

Wal-Mart to Pay \$14.5 Million for California Gun Law Violations

June 5, 2004

[Wal-Mart](#) will pay more than \$14 million to settle charges that it committed thousands of violations of California state gun safety laws between 2000 and 2003, including selling ammunition to minors and selling firearms to convicted felons.

California Attorney General Bill Lockyer said that under the settlement, Wal-Mart will pay \$5 million in fines, submit to court-enforced compliance with all gun laws, and provide more than \$4 million to fund state compliance checks, prevent the sale of ammunition to minors and educate the public on gun laws.

“Wal-Mart’s failure to comply with gun safety laws put the lives of all Californians at risk by placing guns in the hands of criminals and other prohibited persons,” Lockyer said.

“Although Wal-Mart has suspended gun sales in California, this settlement will ensure that it follows state law if it renews sales and will also provide valuable public education about the importance of gun safety. I will continue to vigorously regulate all gun dealers in California to ensure compliance with the law - the health and safety of all Californians depends on it.”

Lockyer’s lawsuit alleged that Wal-Mart engaged in unfair competition by committing thousands of violations at five separate stores. Among the laws Wal-Mart allegedly violated are:

- Selling and delivering firearms to 23 individuals the Attorney General’s Office had informed the store were prohibited from possessing firearms,
- Delivering firearms to 36 persons prohibited from possessing a firearm by means of a “straw purchase” to a relative or friend,
- Delivering firearms to persons prior to the completion of a criminal background check,
- Failing to verify the identity of purchasers through thumbprints and by scanning driver’s licenses, and
- Failing to document that a firearm safety device, such as a trigger lock, was delivered with each firearm.

Lockyer’s lawsuit stems from a series of inspections, investigations and audits conducted between 1999 and 2004 that uncovered thousands of firearms law violations at numerous Wal-Mart stores.

Routine inspections by Firearms Division agents of Wal-Mart stores in 1999 and 2000 revealed numerous technical violations of state gun laws. In response, a special training program was provided by the Attorney General to Wal-Mart officials to ensure knowledge and compliance with state laws.

In September 2001, state agents inspected the Wal-Mart store in Pleasanton and again discovered numerous violations - including allowing buyers to claim firearms before background checks were completed and failing to conduct background checks on employees allowed to sell guns. Special training on gun law compliance was provided to Bay Area Wal-Mart stores.

Subsequent inspections in 2002 and 2003 revealed continued violations of law. As a result, the Firearms Division conducted an investigation of six Wal-Mart stores and identified hundreds of state gun law violations. The stores were located in Turlock, Merced, Los Banos, Madera and two in Sacramento.

After notifying Wal-Mart of the findings, in April 2003 the company voluntarily agreed to shut down firearms sales at all of its 114 store locations that sold guns in California.

Later in 2003, the Firearms Division completed a comprehensive audit of five randomly selected Wal-Mart stores in Folsom, Turlock, Fresno, Ukiah and Simi Valley. The audit uncovered 2,891 violations that occurred between 2000 and 2003; these violations served as part of the basis of the Attorney General's lawsuit.

Among the most serious of the violations discovered by the Attorney General were 23 confirmed cases where Wal-Mart released a firearm to a prohibited person and 36 "straw" purchases (where an individual purchases a gun on behalf of a prohibited person).

Follow-up investigations by Firearms Division agents led to the successful recovery of 20 weapons sold to prohibited persons. With respect to the straw purchases, criminal charges have been filed against 20 different individuals and most of the firearms have either been recovered or confirmed to have been transferred to a non-prohibited person. Investigations regarding the outstanding prohibited person and straw-purchase cases remain ongoing.