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*The Firearm Industry
Trade Association*

Compliance Consultants from the Field

Critical Topics
Impacting FFLs



Additional NSSF Compliance Resources



Industry Compliance courses:

- “Zero Tolerance” Policy
- Winning at ATF Inspections
- Completing the Form 4473
- Multiple Sales Report
- and more

[NSSF.org/Education](https://www.nssf.org/Education)



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Impacting FFLs



Key Takeaways

- ⊕ Rapid Fire – Current Regulatory Insight
- ⊕ ATF Statistics Review – FY2023
- ⊕ Biden's – “The 9 Deadly Sins”
- ⊕ Zero Tolerance – “Enhanced Regulatory Enforcement”
- ⊕ Preparing for an ATF Firearms Compliance Inspection
- ⊕ Prior Violations and ATF Administrative Action
- ⊕ Leveraging NSSF Programs and Support

REGULATORY INSIGHTS

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ENGAGED IN THE BUSINESS ATF RULING 2022R 17

‘Engaged in the Business’

- ⊕ Broadens the definition of when a person is considered “engaged in the business” as a dealer in firearms other than a gunsmith or pawnbroker.
- ⊕ Incorporates the BSCA's definition of “predominantly earn a profit,” and amends the definitions of “principal objective of livelihood and profit” and “engaged in the business” ...
- ⊕ Clarifies what it means for a person to be “engaged in the business” of dealing in firearms, and to have the intent to “predominantly earn a profit” from the sale or disposition of firearms.
- ⊕ **YOU ARE ALREADY ENGAGED IN THE BUSINESS!**

REVISED 4473

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New ATF F 4473

➦ **REQUIRED – 02/01/24**

➦ ATF e4473 Not Updated

➦ **Place Orders Now!**

+ ATF Distribution Center

+ Online or Call!

➦ **Changes Outlined @ ATF.gov**

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Firearms Transaction Record

WARNING: The information you provide will be used to determine whether you are prohibited by Federal or State Law from receiving a firearm, or whether Federal or State Law prohibits the sale or disposition of a firearm to you. Certain violations of the Gun Control Act, 18 U.S.C. § 921 et. seq., are punishable by up to 15 years imprisonment and/or up to a \$250,000 fine. Any person who exports a firearm without a proper authorization from either the Department of Commerce or the Department of State, as applicable, is subject to a fine of not more than \$1,000,000 and up to 20 years imprisonment.

Read the Notices, Instructions, and Definitions on this form. Prepare in original only at the licensed premises (including business temporarily conducted from a qualifying gun show or event in the same State in which the premises is located) unless the transaction qualifies under 18 U.S.C. § 922(c). **All entries must be handwritten in ink unless completed under ATF Rul. 2016-2. PLEASE PRINT.**

Transferor's/Seller's
Transaction
Number (if any)

Section A - Must Be Completed By Transferor/Seller Before Transferee/Buyer Completes Section B

1. Manufacturer and Importer (if any), or Privately Made Firearm (PMF) (If the Manufacturer and Importer are different, include both.)	2. Model (if designated)	3. Serial Number	4. Type	5. Caliber or Gauge	
1.					
2.					
3.					
6. Total Number of Firearms to be Transferred (Please spell total number e.g., one, two, etc. Do not use numerals.)			7. Check if any part of this transaction is a pawn redemption. <input type="checkbox"/>		
			Question 1: <input type="checkbox"/>		
			Question 2: <input type="checkbox"/>		
9. Transferee's/Buyer's Last Name (including suffix)			Middle initial or name, record "NMN".		
10. Current State of Residence and Street Address			Reside in City Limits? <input type="checkbox"/> <input type="checkbox"/> Unknown		
11. Date of Birth (mm/dd/yyyy)			14. Sex <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Non-binary		
12. Ethnicity (Select one or more race in 18.b. Both 18.a. and 18.b. must be answered.)			Unique Personal Identification Number (if applicable)		
<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Black or African American <input type="checkbox"/> White					
<input type="checkbox"/> Not Hispanic or Latino <input type="checkbox"/> Asian <input type="checkbox"/> Native Hawaiian or Other Pacific Islander					
19. Country of Citizenship: (Check/List more than one, if applicable. Nationals of the United States may check U.S.A.)					
<input type="checkbox"/> United States of America (U.S.A.) <input type="checkbox"/> Other Country/Countries (Specify):					
20. If you are an alien, record your U.S.-issued alien or admission number (AR#, USCIS#, or I94#):					
21. Answer the following questions by checking or marking either the "yes" or "no" box to the right of the questions:					
a. Are you the actual transferee/buyer of all of the firearm(s) listed on this form and any continuation sheet(s) (ATF Form 5300.9A)?				Yes	No
Warning: You are not the actual transferee/buyer if you are acquiring any of the firearm(s) on behalf of another person. If you are not the actual transferee/buyer, the licensee cannot transfer any of the firearm(s) to you. Exception: If you are only picking up a repaired firearm(s) for another person, you are not required to answer 21.a. and may proceed to question 21.b.				<input type="checkbox"/>	<input type="checkbox"/>
b. Do you intend to sell or otherwise dispose of any firearm listed on this form and any continuation sheet(s) in furtherance of any felony or other offense punishable by imprisonment for a term of more than one year, a Federal crime of terrorism, or a drug trafficking offense?				<input type="checkbox"/>	<input type="checkbox"/>
c. Are you under indictment or information in any court for a felony, or any other crime for which the judge could imprison you for more than one year, or are you a current member of the military who has been charged with violation(s) of the Uniform Code of Military Justice and whose charge(s) have been referred to a general court-martial?				<input type="checkbox"/>	<input type="checkbox"/>
d. Have you ever been convicted in any court, including a military court, of a felony, or any other crime for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation?				<input type="checkbox"/>	<input type="checkbox"/>
e. Are you a fugitive from justice?				<input type="checkbox"/>	<input type="checkbox"/>

