

Affidavit for 6/6/86 search warrant of ARDCO

AFFIDAVIT

I, Steven J. Bauer, being duly sworn, depose and state:

1. That I am a Special Agent employed by the Bureau of Alcohol, Tobacco and Firearms, United States Department of the Treasury, and that I have been so employed for the past 1 1/2 years.

2. That as a result of my training and experience as a Special Agent for the Bureau of Alcohol, Tobacco and Firearms, I am familiar with the Federal Firearms Laws and know that it is unlawful for a person who is a licensed importer, dealer, manufacturer or collector knowingly to make false entry, or fail to make appropriate entry, or fail to maintain any record he is required to keep pursuant to 18, USC, 923 or regulations promulgated thereunder; and that it is also unlawful for any person to obliterate, remove, change, or alter the serial number or other identification of a firearms required by the provisions of Chapter 53, Title 26, USC; to receive or possess a firearm having the serial number or other identification required by Chapter 53, Title 26, USC, obliterated, removed, changed or altered, and to make, or cause the making of, a false entry on any application, return or record required, knowing such entry to be false.

3. That on June 4, 1986, I obtained a search warrant on written affidavit (Magistrates Case No. G86-000-73M) for American Research and Development Co., Inc., 3386 West 1987 South, Salt Lake City, Utah. The affidavit for said warrant is attached and incorporated herein.

4. That on June 5, 1986, I was provided the following information by Sheree L. Olsen, born July 23, 1961. Olsen is employed by American Research and Development Co., Inc, (ARDCO), 3386 West 1987 So., Salt Lake City, Utah, as a secretary-receptionist and has been so employed since September 4, 1985. The normal course and scope of her employment includes access to all firearms records, accounts payable, accounts

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receivable, correspondence and other miscellaneous documents of the business.

5. Ms. Olsen further stated that on approximately April 1, 1986, American Research and Development Co., Inc., through Charles Goff Sr., company President, and Charles Goff Jr., company Vice-President, began contacting various tool and die companies to produce a quantity of Am 180 M-2 machine gun receivers. Olsen prepared the letters and blueprints for the various bids. The Goffs had decided to purchase machine gun receivers because of an amendment at the Gun Control Act of 1968, which would have prohibited the manufacture of such receivers upon signing of the law by the President. The Goffs had received information from the

National Rifle Association, Washington, D,C,, that the amendments to the Gun Control Act would take place on or before May 21, 1986. Olsen is aware of this information as Mr. Goff Jr, told her that the company would "make \$2,000,000" in receivers produced prior to the signing of the amendment. Olsen personally contacted the National Rifle Association concerning the proposed date of the amendment signing.

6. In April, 1986, Electronic Metal Products, 21000 East 32nd Parkway, Aurora, Colorado, was contracted by ARDCO to produce 1,000 Am 180 M-2 machine gun receivers. That company was paid approximately \$28,000 for the receivers, which were to be produced as soon as possible. On May 5-7, 1986, Olsen prepared Form 2's, as required by law, to register the 1,000 Am 180 M-2 machine gun receivers with the Bureau of Alcohol, Tobacco and Firearms. The Form 2's were signed an May 19, and she dated them May 15, 1986, and sent them to Washington. D.C. The serial numbers for these receivers were ARD 1001-2001 inclusive. Olsen is aware of these facts by preparation of correspondence, handling of phone calls, and conversations with Mr. Goff Sr. and Mr. Goff Jr.

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7. Approximately 50 additional Am 180 M-2 receivers are to be produced by Electronic Metal Products. The receivers are to bear identical serial numbers as current .22 magnum caliber receivers in stock at American Research and Development Co., Inc. The replacement receivers will be in .22 long rifle caliber, which is more saleable in the United States, while the current receivers in .22 magnum calibers are more easily saleable in overseas markets.

This switch of receivers allows an increase in the number of machine gun receivers that the company can sell in the United States. Olsen is aware of this plan by conversations with Charles Goff Jr. and John Marshall, attorney for the company.

8. In April, 1986, Advanced Manufacturing Technology, 3329 West 2555 South, Salt Lake City, Utah, was contracted by ARDCO to produce 1,000 Am 180 M-2 machine gun receivers. They were paid \$30,000 for the contract on May 16, 1986. Olsen prepared Form 2's for the 1,000 Am 180 M-2 receivers on May 5-7, 1986, and sent them to the Bureau of Alcohol, Tobacco and Firearms on May 19, 1986. The serial numbers for these receivers were ARD 2002-3002 inclusive. At the time the Form 2's for the 2,000 receivers mentioned above were completed, Olsen believed that the receivers had been produced. She is aware of this information through her preparation of forms and conversations with Charles Goff Jr.

