

# EXHIBIT A

Bureau of Alcohol, Tobacco, Firearms and Explosives

**ATF**

## Fact Sheet

Public Affairs Division - Washington DC



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### **FEDERAL FIREARMS LICENSE REVOCATION PROCESS**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is responsible for licensing persons engaged in manufacturing, importing, and dealing in firearms. ATF also ensures that those who are licensed to engage in those businesses do so in compliance with applicable laws and regulations. It is critical that Federal Firearms Licensees (FFL) comply with the Gun Control Act (GCA) and its implementing regulations in order to assist law enforcement efforts, prevent the diversion of firearms from lawful commerce to the illegal market, ensure successful tracing of firearms, and to protect the public.

ATF industry operations investigators (IOI) conduct inspections of FFLs to ensure compliance with the law and regulations and to educate licensees on the specific requirements of those laws and regulations. IOIs assist with business practices designed to improve compliance with the GCA. If violations are discovered during the course of an FFL inspection, the tools that ATF has available to guide the FFL into correction of such violations and to ensure future compliance include issuing a Report of Violations, sending a warning letter, and holding a warning conference with the industry member. Despite these actions, on rare occasions ATF encounters a licensee who fails to comply with the laws and regulations and demonstrates a lack of commitment to improving his or her business practices. In such cases where willfulness is demonstrated, ATF's obligation to protect public safety may require revocation of the FFL.

There about 74,500 FFLs engaged in business in fiscal year 2013. During that time, ATF conducted more than 10,500 firearms compliance inspections and sought revocation of firearms licenses on 81 occasions.

Part of ATF's core mission is to protect the public from violent crime involving the use of firearms. The FFLs who willfully violate the laws and regulations preventing FFL from accomplishing its mission to protect the public we serve are few. Willfulness is not defined in the regulations, but is defined by case law to mean the intentional disregard of a known legal duty or plain indifference to a licensee's legal obligations. In the case of an FFL who has willfully violated the law, has shown an intentional disregard for regulatory requirements, or has knowingly participated in criminal acts, revocation often becomes the only viable option. It should be noted, however, that ATF does not revoke for every violation it finds; and that revocation actions are seldom initiated until after an FFL has been educated

on the requirements of the laws and regulations and given an opportunity to voluntarily comply with them but has failed to do so. Violations commonly cited in revocation cases include failure to account for firearms, failure to verify and document purchaser eligibility, failure to maintain records requisite for successful firearms tracing, and failure to report multiple sales of handguns.

The revocation process begins when an IOI recommends revocation following an inspection. The recommendation is subject to a rigorous, thorough internal review process. The authority to revoke rests with ATF's Directors of Industry Operations (DIO) located at one of ATF's 25 field divisions. If the DIO concurs with revocation of the license, the report is reviewed by ATF field division counsel for legal sufficiency.

To ensure consistency throughout the country, the DIO notifies the Deputy Assistant Director of Field Operations (Industry Operations) (DAD [IO]) located at the Bureau headquarters in Washington, D.C., of the decision to pursue a potential revocation and provides a synopsis of the case. The DAD (IO) will advise the DIO if the matter should proceed in the field division. If the matter is highly complex or sensitive, or if the licensee's operations and alleged violations are taking place in several field divisions, it will be resolved at the headquarters level.

If revocation is pursued, procedures are followed as specified under Title 27 Code of Federal Regulations Part 478. The licensee is provided with a Notice of Revocation that includes findings describing the reasons for pursuing revocation. The licensee has 15 days from receipt of the notice to request a hearing. The licensee may be represented by an attorney at the hearing and may bring employees and documentation to address the violations cited in the notice. ATF is generally represented at hearings by ATF Counsel and the IOIs who conducted the inspection(s) resulting in the revocation recommendation.

During a hearing, the licensee has the opportunity to challenge the violations and establish that the violations were not willful. Based on the evidence presented at the hearing by the licensee and ATF, the hearing officer submits a report of findings to the DIO. Based upon the hearing testimony, exhibits presented during the hearing, and the hearing officer's findings, the DIO decides whether to continue with the revocation. If the DIO's decision is to revoke following a hearing, or in cases where a hearing is not requested by the FFL, then a Final Notice of Revocation is sent to the licensee with a summary of the findings and the legal conclusions that warrant revocation.

A licensee who receives a Final Notice of Revocation may, within 60 days of receipt of the Final Notice, file a petition for *de novo* review with the U.S. District Court.

If the licensee makes a request to the DIO to allow continuance of business operations, the DIO may allow the licensee to operate during the appeal process. If the DIO

Page 3

prohibits continuance of operations during judicial review because of the risk to public safety, the FFL can appeal to the court to continue operations during the review process.

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