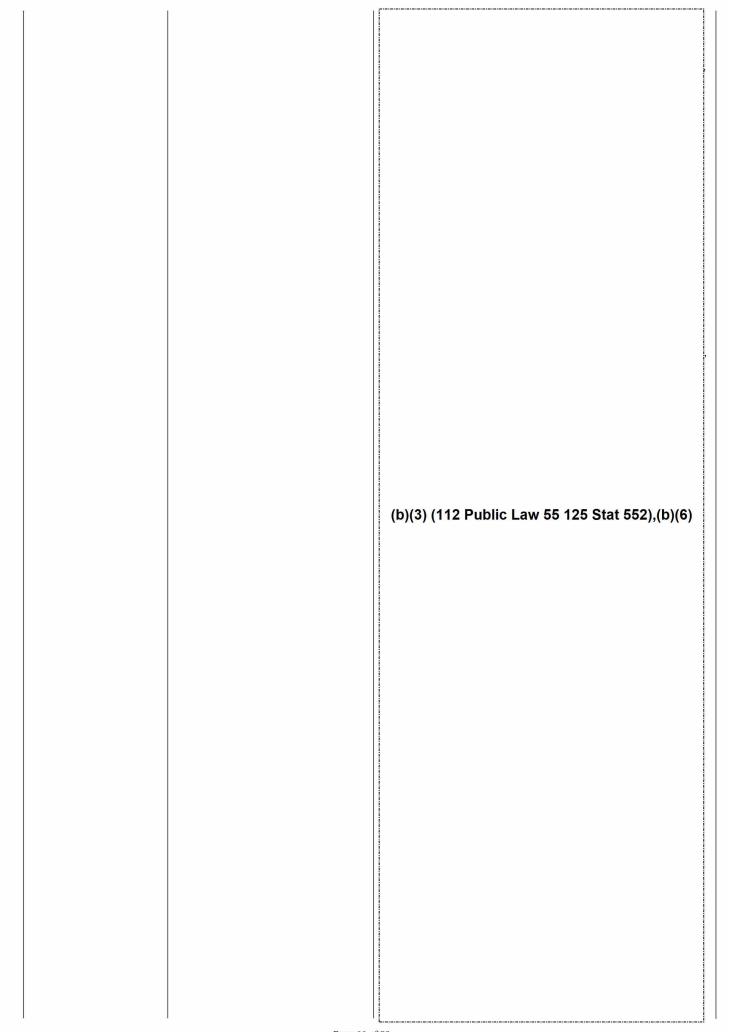


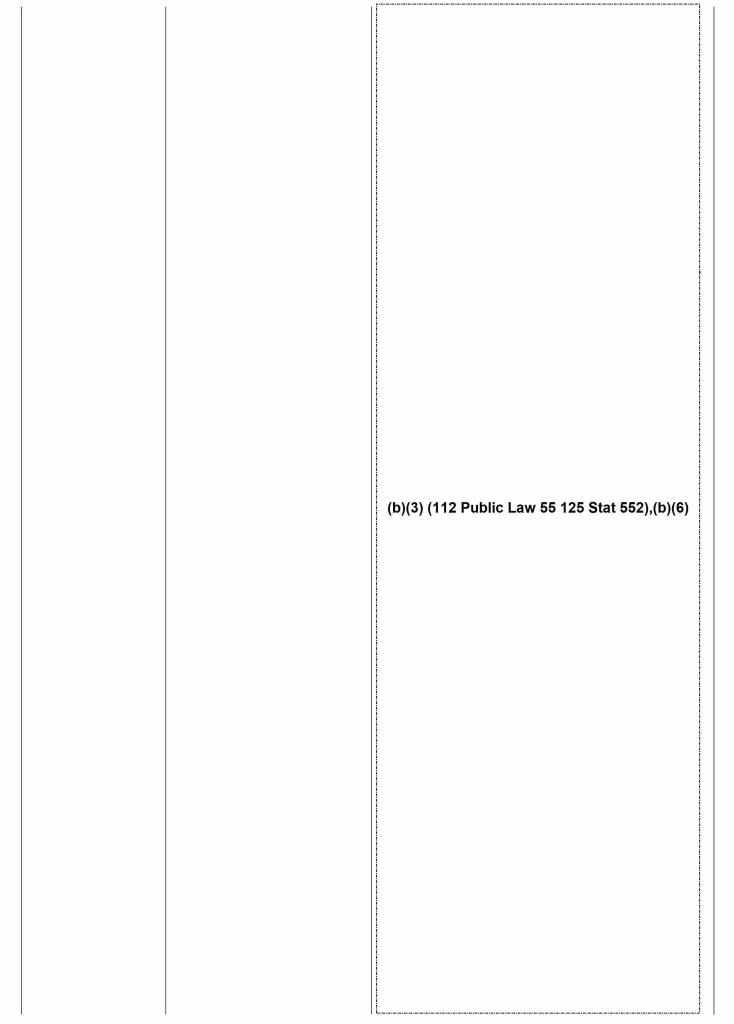












			(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)	
27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473  ATF Forms 4473  Number of Instances:	Ensure that all required firearm identification information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.	(	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)	

