



# ATF EXPLOSIVES Industry Newsletter

Editor, Gene Baker

December 2003

## Changes in the Public Safety Branch

**G**ail H. Davis, who served as Chief of the Public Safety Branch from September 2001 until August of 2003, has left the branch to become Chief of the Imports Division at the Alcohol and Tobacco Tax and Trade Bureau (ATTTB). As a result of the passage of the Homeland Security Bill, ATF was split into two parts. The alcohol and tobacco portion remain in the Treasury Department as ATTTB, while the remainder of ATF, including the Firearms, Explosives and Arson programs and related field operations were transferred to the Justice Department. Gail's tenure in the Public Safety Branch took place during a time of great changes, including the events of September 11 and following, and the passage and implementation of the Safe Explosives Act of

2002. After Gail's departure, Tom Hogue became the Branch Chief in early October of 2003. Tom had previously served in the branch as an explosives specialist several years earlier. However, Tom will also be departing to ATTTB by the end of December to take a new position there. We in the Arson and Explosives Program Division wish both Gail and Tom well as they move on to their new careers in ATTTB. They will be sorely missed. Congratulations to both Gail Davis and Tom Hogue.

As we were going to print, Gary Bangs was recently named as the new Chief of the Public Safety Branch, succeeding Tom Hogue who is departing for ATTTB. Gary is from Allison, Iowa and is a 1983 graduate of the University of Northern Iowa in Cedar Falls, Iowa. He began his ATF career as an inspector in the Cleveland Area Office in 1987, after serving as a police officer and having his own small business in Iowa. Gary was promoted to Special Inspector in the Cleveland office in 1992, and served in that capacity until September 1997 when he was promoted to a specialist in the Firearms Trafficking Branch in ATF headquarters. In the interim he received a Master's degree in Sociology from Cleveland State University in Ohio.

In 1999 Gary was promoted to the position of Technical Advisor in the Firearms Programs Division, and in 2000 he became the Area Supervisor in Seattle. Gary returned to ATF headquarters in July of 2003, and will now serve as the new Chief of the Public Safety Branch. The Arson and Explosives Programs Divisions extends a warm welcome to Gary in his new capacity as the Branch Chief for Public Safety.

### Arson & Explosives Programs Division (AEPD)

Division Chief **Carson Carroll**  
Deputy Division Chief **Phil Horbert**

### Public Safety Branch (PSB)

Branch Chief **Gary Bangs**

### Canine Operations Branch (COB)

Branch Chief **Michael P. Hayes**

### Explosives Technology Branch (ETB)

Branch Chief **Mark Murray**

### Violent Offender Branch (VOB)

Branch Chief **Mark Siebert**

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**Working for a Sound  
and Safer America**

# New Chief of the National Licensing Center

**A**TF's Firearms and Explosives National Licensing Center (NLC) in Atlanta has a new chief. The new chief is Lilia (Lee) M. Vannett. Lee has been with ATF for 29 years, and she previously served as the Director, Industry Operations, for the New York Field Division. Lee also served as a branch manager in ATF's old Alcohol and Tobacco Directorate, and as the Chief of the Firearms and Explosives Operation Branch, predecessor to today's Public Safety Branch. She also previously served as Area Supervisor in Atlanta, Georgia. Lee started her ATF career as an inspector in the Pennsylvania and New Jersey field offices, and served in various staff positions in New York and Headquarters.

Lee is also a Colonel in the United States Army Reserve, having been assigned to the Special Operations Command in Fort Bragg, North Carolina, for eight months as Chief of Military Liaison Police Training. During that time she reported to the U.S. Ambassador to Panama during Operation *Promote Liberty* in Panama, and worked with U.S. Central Command (Political-Military) and the 22nd Support Command (Host-Nation Support) during Operations Desert Shield and Desert Storm. Lee served for a year in Saudi Arabia as a Civil Affairs Advisor and Chief of Host Nation Support, working directly with the local military leadership to facilitate U.S. military peacekeeping operations. Lee's last military assignment was as Deputy Chief of Staff for Logistics for the 352nd Civil Affairs Command, a unit currently deployed in support of Operation Iraqi Freedom. Lee is the recipient of two Bronze Stars, a Joint Meritorious Service Award, six Army Commendation Awards, five Army Achievement Awards and a Legion of Merit. Lee brings her many unique skills to this important position. Explosives industry members and those in related trade associations

will remember Lee from her previous association with the Firearms, Explosives and Arson Directorate. We in the Arson and Explosives Programs Division extend our sincere best wishes and a warm welcome to Lee on her new job.

