

Bureau of Alcohol, Tobacco, Firearms and Explosives

ATF**News Release**

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ATF ANNOUNCES 7 NEW GUNRUNNER GROUPS AND PHOENIX GUN RUNNER IMPACT TEAMS' SUCCESSES

PHOENIX – Deputy Director Kenneth E. Melson of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) today announced the formation of seven new Project Gunrunner firearms trafficking groups during a news conference in which he and Dennis K. Burke, United States Attorney, District of Arizona, announced the results of ATF's Gun Runner Impact Team (GRIT) initiative, a nearly 100-day deployment of ATF resources to the Phoenix Field Division to disrupt illegal firearms trafficking by Mexican drug trafficking organizations.

As a result of the 2010 emergency supplemental appropriation for border security, ATF received \$37.5 million for Project Gunrunner, ATF's comprehensive firearms trafficking strategy to disrupt the illegal flow of firearms into Mexico. With this funding, ATF will establish and place firearms trafficking groups along traditional and newly-discovered firearms trafficking routes and hubs in Atlanta; Dallas; Brownsville, Texas; Las Vegas; Miami; Oklahoma City; and Sierra Vista, Ariz.

"Lives are being lost to violent crime every day on both sides of the U.S. and Mexico border," said Melson. "Through Project Gunrunner and its GRIT initiative, ATF is shutting down the supply routes of firearms traffickers along the border and further inland."

The GRIT initiative brought more than 80 experienced ATF personnel from around the country to Arizona and New Mexico. GRIT special agents initiated 174 firearms trafficking-related criminal investigations and seized approximately 1,300 illegally-trafficked firearms and 71,000 rounds of ammunition, along with drugs and currency. ATF's industry operations investigators conducted more than 800 federal firearms licensee compliance inspections.

"We are fighting on a crucial front here today to reduce violence in our own communities, and to disrupt and dismantle the southbound supply of weapons to the cartels," said Burke. "We will not be a gun locker for the cartels, who have made murder and mayhem their modus operandi. We will not tolerate violent criminals and others who illegally possess, purchase or sell firearms."

Burke announced that 96 defendants have been arrested, charged, convicted or sentenced since June 2010 on gun-related charges. The majority of defendants include violent felons, drug traffickers who use weapons, and those trafficking firearms to

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Mexico. Cases involved more than 370 guns – many of them AK-47 style rifles and other “weapons of choice” of drug cartels – and hundreds of thousands of rounds of ammunition smuggled into or destined for Mexico. Some of the guns seized in the investigation, including a .50 caliber weapon, were recovered at crime scenes in Mexico.

Recent examples of firearms prosecutions in the District of Arizona:

U.S. v. Arizmendiz et al.

In July and August, two leaders of a firearms trafficking conspiracy that supplied at least 112 firearms – mostly AK-47 style – to the Sinaloa Cartel, were sentenced. Alejandro Medrano, 23, and Hernan Ramos, 22, both of Mesa, Ariz., were sentenced to 46 and 50 months in prison, respectively, for leading a conspiracy involving 10 defendants who straw purchased firearms from gun dealers in Phoenix and Tucson, Ariz., in order to supply them to a member of the Sinaloa Cartel known as “Rambo.”

U.S. v. Gaeda et al.

On June 3, following an ATF investigation involving more than 250,000 rounds of ammunition, ATF agents arrested Emmanuel Casquez, Elias Vasquez, and Charice Gaeda for unlawfully exporting ammunition to Mexico. Agents had learned the three were purchasing vast quantities of ammunition and searched a vehicle headed for the border port at Nogales and recovered 9,500 rounds of ammunition; a search of a residence ensued and an additional 27,000 rounds of ammunition were recovered.

U.S. v. Ibarra et al.

In July, a 20-count indictment announced charging 10 straw purchasers, recruited by then 17-year-old Francisco Ibarra, to buy at least 25 firearms. ATF believes the firearms were trafficked into Mexico.

For more information on ATF and Project Gunrunner, please go to the ATF website, www.atf.gov.

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Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Supplemental

On December 15/16, 2010, after the shooting death of U.S. Border Patrol Agent Brian Terry near Rio Rico, Arizona (approx 25 miles north of Nogales) Southern Arizona law enforcement officers/agents responded and conducted a search of the area. This search resulted in the arrest of four individuals. One of them, (b) (7)(C) was shot in the exchange of gunfire [REDACTED]

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers (b) (7)(A) and (b) (7)(A) were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

complex firearms trafficking organization acquired several hundred firearms was initiated in October 2009 and is being conducted in conjunction with ICE/HSI, IRS, DEA and the Phoenix Police Department.

(b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A) & (C)

(b)(3) (Public Law 111-117) & (7)(A) & (C)

purchasers identified in the "Fast and Furious" investigation and recommended by ATF for prosecution to the U.S. Attorney's Office in Phoenix, Arizona.

(b)(3) (Public Law 111-117) & (7)(A) & (C)

(b)(3) (Public Law 111-117) & (7)(A) & (C)

(b)(3) (Public Law 111-117) & (7)(A)

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On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located (b)(7)(A) & (C)

(b)(7)(A) & (C)

(b)(7)(A) & (C)

(b) (7)(A)

(b)(7)(A) & (C)

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U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Office of Field Operations



PROJECT GUNRUNNER

A Cartel Focused Strategy

September 2010



Project Gunrunner – A Cartel Focused Strategy

Table of Contents

EXECUTIVE SUMMARY	2
BACKGROUND	5
STRATEGY VERSUS PROGRAMS AND INITIATIVES	6
PURPOSE AND SCOPE	7
CURRENT STRATEGIES	9
CARTEL FOCUSED STRATEGY	11
MEXICAN CARTELS	13
OCDETF	15
HEADQUARTERS OVERSIGHT/COORDINATION	17
MEXICO COUNTRY OFFICE	18
BORDER LIAISON AND EXPLOSIVES ENFORCEMENT OFFICERS	20
BORDER VIOLENCE, VCIT AND GANGS	21
INFORMATION COLLECTION, MANAGEMENT AND EXPLOITATION	22
STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE	24
DOJ ASSISTANCE AND PROSECUTION STRATEGY	25
PERFORMANCE GOALS/PERFORMANCE INDICATORS	26
SUMMARY OF KEY ELEMENTS OF CARTEL FOCUSED STRATEGY	27

Project Gunrunner— A Cartel Focused Strategy

EXECUTIVE SUMMARY

ATF has a long and successful history of combating firearms-related violent crime. Key to this success has been our ability to effectively regulate the firearms industry and identify and investigate the illegal diversion of firearms from lawful commerce. Perhaps at no time in our history has the investigation of firearms trafficking schemes and networks been more important to public safety, and increasingly to national security, than now.