111			(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:	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)

12 Page 7	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
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		(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.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)	

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6	13	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
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|<u>|</u> | Page 72 of 80

			(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
14	27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473  ATF Forms 447  Number of Instances	Ensure that all required transferee/buyer identification information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section B.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
	27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473  ATF Forms 4473  Number of Instances	Ensure that all required NICS/POC background check information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section B.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

15			(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
record o affix a c permit in	478.131(a)(2): Failure to n an ATF Form 4473 (or opy of) NICS alternative nfo	Ensure that a qualifying NICS alternative permit is properly obtained, validated, verified, and documented for all applicable future over-the-counter firearm transactions.	
27 CFR transfero ATF F 4	478.124(c)(5): Failure by or to sign and/or date an	Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.  Page 74 of	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

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publish and workers  ATF Form 447%.  Number of Instances [	Regulation	Corrective Actions	Licensee Response	Status Details
Sale or Office Disposition of Certain Riffest for all one-repeted dispositions of Certain Riffest for all one-repeted with properties of certain riffest and properties of certain riffest as a result of this impection.  2 NITE Forms 44-75  Number of Instances  2 Number of Instances  2 PCER 478.129(c): Failure to retain Multiple Sale or Thefit Loss reports Multiple Sale o	multiple sales or other dispositions of pistols and revolvers  ATF Forms 4473[]	f Sale or Other Disposition of Pistols and Revolvers) for all non-	were not reported because they were too busy at the time due to increased sales as a result of Covid-19. Mr. Jenkins stated the forms are now	Licensee Notified  Verified Method In Person  Date Licensee Notified
ATF Forms 473	report multiple sales or other dispositions of certain rifles	Sale or Other Disposition of Certain Rifles) for all non-reported	were not reported because they were too busy at the time due to increased sales as a result of Covid-19. Mr. Jenkins stated the forms are now	Licensee Notified Verified Method In Person Date Licensee Notified
made by a licensee on any ATF record record record  1	Multiple Sale or Theft/Loss reports  ATF Forms 4473 [ ]  Number of Instances [ ]		misplaced because they were too busy at the time due to increased customer	Licensee Notified  Verified Method In Person  Date Licensee Notified
nave no excuse for that.	made by a licensee on any ATF record  Number of Instances	Cease and desist from engaging in deceptive practices.	4473 related to straw purchases, Mr. Jenkins stated, "We were short of inventory (due to Covid-19). I only did it to get inventory. I thought we were following the rules. I don't think we engaged in deceptive practices".  In regards to falsifying the A&D Record related to manufactured firearms, Mr. Jenkins stated he didn't know he couldn't put an upper and a lower together. He stated he logged the receivers out to himself in order to get the firearm in the proper category (rifle or pistol) in the computer software system. Mr. Jenkins previously stated they manufactured because it was hard to get inventory during the pandemic.  In regards to firearms being logged in with the disposition date prior to the acquisition date, Mr. Jenkins stated he thought the A&D Record had to be in order (by date of acquisition), so if he missed logging a firearm in, he put the date as the date he made the discovery instead of the actual acquisition date so the book would be in order.  In regards to having different information acquisition information recorded for the same firearm in different acquisition names in a manual book and ELOG), Mr. Jenkins stated, "I saw the book was wrong and was kind of going off memory when I moved it".  In regards to having incorrect information recorded for firearms, Mr. Jenkins stated, "I kind of knew they were there, but the next day came and	Licensee Notified  Verified Method In Person  Date Licensee Notified