## Storage Requirements

**Q**uestions have been asked regarding when explosive materials must be placed in a magazine. The Federal explosives regulations, 27 C.F.R. Part 555 outline the storage requirements in Subpart K of the regulations. As specified in section 555.205 of the regulations, all explosive materials must be kept in locked magazines meeting the standards in subpart K unless they are:

- (a) In the process of manufacture;
- (b) Being physically handled in the operating process of a licensee or user;
- (c) Being used; or
- (d) Being transported to a place of storage or use by a licensee or permittee or by a person who has lawfully acquired explosive materials under Sec. 555.106.

When none of the above conditions apply, this section mandates that explosive materials must be kept in magazines that have been constructed in accordance with the requirements contained in subpart K and located in accordance with the Table-of-Distance (TOD) standards also found in subpart K. Any divergence from these requirements requires prior approval by the Director, ATF, in accordance with the provisions of 27 CFR Part 555.22. Persons with questions on this issue should contact the Public Safety Branch in ATF headquarters at (202) 927-2310.

# Requirements for Distraction Devices

Questions have been raised regarding the types of licenses and permits required to legally possess distraction devices also known as "flash bangs," "stun grenades," and other similar terms, used by law enforcement agencies and the procedures for reporting their use to ATF. Distraction devices are classified as "destructive devices" under the Federal firearms laws. ATF controls the sale or transfer of destructive devices and ATF requests that the law enforcement agency obtaining these devices report the use of such devices to ATF.

In addition to being classified as destructive devices, these devices are classified as firearms by the Gun Control Act (GCA) and the National Firearms Act (NFA) and are subject to their requirements. The devices are also classified as explosives under the Federal explosives law, the Organized Crime Control Act (OCCA). Appropriate licenses under both the GCA and the OCCA must be obtained to manufacture, import, or deal in these devices. Persons engaged in business must also pay a special (occupational) tax under the NFA.

The NFA requires the registration of destructive devices and that ATF approve of any transfer of the devices. Each distraction device has an individual serial number and is marked with the name and address of the manufacturer or importer. In order to transfer the devices, a supplier must apply to ATF on ATF Form 5 for to transfer the devices to a law enforcement agency, identifying each device on the application. ATF will process the application and return the approved Form 5 application to the supplier. At the time of approval, the devices are registered in the National Firearms Registration and Transfer Record to the receiving agency. The supplier may then transfer the devices and provide the approved application to the law enforcement agency. If the law enforcement agency wishes to dispose of any device (for example, for transfer to another

law enforcement agency) then the agency must apply for and receive a new approval from ATF in order to effect the transfer.

ATF requests that the law enforcement agency notify us, on agency letterhead, for any use of the distraction devices (by serial number) so that the records of registration can be updated. The notification can be mailed to the Chief, NFA Branch, ATF, Washington, DC 20001, or submitted by facsimile transmission to the NFA Branch at (202) 927-8601. We suggest that the reporting be done either monthly, quarterly, annually, or upon the liquidation of an order.

Distraction devices may only be obtained for use by Federal, State or local law enforcement agencies. Questions regarding the registration and transfer requirements can be directed to the NFA Branch at (202) 927-8330. Licensing information regarding the GCA can be obtained from ATF's National Licensing Center at (866) 662-2750. Questions on the licensing and other requirements under the OCCA can be directed to the Public Safety Branch at (202) 927-2310.

