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## **MAYOR BLOOMBERG ANNOUNCES FIRST SETTLEMENT RESULTING FROM SECOND ROUND OF GUN DEALER LAWSUIT**

*Two Weeks After Announcing Second Federal Lawsuit Against 12 Gun Dealers,  
An Agreement is Reached with South Carolina Gun Dealer*

*Settlement Outlines Broad Oversight of Gun Dealer by a Special Master and  
Sets Strict Parameters for Monitoring Dealer Records and Inventories*

*Mayor Praises Dealer for Doing the Right Thing and Calls on Others to Follow*

Two weeks after announcing a second federal lawsuit against gun dealers in five states that sold guns in violation of federal law, Mayor Michael R. Bloomberg today announced that the first settlement has been reached with one of those dealers, Coastal Pawn Shop (Coastal Pawn) in Latta, South Carolina. Similar to previous agreements, the settlement provides for a court-appointed Special Master to oversee Coastal Pawn's sales and inventory practices, which may include videotaping sales and continued undercover surveillance. Coastal Pawn was among the 12 gun dealers named in the second New York City lawsuit filed on December 7 and currently pending in the Federal District Court for the Eastern District of New York. The first lawsuit was filed on May 15 against 15 gun dealers in the same five states. To date, six of the original 15 dealers have reached settlement agreements with New York City – bringing the total number of settlements to seven.

"New York City is America's safest big city and we're determined to do everything possible to make it even safer," said Mayor Bloomberg. "We're not looking to put gun dealers out of business, only for them to play by the rules and follow the law. This agreement is another step forward to ensure that guns don't fall into the hands of criminals and end up on New York City streets. I applaud Coastal Pawn for their decision to go the extra mile and become part of the solution and I encourage the remaining gun dealers to follow their lead."

"This settlement, so early in the litigation, shows that the City has developed fair, reasonable and common-sense approaches to stem the flow of illegal guns," said Corporation Counsel Michael A. Cardozo.

As part of the agreement, a Special Master will be appointed by the Court. The Special Master will have broad powers to monitor the gun dealers including unlimited review of firearms-related records, which include trace requests and multiple handgun sale reports, as well as the ability to conduct unrestricted inspections of all firearm inventories. Employees will receive enhanced training to ensure these dealers conduct legal firearm sales and more readily identify straw purchasers.

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The agreement also establishes a penalty structure for non-compliance, including straw sales and other violations of federal, state or local firearms laws. Fines incurred by each violation will be deducted from a bond – with the added requirement that the dealer replenish the original bond amount.

First Violation	\$1,000
Second Violation	\$2,000
Third Violation	\$3,000

The agreements will expire after three consecutive years without a reported violation. For example, if the dealer goes two years and then re-lapses, the three-year clock will be re-set. At the end of each year, the Special Master will certify whether the dealers have met their obligations.

“This settlement once again demonstrates our willingness to work with gun dealers who are committed to playing by the rules,” said Criminal Justice Coordinator John Feinblatt. “By joining forces, rather than fighting in court, we can make real progress in ensuring that guns don’t end up in the hands of criminals.”

“Lax gun dealers have been part of the problem in crime guns reaching the streets of New York from out of state,” said Police Commissioner Raymond W. Kelly. “This is a victory in holding them accountable.”

The 12 gun dealers named in the latest lawsuit are located in five states – Georgia, Ohio, Pennsylvania, South Carolina and Virginia. The gun dealers in the lawsuit were identified as selling firearms in violation of federal law. The lawsuit asked that the Court appoint a Special Master to monitor the dealers and require them to submit to enhanced training. More than 300 crime guns recovered by the New York City Police Department (NYPD) have been traced to these 12 gun dealers between January 1994 and June 2002.

### *Mayor Bloomberg’s Illegal Gun Agenda*

Mayor Bloomberg has made stopping the flow of illegal guns an important priority in his second term. To that end, he is using a comprehensive three-pronged strategy: tougher enforcement, new legislation and innovative litigation to combat illegal guns. In New York City, gun arrests are up 14% this year.

Recognizing that illegal guns are a national problem requiring national leadership, Mayor Bloomberg, together with Boston Mayor Thomas Menino, in April hosted a Mayors’ Summit on Illegal Guns that was attended by more than a dozen mayors from across the nation, from Seattle to Dallas to Philadelphia. The nonpartisan group of mayors discussed cutting-edge policing and legal strategies, identified opportunities for greater coordination in combating the flow of illegal guns, and signed a statement of principles to guide their efforts going forward. Mayor Bloomberg, alongside these other mayors, is also fighting federal legislation that would protect irresponsible gun dealers by limiting access to trace data and barring its introduction in civil suits, preventing cities from holding irresponsible gun dealers fully accountable. The mayors have also opposed legislation that would make it harder for the ATF to revoke the licenses of rogue dealers. To date, the Mayors Against Illegal Guns Coalition includes more than 120 members from more than 40 states.

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This fall, Regional Illegal Gun Conferences were held in Chicago, Boston and Atlanta, bringing together mayors and other senior city officials to discuss the problem of illegal guns within their region. These conferences were designed to lead into the January 2007 Mayors Against Illegal Guns Summit which will kick-off the coalition's first full calendar year of work together – and the first-ever coordinated, national effort to convince Congress to take ideology out of law enforcement.

In July, Mayor Bloomberg signed four bills into law that include tough new measures that will help keep guns out of the hands of criminals; prevent under-the-table sales and require those convicted of a gun crime to check in with the NYPD after they have been released from prison; and ban real guns from being painted to look like toy guns. Other enforcement efforts include the establishment of a “debriefing” protocol for every felony gun defendant, which is helping law enforcement agencies learn more about the illegal gun markets.

In December, Mayor Bloomberg also announced that New York City subways would begin a new public service advertising campaign warning riders about the increase in the mandatory minimum sentence for illegal possession of a loaded handgun. In June, at the Mayor's urging, the State Legislature passed a bill increasing the mandatory minimum sentence for illegal possession of a loaded handgun from 1 year to 3 ½ years, and eliminated the loophole that allowed judges to let offenders off with probation rather than jail time – changes the Mayor had called for in his State of the City Address last January. In October, Governor Pataki signed this bill into law. The subway ad campaign will run through the winter and will be displayed in 2,044 subway cars – 32% of all cars in the subway system. The simple and stark message featured in the ad is “Illegal possession of a loaded gun now carries a minimum of 3 ½ years in prison. Period. End of Story.” The ad also includes a photo of a prison cell.

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Contact:	Stu Loeser/Virginia Lam	(212) 788-2958
	Kate O'Brien Ahlers (Law)	(212) 788-0400
	Paul Browne (NYPD)	(646) 610-6700