

Department
of the Treasury



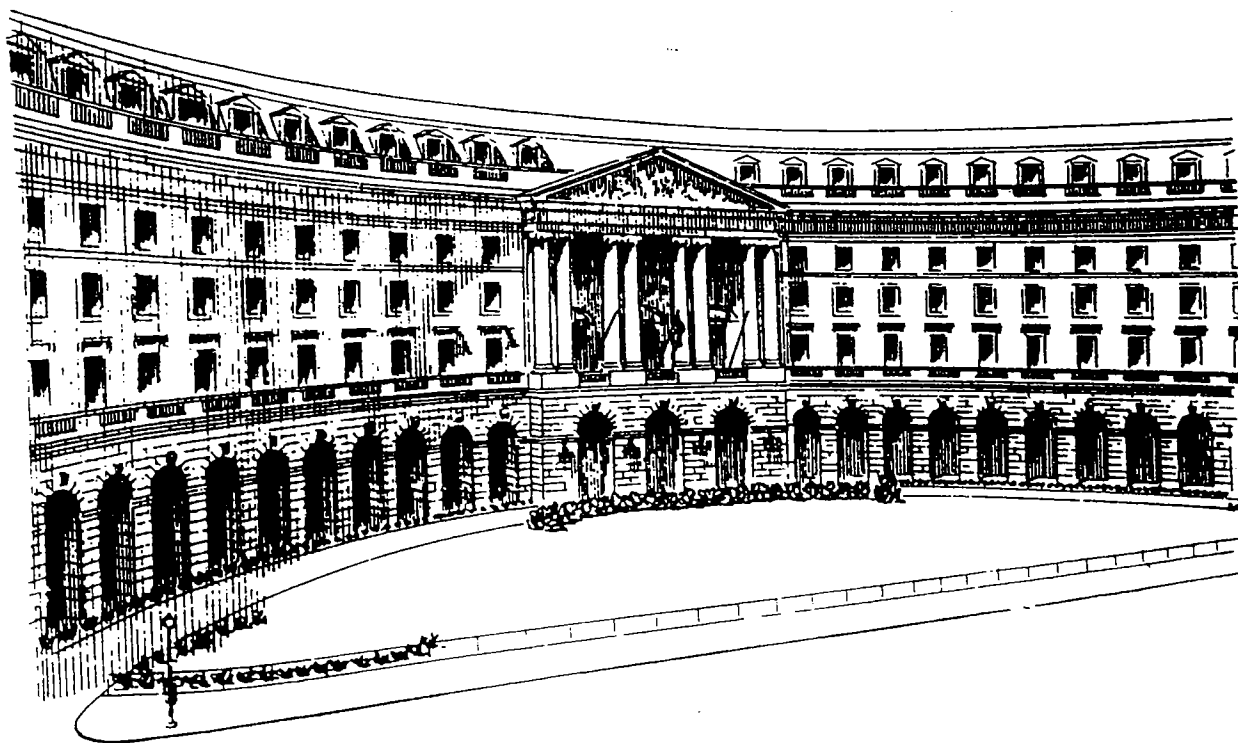
Bureau of
Alcohol, Tobacco
and Firearms

ORDER

ATF O 5300.8A

2/5/88

FIREARMS COMPLIANCE INSPECTIONS



Distribution: ATF ML-3
ATF ML-4

OPI: C:F:F

FEB 5 1988

- disposition of "personal firearms" in cases where the firearm has been kept in the licensee's personal collection for one year after its transfer from the business inventory or as otherwise acquired. The requirement for licensees to obtain an ATF Form 4473 (5300.9), Firearms Transaction Record, covering such sales is eliminated. The sale is otherwise subject only to the requirements imposed on unlicensed persons selling firearms.
- f. Licensed collectors need only maintain a "bound book" record of firearms transactions, and the requirement for licensed collectors to obtain an ATF Form 4473 is eliminated.
 - g. With the exception of one annual inspection, a criminal investigation of a person other than the licensee or firearms tracing, an inspection warrant may be required to inspect the records and inventory of licensed manufacturers, licensed importers and licensed dealers. An inspection warrant is now required to inspect the records and collection of curio or relic firearms of licensed collectors except for one annual inspection or in firearms tracing.
 - h. Effective May 19, 1986, the possession or transfer of a machine gun was restricted to the following conditions:
 - (1) a transfer to or by, or possession by or under the authority of, Government entities, or
 - (2) exportation, or
 - (3) any lawful transfer or lawful possession of a machine gun lawfully possessed before May 19, 1986.
 - i. Revised and streamlined license revocation procedures are provided for in view of "de novo" review of the agency action by the United States district courts.
 - j. New penalty provisions under Section 924(e)(1), Title 18 U.S.C. provide "In the case of a person who violates Section 922(g) of this title and has three previous convictions by any court referred to in Section 922(g)(1) of this title for a violent felony or a serious drug offense, or both, such person shall be fined not more than \$25,000 and imprisoned not less than 15 years, and notwithstanding any other provision of law, the court shall not suspend the sentence of, or grant a probationary sentence to, such person with respect to the conviction under Section 922(g), and such person shall not be eligible for parole with respect to the sentence imposed under this subsection".