## ATF Meets with Mining Industry and ISEE

The 2003 Joint National Meeting of the Joseph A. Holmes Safety Association, National Association of State Mine Inspection and Training Agencies, Mine Safety Institute of America (MSIA), and Western TRAM (Training Resources Applied to Mining) was held during the period of June 16-20, 2003, in Reno, Nevada. The turnout for this event was exceptional, with a total of 386 persons in attendance at the meeting during the week. Those in attendance included 70 representatives from ATF and other federal agencies, 30 representatives from State regulatory agencies, and 286 mining industry

members. (ATF) provided an informational booth that was attended by ATF Inspectors, Mike Briw, Linda Young and Gary Patterson. Gail Davis, Chief of the Public Safety Branch gave a presentation on the new requirements under the Safe Explosives Act and its impact on the mining industry. ATF will continue to reach out to all of the various industry members whose use of explosives in their work is impacted by the Safe Explosives Act.

More recently, Public Safety Branch Chief Gail Davis and other members of the Public Safety Branch participated in the International Society of Explosive Engineers (ISEE) biennial Explosives and Blasting Regulatory Conference held July 27-29 in St. Louis. This was the 4th national regulatory conference sponsored by ISEE and the event brought together members of the explosive industry as well as Federal and State regulatory agencies with oversight over the use of explosives. The regulatory conference is an effort to expand the awareness of each segment of the industry and the regulatory bodies on how the various federal and state laws impact the explosive industry. An additional goal is to work together to promote the interest of safeguarding the public from illegal use of explosives and find the best ways to allow a vital industry to operate while at the same time promoting general public safety and awareness on the legitimate use of explosives.

## Limited Permit Procedures Detailed

### *New Federal Explosives "Limited Permit"*

**E**ffective May 24, 2003 with the passage of the Safe Explosives Act (SEA), ANYONE purchasing or receiving explosive materials (explosives)—regardless if they purchase or receive in their State of residence or in another State—is REQUIRED to have a Federal explosives license, a user permit, or a NEW "limited permit" from ATF.

The newly created limited permit—referred to as a type 60 permit—is for persons who have

only a limited need for explosives. This limited permit is valid for a 1-year period in their State of residence ONLY and comes with six 2-part purchase coupons. The 2-part coupons (parts 'A' and 'B')—Intrastate Purchase of Explosives Coupons—also referred to as "IPECS"—can be used for the purchase and receipt of explosives on no more than 6 occasions during the period of the permit.

This limited permit does NOT allow the holder to ship, transport, receive, or possess explosives outside his or her State of residence. A Federal explosives license or user permit is needed for this purpose.

**USING AN IPEC.** Each time a person holding a limited permit (limited permittee) purchases explosives, he/she MUST provide to the distributor (seller) both parts of the coupon with the SAME coupon number—copy 'A' and copy 'B'.

The seller is required to affix part 'A' and 'B' of the coupon to a 2-part Limited Permittee Transaction Report (LPTR), ATF Form 5400.4, in accordance with instructions. The permittee MUST complete all items in 'Section A' of the form prior to the distribution of the explosives. The seller MUST complete 'Section B' of the form. These forms are provided to the seller by ATF.

Upon completion of the transaction, and by the close of the next business day, the seller MUST submit the 'Original—ATF's Copy' of the LPTR with copy 'A' of the IPEC affixed, to the National Licensing Center, 2600 Century Parkway NE, Atlanta, GA 30345.

**SAFEGUARDING COUPONS.** A limited permittee MUST report any lost, stolen, or destroyed coupons to ATF within 24 hours of the discovery by calling 1(888) ATF-BOMB/ (1(888) 283-2662.) If possible, please have a copy of your limited permit available when calling.

**CHANGE OF ADDRESS.** ALL Federal explosives licensees, permittees, and limited permittees MUST notify ATF, at least 10 days in advance, if they move and/or change their premises and/or mailing address. You must

submit your license, permit, limited permit, and/or any unused coupons to the Chief, National Licensing Center for endorsement of such change. The Chief will issue an amended license, permit, limited permit, and/or coupons.

**ADDITIONAL INFORMATION.** For additional information on limited permits and IPECs, please visit ATF at [www.atf.gov](http://www.atf.gov), contact ATF's Public Safety Branch (PSB) at (202) 927-2310, or contact the National Licensing Center, toll-free at (866) 662-2750, or by email to [NLC@atf.gov](mailto:NLC@atf.gov).