	27 CFR 478.129(b): Failure to retain	Retain ATF Forms 4473 for a period of not less than 20 years	In regards to firearms being mistakenly recorded as acquired on the disposition day, Mr. Jenkins stated, "I think they (employee) sold the gun and had the form in front of them and couldn't find the entry (in the A&D Record). So, they entered it (into the A&D Record) again. Now, if they can't find the entry at the time of the sale, they get one of us who will find the original entry".  In regards to firearms being logged out to two different people, Mr. Jenkins stated one customer probably made an online purchase and the software "autologged" a firearm out. Then, another customer probably came in and purchased the same firearm off the wall, and it was never caught and corrected.  Mr. Jenkins stated the filing system got	Status
5	ATF F 4473  ATF Forms 4473  Number of Instance	after the date of sale or disposition.	overwhelmed. Now, one employee is checking and filing the forms every day.	Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
6	27 CFR 478.121(c): Making false entry, omitting entry, or failing to properly maintain required recordkeeping  Number of Instances	Cease and desist from engaging in deceptive practices.	Mr. Jenkins stated, "Depending on the date, there are multiple people entering and I might have thought someone entered it. If it's a transfer, people get hostile if it's not available the second it's at the door". Mr. Jenkins stated entries are now made only by (b)(6) and (b)(6)	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
7	27 CFR 478.128(b): False statement made by a non-licensee on any ATF Record  Number of Instances	Cease and desist from engaging in deceptive practices.	Mr. Jenkins stated, "We thought we were following the proper rules and didn't know the first question was a problem. I was trying to keep inventory. It won't happen anymore. I've been banned by Glock for life".    1016    Jated, "A straw purchase is getting a gun for someone who can't buy one themselves. I don't agree that's a straw purchase"   (D)(6)   stated a transfer did take place because the firearms were logged out and logged back into the book.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
8	27 CFR 478.41(b): Failure to be licensed as a dealer, manufacturer or importer of firearms  Number of Instances	Cease and desist engaging in activities not authorized by current license type.	Mr. Jenkins stated they did not think that putting an upper and a lower together was manufacturing.	Status Licensee Notified  Verified Method In Person  Date Licensee Notified 08/25/2021
9	27 CFR 478.124(b): Failure to retain ATF Forms 4473 in alphabetical, numerical or chronological order  ATF Forms 4473: 1  Number of Instances: 1	Organize and maintain ATF Forms 4473 in alphabeticall, chronological, or numerical order.	Mr. Jenkins stated the forms were not in chronological order because of the volume of forms and increase of sales due to Covid 19. Mr. Jenkins stated, "With the volume of forms coming in, we tried. We'd find a form for a trace, then toss it back in the box". Mr. Jenkins stated (b)(6) is now writing the dates in the top corner of the forms to help keep them in order.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
	27 CFR 478.125(e): Failure to		In regards to incorrect firearm	Status

10	maintain an accurate/complete/timely acquisition and disposition record of firearms  Number of Instances	Accurately, completely & timely record all required future firearm acquisition information.  Accurately, completely & timely record all required future firearm disposition information.  Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.	information, Mr. Jenkins stated, "I got lazy and started getting information off the invoices. New guns were scanned in, and we didn't check to be sure it was correct". As for failing to log firearms out of the manual books when they were moved forward to the electronic record(s), Mr. Jenkins stated, "I thought I was done with those books".	Licensee Notified  Verified Method In Person  Date Licensee Notified 08/25/2021
11	27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473  ATF Forms 4473  Number of Instances	Ensure that all required firearm identification information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.	Mr. Jenkins stated they did not have a check system in place before, and they were just too busy. Mr. Jenkins stated forms are now reviewed by three people prior to filing. At the start of the meeting and prior to reviewing the ROV, Mr. Jenkins stated, "Like form errors, I realize they're important, but they're not life and death, right? I don't think it's a big deal. It feels like form errors are more important to you than bad people getting guns".	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
12	27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473  ATF Forms 4473  Number of Instances	Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.	Mr. Jenkins stated, "We were kind of rushing through. The form changing messed with customers and messed with us too". Mr. Jenkins stated forms are now reviewed by three people prior to filing.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
13	27 CFR 478.21(a): Failure to complete forms as prescribed  ATF Forms 4473	Complete all forms as prescribed.	Mr. Jenkins stated, "We were kind of rushing through. The form changing messed with customers and messed with us too". Mr. Jenkins stated forms are now reviewed by three people prior to filing.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
14	27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473  ATF Forms 4473  Number of Instances:	Ensure that all required transferee/buyer identification information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section B.	Mr. Jenkins stated they were not getting customer phone numbers and could not easily contact a customer to return for form corrections. Mr. Jenkins stated they now write the customer's phone number on the forms.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
15	27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473  ATF Forms 4473  Number of Instances:	Ensure that all required NICS/POC background check information is obtained, validated and accurately recorded on all future ATF Forms 4473, Section B.	Mr. Jenkins stated the employees were calling customers who had been delayed by NICS to pick up their firearms and forgot to mark the form with the follow-up response. Mr. Jenkins stated they now tape the ATF Form 4473 to the firearm box when a customer gets delayed by NICS in an effort to remind the employee to answer to follow-up response question.	Status Licensee Notified Verified Method In Person Date Licensee Notified 08/25/2021
16	27 CFR 478.131(a)(2): Failure to record on an ATF Form 4473 (or affix a copy of) NICS alternative permit info  ATF Forms 4473 Number of Instances	Ensure that a qualifying NICS alternative permit is properly obtained, validated, verified, and documented for all applicable future over-the-counter firearm transactions.	Mr. Jenkins stated, "We got busy and overlooked it and we didn't have phone numbers so nobody could contact them. Now we get the phone numbers.	Status Licensee Notified  Verified Method In Person  Date Licensee Notified 08/25/2021