In response to the increased trafficking of firearms from the United States to Mexico, ATF developed Project Gunrunner, a firearms trafficking and firearms-related border violence strategy designed to deny drug trafficking organizations access to U.S. firearms. Initially implemented in our four primary Southwest border field divisions, Project Gunrunner has evolved into a national strategy as we have seen Mexican cartels reach further into the interior of the United States to acquire firearms in support of their lucrative drug trafficking operations.

It is important to note that this revised strategy does not replace Project Gunrunner. It is intended to complement Project Gunrunner and where appropriate clarify and expand Gunrunner capabilities and tactics.

This document is not intended to provide detailed guidance concerning how to conduct cross border trafficking investigations; but rather is intended to be used by ATF personnel to ensure that investigative activity aligns with ATF strategic goals. Personnel should refer to ATF orders and publications, such as the recently revised Firearms Trafficking Guide, as well as training provided by the Office of Training and Professional Development for specific tactical and investigative guidance.

Since 2006, there has been a significant increase in drug and firearms-related violence in Mexico and increasingly along our Southwest border. Governments on both sides of the border have begun to view the evolution of cartel inspired violence in terms of criminal activity that increasingly threatens the stability of the Mexican state. Impacting this trend along our Southwest border, particularly in the post-9/11 world, requires new energy, vision and creativity. Over the past few years the White House, the Departments of Justice and Homeland Security and even the U.S. Northern Command have developed various strategies and policies designed to leverage the full capabilities of the U.S. Government in this effort. It is essential that our efforts support the strategies and policies of the President and the Attorney General and where possible, complement the strategies of other agencies.

In response to the evolving nature of firearms and explosives trafficking and related violence along and across our Southwest border we have increased our resources along the border and in Mexico and placed greater national emphasis on suppressing the trafficking of firearms and explosives to Mexico. Additionally, we have increased our efforts to partner with the Government of Mexico and other law enforcement and intelligence agencies with shared responsibilities. As part of this process, we have deemed it necessary to revise both our Gunrunner strategy and the manner in which ATF headquarters monitors and supports certain field investigations.

Project Gunrunner– A Cartel Focused Strategy

While our strategy will remain multi-faceted and continue to include the inspection of licensed gun dealers and the targeting and arresting of straw purchasers, our revised approach will place greater emphasis on investigations that target specific cartels and the persons responsible for organizing and directing firearms trafficking operations in the United States. We have come to understand that we can best impact firearms trafficking to Mexico and Southwest border violence by linking our investigations to drug trafficking organizations and where possible to specific Mexican cartels. Our efforts will also be enhanced through increased coordination with our Federal counterparts.

Through analysis of Mexican crime gun traces and other intelligence data, it has been determined that the Gulf, the Zetas (once aligned with the Gulf Cartel), and the Sinaloa cartels are the criminal organizations most responsible for acquiring firearms in the United States to support their drug trafficking operations and where ATF can potentially have the greatest impact. Therefore, ATF Southwest border enforcement operations will place particular emphasis on the investigation of firearms and explosives trafficking operations organized, directed, and financed by these particular cartels.

Based on the areas in Mexico controlled by the Gulf, Zetas, and Sinaloa cartels; the locations of U.S.-sourced firearm recoveries in Mexico; and the U.S. locations where firearms recovered in Mexico are most often acquired, the Houston and Phoenix Field Divisions will be primarily responsible for investigating trafficking schemes associated with these cartels. **However, this strategy is not intended to limit the initiative of any ATF field division and in fact recognizes the increasingly important role played by non-Southwest border field divisions in combating firearms and explosives trafficking to Mexico.** As a result, all ATF field divisions are expected to initiate investigations on cartels and/or their surrogates operating in their geographic areas of responsibility; however, investigations pertaining to the Gulf, Zetas, and Sinaloa cartels must be deconflicted and closely coordinated with the Houston and Phoenix Field Divisions.

This approach requires conducting our border-related firearms and explosives investigations in a more creative and comprehensive manner by fully incorporating our agency's regulatory, investigative, analytical, technical, and legal capabilities and resources, as well as those available from other law enforcement agencies, particularly DEA. At the heart of this increased emphasis on cartel focused investigations is greater use of the Organized Crime Drug Enforcement Task Force (OCDETF) program and intelligence capabilities available from the El Paso Intelligence Center (EPIC) and the DEA Special Operations Division. Recent changes to OCDETF program policy encourage the use of OCDETF in firearms trafficking cases provided there is a nexus to high value drug trafficking targets.

Effective implementation (and documentation) of this strategy will enhance public safety and provide essential evidence of performance and accomplishments necessary to the continued growth and reputation of our agency. Although ATF headquarters possesses resources and capabilities necessary to the success of this strategy, success ultimately rests with the vigorous implementation of this strategy by field division and Mexico Country Office personnel at the front line of these operations.

Project Gunrunner– A Cartel Focused Strategy

Properly implemented, this revised strategy will improve data collection, analysis, and exploitation of information; employ a greater array of investigative resources, including greater utilization of the OCDETF program; improve sharing and leveraging of information available from other law enforcement agencies; improve investigative coordination and information sharing with the Government of Mexico; and place greater emphasis on multi-defendant conspiratorial cases that focus on persons who organize, direct, and finance cartel-related firearms and explosives trafficking operations.

Project Gunrunner– A Cartel Focused Strategy

BACKGROUND

It is generally accepted that much of the firearms violence in Mexico and along the Southwest border is perpetrated by, or on behalf of, Mexican drug trafficking organizations (DTO). DTOs continue to vie for control of drug trafficking routes to the United States and in so doing, engage in acts of violence that are often perpetrated with firearms and ammunition acquired from the United States.

