

## Lost and Stolen Guns

### Far less than 1% of firearms are lost or stolen from an FFL.

The firearms industry believes that a lost or stolen firearm is always a matter of concern. Fortunately, the number of firearms lost or stolen from federal firearms licensees (FFLs) is a small fraction of all firearms made or imported into the U.S., only about 0.16 percent, according to data from a 2015 Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) report.<sup>1</sup>

This small fraction greatly overestimates the actual number because it assumes all firearms reported lost or stolen in a given year were also produced in that same year. When you factor in the stock of previously manufactured firearms retailers have in their inventory this fraction would shrink further. As a result, ATF's lost and stolen data may double-count firearms. The ATF report's estimate of firearms lost and stolen from FFLs is not limited to just retailers, but also includes all other FFLs, such as manufacturers.

It is also important to note that the ATF report does not reveal the number of firearms lost or stolen in 2014, rather, the number of firearms reported lost or stolen in 2014. As an earlier, more detailed version of the annual ATF report states, "Inventory reconciliations conducted as part of the ATF inspection process (or conducted by an FFL independent of the ATF inspection process) often reveal that firearms taken into inventory by an FFL in years prior to the reconciliation are unaccounted for in the FFL's records in the year of inventory."<sup>3</sup> The agency also notes that some of these firearms may have been lawfully sold, but the transfer

- The number of firearms lost or stolen from FFLs is approximately 0.16 percent of the total number of firearms manufactured and imported into the U.S. in a given year.
- Federal law requires all FFLs to notify ATF and local police within 48 hours of learning a firearm has been lost or stolen.
- NSSF encourages FFLs to conduct inventories and matches ATF reward offers when firearms are stolen from licensed retailers.
- Proposed ATF regulations mandating physical inventories are unnecessary and unauthorized by law.

inadvertently was not accounted for in the FFLs business records.<sup>4</sup>

### FFLs have strong legal and economic incentives to prevent loss and theft.

Federal law requires all FFLs to keep and maintain a record of all firearms in their Acquisition and Disposition (A&D) record, called a bound book.<sup>5</sup> Licensees must also notify the ATF and local police within 48 hours of learning that a firearm has been lost or stolen.<sup>6</sup> The ATF enters the details about each of these firearms into its Firearms Tracing System for use by law enforcement. According to the ATF, "these reports provide law enforcement with serial numbers and reliable descriptions."<sup>7</sup>

Through our "Taking Stock" initiative, the National Shooting Sports Foundation, the firearms industry trade association, encourages FFLs to conduct periodic inventories using the most appropriate method for each business.<sup>8</sup> We also endorse products for retailers to assist them in securing their inventory from theft. These voluntary measures have been effective in keeping the number of lost or stolen firearms to a small fraction of one percent. To support law enforcement efforts in these rare, unfortunate cases, the NSSF matches any reward offer by ATF in connection

with the theft of firearms from a licensed firearms retailer.

FFLs have a strong economic incentive to protect their inventory. It is impossible to sell a product that has been lost or stolen. The combination of legal recordkeeping and reporting requirements, supported by voluntary responsible business practices, have effectively kept firearms losses and thefts from FFLs to minute levels.

1 NSSF estimate based on ATF report, Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of the Director – Strategic Management, "2014 Summary: Firearms Reported Lost and Stolen," 2015. Estimate is also based on trade data from U.S. International Trade Commission and ATF's Annual Firearms Manufacturing and Export Reports.

2 ATF report, 2013, p.3.

3 Ibid.

4 The Gun Control Act (GCA) of 1968 (P.L. 90-618)

5 18 USC 923 (g)(6)

6 ATF report, p. 2.

7 National Shooting Sports Foundation, "New NSSF Video Stresses Benefits of Firearms Inventories for Retailers," March 25, 2011. <http://www.nssf.org/newsroom/releases/show.cfm?PR=032511.cfm&path=2011>