

# PART VII:

## Financial Characteristics in Firearm Trafficking Investigations

### Payment Methods

The survey completed by the SAs provided 15 selectable options to identify the methods of payment for trafficked firearms, including an "other" category. There could be more than one method of payment cited per case. ATF SAs identified payment methods used by traffickers in 28% (2,739 of 9,708) of the investigations in this study. Of the 2,739 cases in which a payment method was identified, cash payments of U.S. currency in exchange for trafficked firearms were identified in 90% (2,466) of the cases (Table FC-01). Some 15% (414) of the trafficking investigations noted the exchange of drugs for trafficked firearms. A variety of other payment methods were used, including credit and debit cards, web-based money transfers<sup>1</sup>, wire transfers, bank transfers, and trades for other goods and commodities.

*Table FC-01: Payment Methods, 2017 – 2021*

Payment Method	Number of Cases	% Cases
U.S. currency	2,466	90.0%
Drugs traded	414	15.1%
Credit card / debit card	107	3.9%
Web-based money transfer	68	2.5%
Wire transfer	53	1.9%
Other commodities / services	52	1.9%
Bank transfer	27	1.0%
Pre-paid card	13	0.5%
Crypto currency	12	0.4%
Foreign currency	11	0.4%
Public assistance	2	0.1%
Other	1	0.0%

*Note: Categories are not mutually exclusive.*

Table FC-02 reflects the yearly trends in the percentage of investigations involving the top five payment methods identified by ATF SAs. The percentage of investigations involving U.S. currency as a payment method remained generally stable over the study period. The percentage of investigations involving drugs traded as a payment method decreased by 6.8 percentage points from 17.6% in 2017 to 10.9% in 2021 (a 38.1% decrease in the population share of investigations). The percentage of investigations involving web-based money transfers as a payment method increased by 2.7 percentage points from 1.3% in 2017 to 4.1% in 2021 (a 215.4% increase in the population share of investigations).

**Table FC-02: Trends in the Percentage of Cases Using the Top Five Payment Methods**

Payment Method	2017	2018	2019	2020	2021	% Difference 2017 - 2021
U.S. Currency	89.9%	90.8%	89.0%	89.7%	90.6%	0.7%
Drugs Traded	17.6%	15.8%	14.3%	14.4%	10.9%	-6.8%
Credit / Debit Card	3.4%	3.6%	4.5%	3.8%	4.6%	1.1%
Web-Based Money Transfer	1.3%	1.7%	1.6%	5.5%	4.1%	2.7%
Wire Transfer	2.1%	2.3%	2.2%	1.7%	1.0%	-1.1%

## Volume of Firearms<sup>2</sup>

Table FC-03 reflects the total number of firearms trafficked in investigations involving the top five payment methods.<sup>3</sup> Investigations involving U.S. currency as the payment method were associated with the largest number of firearms (57,646) and averaged 23 trafficked firearms per investigation. Although U.S. currency was used as a method of payment in 90% of investigations, the mean total number of trafficked firearms (23.4) was smaller than all other top five payment methods excluding drugs traded (20.6). Investigations involving wire transfers had the highest average total number of trafficked firearms (56.9).

**Table FC-03: Total Volume of Firearms for the Top Five Payment Methods, 2017 – 2021**

Payment Method	Number of Cases	Mean	Number of Firearms
U.S. Currency	2,466	23.4	57,646
Drugs Traded	414	20.6	8,542
Credit / Debit Card	106	46.5	4,925
Web-Based Money Transfer	67	50.6	3,388
Wire Transfer	53	56.9	3,016

*Note: Categories are not mutually exclusive.*

## Source-to-Market Type

Table FC-04 reflects the source-to-market type in investigations involving the top five payment methods. Several noteworthy patterns emerge from the data. Intrastate trafficking was the most dominant source-to-market type, followed by interstate trafficking, for investigations involving U.S. currency, drugs traded, and credit/debit cards. Interstate trafficking was the most dominant source-to-market type for cases involving web-based money transfers. U.S. to foreign trafficking was the most dominant source-to-market type for cases involving wire transfers. Furthermore, a greater percentage of cases involving credit/debit cards and web-based money transfers involved foreign-to-U.S. trafficking than U.S.-to-foreign trafficking.

**Table FC-04: Percentage of Total Cases for each of the Top Five Payment Methods by Source-to-Market Type, 2017 – 2021 (N=2,739)**

Source-to-Market Type	U.S. Currency	Drugs Traded	Credit/Debit Card	Web-based Money Transfer	Wire Transfer
Intrastate	56.0%	68.1%	43.0%	33.8%	24.5%
Interstate	27.5%	34.8%	32.7%	60.3%	41.5%
U.S. to Foreign	19.8%	3.6%	13.1%	8.8%	50.9%
Foreign to U.S.	0.7%	0.2%	16.8%	10.3%	1.9%
<b>Total Cases</b>	<b>2,466</b>	<b>414</b>	<b>107</b>	<b>68</b>	<b>53</b>

*Note: Categories are not mutually exclusive.*

# ENDNOTES

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<sup>1</sup> Web based money transfers primarily included Cash App, PayPal, Venmo, and Apple Pay.

<sup>2</sup> More than one method of payment could be cited in a single case. Thus, the volume of firearms attributed to a method of payment are not mutually exclusive.

<sup>3</sup> The outlier case affecting the total number of trafficked firearms was removed from this analysis, which reduced the number of cases involving payments using Credit/Debit Card and Web Based Money Transfers by one.