17	27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473  ATF Forms 4473  Number of Instances	Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.	Mr. Jenkins stated, "I'd think a lot of these would be (NICS) delays and we just forgot to date them. Now there's a triple check system. It should correct these problems".	Status Licensee Notified  Verified Method In Person  Date Licensee Notified 08/25/2021

#### CLOSING CONFERENCE

Review Regulations conducted offline

(8/25/2021) 08/25/2021

Closing Conference Additional Notes

This license was originally issued in June 2012. This was the licensee's fifth compliance inspection. This is the third inspection in the last five years. This inspection resulted in 17

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27 CFR 478.126a instances. Repeat 3/28/19 & 1/3/18.
 18 U.S.C. 923(g)(5)(A) Linstances
27 CFR 478.129(c) instance
 27 CFR 478.128(c) instances
27 CFR 478.129(b), instances. Repeat 1/3/18.
27 CFR 478.121(c), instances
27 CFR 478.128(b) instances
27 CFR 478.128(b) instances
27 CFR 478.128(b) instance.
27 CFR 478.124(b) instance. Repeat 1/3/18.
27 CFR 478.125(e) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.124(c)(4) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.124(c)(1) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.124(c)(3)(i) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.124(c)(3)(ii) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.131(a)(2) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.131(a)(2) instances. Repeat 3/28/19 & 1/3/18.
27 CFR 478.124(c)(5) instances. Repeat 3/28/19 & 1/3/18.
 27 CFR 478.124(c)(5) instances. Repeat 3/28/19 & 1/3/18.
```

Inspection history in the past five years.

3/28/19, Recall Compliance Inspection, FCI-302 Violations, Warning Conference and Recall Inspection This inspection resulted in 10 violations. This inspection restitled in 10 violations.

27 CFR 478.125(e) instances. Repeat 1/3/18.

27 CFR 478.126a instances. Repeat 1/3/18.

27 CFR 478.124(c)(1), instances. Repeat 1/3/18.

27 CFR 478.124(c)(3)(i), instances. Repeat 1/3/18.

27 CFR 478.124(c)(3)(iv), instances. Repeat 1/3/18.

27 CFR 478.124(c)(3)(iv), instances. Repeat 1/3/18. 27 CFR 478.102(a) instance. Repeat 1/3/18. 27 CFR 478.131(a)(2), i instance. Repeat 1/3/18. 27 CFR 478.124(c)(4), i instances. Repeat 1/3/18. 27 CFR 478.124(c)(5), j instances. Repeat 1/3/18. 1/3/18, Southwest Border: DE: Compliance Inspection UI# 782050-2018-0061-B1B Violations, Warning Conference with Warning Letter and Recall This was an alternate recommendation to a Revocation. This inspection resulted in 20 violations. 27 CFR 478.39a instance 27 CFR 478.50 27 CFR 478.50
27 CFR 478.21(a), forms. Repeat 5/30/13.
27 CFR 478.124(c)(1), 5 forms. Repeat 7/17/14 & 5/30/13.
27 CFR 478.124(c)(3)(ii), forms. Repeat 7/17/14 & 5/30/13.
27 CFR 478.124(c)(3)(iii), forms. Repeat 5/30/13.
27 CFR 478.124(c)(3)(iv), forms. Repeat 5/30/13.
27 CFR 478.124(c)(5), forms. Repeat 5/30/13.
27 CFR 478.124(a), forms. Repeat 5/30/13.
27 CFR 478.124(a), forms. Repeat 5/30/13.
27 CFR 478.124(a), forms. Repeat 5/30/13. 27 CFR 478.124(b) 27 CFR 478.99(c] | forms 27 CFR 478.90(c] | forms 27 CFR 478.102(a) | forms 27 CFR 478.102(a) | form 27 CFR 478.102(c) | form 27 CFR 478.126a, instances 27 CFR 478.129(b), Repeat 7/17/14. 27 CFR 478.129(e) 27 CFR 478.131(a)(2) forms. Repeat 5/30/13. 27 CFR 478.125(e) instances

Attachment(s)

#### Attendee(s)

EXHIBITS

Inspection

Category Attachment Name

Correspondence Spartan Notification RE: 5-76-03582 Inspection Results

FinalDecision Disposition Memo - Keller Investments LLC d.b.a. Kingwood Guns (5-76-03582).pdf
FinalDecision Voluntary Surrender-Executed-Keller Investments LLC dba Kingwood Guns.pdf
FinalDecision Final Notice - Keller Investments LLC dba Kingwood Guns 5-76-03582.pdf

Correspondence Spartan Notification RE: 5-76-03582 Monitored Case

Spartan Notification RE: 5-76-03582 Monitored Case Correspondence Spartan Notification RE: 5-76-03582 Monitored Case Spartan Notification RE: 5-76-03582 Monitored Case Correspondence Correspondence Spartan Notification RE: 5-76-03582 Monitored Case Spartan Notification RE: 5-76-03582 Monitored Case Correspondence Spartan Notification RE: 5-76-03582 Monitored Case Correspondence

Correspondence Spartan Notification RE: 5-76-03582 Monitored Case

UpdateLicensingCenter Updated 8C Houston FCI-24626 Keller Investments LLC dba Kingwood Guns.pdf

