

PHOTOCOPY
PRESERVATION

CRIME -

Guns

Smith & Wesson Agreement and Mass Merchandisers

Largest Mass Merchandisers In the United States: The Treasury Department prepared a list of the largest chain stores that sell firearms in the United States. The two largest were K-mart, with 1,596 licenses, and Walmart, with 960 licenses. Among the other, large and more recognizable chains are: Big 5 Sporting Goods (185 licenses), Galyan's Trading Co. (26 licenses), Gart Brothers (21 licenses), Oshman's Sporting Goods, Inc. (26 licenses), Sportmart (31 licenses) and Sports Authority (57 licenses). There were approximately 10 other large, but less recognizable chains with 5-75 licenses apiece, and we are gathering more information about them as well. Treasury's list also included a significant number of chain stores that are pawn shops, but the Agreement probably wouldn't apply to most of them since pawn shops deal in used weapons.

Mass Merchandisers That Sell Handguns: So far, we found out that among the top eight larger, more recognized retailers, only Sportmart, Galyan's Trading Co., Gart Brothers and Oshman's Sporting Goods carry handguns (all of them carry Smith & Wesson). Otherwise, K-mart, Walmart, Big 5 Sporting Goods, and Sports Authority only carry long guns.

Impact of Smith & Wesson Agreement on Mass Merchandisers: As we know, the Agreement is a bit of a work in progress as far as dealers are concerned. However, the following analysis divides the key components as they would impact mass merchandisers into three categories from the least burdensome to the most burdensome based on the latest interpretation:

I. Less Burdensome, "Easy to Sell" Requirements

- (a) **Gun Shows.** Gun show provisions probably wouldn't apply. It is doubtful that K-mart sets up shop at gun shows.
- (b) **Electronic Inventory Tracking Plan.** These stores are large, and most likely already computerize their sales records. (However, a touchy provision in our Agreement would require them to risk being sanctioned if a firearm is not accounted for in their inventory.)
- (c) **Electronic Records of Trace Requests.** Requiring them to keep electronic records of trace requests may be a new requirement, but definitely not a burdensome one.
- (d) **Consent to 3 Unannounced ATF Inspections Each Year.** This provision should not be burdensome since most chain stores probably have automated records.

II. Mildly Burdensome Requirements

- (a) **Security Standards.** These stores probably have strong security standards. While doubtful, it is possible that they may not take extra steps to secure their firearms. If not, this may be a bit costly for large chains, like K-mart, to have to pay for new security measures in over 1,500 stores. Our latest plan would provide them with several options for security that include: storing them in vaults at night, security firearms with steel rods, or having overall tight store security at entrances (metal grates, etc.).

- (b) **Ammunition Storage.** The Agreement requires dealers to store ammunition separately from firearms and away from customers. Since the firearms sections of these stores are probably small, they may have trouble keeping these items separate. However, these stores are large and should have plenty of space and enough room behind the counter to store ammunition.
- (c) **Juvenile Supervision Requirements.** The Agreement requires children under 21 to be accompanied by a parent or guardian when in the store. Of course, this section should only apply to the firearms section of a large chain store such as K-mart. In that event, there are toy sections and a lot of kids at these stores, and they may need to somehow rope off the firearms/hunting sports sections to enforce this provision.
- (d) **Required Firearms Liability Insurance.** Treasury believes that large chain stores most likely have insurance plans that would cover this provision. However, we may need to evaluate if this requires another type of insurance policy strictly for firearms damage.
- (e) **Required Employee Training.** Requiring employees to attend annual training and to pass a comprehensive written exam before being allowed to sell or handle firearms is new, but doesn't have to be costly -- especially if Smith & Wesson or ATF provides the training materials. It would also benefit the stores to have more highly trained employees.
- (f) **Wait for FBI Approval Before Completing Sales.** Since only 5% of all gun sales are delayed beyond 3 business days, this provision shouldn't greatly impact any gun dealer. Any large store should agree to adopt this responsible practice.

III. More Burdensome Requirements

- (a) **Limiting Gun Sales to Trained Individuals.** Again, K-mart and Walmart probably sell most of their long guns to hunters, many of which have hunting licenses that requiring them to get some form of training. There may be concerns at other stores, like Sportmart, where handguns are sold. However, Smith & Wesson is trying to make this provision easier to comply with by creating some form of training program. Also, the fact that we are allowing NRA training to qualify should be a selling point. (We are trying to come up with a state-by-state estimate of the number of people trained in the U.S.)
- (b) **Sanctions for High Crime Gun Traces.** The larger stores may get nervous over provisions that would allow manufacturers to cut off sales to them based on crime gun traces. However, 80% of crime gun traces are handguns -- and it appears that most chain stores sell long guns. Also, this provision was written fairly to allow the licensee to explain the reason for the large numbers of crime gun traces.
- (c) **Costs of Oversight Commission & Public Service Campaign.** Chain stores may be concerned about the unbalanced makeup of the Oversight Commission. (Doubtful as much as the hardcore dealers are, though.) They might also have concerns about provisions requiring them to provide an unspecified amount of funding for the commission and the public service campaign on safe handling and storage of firearms.
- (d) **Limitations on Multiple Handgun Sales.** Again, this provision won't impact K-mart or Walmart because they only sell long guns. However, it will be of greater concern to stores that do sell handguns, such as Sportmart.

