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OPERATION CHOKE POINT VICTIM

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My name is Kat O'Connor, and my business partner and I own TomKatAmmunition, LLC, which sells ammunition in Maryland. In December 2013, my business became a victim of Operation Choke Point – a government program run by the U.S. Department of Justice (DoJ) – which shuts down businesses it doesn't like by cutting off their access to banks and payment processors.

As with any new business, we started by applying for bank accounts and the appropriate federal, state, and local permits. In December 2013, we opened a business checking account with *PNC Bank*, but when we applied for their online gateway services, we were denied and told they could not extend us services due to our “industry.” Their gateway service is supposed to “enable any business to process credit card transactions via a secure online gateway,” but said nothing on their website about offering their services to only select industries.

Then, in August 2014, as I was completing my company's website, I tried to use *PayPal* to integrate online credit card purchases into my website's shopping cart. When I called *PayPal* to see why I was not able to activate the *Business Pro* section of the process, I was told that they “could not offer that service due to [my] line of work” and that I should contact my website's domain provider to see if they could help find another type of service.

After applying for other, more expensive payment processors, we were unable to secure an online processor to offer online transactions to our customers. This has led to lost revenue and slower growth for the company and if continued, could put us out of business.

In September, I received news another credit card payment method we use – *Square Reader* – will no longer allow businesses to process gun or ammunition purchases. This is a preferred method of payment, specifically at gun shows, and is another blow to our success as a small business.

We are not a fraudulent business, but clearly DoJ is not going after only fraudulent businesses with Operation Choke Point, as they purport. It is easy to confirm that we are a legitimate and law-abiding business by running our Federal Firearms License number through DoJ's Bureau of Alcohol Tobacco and Firearms (ATF) database. We are licensed by ATF with a Type 06 Federal Firearms License and hold two Maryland State Licenses for Manufacturing and Dealing in Explosives, as well as a local business license. It took us a year to open our doors and go through the bureaucratic process to get our licenses.

The decisions by *PNC Bank*, *Square Reader*, and *Paypal Business Pro* to drop or deny legitimate businesses like ours is a serious blow to our ability to operate – with very bad timing right before the holidays. Companies should not be discriminated against simply because they sell guns or ammunition.

This has caused so many headaches, wasted time, and lost money. We comply with state and federal requirements, and all we want to do is be able to operate our business and sell our products to our customers without the government blocking us under false pretenses.

The US Consumer Coalition is a grassroots consumer advocacy organization working to protect and expand access to free-market goods and services. For more information, please visit www.usconsumers.org.