A CALIFORNIA CASE STUDY

GOVERNMENT AGENCIES SHOULD SCREEN FIREARMS VENDORS
ABOUT BRADY

Founded in 1974, Brady works across Congress, courts, and communities, uniting gun owners and non-gun owners alike, to take action, not sides, and end America's gun violence epidemic. Our organization today carries the name of Jim Brady, who was shot and severely injured in the assassination attempt on President Ronald Reagan. Jim and his wife Sarah led the fight to pass federal legislation requiring background checks for gun sales. Brady continues to uphold Jim and Sarah’s legacy by uniting Americans from coast to coast — red and blue, young and old, liberal and conservative — against the epidemic of gun violence.
Taxpayers buy more firearms than any other purchasers in America.¹ These tax dollars are spent by local, state, and federal law enforcement agencies to purchase, or “procure,” service firearms and ammunition. And while these guns are procured for the intent to promote public safety, it appears that many purchases are made from federal firearms licensees (FFLs) that have been cited by the Bureau of Alcohol, Tobacco, Firearms, and Explosives for violating firearms laws and regulations meant to protect the public.

By implementing proper due diligence of firearms vendors, local, state, and federal agencies can ensure that service weapons and ammunition are acquired from responsible dealers. But, that is only the beginning. Responsible firearms procurement policies can also normalize safe business practices within the industry, promote safe dealing reforms, and, ultimately, reduce gun trafficking and save lives.

These findings are from data obtained by the American Friends Service Committee (AFSC) and analyzed by Brady. Through California Public Records Act (CPRA) requests, AFSC gathered information from over 100 law enforcement agencies from across California, both state and local, to understand what and from whom militarized equipment was being purchased between 2015 and 2021.² Brady’s review illuminated that California law enforcement agencies spent millions of taxpayer dollars doing business with gun dealers that have been cited for violations of federal gun laws — sometimes repeatedly.³

**GUN DEALER INSPECTIONS**

Brady created the Gun Store Transparency Project (gunstoretransparency.org, or GSTP) — the largest public database of gun dealers’ inspection reports issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) as the result of an ATF compliance inspection. By comparing the AFSC’s records with the reports available on GSTP and other reports obtained from ATF, Brady found that at least 90 California law enforcement agencies have failed to ensure that the gun dealers with whom they contract run their businesses in compliance with applicable laws.
**CASE STUDY 1**

At least 67 California law enforcement agencies are spending taxpayer money at a gun dealer with an extensive history of being cited for federal firearms laws violations by ATF.

LC Action proudly calls itself “one of the leading distributors of law enforcement equipment in the nation,” but it was cited for such serious violations that at least one federal inspector recommended revoking its license to sell guns.

Brady identified 67 California law enforcement agencies that together purchased over $18 million worth of goods from LC Action Police Supply, a gun store headquartered in San Jose, between July 2015 to the fall of 2021. The San Jose Police Department itself spent over $1 million doing business with the dealer.

Since 1995, LC Action has been cited by ATF inspectors for over 40 violations of federal firearms laws over the course of eight compliance inspections. If law enforcement agencies had asked LC Action about its ATF inspection history, they would have learned that ATF officials have found that LC Action’s violations of federal firearms laws more than once warranted a warning conference — the most severe administrative action that ATF can take before revoking a dealer’s license.

Of LC Action’s over 40 cited violations, more than 20 were repeats of similar violations the dealer already had been cited for previously. According to ATF inspection reports, inspectors cited LC Action for:

- failing on multiple occasions to submit multiple sales reports (critical tools used by ATF to investigate potential illegal gun trafficking and straw purchases);
- selling a gun to a customer who indicated that they were not the actual buyer (a straw purchase indicator); and
- failing on multiple occasions to properly follow procedures to certify that customers were not prohibited before transferring guns.

ATF’s 2005 inspection of LC Action even resulted in the inspector’s recommendation that ATF revoke LC Action’s license to deal firearms, although the Director of Industry Operations at ATF ultimately decided to renew its license. ATF inspections continued to reveal noncompliance, resulting in ATF holding multiple warning conferences with LC Action.