## Sales of Explosives Away From the Licensed Premises

### *"At Large" Sales Prohibited*

**A**TF would like to remind all persons selling explosives that sales may only be made at the licensed premises. The Federal explosive regulations at 27 CFR Part 555.41(b) mandates that a separate license must be obtained for each business premises at which a company will manufacture, import, or distribute explosive materials, with the following exceptions:

- (1) For storage facilities operated as an integral part of one business premises, or for a location used solely to maintain required records.
- (2) For on-site manufacture, e.g. mixing ANFO or other similar products at a job site.
- (3) Licensed manufacturers or importers do not need a separate license as a dealer in explosive materials.

The practice of selling explosives "at large", that is, bringing explosives to an event or job site for the purpose of soliciting sales is prohibited. Sales may be made in advance and delivered to an event or job site, in which case the sale must be executed at the business premises, and properly documented in the records required in

Subpart G of the Federal explosive regulations. Any questions on this matter should be directed to the Public Safety Branch.

## Changes at the National Licensing Center

### *New Lockbox Provisions Now in Effect*

**T**he Firearms and Explosives Licensing Center, or National Licensing Center (NLC) would like to call to the attention of all persons holding an explosive license or permit, or who will apply for a license or permit, of several major changes to the application process. These new procedures will apply both to new applications for explosives licenses and permits as well as renewals.

The NLC would also like to remind all persons applying for a Federal Explosives License or permit that they must pay the appropriate fee for each such license and/or permit, with a separate fee being required for each business location. Previously, all applications for a Federal explosive license or permit were sent to the Bureau of Alcohol, Tobacco, Firearms and Explosives at a Post Office Box (lockbox) in Dallas, Texas. The fee for the license or permit was deposited to an account with the Bank of America on ATF's behalf, and the application form was forwarded to the Licensing Center in Atlanta. However, beginning July 1, 2003, ATF transferred the lockbox function from Dallas, Texas to Atlanta, Georgia. **The new Lockbox address in Atlanta is:**

**Bureau of Alcohol, Tobacco, Firearms  
and Explosives  
P.O. Box 409567  
Atlanta, Georgia 30384-9567**

The application forms will not be reprinted at this time to reflect the address change. However, the Distribution Center will include a "customer service" insert identifying the new Lockbox address in all packets of forms

affected by the relocation of the lockbox. The application forms for explosives licenses and permits that are affected by this change include the following:

1. ATF Form 5400.13/5400.16—Application for Explosives License or Permit.
2. ATF Form 5400.21—Application for Permit, User Limited Display Fireworks
3. ATF Form 5400.14/5400.15, PART III—Renewal of Explosives License or Permit.

In addition, to better assist the public, the NLC also now has two new toll-free telephone numbers:

For general questions: 1-866-662-2750

Toll-free fax number: 1-866-257-2749.