Spartan Notification RE: 5-76-03582 Monitored Case

Correspondence Spartan Notification RE: 5-76-03582 Monitored Case

Correspondence

Correspondence

Correspondence DIO Tanarra James Returned Inspection FCI-24626

ZoningVerification Harris County Zoning Letter 2021.pdf

ViolationCorrection Multiple Sales Reports, Corrective Action.pdf

LicenseeResponseToViolationsPDF Licensee Response to Violations Report.pdf

ViolationCorrection Theft Loss Report, 2021.pdf
ViolationsPDF Report of Violations.pdf

Correspondence

Correspondence Action Required Concerning Your Federal Firearms Compliance Inspection

Correspondence

Correspondence Action Required Concerning Your Federal Firearms Compliance Inspection

FirearmTheftLossList Firearm Theft Loss List.pdf

License

Category Attachment Name

Correspondence Spartan Notification RE: 5-76-03582 Special Attention Flag (SAF)

SAR-685

Category Attachment Name

Correspondence Industry Operations Report of Suspicious Activity(SAR-685)

#### U.S. Department of Justice Bureau of Alcohol, Tobacco, Firearms and Explosives

## Notice to Deny Application for License

	——————————————————————————————————————	<del></del>
In the matter of appli	cation for license as a/an	filed by:
✓ In the matter of appli	cation for renewal of license number 5-76-201-01-1G-03582 (Pending Renewal)	as a/an
	Other than Destructive Devices	, filed by:
Name and Address of Ap	plicant (Show number, street, city, State and ZIP Code)	
Keller Investments LLC d.b.a. Kingwood Guns 22323 Loop 494, Ste. F Kingwood, Texas 7733		
Kingwood, Texas 7755	(Tairis County)	
Notice Is Hereby Give	en That:	11.00
the pages attached and manapplication. This request	above may be denied because the applicant does not qualify for licensing under the ade a part of this form. Pursuant to 18 U.S.C. § 923(f)(2), you may file a request for must be received, in duplicate, by the Director of Industry Operations (DIO), Bureau am Houston Parkway West, Suite 300, Houston, Texas 77086	a hearing to review the denial of your
your present license pend	or hearing is made, and the application described above is for renewal of a currently ling the outcome of the hearing. The hearing will be held as provided in 27 CFR Parearing is not received, the application shall be disapproved, and a copy so marked will be disapproved.	t 478.
✓ Please see included	brochure	
Date	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official	Şignature
01/20/2022	Tanarra James, Director, Industry Operations	(b)(6)
I certify that on the date s	shown below I served this notice on the person identified below by:	
	il to the address shown below.	vering a copy of the notice to the address shown w.
Date Notice Served	Title of Person Serving Notice	
	Executive Assistant	(b)(6)
Print Name and Title of	Person Served	anguard of the son our out by approxime,
Address Where Notice S 22323 Loop 494, Ste. F.		

Under the provisions of 18 U.S.C. § 923(d) and 27 CFR § 478.71, notice is hereby given that that the Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") intends to deny the renewal application for Federal firearms license submitted by Keller Investments, LLC d.b.a. Kingwood Guns ("Renewal Applicant"), a Dealer in Firearms Other Than Destructive Devices. Specifically, the Director, Industry Operations, United States Department of Justice, ATF, Houston Field Division, has reason to believe that Renewal Applicant willfully violated the provisions of the Gun Control Act of 1968, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 CFR Part 478 (collectively, "GCA") as described herein.

#### **Compliance History**

Renewal Applicant currently holds Federal firearms license 5-76-201-01-1G-03582 as a dealer in firearms other than destructive devices. Said license expired on July 1, 2021. In April 2021, Renewal Applicant timely submitted a Federal Firearms License (FFL) RENEWAL Application, ATF Form 8 (5310.11) Part II to ATF and has been operating pursuant to a Letter of Authorization issued by ATF while its Renewal Application is pending. William Lance Jenkins signed the Application on behalf of Renewal Applicant and listed himself as managing member.