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2. INSPECTION OF LICENSED PREMISES.

a. General.

(1) Preparation By Inspectors and Agents.

- (a) In conducting compliance inspections, it should be remembered that the purpose of the Gun Control Act of 1968, as amended, is to provide support to Federal, State, and local law enforcement officials in their fight against crime and violence. It is not the purpose of the Act to place any undue or unnecessary Federal restrictions on law-abiding citizens with respect to possession or use of firearms for lawful activity.
- (b) The procedures and techniques contained in this order are designed to enable ATF personnel to obtain the information necessary to determine if the licensee is complying with Federal firearms laws and regulations (27 CFR Parts 47, 178, and 179). Unless otherwise directed, all of the procedures contained in this order which are applicable to the licensee's operations must be followed. Additional procedures and techniques may also be used to accomplish the purpose of the inspection.
- (c) Familiarize yourself with the appropriate sections of the law, regulations, and rulings on firearms.
- (d)

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Pages 6 & 7 Withheld

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- (b) Firearms sold from a licensee's personal collection which do not meet the one year requirement, must be reentered into the business inventory and are subject to all normal recordkeeping requirements.
- (c) The inspector should ensure that the licensee's personal firearms which are kept on the licensed premises are segregated or marked so as not to be confused with the business inventory.

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- b. Dealers. Dealers are those persons engaged in the business of selling firearms at wholesale or retail. Gunsmiths and pawnbrokers are considered dealers under the law and regulations. An importer or manufacturer can engage in the business of "dealing" in the same types of firearms and ammunition authorized to be imported or manufactured under his/her license without obtaining a separate dealer's license.
 - (1) Engaged in the Business. A dealer in firearms other than a gunsmith or a pawnbroker is a person who devotes time, attention, and labor to dealing in firearms as a regular course of trade or business with the principal objective of livelihood and profit through the repetitive purchase and resale of firearms. Such term shall not include a person who makes occasional sales, exchanges or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms.
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- (e) Compare required records with one another and with commercial records if possible. NOTE: There is no statutory requirement for the licensee to provide commercial records for examination, except as provided in 27 CFR 178.125. However, use them if permission is granted by the licensee. The comparison of records aids in determining their reliability (e.g., ATF F 4473 (5300.9) shall be checked against disposition entries and, where permitted, against commercial invoices, etc.).
- (f) For dispositions to other licensees, ensure that the licensee is obtaining the required certified copies of licenses prior to effecting disposition (refer also to paragraph 11c(1)).
- (g) At the discretion of the area supervisor, inspectors may utilize statistical sampling or audit techniques when performing complex inspections or when inspecting large-scale operations.

c. Importers.

- (1) Firearms, firearms barrels, ammunition, and implements of war, whether NFA or non-NFA weapons, can be imported into the United States only under certain conditions as outlined in the appropriate regulations. In most cases, an approved ATF Form 6 Pt I (5330.3A), Application and Permit for Importation of Firearms, Ammunition and Implements of War, will serve as authorization to import these items. ATF Form 6A (5330.3C), Release and Receipt of Imported Firearms, Ammunition and Implements of War, is used to effect the release of the imported firearms from Customs. Compare Forms 6 and 6A (when available) to the acquisition record of the licensee.

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d. Manufacturers.

- (1) Manufacturers of firearms and ammunition may incur an excise tax liability for firearms and ammunition produced and sold by them, including replicas of antique firearms. Manufacturers are required to file excise tax returns whether or not any tax liability was incurred, regardless of how many firearms were produced.
- (2) Examine and verify that the licensed manufacturer is keeping proper separate disposition records for firearms and armor piercing ammunition produced or otherwise acquired.
- (3) A licensed manufacturer is allowed to "deal" in the same type firearms or ammunition authorized to be manufactured under his/her license. All recordkeeping and other requirements pertinent to licensed dealers must be followed by a licensed manufacturer when engaging in this activity.
- (4) Determine if the manufacturer is properly submitting ATF F 4483A (5300.11), Annual Firearms Manufacturing and Exportation Report, to the Firearms and Explosives Operations Branch, Bureau Headquarters.

e. Pawnbrokers. ATF Ruling 76-15 and regulations require that pawnbrokers must:

- (1) Keep all acquisition and disposition records required of a dealer to include pawned firearms.
- (2) Prepare an ATF F 4473 (5300.9) for each disposition to a non-licensed individual, including pawn redemptions. Note, however, that multiple redemptions of the same firearm by the same individual may be reported on one ATF F 4473 (5300.9), provided each subsequent transaction involving the same firearm is recorded on a

(2) A curio or relic determination can be obtained from Bureau Headquarters. Have the collector submit a letter outlining the particulars of the item to be classified to the Chief, Firearms Technology Branch.