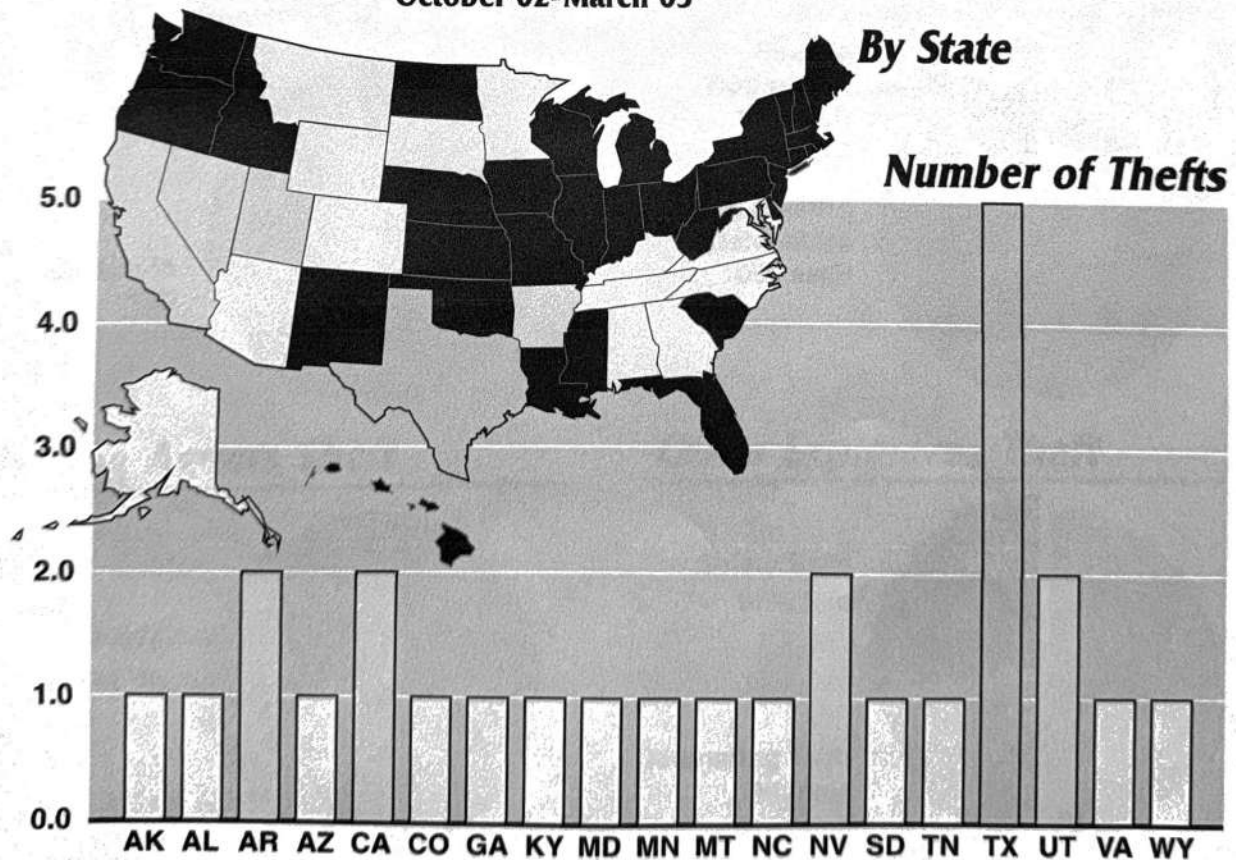
The NLC has also made several other improvements in the processing of applications

that should help persons in the explosives industry receive both their new and renewal licenses or permits in less time. By law, ATF now has 90 days to process an application for an explosives license or permit. Accordingly, the NLC is now sending renewal notices out to licensees and permittees 90 days before the current license/permit expires. We do request that if you are renewing a license or permit, please submit your application as soon as you get your renewal notice. This will help you to avoid any delay in receiving your renewed license or permit prior to the expiration of the existing license or permit.

*Don't wait until your license or permit is about to expire to submit your renewal*

## Theft of Explosives as Reported to ATF

October 02-March 03



# Reporting Changes in Responsible Persons and Employee Possessors

One of the major changes brought about by the passage of the Safe Explosives Act is the requirement for all explosive license and permit holders and new applicants to report employee possessors (EP's) to ATF to conduct a background check, and for responsible persons (RP's) to provide fingerprints and photographs to ATF, along with other required information, as part of the application process. Questions have been raised as to when these

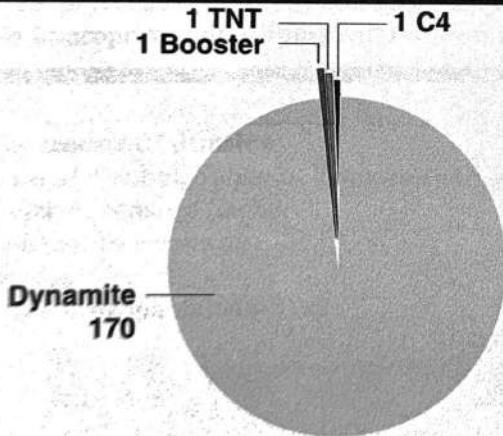
provisions need to be met. There are two major provisions to the reporting requirements.

Companies or persons who obtained their original license or permit, or renewed an existing license or permit, prior to May 24, 2003, must report any changes in responsible persons within 30 days, as noted in the Federal explosive regulations, 27 CFR PART 555—COMMERCE IN EXPLOSIVES, at Section 555.57(a)—Change of control, change in responsible persons, and change of employees. However, for licenses and permits issued before May 24, 2003, there is no requirement to report employee possessors until the time of renewal after May 24, 2003.