ATF first issued a Federal firearms license to Renewal Applicant in June 2012. The laws and regulations issued under the GCA were reviewed as part of the application inspection. Subsequently, ATF conducted compliance inspections of Renewal Applicant in 2013, 2014, 2018 and 2019. ATF issued Reports of Violations to Renewal Applicant following each of those inspections. Following the 2013, 2018 and 2019 inspections, William Lance Jenkins, Renewal Applicant's Managing Member, attended warning conferences with ATF in which the cited violations and proposed corrective action were discussed. Following each of the warning conferences, ATF sent Renewal Applicant a letter advising that "any future violations, either repeat or otherwise, could be viewed as willful and may result in revocation of [its] license." ATF also issued a warning letter to Renewal Applicant following the 2014 inspection.

#### **Recent Inspection**

	nuary 4, 2021, ATF Industry Operations Investigator (b)(6) began a lance inspection of Renewal Applicant's premises. The inspection revealed the following ons:
Acqui	sition and Disposition Record Violations
1.	On ccasions, Renewal Applicant willfully failed to timely and/or accurately record the acquisition of firearms, in violation of 18 U.S.C. $\S$ 923(g)(1)(A) and 27 CFR $\S$ 478.125(e). See Appendix, $\P$ 1.
2.	On occasions, Renewal Applicant willfully failed to timely and/or accurately record the disposition of firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 CFR § 478.125(e). See Appendix, ¶ 2.

#### Falsified Statement in Records

3.	On ccasions, Renewal Applicant willfully made a false statement or representation
	with respect to any information required by the GCA, in violation of 18 U.S.C. § 922(m)
	and 27 CFR § 478.128(c). See Appendix, ¶ 3.

#### Engaged in Activity Not Authorized by License

4. Renewal Applicant willfully engaged in an activity for which it was not licensed, in violation of 18 U.S.C. § 922(a)(1)(A) and 27 CFR § 478.41. Specifically, while Renewal Applicant is licensed as a dealer in firearms, it engaged in the business of manufacturing firearms by assembling lower receivers into complete firearms.

### **Appendix**

### Paragraph 1

27 CFR § 478.125(e) – Failure to timely and/or accurately record the acquisition of firearms, failure to record the acquisition of firearms, and duplicate entries of firearms.

Acquisi	sition Recorded, but not Timely/Cor	rrect
ŧ	FIREARM	DISCREPANCY
(b)	(3) (112 Public	Law 55 125 Stat 552),(b)(6)

Acquisition Not Timely Recorded		
#	FIREARM	DISCREPANCY
Cont.		

Duplicate Entries

# FIREARM
Cont. DISCREPANCY

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

#### Paragraph 2

27 CFR § 478.125(e) – Failure to timely and/or accurately record the disposition of firearms, failure to record the disposition of firearms (reconciled), and failure to record the disposition of firearms (firearm missing from inventory).

#### Failure to record the disposition of a firearm.

Firearms were moved forward to another record OR disposed to a customer and were not logged out.

# | FIREARM | DISCREPANCY

Disposition Recorded, but not Timely/Correct	
# Cont.   FIREARM   DIS	ISCREPANCY
(b)(3) (112 Public Law 55 12	

Firearm	ns for which the Renewal Applicant could not account for	or following inventory reconciliation.
# Cont.	FIREARM	DISCREPANCY
	(3) (112 Public Law 55 12	25 Stat 552),(b)(6)

### Paragraph 3

27 CFR 478.128(c): False statement made by a Renewal Applicant on any ATF record.

ATF Forms 4473 Renewal Applicant falsely certified transfer of firearm to listed transferee.				
#	ATF Form 4473 Date & False Purchaser Name	Firearm	1	

#### A&D Record

Firearms are logged out to a customer who did not take possession of the firearm.

# A&D Firearm False Purchaser Name
Cont. Reference

A&D I False s	Record statement regard	ding acquisition	of firearms.	
# Cont.	A&D Reference	Firearm	False Acquisition Information	

A&D F	Record – Anomalies		
#	Firearm	Discrepancy	
Cont.			

(b)(6)

A&D Record Acquisition Date Recorded After Disposition Date					
# Cont.	A&D Reference	Manufacturer/Importer	Serial Number	Date Acquired	Date Disposed

A&D R	ecord - Fi	rearms Logged	Out & In fo	or Manufa	cturing		,	
# Cont	A&D Book #		Serial Number	Туре	Cal	Date Acquired	Date Disposed	Nature of Violation

Keller Investments, LLC 5-76-201-01-1G-03582	ATF E-Form 5300.43 (4498) Page 71
(b)(3) (112 Public Law 55	125 Stat 552).(b)(6)

## **Voluntary Surrender of Federal Firearms License**

We, William Lance Jenkins and Cathy Keller Jenkins, are managing members and responsible person for Keller Investments, LLC (Keller Investments), d/b/a Kingwood Guns, 22323 Loop 494, Suite F, Kingwood, Texas 77339. Keller Investments holds Federal firearms license number 5-76-201-01-1G-03582, as a Dealer in Firearms Other Than Destructive Devices, issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) pursuant to the Gun Control Act of 1968 (GCA), as amended, 18 U.S.C. Chapter 44.