While the United States is not the only source of firearms and munitions used by the cartels, it has been established that a significant percentage of their firearms originate from gun stores and other sources in the U.S. Improvised explosive devices, military ordnance, and counterfeit firearms manufactured in clandestine facilities play an increasingly important role in emboldening Mexican cartels. Intelligence indicates these criminal organizations have tasked their money laundering, drug distribution, and transportation infrastructures with reaching into the United States to acquire firearms, ammunition, and the components necessary to modify firearms and/or construct improvised explosive devices. It is also well-established that firearms traffickers often use the same routes as drug traffickers. Increasingly, we find that Mexican cartels transport firearms and munitions into Mexico from Guatemala, situated on Mexico's southern border.

The analysis of trends based on seizures and human intelligence have provided some meaningful insights into the methods of acquisition and transportation utilized by the Mexican cartels. Furthermore, over the past few months enforcement strategies (and other guidance) that address firearms trafficking to Mexican cartels have been developed and released by the White House and the Department of Justice. It is essential that ATF efforts support strategies promoted by the White House and Department of Justice. An examination of these and other strategies reveals similarities among the strategies, but also suggests that some revisions to ATF's current strategy are necessary.

Project Gunrunner– A Cartel Focused Strategy

STRATEGY VERSUS PROGRAMS AND INITIATIVES

ATF has over time initiated a variety of enforcement programs, operations, and initiatives related to our overall efforts to suppress firearms and explosives trafficking across the U.S.-Mexico border. However, it is worth noting that these programs, operations, and initiatives are intended to advance the objectives of our Southwest border strategy---they are not in and of themselves strategies.

A recent example of an investigative initiative developed in support of Project Gunrunner (strategy) is the April 2009 Gunrunner Impact Team (GRIT) initiative. The GRIT, largely intelligence driven and investigative in nature, involved the deployment of approximately 100 investigative (special agents and industry operations investigators), analytical, and administrative personnel to Texas to target the persons, groups, and organizations responsible for the trafficking of firearms to Mexico from the Houston Field Division area of responsibility. Other important elements of GRIT included the inspection of numerous Southwest border FFLs and public service announcements designed to discourage the unlawful acquisition of firearms by straw purchasers.

An effective strategy should coordinate and direct all the resources of the organization toward the attainment of one or more specific goals. In this particular case, the goal of our Southwest border strategy is the suppression of firearms and explosives trafficking across the U.S.-Mexico border and firearms-related border violence.

Essential components of an effective strategy include a statement of the purpose and scope of the overall objectives, as well as a discussion of problems, risks, and threats the plan is intended to address. A strategy's effectiveness is also enhanced by a description of the agency's mission, key capabilities, and means of evaluating progress made against performance goals and measures.

Project Gunrunner– A Cartel Focused Strategy

PURPOSE AND SCOPE

ATF has been investigating firearms trafficking involving Mexico for many years; however, a detailed written strategy was not released until June 2007. The principal purpose of the strategy, known as Project Gunrunner, is the suppression of firearms and explosives-related violence in Mexico and along the Southwest border resulting from the illegal acquisition and movement of firearms, explosives, and improvised explosive devices from the United States.

The purpose of this document is to reiterate ATF's commitment to Project Gunrunner while directing a more focused investigative approach. Specifically, with this document ATF will emphasize targeting the drug cartels principally responsible for the illegal acquisition and trafficking of firearms from the United States to Mexico. This document is not intended to replace Project Gunrunner; nor is it intended to provide a comprehensive tactical blueprint for the investigation of cross border firearms trafficking schemes. Project Gunrunner is incorporated into this document in its entirety unless a specific portion is deleted or amended herein. Specific ATF capabilities and/or responsibilities are mentioned to highlight their importance to our efforts to suppress firearms and explosives trafficking to Mexico and to better leverage ATF capabilities.

This revised strategy acknowledges and incorporates an investigative approach already being implemented by several ATF field divisions and reiterates the primary responsibility of the field special agents in charge for effective implementation of the strategy. This document recognizes that Project Gunrunner is both an ATF strategy and a component of a larger U.S. Government counternarcotics strategy. Our success is contingent on the use of all appropriate regulatory, investigative, technical, intelligence, training, liaison, and public/industry outreach capabilities. However, the success of Gunrunner is also dependent on our ability to secure prosecution and sentences appropriate to the criminal conduct. Recognizing the nuances of current Federal firearms statutes and related sentencing guidelines, it is imperative that comprehensive, complex criminal investigations that link firearms trafficking organizations to drug trafficking activities and organizations be conducted in order to leverage the prosecutorial advantages afforded by a wider array of criminal and civil statutes.

Like ATF's national firearms trafficking strategy, Gunrunner envisioned achieving our goals by focusing on both market and source areas of firearms. However, insufficient ATF resources in Mexico; the difficulty of obtaining comprehensive and timely firearm recovery data; limited access to recovered firearms and persons arrested in Mexico; and the fact that trafficking scheme organizers frequently reside outside the United States, caused ATF to primarily focus limited investigative resources on persons who purchase firearms in the United States that are subsequently recovered in drug related incidents in Mexico. However, experience has taught that straw purchasers are infrequently prosecuted, receive sentences insufficient to deter others when prosecuted, and are easily replaced by scheme organizers.

While our strategy will continue to include targeting persons who acquire firearms in a suspicious and/or unlawful manner, additional ATF investigative resources; improved

Project Gunrunner— A Cartel Focused Strategy

information sharing and data analysis capabilities; improved interagency cooperation (both domestic and international); and improved technology have resulted in our ability to place greater emphasis on the end users of trafficked firearms in the market area---the cartels and their confederates who organize the trafficking schemes and facilitate the movement of firearms across the U.S. Southwest border.

The primary goal of ATF's Southwest border firearms trafficking strategy remains unchanged---to disrupt and dismantle the firearms trafficking organizations and networks responsible for trafficking firearms to Mexican cartels and cartel-related border violence.