(3) Licensed collectors must:

(a) Maintain acquisition and disposition records.

(b) Submit reports of multiple handgun disposition.

(4) At the election of a licensed collector, the annual inspection of records and inventory shall be performed at the ATF (Compliance Operations) office which is located in closest proximity to the premises where the inventory and records of such licensed collector are maintained.

h. NFA Weapons.

(1) Persons conducting activity in National Firearms Act (NFA) weapons must be licensed under Part 178 of the regulations. Procedural and substantive requirements are contained in 27 CFR Part 179 along with those regulations pertaining to transfer tax and special tax.

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which the Director finds are intended to be used for industrial purposes, including charges used in oil and gas well perforating devices.

- (3) Industry Circular 86-15, dated 12/4/86, which was issued to all dealers, identifies the ammunition that is considered armor piercing for purposes of the Act. (See Exhibit 1.)

3 - 10 RESERVED

CHAPTER C. GUIDELINES FOR LICENSEE WARRANTS21. WARRANTLESS INSPECTIONS.

- a. General. Public Law 99-308, which amended the Gun Control Act of 1968, placed certain restrictions on ATF's ability to inspect the inventory and records of licensees. A warrant based upon "reasonable cause" is now required to conduct an inspection EXCEPT under the following conditions:
- (1) Inspections conducted to insure compliance with recordkeeping requirements. This type of inspection cannot be conducted more than once during any twelve (12) month period without either the licensee's consent or a warrant.
 - (2) Inspection or examination of records conducted in the course of a reasonable inquiry during a criminal investigation of a person or persons other than the licensee.
 - (3) When such inspection or examination may be required for determining the disposition of one or more particular firearms in the course of a criminal investigation (firearms traces).
- b. A licensee may also consent to and permit inspection and examination of his inventory and records at any time. [REDACTED]

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c.



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
Washington, D. C. 20226

Number: 86-15

Date: 12/4/86

ARMOR PIERCING AMMUNITION

Federal Firearms Licensees and others concerned:

On August 28, 1986, the President signed Public Law 99-408 (100 Stat. 920) which regulates the manufacture, importation and sale of armor piercing ammunition.

The Act amends chapter 44 of title 18, United States Code to define the term armor piercing ammunition as "a projectile or projectile core which may be used in a handgun and which is constructed entirely (excluding the presence of traces of other substances) from one or a combination of tungsten alloys, steel, iron, brass, bronze, beryllium copper, or depleted uranium. Such term does not include shotgun shot required by Federal or State environmental or game regulations for hunting purposes, a frangible projectile designed for target shooting, a projectile which the Secretary finds is primarily intended to be used for sporting purposes, or any other projectile or projectile core which the Secretary finds is intended to be used for industrial purposes, including a charge used in an oil and gas well perforating device."

Provisions of Public Law 99-408 provide that:

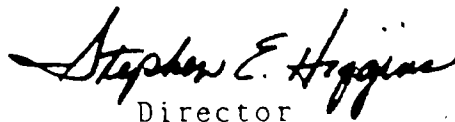
1. No person may manufacture or import armor piercing ammunition and no manufacturer or importer may sell or deliver such ammunition except:
 - a. for the use of the United States or any department or agency thereof or any State or any department, agency or political subdivision thereof;
 - b. for the purposes of exportation; or
 - c. for the purposes of testing or experimentation as authorized by the Director.

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Exhibit 1

2. ARCANE ammunition, all calibers. (Identified by a pointed bronze or brass projectile).
3. THV ammunition, all calibers. (Identified by a brass or bronze projectile and having a head stamp containing the letters SFM and THV).
4. Czechoslovakian manufactured 9mm Parabellum (Luger) ammunition having an iron or steel bullet core. (Identified by a cupro nickel jacket and a head stamp containing a triangle, star and dates of 49, 50, 51 or 52. This bullet is attracted to a magnet).
5. German manufactured 9mm Parabellum (Luger) ammunition having an iron or steel bullet core. (Original packaging is marked Pistolenpatronen 08 m.E. This bullet is attracted to a magnet).
6. MSC .25ACP caliber ammunition. (Identified by a hollow point bronze bullet).
7. Black Steel Armor Piercing Ammunition as produced by National Cartridge, Atlanta, Georgia.
8. Black Steel Metal Piercing Ammunition as produced by National Cartridge, Atlanta, Georgia.
9. 7.62mm NATO AP. (Identified by black coloring on the bullet tip. This ammunition is produced in various NATO countries. The U.S. military designation is M61 AP).
10. 7.62mm NATO SLAP. (Identified by a projectile having a plastic sabot around a hard penetrator. The penetrator protrudes above the sabot and is similar in appearance to a Remington accelerator cartridge).

Inquiries regarding this circular should refer to its number and be addressed to the Associate Director (Compliance Operations) Bureau of Alcohol, Tobacco and Firearms, P.O. Box 189, Washington, DC 20044-0189.


Director