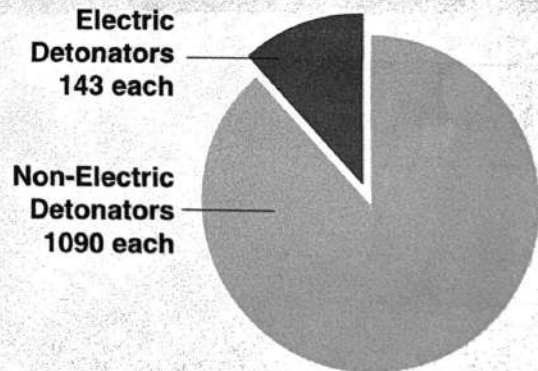
However, section 555.57(b) imposes a different requirement on new licenses and permits, and renewals of existing licenses and permits, which were issued on and after May 24, 2003, as noted:

(b) For all licenses or permits issued on and after May 24, 2003, each person holding the license

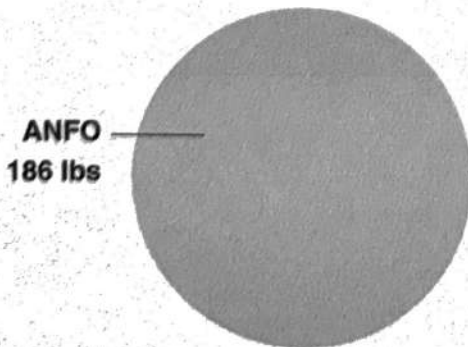
## High Explosives Theft



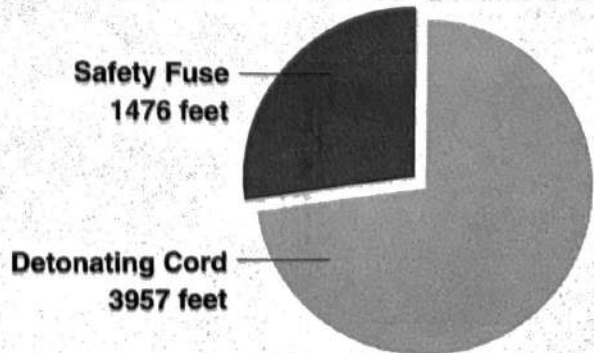
## Ignition Systems Theft



## Blasting Agents Theft



## Other Explosives Theft



or permit must report to the Chief, Firearms and Explosives Licensing Center, any change in responsible persons or employees authorized to possess explosive materials. Such report must be submitted within 30 days of the change and must include appropriate identifying information for each responsible person. Reports relating to newly hired employees authorized to possess explosive materials must be submitted on ATF F 5400.28 for each employee.

This is to allow ATF to conduct a background check on employee possessors as noted in Section 555.57(c).

For licensing purposes, "changes" in employee possessors and responsible persons refers to those persons hired by the licensee or permittee subsequent to submission of the application or renewal application form. For licenses and permits issued after May 24, 2003, any new employee possessors must be reported to ATF within 30 days of their employment on ATF Form 5400.28, the Employee Possessor Questionnaire. Changes in responsible persons after May 24, 2003, but prior to renewal of the license or permit, require only that the company provide appropriate identifying information on

the responsible persons to the National Licensing Center in Atlanta. At the time of subsequent renewal of the license or permit, responsible persons who did not previously submit photographs and fingerprints to ATF must submit them with the renewal application.

Any questions on these requirements for submitting information to ATF should be addressed to the Public Safety Branch in ATF headquarters at (202) 927-2310, or the National Licensing Center in Atlanta at (404) 417-2750. You may also contact the NLC at their new toll-free number at 1-866-662-2750.

**WARNING**  
**Theft of Explosives**  
**Is a Federal Crime**  
**Report Thefts or Losses**  
**Immediately to**  
**1-888-ATF-2662**

**Department of Justice**  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
National Licensing Center  
2600 Century Parkway  
Suite 400  
Atlanta, Georgia 30345-3102