Project Gunrunner– A Cartel Focused Strategy

CURRENT CARTEL AND FIREARMS TRAFFICKING STRATEGIES

The following identifies and summarizes key U.S. Government strategies intended to address firearms trafficking to Mexican drug cartels. They are listed and summarized in this document because it is essential that ATF's Southwest border strategy support and complement direction enunciated by the Department of Justice and the White House.

As previously indicated, ATF formally initiated Project Gunrunner in June 2007. Project Gunrunner called for increased collaboration and coordination with the Government of Mexico and U.S. law enforcement agencies; increased use of tracing and other sources of information; increased training to Mexican law enforcement agencies; a comprehensive plan for the inspection of licensed firearms dealers; closer investigative collaboration with Organized Crime Drug Enforcement Task Forces (OCDETF), OCDETF strike forces, and High Intensity Drug Trafficking Area (HIDTA) task forces; and FFL and public outreach/education.

On April 27, 2009, the Department of Justice released guidelines for the consideration of OCDETF designation in firearms related cases involving Mexican cartels. The memorandum identified firearms trafficking from the United States to Mexico as contributing to the escalating levels of cartel-related violence and as a particular concern for law enforcement on both sides of the border. The memorandum emphasized the important role that the OCDETF program plays in connection with the United States' government-wide efforts to stem the southbound smuggling of arms to Mexican drug trafficking organizations and stated that investigations principally targeting firearms trafficking are eligible for OCDETF designation if there is a sufficient nexus between the firearms and a major Mexican drug trafficking organization. It is not necessary that every OCDETF prosecution include specific drug charges, but every OCDETF prosecution must be drug-related. The specific charges may be firearms, explosives, or other non-drug violations as long as the targets have been identified as major drug violators and otherwise meet OCDETF standards.

In June 2009, the Office of National Drug Control Policy (ONDCP) released its National Southwest Border Counternarcotics Strategy. The strategy represents another key contribution to the U.S. response to the threat along the Southwest border. The strategy acknowledges the close link between drug trafficking and firearms trafficking and the increasing powerful nature and sophistication of the firearms acquired and used by Mexican drug trafficking organizations. In fact, Chapter 7 of the strategy is devoted to weapons and contains significant language pertaining to ATF investigative responsibilities and enforcement programs. The strategy includes the goals of improving intelligence and information sharing relating to weapons trafficking among Federal, State, local, and tribal law enforcement partners; increasing interdiction of illegal weapons shipments destined for Mexico; enhancing cooperation with international partners in weapons investigations; strengthening domestic coordination on weapons investigations and increasing the likelihood of successful Federal prosecution of weapons cases.

Project Gunrunner– A Cartel Focused Strategy

On June 25, 2009, ATF released a memorandum detailing a revised national firearms trafficking enforcement strategy focusing on among other things the identification and investigation of specific domestic trafficking corridors. While not a Southwest border focused document, the national firearms trafficking enforcement plan makes reference to Project Gunrunner and firearms trafficking cases with an international nexus. The document is referenced here since it provides guidance for conducting firearms trafficking investigations generally and may include information pertaining to investigative, technical, and preventive tactics that may be applicable when investigating matters related to the Southwest border.

On January 7, 2010, the Department of Justice reemphasized its commitment to combating firearms trafficking to Mexican cartels and the use of the OCDETF program as a means of disrupting the cartels by releasing its own strategy. The strategy is premised on the notion that a significant share of the violence, drug trafficking and corruption along the Southwest border is perpetrated by a relatively small number of hierarchical criminal organizations. The DOJ strategy concludes that “the most effective mechanism to attack those organizations is the use of intelligence-based, prosecutor-led multi-agency task forces that attack all levels of, and all criminal activities of, the operations of the organizations.” A significant component of the DOJ strategy pertains to attacking the southbound flow of firearms. The strategy states that “given the national scope of this issue, merely seizing firearms through interdiction will not stop firearms trafficking to Mexico. We must identify, investigate, and eliminate the sources of illegally trafficked firearms and the networks that transport them.” The DOJ strategy calls for closer collaboration between ATF and the efforts of multi-agency drug task forces along the border, including OCDETF strike forces. All ATF field divisions with an OCDETF strike force must consider assigning a complement of special agents to the multi-agency strike force and/or establishing a collocated ATF-led OCDETF group within the strike force.

Lastly, ATF’s 2010-2016 Strategic Plan provides broad direction intended to guide ATF operations over the next few years and includes information regarding ATF’s efforts to combat firearms trafficking, to include trafficking along and across the Southwest border. The document reiterates that one of ATF’s fundamental responsibilities is addressing the threat posed by firearms violence associated with drug trafficking and specifically the threat posed by Mexican based drug trafficking organizations that acquire firearms from the United States. The document summarizes a wide variety of ATF capabilities useful in suppressing firearms trafficking across the U.S.-Mexico border.

Additionally, in June 2009, ATF and Immigration and Customs Enforcement (ICE) initiated a Memorandum of Understanding (MOU) intended to address areas of mutual concern and responsibility. To the extent possible, this revised cartel focused strategy will conform to agreements between ATF and ICE and other law enforcement partners that may exist.

Project Gunrunner– A Cartel Focused Strategy

A CARTEL FOCUSED STRATEGY

Historically, ATF has placed much emphasis on the roles of the straw purchaser and the Federal firearms licensee in identifying and disrupting firearms trafficking schemes. However, straw purchasers by definition lack serious criminal records and therefore are frequently viewed as undesirable targets for criminal prosecution. Straw purchasers are also an easily replaced component of the trafficking scheme and the criminal laws that ATF generally relies upon to investigate and prosecute straw purchasers do not expose these violators to significant criminal penalties. This is particularly true when straw purchaser cases are presented for prosecution individually and not as part of a multi-defendant trafficking conspiracy case; or when there is little or no evidence that their unlawful acquisitions were financed by and intended to support a DTO.

Therefore, to more effectively disrupt firearms trafficking operations and to make our cases more appealing for criminal prosecution, greater emphasis will be placed on targeting the persons with greater responsibility for the trafficking schemes. In furtherance of this goal, we will attempt to conduct investigations focusing greater attention on the cartels that finance and direct these trafficking operations.

