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Attorney for Respondent

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF IDAHO

RED'S TRADING POST, INC.,)	Civil No. 07-00090-EJL
)	
Petitioner,)	
)	
vs.)	THIRD STATUS REPORT:
)	NOTICE OF SUSPENDED
RICHARD VAN LOAN, Director of Industry)	INSPECTION
Operations, Bureau of Alcohol, Tobacco,)	
Firearms and Explosives,)	
)	
Respondent.)	
)	
)	

The United States of America, on behalf of its agency, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and its employees, by and through its counsel, Deborah A. Ferguson, Assistant United States Attorney for the District of Idaho, notifies the court that an inspection of Red's Trading Post (Red's), a gun and pawn shop in Twin Falls, Idaho was initiated on July 17, 2007. The inspection was suspended due to the threat to the inspectors' safety created by Ryan Horsley, the Manager of Red's.

THIRD STATUS REPORT: NOTICE OF SUSPENDED INSPECTION- 1

On April 27, 2007, ATF Area Supervisor Linda Young and Investigators C. Pavey and M. Gorewicz proceeded to inspect Red's for compliance with federal firearm regulations and compliance with the court orders limiting Red's to specific types of firearm transactions. Shortly after commencing the inspection, one of the investigators noticed an unidentified individual inside the store appear to take his picture. This was reported to Supervisor Young who observed the individual talking with Ryan Horsley, the Manager and an owner of Red's. The individual proceeded to move about the store with what appeared to be a digital camera and attempted to take photographs of the investigators when they were not looking. While Supervisor Young observed the individual, he walked out of the store by the front door. Once outside, Supervisor Young observed the individual taking photographs of the cars parked along side the store, including the rental car that the investigators had driven. When the individual observed her, he ceased taking photographs of cars and walked around the back of the business and re-entered Red's through what appeared to be an employee's entrance. Supervisor Young went back into Red's and observed this same individual at the front counter talking with Ryan Horsley. Before Supervisor Young could identify the individual he left the premises.

At about this time, Supervisor Young's assistant from the Spokane office contacted her and advised that Mr. Horsley had updated his internet blog (<http://redstradingpost.blogspot.com/>) to include the information that ATF, and Supervisor Young personally, was at the store conducting an inspection.¹

¹ See Exhibit A, Red's Trading Post Blogspot, with comments, section titled "ATF Area Supervisor and 2 NEW Inspectors just walked in."

As a result, Supervisor Young contacted the ATF Division Office to advise of the suspicious nature of the person taking photographs. She advised that the person did not identify himself, did not have any affiliation with any newspaper or news agency that she could discern, and was not anyone that she had seen at Red's on any of the previous inspections. The Director of Industry Operations, Richard Van Loan, agreed with Supervisor Young's assessment that the photographing of the rental car used by ATF personnel, coupled with the instantaneous posting on the internet of ATF's presence at Red's, posed a credible threat to their safety and was designed to harass and intimidate. As a result, the inspection was terminated and the investigators left Red's.²

The description of the rental car that the investigators had driven to Red's and the hotel that they had stayed in the night before was posted on the internet on Ryan Horsley's blog site.³ This same blog entry also included the full names and duty stations of two ATF investigators for no legitimate purpose but to intimidate and harass.

This incident is the third in which video or photographic images of ATF personnel have been taken at Red's. The first incident involved an employee who videotaped ATF personnel conducting an inspection; Red's was notified that these images were not to be used for any documentary or without the consent of ATF. The second incident involved a local news team

² It should be noted that ATF investigators are not agents, they do not have arrest powers, and they do not carry firearms. The blog entry referenced in Footnote 1 incorrectly describes the two investigators assisting in the inspection at one point as agents.

³ See Exhibit A, Red's Trading Post Blogspot, with comments, section titled "Recap of today's visit by ATF."

who attempted to interview and take photographs of ATF personnel while they were conducting an inspection. Area Supervisor Young advised them that any comments would be made by ATF's public information officer and that she would appreciate not having any ATF personnel photographed. The news crew persisted but eventually relented after talking with Mr. Horsley. In both instances, videotaping and photographing of ATF personnel is not disallowed by law or regulation; however, the use of those images or the interference with an inspection is subject to certain restrictions.

In the most recent case, the photographing of the investigators by itself would not have caused the inspection to be cancelled. The photographing of the investigators coupled with the photographing of the car and the instantaneous entries on Mr. Horsley's blog created a safety concern for the inspectors. This issue was magnified by the subsequent posting of information of the hotel where the investigators were staying and the description of the rental car that they were driving in Twin Falls. On Mr. Horsley's website (<http://redstradingpost.com/atf.php>) violence has been advocated against ATF personnel. Specifically, a recent posting stated:

batf are a band of jack booted, counterdicting, lying, lowlife criminals that should be hung from the nearest tree, and left there until their flesh rots off, least that way the wild life will have some food if it doesnt poison them from eating it.⁴

ATF was granted authority by the Court to inspect Red's on a periodic basis not to exceed every 14 calendar days. ATF has exercised that authority on average about every 30 days.⁵ ATF

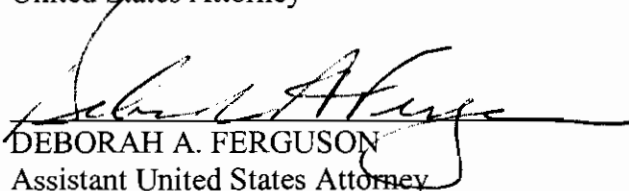
⁴ See Exhibit A, Red's Trading Post Blogspot, Recap of todays visit by ATF, with comments, Anonymous, July 17, 2007, 7:59 p.m.

⁵ ATF has inspected Red's on April 5, May 23 and June 18, 2007.

has conducted the inspections and found violations of federal law and court orders which limited Red's to specific types of transactions.

DATED this 30th day of July, 2007.

THOMAS E. MOSS
United States Attorney



DEBORAH A. FERGUSON
Assistant United States Attorney

CERTIFICATE OF SERVICE

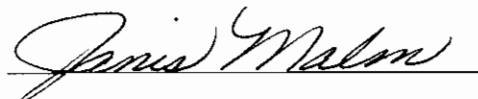
I HEREBY CERTIFY that on 30th day July, 2007, the THIRD STATUS REPORT:

NOTICE OF SUSPENDED INSPECTION was electronically filed with the Clerk of the Court using the CM/ECF system which sent a Notice of Electronic Filing to the following persons:

J. Walter Sinclair
101 S Capitol Blvd. # 1900
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A handwritten signature in cursive script, appearing to read "Janis Malon", is written over a horizontal line.