ATF STATS

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Results of Inspections with Qualifying Violations - 2021

Outcomes of Inspections with Qualifying Violations Cited and No Extraordinary Circumstances

Month Inspection Finalized	FFL Revoked	FFL Not Revoked After Hearing*	FFL Voluntarily Ceased Operations After Inspection	Totals
2021				
July	0	0	2	2
August	1	1	3	5
September	1	0	4	5
October	0	0	5	5
November	0	0	5	5
December	3	0	5	8
Total 2021	5	1	24	30

Results of Inspections with Qualifying Violations - 2022

Outcomes of Inspection with Qualifying Violations Cited & No Extraordinary Circumstances				
Month Inspection Finalized	FFL Revoked	FFL NOT Revoked After Hearing	FFL Voluntarily Ceased Operations After Inspection	Totals
January	1	0	7	8
February	2	0	3	5
March	5	0	3	8
April	9	0	12	21
May	8	1	6	15
June	6	4	8	18
July	10	12	6	28
August	8	12	7	27
September	12	24	4	40
October	6	13	5	24
November	14	6	6	26
December	7	11	2	20
TOTAL 2022	88	83	69	240

Results of Inspections with Qualifying Violations - 2023

Outcomes of Inspection with Qualifying Violations Cited & No Extraordinary Circumstances				
Month Inspection Finalized	FFL Revoked	FFL NOT Revoked After Hearing	FFL Voluntarily Ceased Operations After Inspection	Totals
January	14	19	7	40
February	15	14	9	38
March	6	11	5	22
April	9	9	3	21
May	15	14	4	33
June	13	13	6	32
TOTAL 2023	72	80	34	186
TOTALS	165	164	127	456

ATF Inspection Update – FY2023

Field Division	Total FFL Compliance Inspections Completed	Total Inspections Resulting in Warning Conference	Total Number of Inspections Resulting in Revocation
Dallas	1195	19	5
Kansas City	1119	18	25
Columbus	924	3	6
Houston	573	5	5
Phoenix	475	9	7
Total (All FDs)	8700	168	173
Summary %		1.93%	1.99%

ATF Offices - Most Revocations

Field Division	Total FFL Revocations	Total Inspections	% Revoked
Kansas City	25	1119	2.20%
New Orleans	16	186	8.60%
Washington	12	166	7.20%
Charlotte	11	306	3.40%
Miami & Tampa	9 ea.	217 / 359	4.1% / 2.5%
Total (All FDs)	173	8700	1.99%

COMPLIANCE CORNER

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ATF 9 DEADLY SINS

1. **Transferring A Firearm To A Prohibited Person**
2. **Failing To Conduct A Required Background Check**
3. **Falsifying Records, Such As A Firearms Transaction Form**
4. **Failing To Respond To A Trace Request**
5. **Refusing To Permit ATF To Conduct An Inspection**
6. **Failure To Account For Firearms**
7. **Failure To Verify And Document Buyer Eligibility**
8. **Failure To Maintain Records Needed For Successful Firearms Tracing**
9. **Failure To Report Multiple Sales Of Handguns**

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Transferring A Firearm To A Prohibited Person

- Hard Denial – Retrieve NICS/POC Status & Confirm
- Double Verify Transfers Involving Exception Criteria
 - NICS/POC Exemption – Expired Concealed Carry Permits
 - Non-US Citizen & Non-Immigrant Alien
 - Out-of-State Resident
 - Out-of-State Resident Concealed Carry Permit
 - Law Enforcement Officer
- Extended (>5 Years) Concealed Carry Permit
- State Law Violations – Failing to Meet State Requirements
- Straw Purchase & Diversion Scenarios

Failing To Conduct A Required Background Check

- Failure to Record Transaction Number – NICS/POC
- Out-of-State Resident
- Law Enforcement Transfers
- Expired Concealed Carry Permit
- Out-of-State Concealed Carry Permit
- Expired Background Check – 30 Days