Straw purchasers will continue to be investigated and prosecuted according to their overall level of culpability and cooperation. Straw purchasers must be held accountable for their conduct and made ineligible to purchase or possess firearms in the future. However, straw purchasers should more frequently be viewed as persons whose conduct should be investigated as part of a larger conspiracy and as persons whose information, cooperation, and assistance should be exploited to the extent possible in furtherance of the ultimate goal of identifying key members of the trafficking enterprise and disrupting and/or dismantling of the trafficking operation.

FFLs remain both an important source of firearms (often unwittingly) to firearms traffickers and an investigative source of information. On occasion, FFLs become targets of criminal investigation and prosecution. When criminal wrongdoing by FFLs is suspected they will be aggressively investigated and recommended for prosecution. Corrupt FFLs constitute high-value targets due to the damage they cause and the special responsibility they hold to ensure that firearms are not illegally diverted from lawful commerce. The potential damage to public safety caused by even one corrupt FFL is difficult to calculate. In the meantime, we will continue to inspect FFLs who serve as a source of firearms to Mexican cartels according to an intelligence driven inspection plan and actively pursue investigative leads developed by industry operations investigators.

Additionally, we must not overlook the fact that firearms traffickers and other violent criminals also obtain firearms from secondary sources. While disrupting and/or dismantling secondary sources of crime guns present unique challenges, we should not overlook the benefits of doing so. Analysis of source location trace data for specific market areas, when adjusted for time-to-crime, may not only reveal actionable investigative leads, but also that secondary sources (e.g., gun shows, thefts and private sales) are a greater source of trafficked crime guns than licensed dealers.

Project Gunrunner– A Cartel Focused Strategy

This strategy will present certain challenges as some of the persons we seek to investigate, indict, and apprehend will reside outside the United States and/or may be priority targets of other U.S. law enforcement agencies. When appropriate, this strategy envisions that ATF will refer information and actionable intelligence to the Government of Mexico and/or other U.S. law enforcement agencies.

There are also practical considerations that may require bringing investigations to a conclusion or dictate a change in investigative tactics prior to the identification of persons directly affiliated with the DTOs. Examples include high volume trafficking investigations in which numerous diverted firearms identifiable with one or more purchasers are being used in violent crimes and recovered by law enforcement, and high volume trafficking investigations in which over an extended period ATF cannot reasonably determine where or to whom such firearms are being trafficked. SACs must closely monitor and approve such investigations, assessing the risks associated with prolonged investigation with limited or delayed interdiction. In some instances, the best answer may be to provide actionable intelligence to other law enforcement agencies and/or the Government of Mexico.

Our renewed efforts will require greater collaboration between ATF field divisions and other law enforcement and intelligence agencies and make greater use of the technical and analytical capabilities of DEA, EPIC, and others. While interviewing remains one of the most important investigative and information gathering techniques available to law enforcement, we must consider the benefits of making financial and telephone numbers/records analysis a regular part of our trafficking investigations.

Project Gunrunner– A Cartel Focused Strategy

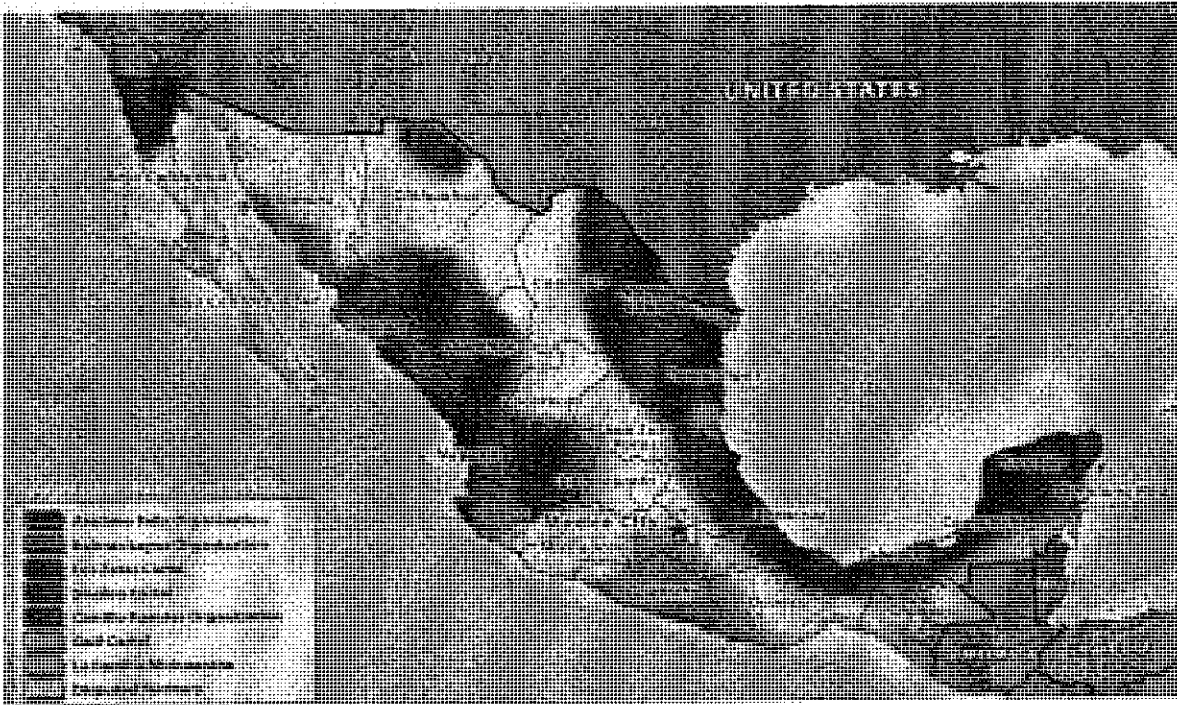
MEXICAN CARTELS

This document is not intended to provide a detailed examination of the organizational structure or activities of the various Mexican DTOs. Numerous documents on this subject have been prepared by both U.S. Government agencies and non-governmental organizations, including ATF, over the past few years. The ATF (OSII) 2009 Project Gunrunner assessment of arms trafficking to Mexico includes detailed analysis of the significant activities of several DTOs, including notable seizure events. Given the fact that this revised strategy is intended to focus more attention on the persons and organizations with greatest responsibility for cross border firearms and explosives trafficking, a brief summary of the most significant cartels' activities is beneficial.