**BIG PICTURE: DEALER COMPLIANCE**

LC Action’s level of firearms dealer noncompliance is relatively rare. Warning conferences are administrative actions reserved serious violators: over the past five years, on average, ATF holds warning conferences with only about 3.2% of inspected FFLs.
SOLUTIONS

Police departments should not be contracting with gun dealers repeatedly cited for violating the law, just as health departments would not contract with medical businesses that repeatedly violate health codes. Indeed, these investments are only deepening the risks that guns pose to our communities.

Brady’s findings strongly suggest that California law enforcement agencies do not have adequate vetting processes in place for choosing firearms vendors with which to contract or purchase goods. This is concerning, as cities across the United States spend more than $5 billion a year to purchase guns for law enforcement agencies. While the data obtained by the AFSC and shared with Brady is limited to California law enforcement agencies and only represents a fraction of dollars spent by those agencies, there is reason to suspect that this pattern occurs nationwide. This is especially troubling at a time when gun violence is estimated to cost the American economy at least $557 billion every year, not to mention the impact on victims’ lives and community well-being.

There is a simple solution: law enforcement needs to properly vet its gun industry vendors.

New Jersey already has taken the first steps in this direction through its 2019 Executive Order (EO) 83, highlighted in a recent Brady report. This EO requires New Jersey agencies to obtain and analyze information on potential firearm vendors’ compliance with applicable laws and on any association with gun trafficking and crime (for example, the number of crime gun traces linked to a vendor and the average time-to-crime of those traces). Additionally, agencies must ask for and review potential firearms vendors’ policies and any employee training on transferring guns to ensure that they prevent straw purchases and transfers to prohibited individuals.

Law enforcement agencies nationwide that are invested in the reduction of gun violence should develop a robust vetting process, which includes, but is not limited to asking potential firearms vendors:

• If they’ve ever received a Warning Letter, a Warning Conference, Fine, Suspension, and/or revocation of their federal firearms license (FFL) as a result of an ATF compliance or other inspection;
• Whether any of the vendor owners, operators, and/or “responsible person(s)” are or have been associated in any way with a current or former FFL that has received any remedial action from ATF, state, or local authorities as a result of a firearms compliance inspection;

THERE IS A SIMPLE SOLUTION: LAW ENFORCEMENT NEEDS TO PROPERLY VET ITS GUN INDUSTRY VENDORS.
LC Action and Adamson Police Products are two federal firearm licensees that have been cited for ATF violations and have received millions of taxpayer dollars from law enforcement agencies.

**LC ACTION**

**TAX DOLLARS RECEIVED:**
AT LEAST $18,857,060.57

**ADAMSON POLICE PRODUCTS**

**TAX DOLLARS RECEIVED:**
AT LEAST $2,778,538.01

*Map data reflects inspection reports obtained by Brady and data obtained by American Friends Service Committee.*
• Whether the business has been named in a legal proceeding as a source of firearms in straw purchasing, firearms trafficking, and similar cases;

• Whether the vendors have implemented security measures designed to prevent the theft or loss of firearms, such as adequate locks, surveillance and alarm systems, and inventory controls.

Better procurement policies can both ensure that taxpayer dollars are not profiting problem FFLs and play a critical role in preventing gun violence. Government purchase contracts are very desirable to vendors because the government is a major and reliable source of revenue. The buying practices of local police departments and county sheriff’s offices thus can be used to influence the way gun dealers run their businesses.

WHY RESPONSIBLE PURCHASING MATTERS

There is evidence that a gun dealer’s noncompliance with federal firearms laws is correlated with the likelihood that firearms from that dealer’s inventory will be recovered in crime. For example, when ATF inspected the 1% of gun dealers that supplied almost 60% of crime guns nationwide, it found that 75% of these dealers had violated federal law, including significant recordkeeping violations and participation in sales to potential gun traffickers and prohibited persons. In comparison, when ATF inspected a random sample of dealers, the number that were found to be noncompliant dropped to 37%.13

There is also substantial evidence that better business practices employed by gun industry members can lead to reductions in gun trafficking and crime. For example, after New York City sued over a dozen southeastern gun dealers whose firearms were recovered disproportionately by law enforcement in the City, several agreed to adopt a set of business practices designed to reduce the likelihood of illegal gun sales. A study then found that once the dealers adopted the required reforms, the odds that law enforcement would recover a gun sold by one of those dealers in New York City were 84% lower than before the lawsuits were filed — demonstrating that adopting good practices at the point of sale can reduce the number of crime guns recovered.14