Keller Investment's Federal firearms license expired on June 30, 2021, however, it timely filed a Federal Firearms License (FFL) RENEWAL Application, ATF Form 8 (5310.11) Part II to ATF and has been operating pursuant to a Letter of Authorization issued by ATF while Keller Investment's Renewal Application is pending.

On January 20, 2022, ATF issued a Notice to Deny Application for License (Notice to Deny Application) to Keller Investments. By letter dated January 22, 2022, Keller Investments timely requested a hearing on the Notice to Deny Application. Pursuant to that request, ATF scheduled a hearing to occur April 19, 2022, and, at the request of Keller Investments, later rescheduled the hearing to occur on May 5, 2022.

We, William Lance Jenkins and Cathy Keller Jenkins, do hereby voluntarily surrender the Federal firearms license issued to Keller Investments, effective June 30, 2022, and withdraw Keller Investment's request for a hearing on the Notice to Deny Application. We do not contest that the violations alleged in the Notice to Deny Application willfully occurred as Keller Investments, by and through its agents and employees, knew of its legal obligations under the GCA and the regulations issued thereunder, and purposefully disregarded or was plainly indifferent to those requirements.

Due to those violations, we, William Lance Jenkins and Cathy Keller Jenkins, voluntarily agree that Keller Investments shall cease acquiring firearms inventory as of the date of this document and to cease transferring firearms to the members of the general public after May 31, 2022. We also agree that the 17 NFA items that have been sold will be cancelled or will have completed forms submitted to ATF by May 10, 2022, and we will transfer the remaining NFA inventory to another SOT FFL prior to June 29, 2022. We understand that from June 1, 2022, to June 29, 2022, Keller Investments will be only able to sell the remaining inventory to another Federal Firearm Licensee or a purchaser of the Licensee's assets who has submitted an Application for a Federal Firearms License. We are fully aware that effective upon the surrender date of June 30, 2022, Keller Investments will no longer be a federally licensed dealer of firearms. We further understand that Keller Investments may no longer lawfully engage in the business of dealing in firearms after the surrender of its Federal firearms license.

We, William Lance Jenkins and Cathy Keller Jenkins, agree that Keller Investments shall deliver its original Federal firearms license and the records it is required to keep under the GCA to ATF within 30 days of the surrender of its license. See 18 U.S.C. § 923(g)(4); 27 C.F.R. § 478.57(a). We acknowledge that failure to turn in such records is punishable by a fine of not more than \$250,000 and/or imprisonment for term of not more than five years. We further understand that conducting business as a firearms dealer after surrendering the license issued to Keller Investments would violate 18 U.S.C. § 922(a)(1)(A), which is also punishable by a fine of not more than \$250,000 and/or imprisonment for not more than five years.

We further agree that we, William Lance Jenkins and Cathy Keller Jenkins, will refrain from applying for any future Federal firearms licenses either directly or as a part of another legal entity. We, William Lance Jenkins and Cathy Keller Jenkins, hereby surrender the Federal firearms license issued to Keller Investments effective June 30, 2022, and make the above statements knowingly, voluntarily, and intelligently. We affirm that we are authorized to effectuate the surrender of the license issued to Keller Investments and understand that any false statements or representations contained in this document may result in me being criminally prosecuted under 18 U.S.C. § 1001. We make the above statements without having been threatened or pressured to do so by any person and without having received any promises of favorable treatment.

(b)(6)

Signature / Dáte

(b)(6)

Signature / Dáte

(b)(6)

Signature / Date

(b)(6)

Signature / Date

Signature / Date

(c)

Signature / Date

(d)

Signature / Date

(e)

Signature / Date

(f)

Signature

## U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

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