The status and viability of the major cartels has been impacted by the aggressive enforcement actions of the Mexican Government since the election of President Calderon, as well as the fighting among rival cartels over lucrative drug trafficking routes to the United States. It is a constant challenge to maintain an accurate picture of the cartels and the areas they control because their leaders are frequently arrested and killed, alliances are made and broken between cartels, and leaders within the organizations are challenged for control of the enterprise. Most credible sources, however, believe there are currently 6 or 7 major cartels. These are the Sinaloa cartel; the Gulf cartel; the Beltran Leyva cartel; the Arellano Felix cartel (Tijuana cartel); Vicente Carrillo Fuentes cartel (Juarez cartel); the Los Zetas cartel (which began as an enforcement arm for the Gulf cartel) and La Familia Michoacána cartel.

The OSII Southwest Border Field Intelligence Support Team (FIST) and EPIC have identified over 300 Mexican seizure events in 2009 that were linked to specific DTOs based upon reporting from open source and Mexican Governmental agencies. (It should be noted that information from these sources routinely contains conflicting data.) Texas was the top U.S. source state in 2009, with the purchase of 163 DTO-related firearms attributed to retail purchasers. Reporting identified the Gulf and Los Zetas cartels involvement in 117 Mexican seizure events in which they were named separately (Zetas 70%, Gulf 30%) and together with 892 firearms and 782 grenades recovered. Reporting identified the Sinaloa cartel's involvement in 45 seizure events in Mexico with 578 firearms and 60 grenades recovered; the Juarez cartel (including La Linea and Barrio Azteca) involvement in 24 seizure events with 64 firearms and 6 grenades recovered; the Tijuana cartel (and the El Teo component) involvement in 34 seizure events with 259 firearms and 4 grenades recovered; La Familia's involvement in 53 seizure events with 339 firearms and 68 grenades recovered; and the Beltran-Leyva Organization involvement in 30 seizure events in Mexico with 349 firearms and 78 grenades recovered.

Project Gunrunner- A Cartel Focused Strategy

AREAS OF CARTEL INFLUENCES IN MEXICO

The previously mentioned GRIT initiative uncovered numerous firearms trafficking operations connected to the Gulf and Zetas cartels. The rings typically involved one or more individuals recruiting several straw purchasers to acquire large quantities of firearms from multiple FFLs or gun shows with the intention of trafficking the firearms to Mexico. In some cases the individuals participating in these schemes did so with the knowledge and cooperation of a corrupt FFL.

Based on the preceding analysis and other considerations, including the alignment of the areas controlled by the cartels with the four ATF Southwest border field divisions and overall trace data, the primary targets of this strategy will be the Gulf, Zetas, and Sinaloa cartels.

Project Gunrunner-- A Cartel Focused Strategy

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Through analysis of Mexican crime gun traces and other intelligence data, it has been determined that the Gulf, the Zetas (once aligned with the Gulf Cartel), and the Sinaloa cartels are the criminal organizations most responsible for acquiring firearms in the United States to support their drug trafficking operations and where ATF can potentially have the greatest impact. Therefore, ATF Southwest border enforcement operations will place particular emphasis on the investigation of firearms and explosives trafficking operations organized, directed, and financed by these particular cartels.

Based on the areas in Mexico controlled by the Gulf, Zetas, and Sinaloa cartels; the locations of U.S.-sourced firearm recoveries in Mexico; and the U.S. locations where firearms recovered in Mexico are most often acquired, the Houston and Phoenix Field Divisions will be primarily responsible for investigating trafficking schemes associated with these cartels. **However, this strategy is not intended to limit the initiative of any ATF field division and in fact recognizes the increasingly important role played by non-Southwest border field divisions in combating firearms and explosives trafficking to Mexico.** As a result, all ATF field divisions are expected to initiate investigations on cartels and/or their surrogates operating in their geographic areas of responsibility; however, investigations pertaining to the Gulf, Zetas, and Sinaloa cartels must be deconflicted and closely coordinated with the Houston and Phoenix Field Divisions.

This approach requires conducting our border-related firearms and explosives investigations in a more creative and comprehensive manner by fully incorporating our agency's regulatory, investigative, analytical, technical, and legal capabilities and resources, as well as those available from other law enforcement agencies, particularly DEA. At the heart of this increased emphasis on cartel focused investigations is greater use of the Organized Crime Drug Enforcement Task Force (OCDETF) program and intelligence capabilities available from the El Paso Intelligence Center (EPIC) and the DEA Special Operations Division. Recent changes to OCDETF program policy encourage the use of OCDETF in firearms trafficking cases provided there is a nexus to high value drug trafficking targets.

Effective implementation (and documentation) of this strategy will enhance public safety and provide essential evidence of performance and accomplishments necessary to the continued growth and reputation of our agency. Although ATF headquarters possesses resources and capabilities necessary to the success of this strategy, success ultimately rests with the vigorous implementation of this strategy by field division and Mexico Country Office personnel at the front line of these operations.

Project Gunrunner– A Cartel Focused Strategy

Properly implemented, this revised strategy will improve data collection, analysis, and exploitation of information; employ a greater array of investigative resources, including greater utilization of the OCDETF program; improve sharing and leveraging of information available from other law enforcement agencies; improve investigative coordination and information sharing with the Government of Mexico; and place greater emphasis on multi-defendant conspiratorial cases that focus on persons who organize, direct, and finance cartel-related firearms and explosives trafficking operations.

Project Gunrunner– A Cartel Focused Strategy

BACKGROUND

It is generally accepted that much of the firearms violence in Mexico and along the Southwest border is perpetrated by, or on behalf of, Mexican drug trafficking organizations (DTO). DTOs continue to vie for control of drug trafficking routes to the United States and in so doing, engage in acts of violence that are often perpetrated with firearms and ammunition acquired from the United States.