9. On May 29, 1986, Olsen loaded all of ARDCO's receivers in inventory into a trailer for transportation to Boca Raton, Florida. On May 30, 1986, the trailer was not at ARDCO's office. Olsen was later advised by Charles Goff Jr. that Goff Sr. was taking the trailer to Florida. Mr. Goff Jr. had previously advised Olsen that the 1,000 receivers at Advance Manufacturing Technology would be picked up and transported with the other receivers to Florida.

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10. On May 30, 1986, the Bureau of Alcohol, Tobacco and Firearms served a Warrant of Inspection and Examination on ARDCO

for the purpose of inventorying the May 15, 1986, production of Am 180 M-2 receivers.

11. On May 31, 1986, Olsen met with Charles Goff Jr. and John Marshall at Mr. Marshall's Office, 525 East 320 South, Salt Lake City, Utah. During that meeting, Olsen advised them that she had shown ATF special agents the invoice for the 1,000 receivers from Advanced Manufacturing Technology. Mr. Goff Jr. became very angry and stated that "you may have blown it for us right there." Mr. Marshall instructed Olsen that if agents of Alcohol, Tobacco and Firearms came to ARDCO on Monday and quoted any statements she had made on Friday, that she was to say, "I was so flustered that I cannot recall what I said," Olsen was told by Charles Goff Jr. that a letter was in the file to the Bureau of Alcohol, Tobacco and Firearms cancelling the production of the 2,000 receivers. Olsen knew that no such letter was in the file as of May 30, 1986. On June 2, 1986, Olsen found a copy of a letter to ATF cancelling the 2,000 Am 180 M-2 receivers in ARDCO files. The letter was not prepared by her but appeared to be typed on the Commodore 8032 computer at ARDCO. A copy of that letter should be found on the computer's floppy disc and/or ribbon.

12. During the meeting, Mr. Marshall stated to Mr. Goff Jr., "Is there any way possible to leave the last cut off?" Olsen interpreted this to mean that the 2,000 Am 180 receivers were not yet fully manufactured. Mr. Goff Jr. stated that there would be no way to complete manufacture of the receivers at ARDCO if a cut was omitted.

13. On June 3, 1986, Charles Goff Jr. and Mark Sheranian,

Production Manager of ARDCO, departed by automobile from Salt Lake City enroute to Aurora, Colorado, to pick up the completed receivers from Electronic Metal Products. While at Electronic Metal Products, Goff Jr.

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and Sheranian were to serialize the receivers. On June 5, 1986, Olsen spoke with Mr. Goff Jr., who indicated he would return to Salt Lake City in the late hours of June 6, 1986, with the receives. Olsen is aware of this information by personal and telephonic communications with Mr. Goff Jr.

14. On February 28, 1986, Olsen prepared documentation for submission to the Bureau of Alcohol, Tobacco and Firearms indicating that approximately 520 Am 180 receivers were destroyed. Between December, 1985, and April, 1986, approximately 493 Am 180 machine gun receivers were reported as being produced by ARDCO. These receives were not newly manufactured but were created by removing the serial number from those reported destroyed on February 28, 1986. New serial numbers were then affixed to the receivers. The purpose of this deception was to alter the net worth of American Arms International, Inc., then in Bankruptcy proceedings and to provide a saleable product for ARDCO. Both companies are controlled by Charles Goff Sr. and Charles Goff Jr. Olsen is aware of this deception as she prepared the documentation, observed and assisted in the milling and reserializing of the receivers.

15. The affiant has determined from Doreen Marin, Inspector, Bureau of Alcohol, Tobacco and Firearms, Sacramento Compliance Office, that American Research and Development Co., Inc., is not licensed to manufacture firearms in the State of Colorado.

16. On June 3, 1986, the affiant interviewed Dennis Barney, General Manager of Advanced Manufacturing Technology at 3329 West 2555 South, Salt Lake City, Utah. Mr. Barney acknowledged the contract between ARDCO and Advanced Manufacturing Technology for 1,000 Am 180 M-2 receivers. Mr. Barney stated that none of the receivers had yet been delivered to ARDCO. Barney showed the affiant a large quantity of Am 180 receivers in various stages of completion, which were located upon the premises.

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17. That based upon the above, I believe there exists probable cause to believe there are presently firearms and evidence of their Possession in the business of Advanced Manufacturing Technology, 3329 West 2555 South, Salt Lake City, Utah, which are evidence of the fruits and instrumentalities of a violation of Title 18 USC, Section 922(m).

Steven J. Bauer

Special Agent

Bureau of Alcohol, Tobacco & Firearms

SUBSCRIBED & SWORN to before me on

this _____ day of _____, 1986.

U.S. Magistrate

Time: _____