Similarly, when one of the nation’s top source dealers located in Milwaukee voluntarily adopted a policy to stop selling cheap handgun models frequently recovered in crime, researchers found this decision associated with: 1) a 68% reduction in the likelihood that guns sold by the dealer would be recovered by law enforcement within a year of sale; 2) a 71% reduction in new recoveries of those firearms by law enforcement; and 3) a 44% decrease in the flow of all new illegally-trafficked guns to Milwaukee.15

CASE STUDY 2

At least 64 California law enforcement agencies are spending taxpayer money at a gun dealer whose actions have made it the subject of an ATF referral regarding “off-book transfers”
Adamson Police Products calls itself “a leading law enforcement distributor that has been serving and supporting our nation’s heroes since 1980,” but it has been cited for over a dozen violations of federal firearms laws since 2011.

According to the public records obtained by the AFSC via a CPRA request, at least 64 California law enforcement agencies have purchased goods from Adamson Police Products between July 2015 and the fall of 2021. Cumulatively, these agencies have purchased at least $2.7 million in goods from one of Adamson Police Products’ several locations.

Adamson’s Livermore location alone, which does business with the majority of those 64 agencies, has been cited by ATF inspectors for over a dozen violations of federal firearms laws since 2011 – many of which were repeat violations. Adamson’s stores have been cited for violations including:

- losing required paperwork critical to law enforcement investigations where customers certify they can legally buy guns; and
- failing on multiple occasions to submit multiple sales reports (critical tools used by ATF to investigate potential illegal gun trafficking and straw purchases).

Additionally, in 2016, ATF discovered that Adamson Police Products had broken federal requirements concerning the possession and sale of short-barrel rifles, which are subject to additional regulations due to their extreme lethality. According to Adamson’s 2016 ATF inspection report, Adamson and the Oakland Police Department (OPD) had a deal by which OPD traded old firearms for new equipment, where Adamson served as a broker for OPD to locate dealers to dispose of old firearms, including 11 short-barreled rifles. Among other related violations, Adamson never recorded the fact that it had acquired the firearms from OPD, and subsequently transferred them without recording their disposition or submitting any of the required paperwork.

The Oakland Police Department decided to sever its business deal with Adamson after this incident. However, records show that other departments continue to purchase from Adamson, illustrating a troubling lack of diligence and consistency in firearm procurement standards across agencies.

**NEXT STEPS**

Brady urges local governments in California and nationwide to adopt responsible firearm procurement policies. These policies should facilitate proper vetting of potential gun vendors, and limit eligibility for taxpayer-funded purchases to FFLs that have been determined to comply with firearms laws and safe dealing practices. Doing so would incentivize FFL compliance and best practices, which in turn would reduce gun trafficking and crime, ensure that taxpayer money is used to reward responsible FFLs, and uphold public safety – the ultimate goal of our nation’s law enforcement agencies.
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ENDNOTES


3. BRADY, Gun StoreTransparency Project, at gunstoretransparency.org (hereinafter “GSTP”).

4. LC Action firearms inspection reports available at: https://bradyunited.box.com/s/rjt72r81xgh456rduxinnixq4mabvd8w


6. Because one individual purchasing multiple handguns is classified as a potential trafficking indicator, federal firearms licensees are required to submit a multiple sales form whenever the licensee transfers two or more handguns to the same purchaser within five business days. 27 C.F.R. § 478.126a. California dealers are also required to report such transactions involving certain long guns.

7. A straw purchase occurs when one person, the “straw,” fills out the required paperwork and buys a gun on behalf of another person, the “actual purchaser.” While this often occurs because the actual purchaser is prohibited, and therefore would not pass a background check, the actual purchaser does not have to be prohibited for such a transaction to count as a straw purchase. See Abramski v. United States, 573 U.S. 169, 172 (2014).


category=a0D4N00000FD0m9UAD&meeting=87th%20Annual%20Meeting.

10. See, e.g.: Dennis Nealson, The Business Case for Reducing Gun Violence, HARV. MED. SCH. (Sept. 27, 2022), at hms.harvard.edu/news/busi-

11. NJ EO 83, supra n.1.


13. ATF, Report to the Secretary on Firearms Initiatives iii (Nov. 2000).


15. See Daniel W. Webster et al., Temporal Association between Federal Gun Laws and the Diversion of Guns to Criminals in Milwaukee, 89 J.