While the United States is not the only source of firearms and munitions used by the cartels, it has been established that a significant percentage of their firearms originate from gun stores and other sources in the U.S. Improvised explosive devices, military ordnance, and counterfeit firearms manufactured in clandestine facilities play an increasingly important role in emboldening Mexican cartels. Intelligence indicates these criminal organizations have tasked their money laundering, drug distribution, and transportation infrastructures with reaching into the United States to acquire firearms, ammunition, and the components necessary to modify firearms and/or construct improvised explosive devices. It is also well-established that firearms traffickers often use the same routes as drug traffickers. Increasingly, we find that Mexican cartels transport firearms and munitions into Mexico from Guatemala, situated on Mexico's southern border.

The analysis of trends based on seizures and human intelligence have provided some meaningful insights into the methods of acquisition and transportation utilized by the Mexican cartels. Furthermore, over the past few months enforcement strategies (and other guidance) that address firearms trafficking to Mexican cartels have been developed and released by the White House and the Department of Justice. It is essential that ATF efforts support strategies promoted by the White House and Department of Justice. An examination of these and other strategies reveals similarities among the strategies, but also suggests that some revisions to ATF's current strategy are necessary.

Project Gunrunner– A Cartel Focused Strategy

STRATEGY VERSUS PROGRAMS AND INITIATIVES

ATF has over time initiated a variety of enforcement programs, operations, and initiatives related to our overall efforts to suppress firearms and explosives trafficking across the U.S.-Mexico border. However, it is worth noting that these programs, operations, and initiatives are intended to advance the objectives of our Southwest border strategy---they are not in and of themselves strategies.

A recent example of an investigative initiative developed in support of Project Gunrunner (strategy) is the April 2009 Gunrunner Impact Team (GRIT) initiative. The GRIT, largely intelligence driven and investigative in nature, involved the deployment of approximately 100 investigative (special agents and industry operations investigators), analytical, and administrative personnel to Texas to target the persons, groups, and organizations responsible for the trafficking of firearms to Mexico from the Houston Field Division area of responsibility. Other important elements of GRIT included the inspection of numerous Southwest border FFLs and public service announcements designed to discourage the unlawful acquisition of firearms by straw purchasers.

An effective strategy should coordinate and direct all the resources of the organization toward the attainment of one or more specific goals. In this particular case, the goal of our Southwest border strategy is the suppression of firearms and explosives trafficking across the U.S.-Mexico border and firearms-related border violence.

Essential components of an effective strategy include a statement of the purpose and scope of the overall objectives, as well as a discussion of problems, risks, and threats the plan is intended to address. A strategy's effectiveness is also enhanced by a description of the agency's mission, key capabilities, and means of evaluating progress made against performance goals and measures.

Project Gunrunner– A Cartel Focused Strategy

PURPOSE AND SCOPE

ATF has been investigating firearms trafficking involving Mexico for many years; however, a detailed written strategy was not released until June 2007. The principal purpose of the strategy, known as Project Gunrunner, is the suppression of firearms and explosives-related violence in Mexico and along the Southwest border resulting from the illegal acquisition and movement of firearms, explosives, and improvised explosive devices from the United States.

The purpose of this document is to reiterate ATF's commitment to Project Gunrunner while directing a more focused investigative approach. Specifically, with this document ATF will emphasize targeting the drug cartels principally responsible for the illegal acquisition and trafficking of firearms from the United States to Mexico. This document is not intended to replace Project Gunrunner; nor is it intended to provide a comprehensive tactical blueprint for the investigation of cross border firearms trafficking schemes. Project Gunrunner is incorporated into this document in its entirety unless a specific portion is deleted or amended herein. Specific ATF capabilities and/or responsibilities are mentioned to highlight their importance to our efforts to suppress firearms and explosives trafficking to Mexico and to better leverage ATF capabilities.

This revised strategy acknowledges and incorporates an investigative approach already being implemented by several ATF field divisions and reiterates the primary responsibility of the field special agents in charge for effective implementation of the strategy. This document recognizes that Project Gunrunner is both an ATF strategy and a component of a larger U.S. Government counternarcotics strategy. Our success is contingent on the use of all appropriate regulatory, investigative, technical, intelligence, training, liaison, and public/industry outreach capabilities. However, the success of Gunrunner is also dependent on our ability to secure prosecution and sentences appropriate to the criminal conduct. Recognizing the nuances of current Federal firearms statutes and related sentencing guidelines, it is imperative that comprehensive, complex criminal investigations that link firearms trafficking organizations to drug trafficking activities and organizations be conducted in order to leverage the prosecutorial advantages afforded by a wider array of criminal and civil statutes.

Like ATF's national firearms trafficking strategy, Gunrunner envisioned achieving our goals by focusing on both market and source areas of firearms. However, insufficient ATF resources in Mexico; the difficulty of obtaining comprehensive and timely firearm recovery data; limited access to recovered firearms and persons arrested in Mexico; and the fact that trafficking scheme organizers frequently reside outside the United States, caused ATF to primarily focus limited investigative resources on persons who purchase firearms in the United States that are subsequently recovered in drug related incidents in Mexico. However, experience has taught that straw purchasers are infrequently prosecuted, receive sentences insufficient to deter others when prosecuted, and are easily replaced by scheme organizers.

While our strategy will continue to include targeting persons who acquire firearms in a suspicious and/or unlawful manner, additional ATF investigative resources; improved

Project Gunrunner— A Cartel Focused Strategy

information sharing and data analysis capabilities; improved interagency cooperation (both domestic and international); and improved technology have resulted in our ability to place greater emphasis on the end users of trafficked firearms in the market area---the cartels and their confederates who organize the trafficking schemes and facilitate the movement of firearms across the U.S. Southwest border.

The primary goal of ATF's Southwest border firearms trafficking strategy remains unchanged---to disrupt and dismantle the firearms trafficking organizations and networks responsible for trafficking firearms to Mexican cartels and cartel-related border violence.

Project Gunrunner– A Cartel Focused Strategy

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES

This strategy requires that firearms trafficking investigations be conducted in a thorough and comprehensive manner. A key component of this strategy is to make greater use of the OCDETF program as indicated in the Associate Deputy Attorney General's memorandum of April 27, 2009; the June 2009 ONDCP National Southwest Border Counternarcotics Strategy and the January 7, 2010 Department of Justice strategy.

