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# Firearms Inventory Procedures for FFLs

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## Topics Covered

- Why Conduct an Inventory?
- How To Conduct an Inventory
- Theft / Loss Reporting
- Best Practices



# Why conduct an inventory?

Lost firearms = Lost \$\$\$



# Benefits of Conducting an Inventory

- One of the BEST tools to help you manage your business
- Points to aged and seasoned merchandise
- Helps free up ‘open to buy’ \$ and avoid warehousing old merchandise
- Shows what is on hand, what was purchased and what was sold



## Story of FFL

- Had family business for 40 years
- Losing money
  - Not enough to cover goods
- Missing firearms
  - Called ATF
    - Inventory disclosed internal theft from a long time trusted employee
- Business went under



## ATF Reasons

Most commonly found violation:

27 CFR 478.125(e) – failure to timely record disposition information

For Fiscal Year 2010

2,533 reports totaling 26,095 firearms



## An inventory ensures that:

- ❑ All firearms on the premises are properly recorded in the acquisition & disposition (A&D) records
  
- ❑ All open disposition entries found in the A&D record have a corresponding firearm found on the premises
  - All dispositions have been properly recorded.

**Account for all firearms on the business premise and all open entries in the acquisition and disposition record.**



## To conduct a successful inventory:

- Take a physical count of firearms on the business premise.
  - Record information from the firearms on inventory sheet

### **Firearm to A&D Record**

- Identify all open disposition entries in the A&D record.
  - Entries that do not have disposition information

### **A&D Record to Firearm**

#### RECONCILE:

- Compare the inventory sheet to open dispositions, then reconcile the discrepancies.
  - All firearms listed on your physical inventory sheet(s) not found in the A&D record will have to be recorded as a receipt.
  - Any open disposition entries in the A&D record, which do not have a corresponding firearm in inventory, must be recorded as a disposition if an ATF Form 4473 is found reflecting the transfer or if an invoice reflecting the transfer to another FFL is found. If not, the firearm must be reported lost/stolen.





## Reporting firearms lost or stolen:

A firearm would be considered **lost** if:

- in cases where there is no indication of a crime (reconciliation of inventory)

A firearm would be reported **stolen** if:

- in cases involving evidence of a crime (burglary, larceny, robbery).

Each licensee shall report the theft or loss of a firearm from their inventory within 48 hours after the theft or loss is discovered. The clock begins to tick when you are reasonably certain that the firearm is missing.



## Firearm to A&D Record



### DESCRIPTION OF FIREARM

Manufacturer and/or importer	Model	Serial No.	Type	Caliber or gauge
Beretta U.S.A. Corp	92FS	BER189511Z	Pistol	9mm



RECEIPT		DISPOSITION		
Date	Name and address or name and license No.	Date	Name	Address or license No. if licensee, or Form 4473 Serial No. if Forms 4473 filed numerically
12/1/2009	John Doe 201 Sands Ave. Las Vegas, NV 89169			



## A&D Record to Firearm

RECEIPT		DISPOSITION		
Date	Name and address or name and license No.	Date	Name	Address or license No. if licensee, or Form 4473 Serial No. if Forms 4473 filed numerically
12/1/2009	James Doe 3555 Las Vegas Boulevard Las Vegas, NV 89109			





## DESCRIPTION OF FIREARM

Manufacturer and/or importer	Model	Serial No.	Type	Caliber or gauge
Colt Firearms Division, Colt Industries	Colt AR-15, SP1	X25337	Rifle	.223



## What happens when a firearm ends up unaccounted for?

1. **Call your local law enforcement agency** to report the theft or loss. If the firearms are unaccounted for during inventory, you should make it clear to the authorities that there is no evidence of a crime and that the disposition of these firearms is unknown and may stem from a record keeping error.
2. Contact the ATF's Stolen Firearms Program Manager toll free at **1-888-930-9275**. They can also assist in the preparation of the Theft / Loss Report for submission.
  - a. They will issue an ATF Incident Number.
3. Complete the **Federal Firearms Licensee Inventory Theft/Loss Report, ATF F 3310.11**, attach any continuation sheets (ATF F 3310.11a) necessary and mail it to ATF's National Tracing Center. Be sure to submit the original form(s) to ATF and retain copies for your records



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

## Federal Firearms Licensee Firearms Inventory Theft/Loss Report

*All entries must be in ink. Please read notices and instructions on reverse carefully before completing this form.*

### Section A - Federal Firearms Licensee Information

Federal Firearms License Number 9-88-123-01-3B-90123		Federal Firearms Licensee Telephone Number <i>(Include area code)</i> (702) 555-1234	
Trade/Corporate Name Boomsticks, Inc.			
Street Address of Federal Firearms Licensee 1234 Main Street		City Las Vegas	State Nevada
		Zip Code 89109	Telephone Number <i>(with area code)</i> (702) 555-1234
Full Name of Person Making Report Robert Smith			
Street Address of Person Making Report 1234 Main Street		City Las Vegas	State Nevada
		Zip Code 89109	Telephone Number <i>(with area code)</i> (702) 555-1234

### Section B - Theft/Loss Information

	Date	Time	Description of Incident
Date of Theft/Loss Discovered	01/10/2011	11:00AM	<input type="checkbox"/> Burglary <input type="checkbox"/> Robbery <input type="checkbox"/> Larceny <input checked="" type="checkbox"/> Missing Inventory
Police Notification	01/10/2011	11:30AM	
ATF Notification	01/10/2011	11:15AM	ATF Issued Incident Number F20111234567

Name of Local Authority to Whom Reported (For burglary, larceny or robbery, include the police report number and officer/ detective name).  
Las Vegas Metropolitan Police Department

Street Address of Local Authority:

Theft Location if Different from FFL Premises:



Name of Local Authority to Whom Reported (For burglary, larceny or robbery, include the police report number and officer/ detective name).