In the matter of:	
The application for license as a/an	filed by:
or	
License Number 5-76-201-01-1G-03582 (Pending Renewal)	as a/an
Dealer in Firearms Other than Destrutive Devices	issued to:
Name and Address of Applicant or Licensee (Show number, street, city, state and Zip Code)	
Keller Investments LLC d.b.a. Kingwood Guns 22323 Loop 494 Suite F Kingwood. Texas 77339 (Harris County)	
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 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 7/1/2022	9 3 4 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
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 the findings and conclusions, the Director or his/her designee concludes that your	t in the attached copy of
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	
license is suspended for calendar days, effective, pursuant to 18 U.S	S.C. § 922(1)(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 new 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 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 a Industry Operations (DIO). Bureau of Alcohol. Tobacco, Firearms and Explosives, at	notice, file a petition  f business. If you intend action from the Director of
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 derequired 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 12	ate the business is

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, Firearr	arms and Explosives Official S	
07/11/2022	Tanarra James, Director, Industry Operations	(b)(6)	
I certify that, or	the date below. I served the above notice on the person	on identified below by:	-
	Certified mail to the address shown below.  Tracking Number: 7014-1200-0000-0142-4871	Or Delivering a copy of the notice to the address shown below.	
Date Notice Ser	ved Title of Person Serving Notice Executive Assistant	(b)(6)	
Print Name and	Title of Person Served	SIBNAMUE OI LEISON SELVEO	
Address Where 22323 Loop 49	Notice Served 4. Suite F. Kingwood, Texas 77339		
Note: Previous	Edition is Obsolete		

Page 3 – ATF Form 5300.13, Final Notice of Denial of Application, Revocation, Suspension, and/or Fine of Firearms License

Keller Investments, LLC, dba Kingwood Guns, ("Renewal Applicant"), holds Federal Firearms License 5-76-201-01-1G-03582 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") as described herein.

Said license expired on July 1, 2021. In April 2021, Renewal Applicant timely submitted a Federal Firearms License (FFL) RENEWAL Application, ATF Form 8 (5310.11), Part II and has been operating pursuant to a Letter of Authorization issued by ATF while its renewal application is pending.

On January 20, 2022, ATF issued a Notice to Deny Application for License, ATF E-Form 5300.43(4498) ("Notice to Deny License") advising Renewal Applicant that ATF intended to deny its renewal application. The Notice to Deny License alleged that Renewal Applicant willfully violated the provisions of the GCA and the regulations issued thereunder. The Notice to Deny License further specified that if Renewal Applicant wished to challenge the denial, it may file a request with ATF for a hearing "within 15 days after receipt of this notice." See 18 U.S.C. § 923(f)(2); 27 C.F.R. § 478.73(b).

By letter dated January 22, 2022, Renewal Applicant timely requested a hearing to review the Notice to Deny License. As a result, ATF notified Renewal Applicant that the hearing would occur on April 19, 2022. Renewal Applicant, through its attorney, later requested a continuance of the hearing, which ATF granted and set a new hearing date of May 5, 2022.

On April 28, 2022, Renewal Applicant sent a document entitled Voluntary Surrender of Federal Firearms License to ATF indicating that it was surrendering its license and also withdrawing its request for a hearing to review the Notice to Deny License. Renewal Applicant indicated that it would terminate its firearms business operations no later than June 30, 2022.

For reasons set forth in the Notice to Deny Application for License issued on January 20, 2022, the renewal application submitted by Keller Investments, LLC is hereby DENIED and the Federal firearms license held by Keller Investments, LLC is hereby REVOKED with an effective date of July 1, 2022.

Dated this 11th day of July, 2022

(b)(6)

Tanarra James
Director, Industry Operations
Houston Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives
United States Department of Justice