- (e) **Limitation on Sales of Handguns that Don't Meet Design Criteria.** All design criteria in the agreement only applies to handguns because Smith & Wesson is the only manufacturer on board so far -- and they only make handguns. Provisions requiring authorized dealers to only sell handguns with internal locking devices, smart gun technology, quality testing, magazine disconnect safeties and chamber-loaded indicators would only apply to stores that sell handguns such as Sportmart. This is a very, very touchy provision because it could limit a store's handgun sales only to Smith & Wesson since they are the only ones complying with these standards at this point. From the latest dealer discussions, it appears that this provision is still being discussed and may be less stringent. In addition, Treasury has informed us that as more manufacturers sign onto the Agreement, the design criteria will be adjusted according to their individual products.
- (f) **Restricting Sales of Assault Weapons and High Capacity Clips.** While it is uncertain how many mass merchandisers carry assault weapons and high capacity clips, the gun dealers have informed us that most assault weapons and high capacity clips are sold on the used market since the Assault Weapons Ban. Assuming that mass merchandisers sell only new firearms, this probably wouldn't impact them as greatly as it would smaller dealers.

THE WHITE HOUSE
WASHINGTON

DOMESTIC POLICY COUNCIL

Casper

K-mart/Guns

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NUMBER OF PAGES (INCLUDING COVER): 5COMMENTS: RE- Mass merchandise in gun business.

This list was prepared by Treasury. It is
a list of chains that sell guns. We're
researching the \$ of business in firearms sales
per your request. [Leanne mentioned that, at your
request, she had sent this to OPL.]

Chain Stores -- Federal Firearms Licensees

Academy Corporation
1800 North Mason Dr.
Katy, TX 77449
POC: Marti/Karen Gallier
Tele: 281-646-5232
Fax: 281-646-5608
Licenses: 52

Alaska Commercial Co.
550 West 64th Ave. #200
Anchorage, AK 99518
POC: Diane
Tele: 907-273-4668
Licenses: 23

Alliant Techsystems Inc.
602 2nd Street
Eden Prairie, MN 55343
POC: Martha Navarro/Dottie
Tele: 612-931-5482
Licenses: 25

American Eagle Jewelry
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Bi-Mart Corp.
220 South Seneca
Eugene, OR 97402
POC: Dottie
Tele: 541-344-0681
Licenses: 40

Big 5 Sporting Goods
P.O. Box 92088
Los Angeles, CA
POC: Yolanda/Mina Lee
Tele: 310-297-7542
Licenses: 185

Big State Pawn

(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Bill's Pawn
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Boscov's Dept. Store Inc.
P.O. Box 4116
Reading, PA 19606
POC: Lillian/Cheryl Boyce
Tele: 610-370-3430
Licenses: 20

Cameco Inc.
Marti
3021 Business Lane
Las Vegas, NV 89103
POC: Sherri Hughes
Tele: 702-735-4444
Licenses: 24

Cash America Pawn International
1600 West 7th Street
Suite 900
Fort worth, TX 76102
POC: Jeanne Allen/Al
Tele: 817-335-1100
Licenses: 143

Cabelas Inc.
812 13th Avenue
Sidney, NE 69169
POC: Jackie
Tele: 308-254-5505
Licenses: 5

Chaffin Acquisition Co., Inc.
D/b/a Gibson's

100 Chaffin Industrial Way
Dodge City, Kansas 67801-9399
POC: Willie/Joyce Barnes
Tele: 316-327-8121
Licenses: 19

C.T. Farm & Country (Quality Stores Inc.)
(a.k.a. Central Tractor Farm)
455 East Ellis Road
Muskegon, Michigan 49443-3315
POC: Belinda/Clarke McCord
Tele: 616-799-4332
Licenses: 45

Charlie's Pawn
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Country General (Quality Stores Inc.)
455 East Ellis Road
Muskegon, Michigan 49443-3315
POC: Belinda/Clarke McCord
Tele: 616-799-4332
Licenses: 45

Dick's Clothing & Sporting Goods, Inc.
200 Industry Way
Pittsburg, PA 15270
POC: Lillian/Mary Afertana
Tele: 412-269-4400
Licenses: 76

Doc Holiday Pawn Shop
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Dunhams Athleisure Corp.
5000 Dixie Highway
Waterford, MI 48329
POC: Sandra/Wanctte Musser
Tele: 248-674-4991 x517
Fax: 248-674-8758
Licenses: 63

