

The ATF and Gun Dealer Inspections

- Federal law requires those “engaged in the business of dealing in firearms” to be licensed by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Federal firearms licensees are known as “FFLs.”
- There are approximately [135,000 FFLs](#) in the country. This includes firearm licenses for dealers, manufacturers, importers, and collectors. 63,952 FFLs are dealers or pawnbrokers, often referred to collectively as “gun dealers.”
- Gun dealers are required under federal law to conduct background checks when selling guns
 - Prospective gun purchasers fill out a Brady background check form, known as a Form 4473. [A sample copy is available here.](#)
 - The check is designed to stop sales to felons and others barred from owning a gun.
 - Gun dealers verify the purchaser’s identification and record that they have done so.
 - Under federal law, if a background check does not come back as “proceed” within three business days, the dealer can complete the sale anyway.
- It is illegal to sell a gun to someone who is not the “intended purchaser.” That is as a “straw sale,” and when someone poses as the intended purchaser (often, but not always, to subvert the background check requirement), they are a “straw purchaser.” AG Jeff Sessions [recently called for](#) a crackdown on straw purchasers but was silent about straw sellers.
 - Straw sales and straw purchases are illegal, regardless of whether the person who evaded the background check would have passed the background check or not.
 - This is in part because gun dealers are required to keep records of who bought each gun, listed by serial number, so that if the gun is later found at a crime scene, it can be traced back to its initial purchaser. That helps law enforcement solve crimes. Straw sales/purchases thwart this investigative tool. [Here’s a fact sheet from ATF about that tracing system.](#)
- ATF conducts compliance inspections of FFLs.
 - At an inspection, ATF reviews – among other things – inventory records, the gun dealer’s book of gun purchases and sales, and the background check forms that the gun dealer retained.
 - Typically, federal law limits ATF to one annual inspection, even if the inspection reveals serious violations.
 - In the past decade, ATF adjusted its goal to inspect each dealer from every three years to every three to five years.

Last year, ATF conducted 11,009 firearms compliance inspections. [Of those:](#)

- 45.7% showed no violations.
- 15.3% resulted in a report of violations.
- 12.3% resulted in a warning letter to the gun dealer from ATF.
- 4.3% resulted in a warning conference between the gun dealer and ATF.
- 0.4%, or a total of 40 last year, resulted in the denial or revocation of the gun dealer’s license.