Las Vegas Metropolitan Police Department

Street Address of Local Authority

3141 Sunrise Avenue

Theft Location if Different from FFL Premises

City	State	Zip Code	City	State	Zip Code
Las Vegas	Nevada	89101			

Name and Telephone Number of the ATF Representative Notified (If this report is the result of an ATF compliance inspection, provide the name and telephone number of the ATF Inspector.)

Industry Operations Investigator Adam Rogers, (702) 347-5930

Brief Description of Incident (e.g., How firearms were stolen, etc.):

Firearms discovered lost during a routine inventory.

**Section C - Description of Firearms**

Acquisition Date	Type	Manufacturer	Model	Caliber/ Gauge	Serial Number
12/01/2009	Rifle	Colt Industries	AR-15 SP1	.223	X25337

**Certification**

I hereby certify that the information contained in this report is true and correct. I also understand that failure to report the theft or loss of a firearm from my inventory or collection within 48 hours of the discovery of the theft/loss is a violation of 18 U.S.C. § 923(g)(6) punishable as a felony.

Signature of Licensee

Date  
01/10/2011





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Submit forms to:

**Bureau of Alcohol, Tobacco, Firearms and Explosives**

**National Tracing Center**

**Attn: ATF Stolen Firearms Program**

**244 Needy Road**

**Martinsburg, West Virginia 25405 USA**

**Voice (888) 930-9275**



U.S. Department of Justice  
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OMB No. 1140-0039 (07/31/2012)

### Federal Firearms Licensee Firearms Inventory Theft/Loss Continuation Sheet

Acquisition Date	Type	Manufacturer	Model	Caliber/Gauge	Serial Number

I hereby certify that the above information is true and correct. I also understand that failure to report the theft or loss of a firearm from my inventory or collection within 48 hours after the theft or loss is discovered is a violation of 18 U.S.C. §923 (g)(6) punishable as a felony.

Authorized Signature

Date

\* Note: Forward original to ATF, and keep a copy for your permanent records.

ATF E-Form 3310.11A  
Revised June 2003



## Reporting continued:

Licensees must make a corresponding entry in the A&D records whenever a theft/loss report is made.

Enter “stolen” or “missing” as appropriate, the date of theft or loss, and the ATF Incident Report number in the disposition column of the acquisition and disposition (A&D) record.

Retain Form 3310.11 and 3310.11a for 5 years from the date the theft or loss is reported to ATF

Licensees reporting theft/loss of firearms registered under the National Firearms Act (NFA) must provide written notification to the NFA Branch.

**DESCRIPTION OF FIREARM**

Manufacturer and/or importer	Model	Serial No.	Type	Caliber or gauge
Colt Firearms Division, Colt Industries	Colt AR-15, SP1	X25337	Rifle	.223

<b>RECEIPT</b>		<b>DISPOSITION</b>		
Date	Name and address or name and license No.	Date	Name	Address or license No. if licensee, or Form 4473 Serial No. if Forms 4473 filed numerically
12/1/2009	John Doe 3555 Las Vegas Boulevard Las Vegas, NV 89109	01/10/2011	<b>Missing</b>	<b>ATF Issued Incident Number F20111234567</b>



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Q. I've reported a lost firearm. I've done all the necessary paperwork and notifications. Now, I've found the firearm. What is my course of action?

A. FFLs should advise ATF as well as their local law enforcement agency that the firearms have been located. ATF can be contacted at 888-930-9275. In addition, once the firearms are located, they must be re-entered into the Acquisition and Disposition (A&D) record as an acquisition entry.



## Issues with Theft/ Loss Reporting

- When conducting an internal **inventory** and a loss is discovered, it must be reported to ATF. Don't wait for an ATF IOI to discover the loss during a compliance inspection.
- Make sure that firearms lost while in the possession of an employee traveling for business purposes (sales person on the road) are reported in a timely manner as theft/loss firearms.
- If theft/loss is discovered during the course of an ATF compliance inspection/inventory, follow the reporting instructions given by the ATF Industry Operations Investigator.



# Inventory Security

## Best Practices:

- ✓ Conduct Regular (monthly, quarterly...) Inventories
  - Verify quantity and serial numbers at acquisition
  - Attach inventory card (or price tag with stock number) to each firearm at time of receipt with stock number that corresponds to each line in the Acquisition and Disposition (A&D) record book
  - Use more than one employee for inventories
  - Review all paperwork to resolve inventory discrepancies



# Inventory Security

## Best Practices:

- ✓ Protect Your Inventory Records
- ✓ Employee Training
  - Straw Sales, 4473s, A&D Records
- ✓ Keep Timely and Accurate A&D Records
- ✓ Examine Each Shipment of Firearms, both incoming and outgoing.
- ✓ Alarm company security
  - Video and Audio Surveillance
  - Motion Detectors





## Review

### *Inventory*

Comparison of:

inventory to records      (Firearm to A&D Record)

records to inventory      (A&D Record to Firearm)

### *Reconcile*

For unaccounted for firearms:

File Theft/Loss Report

-48 hours upon discovery

-Call ATF, incident number

- Call local police, report number

-Enter in to A&D record as missing or stolen



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