EZPawn LP/Holding Inc.
1901 Capital Parkway
Austin, TX 78746
POC: Elaine/Laurie Barnett
Tele: 512-314-3465
Fax: 512-314-3403
Licenses: 62

First Cash Inc.
(Famous Pawn in MD & DC)
690 East Lamar Blvd
Arlington, TX 76011
POC: Al/Misti Hunt
Tele: 817-461-7296
Licenses: 28

Fisco Farm Stores (Quality Stores Inc.)
455 East Ellis Road
Muskegon, Michigan 49443-3315
POC: Belinda/Clarke McCord
Tele: 616-799-4332
Licenses: 45

Fleet Wholesale Supply Company, Inc.
D/b/a Mills Fleet Farm
P.O. Box 1199
Appleton, WI 54912
POC: AL/Henry Mills
Tele: 414-731-8121
Licenses: 19

G-Mark Inc.
D/b/a Gibson's
100 Chaffin Industrial Way
Dodge City, Kansas 67801-9399
POC: Willie/Joyce Barnes
Tele: 316-327-8121
Licenses: 19

Gander Mountain LLC
4567 West 80th Street
Bloomington, MN 55437
POC: Belinda
Tele: 612-830-8700
Licenses: 19

Gart Bros. Sporting Goods, Inc.
1000 Broadway
Denver, CO 80203
POC: Ingrid/Mary Ellen Polak
Tele: 303-863-2265
Licenses: 21

Galyan's Trading Co., Inc.
2437 East Main Street
Plainfield, Indiana 46168
POC: Robin C/Duane Wingert
Tele: 612-525-0200
Licenses: 26

Gold Star Jewelry & Loan
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Gold Nuggett Pawn
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Household Pawn
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Jumbo Sports
D/d/a Sports & Recreation
4701 West Hillsborough Avenue
Tampa, FL 33614
POC: Linda/Mike Miller
Tele: 813-886-9688 x327
Licenses: 31

Kmart Corp/LP
D/b/a Big K
3100 West Big Beaver
Troy, MI 48084-3163
POC: Patricia & Paige/Jeanette Pollock
Tele: 248-643-1771
Licenses: 1596

Knox Jewelry & Loan
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Money Tree
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Money Unlimited Pawn
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

Mr. B's Pawn
(See Standon Corporation)
P.O. Box 23449
Waco, TX 76702-3449

**National Pawn Corporation of
Minnesota/Wisconsin/South Dakota**
426 3rd Avenue South East
Rochester, MN 55904
POC: Daniel Reynertson
Tele: 507-289-0080
Licenses: ?

Orvis Company, Inc.
Route 7A
Manchester, VT 05254
POC: Robin C/Lars Jacob
Tele: 802-362-2580
Licenses: 12

Oshman's Sporting Goods, Inc.
P.O. Box 230234
Houston, TX 77223
POC: Billie/Tom McVie
Tele: 713-967-8314
Licenses: 26

Pyramid Pawn
(See Standon Corporation)
P.O. Box 23449

Waco, TX 76702-3449

Quality Stores Inc.

d/b/a C.T. Farm & Country

d/b/a Fisco Fram Stores

455 East Ellis Road

Muskegon, Michigan 49443-3315

POC: Belinda/Clarke McCord

Tele: 616-799-4332

Licenses: 45

Riverside Pawn

(See Standon Corporation)

P.O. Box 23449

Waco, TX 76702-3449

Rossville Pawn

(See Standon Corporation)

P.O. Box 23449

Waco, TX 76702-3449

Silver Dollar

(See Standon Corporation)

P.O. Box 23449

Waco, TX 76702-3449

Sports Authority Inc.

3383 North State Road 8

Fort Lauderdale, FL 33319

POC: Linda/Carol Borthor

Tele: 954-735-1701 x3391

Licenses: 57

Spartmart Inc.

1000 Broadway

Denver, CO 82003

POC: Ingrid/Mary Ellen Pollock

Tele: 303-863-2647

Licenses: 31

Standon Corporation

426 3rd Avenue South East

Rochester, MN 55904

5 locations

POC: Daniel Reynertson

Tele: 254-772-3449

Licenses: 40

Top Dollar Pawn

(See Standon Corporation)

P.O. Box 23449

Waco, TX 76702-3449

Valu & Pawn

(See Standon Corporation)

P.O. Box 23449

Waco, TX 76702-3449

Value Pawn & Jewelry Store Inc.

101 Sunnyside Rd #310

Casselberry, FL 32707

POC: Sandra/Brad Whittle

Tele: 407-339-0064

Licenses: 15

Wal-Mart Stores Inc.

Dept. 8013

702 SW 8th Avenue

Bentonville, AR 72716

POC: Robin B/Ray Crowe

Tele: 501-273-1954

Licenses: 960