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Company agrees not to sell ‘ghost guns’ in N.J. in a groundbreaking settlement

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A California company has agreed to stop selling guns in New Jersey and pay a \$70,000 fine after the state accused it of trying to sell illegal weapons.

The settlement was the first of its kind nationwide, according to David Pucino, an attorney with the Giffords Law Center to Prevent Gun Violence.

New Jersey bans so-called “ghost guns,” which can be manually assembled and do not have serial numbers. The state attorney general’s office filed a complaint against U.S. Patriot Armory two years ago, after the company allegedly sold a kit to assemble an AR-15 rifle to an undercover investigator.

The company has since promised not to advertise or send weapons to the Garden State, according to a settlement agreement filed Tuesday in Essex Superior Court.

By Thursday afternoon, a red banner on top of the armory’s website read: “Our products are not sold or shipped to residents of New Jersey.”

State Attorney General Gurbir Grewal hailed the changes.

“Protecting New Jerseyans is one of my primary responsibilities as chief law enforcement officer, and to do that, we must keep untraceable firearms off our streets,” Grewal said in a statement.

The armory did not admit wrongdoing. A lawyer representing the company said the arrangement was not a win for the state.

“Despite the Attorney General spinning this as a ‘victory,’ in fact it is a loss to New Jersey — their weak case forced them to settle for much less than they were originally seeking,” Daniel Schmutter, an attorney with Hartman & Winnicki in Ridgewood, wrote in an email.

The state’s original lawsuit raised the specter of tens of thousands of dollars-worth of fines, but it was not immediately clear what the ultimate charge could have been.

A call to the armory’s main number Thursday triggered an automated message that said they’re experiencing an “unprecedented order volume.”

Guns that can be assembled by users have come under increasing scrutiny. Pennsylvania recently reached an agreement with a gun show promoter to stop selling kits, and New York has threatened companies that sell them.

New Jersey has previously sued the federal government over rules governing ghost guns. The state has also picked fights with other private companies that may have run afoul of local gun laws, and officials are in a protracted court battle with Smith & Wesson Brands Inc. over how the company has advertised to residents.

Nonetheless, New Jerseyans are applying for gun permits and purchasing weapons at dramatically higher rates than the recent past.