Falsifying Records, Such as a Firearms Transaction Form

- Knowingly making any false statement
- Record 'proceed' in Block 27 when 'denied' is received
- Recording False Information on ATF Form 4473
- Failing to Record Firearms Transactions in A&D Records
- Recording Firearms Transactions Under a Different Person
- Altering or Destroying Firearms Records
- 'Fixing' ATF F 4473 for the Customer (Section B)
- Correcting ATF F 4473 – After the Transfer
- Adding Firearms After the Original Transfer

Failure To Account For Firearms

- Failure to record the transfer of a firearm on a Form 4473
- Missing Firearms – ATF Inspection
- Missing Firearms – ATF Trace Request
- Failure to properly identify firearms transferred on Form 4473

Failure To Verify And Document Buyer Eligibility

- Expired Drivers License
- Expired Permanent Resident Alien
- Expired Non-Immigrant Visa
- Missing Supplemental Documentation – ATF F 4473, Item 26.b.
- Expired or Extended (>5 Years) Concealed Carry Permit
- Failure to Verify or Record Purchaser's ID Documents

Failure To Maintain Records Needed For Successful Firearms Tracing

- Accurately and Timely Record Acquisition & Disposition
- Account for ALL ATF Form 4473s – Transferred + Denied
- Update ATF Form 4473s Accordingly – Delayed + Overturns
- Failure to Provide All Information Required in Headings/Instructions

Failure To Report Multiple Sales Of Handguns

- SAME Business Day of the Multi-Sale
- Multi-Sale Within 5 of YOUR Business Days – Not 6 or 7 Days After
- Local CLEO or State Official Designated to Receive Form
 - Gun Shows - Local CLEO or State Official of the Shows Jurisdiction
 - **It doesn't matter if Local CLEO or State wants them or not! SEND THEM!!!**
- Establish a Program to Review Handgun Sales Daily

Firearms Compliance Inspection

⊕ Pre-Inspection Review

⊕ Inventory

- + Account for ALL Firearms – Quarterly Inventories Recommended
- + Book to Gun & Gun to Book – THE BOX or CASE DOESN'T MATTER
- + Ensure Acquisitions & Dispositions are TIMELY & CORRECT
- + Ensure all firearms disposed have a corresponding ATF Form 4473

⊕ Recordkeeping

- + Paper OR Electronic
- + A&D Records
- + ATF Form 4473
- + NFA Firearms

⊕ ATF Form 4473 Review

- + Last 12 Months of Transactions in FOCUS
- + Last 60 Days of NTN/POC Control Number – Cross Reference
- + Forms Review Accurate Completion of Forms – 10 to 15 Seconds
- + Cross Reference to A&D Records – Disposition Accuracy

Prior Inspection Violations & ATF Administrative Action

- ✚ **A History Of Violations Could Lead To You Losing Your FFL**
- ✚ **Review Past Reports of Violations – NO REPEATS**
 - + Multi-Sale Reporting
 - + Incorrect, Missing or Not Documenting NTN/POC – NTN/Control Number
 - + Self-Identified Prohibited Persons
 - + Failing to Confirm Identification
 - + Failing to Recognize a Suspicious Transaction
- ✚ **If you've been Warned, Full Compliance is ESSENTIAL**
 - + Review the Report of Violations – Take a Zero Tolerance Approach
 - + Remember You Are Subject to a Recall Inspection @ 12 Months!

Notice of Revocation – What to Expect?

- ⊕ **Upon Receipt of the NOR – You Have 15 Days to Request a Hearing**
- ⊕ **Know Your Compliance Inspection History – Gather ALL Past ROV's & Administrative Action**
- ⊕ **Preparation – Your Defense of the Violations Cited (THIS IS KEY!)**
- ⊕ **Notice of Hearing**
 - + Hearing Confirmation – Witnesses & Representatives
- ⊕ **Governments Exhibits – Allegations of Fact (You Will Receive Prior to Hearing)**
 - + Current Compliance Inspection Results
 - + Compliance Inspection History
 - + Licensee Responses
- ⊕ **Hearing Process**
 - + ATF Counsel
 - ⊕ Introduction, Allegations, & Argument
 - + Your Opportunity
 - ⊕ Present Your Defense – Stick to the Facts
 - ⊕ Corrective Actions, Positive Influence on Public Safety, Compliance Improvement, etc...

Leveraging NSSF Membership

- ⊕ SHOT University Online
- ⊕ Free Industry Compliance Webinar Series
- ⊕ FFL Compliance Hotline 24/7
- ⊕ FFL Compliance Consultants
- ⊕ Other Compliance Resources & Programs

**POSITIVE EFFORTS
TOWARDS MAINTAINING COMPLIANCE**

NSSF Compliance Consultant Team

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THANKS!



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