Firearms related OCDETF cases will by their very nature require the support and participation of other law enforcement agencies, particularly DEA, and involve priority/high-value drug trafficking targets; be conspiratorial in nature; involve multiple suspects and a reasonably large number of known or suspected trafficked firearms. However, to ensure that the OCDETF program remains an investigative tool available to conduct firearms related investigations, it should only be utilized when appropriate.

Firearms trafficking investigations involving Mexican cartels often originate as a result of seizure events in Mexico and/or at the border. Relevant sources of information and investigative leads involving firearms trafficked to Mexican cartels include the ATF Mexico Country Office; ATF Border Liaison Officers; the Government of Mexico; FFLs; (b) (7)(E) the National Tracing Center; the Violent Crime Analysis Branch; EPIC; OSII and Field Intelligence Groups; other law enforcement agencies and open source information. All deconfliction systems, including those managed by regional HIDTAs and State Fusion Centers, should be aggressively utilized to ensure proper coordination with other law enforcement agencies.

When firearms recoveries, seizures and purchase data reveal common and/or significant sources of trafficked firearms, particularly over a relatively short period of time, every effort should be made to investigate the persons responsible for directing, financing, acquiring and transporting the firearms as part of a single investigation. Some trafficking schemes cross ATF field division areas of responsibility and therefore will require greater inter-division communication, coordination, and cooperation. Timely and rigorous deconfliction protocols must be observed to identify and/or avoid more than one ATF field division actively investigating the same target(s). Absent unique circumstances, such investigations should be consolidated. Such decisions should be made by mutual agreement of field special agents in charge after consultation with Federal prosecutors. In limited instances, ATF headquarters (Field Operations) will recommend or direct the consolidation and lead division of such cases in the best interest of a particular investigation, prosecution strategy, or multi-agency/bilateral enforcement initiative.

This strategy is not intended to limit the investigative initiative of any ATF field division. In fact, this strategy recognizes the important role played by all ATF field divisions in combating firearms trafficking generally and the increasingly important role played by a number of non-Southwest border field divisions in reducing firearms and explosives trafficking across the U.S.-Mexico border. However, this strategy recognizes the fact that the Gulf, Zetas, and Sinaloa cartels are the primary recipients of firearms unlawfully acquired in the United States, and the leading roles played by the Houston and Phoenix Field Divisions in combating cross border

Project Gunrunner– A Cartel Focused Strategy

firearms trafficking by concentrating their investigative efforts on firearms and explosives trafficking and violent crime investigations involving the Gulf, Zetas, and Sinaloa cartels.

All field divisions are encouraged to initiate firearms related OCDETF investigations targeting Mexican cartels; however, investigations involving the Gulf, Zetas, and Sinaloa cartels shall be deconflicted and closely coordinated with the Houston and Phoenix Field Divisions. As previously indicated, when multiple division investigations of Mexican cartels are sufficiently related, the cases should be consolidated. The field division deemed to be in the best position to bring the case to a successful conclusion should lead the consolidated investigation.

The success of this strategy will require cooperation and coordination among the various field divisions.

Project Gunrunner— A Cartel Focused Strategy

HEADQUARTERS OVERSIGHT AND COORDINATION

ATF is in the process of revising Bureau policy pertaining to cases deemed significant/sensitive and those with national implication. Existing criteria for such cases include investigations with potential for diplomatic or international implications and investigations that are likely to cause contact with headquarters by the news media and/or a major political figure. Clearly, many cases involving firearms trafficking to Mexican drug cartels meet these criteria. Additionally, current ATF policy recognizes that some investigations may be national and therefore inter-divisional in scope.

To ensure that this strategy is properly implemented and coordinated, ATF headquarters is establishing a mechanism to monitor and, where appropriate, coordinate investigations targeting Mexican cartels. Given the large number of Southwest border investigations that are active at any given time, ATF headquarters will only monitor those deemed significant or sensitive. OCDETF investigations, investigations that target specific cartels or significant elements of cartel-related firearms trafficking organizations, and/or investigations that involve the use of court authorized monitoring of conversations or other potentially sensitive investigative techniques will be designated significant/sensitive. As such, the headquarters program manager will be given full access to monitored investigations in the ATF case management system, to include cases governed by Rule 6 of the Federal Rules of Criminal Procedure.

The monitoring and coordinating of Southwest border investigations will be the responsibility of the recently established Firearms Operations Division. Additional responsibilities include reviewing investigative and significant incident reports; assisting in the identification of other ATF field divisions that may have an interest in the monitored investigation; communicating with field divisions and headquarters offices, particularly OSII and the Office of International Affairs; serving as a conduit for the sharing of investigative reports and information; and providing written and/or oral briefings for Field Operations executives and other members of the ATF executive staff.

OSII will be responsible for the oversight of the intelligence component of this strategy and will work closely with the Firearms Operations Division regarding the analysis and dissemination of information. Likewise, the Office of International Affairs will remain responsible for supervising ATF operations in Mexico.

In short, the Firearms Operations Division will serve as the primary headquarters point of contact and resource for monitored Southwest border cartel related investigations.

Project Gunrunner– A Cartel Focused Strategy

THE MEXICO COUNTRY OFFICE

The ATF Mexico Country Office (MCO), a component of the Office of International Affairs (IAO), is an essential element of the Gunrunner strategy. The MCO, headquartered in the U.S. Embassy in Mexico City, includes ATF personnel posted in U.S. Consulates in (b) (7)(E) (b) (7)(E) and is the primary point of information collection and analysis, coordination, and liaison for ATF activities in Mexico.

Recently, the Office of International Affairs developed an operations plan for the MCO. Stated goals include increasing the number of timely, complete, and accurate firearms traces initiated by the Government of Mexico; participation in a vetted unit program sponsored by the DEA; improved coordination, communication, and intelligence sharing concerning firearms seizures between ATF and Mexican law enforcement authorities; improved coordination and documentation of investigations, training, and other assistance to Mexican law enforcement authorities; and reorganization and expansion of the Mexico Country Office.

No ATF activity shall be conducted in Mexico without prior headquarters IAO approval and coordination with the MCO. The controlled movement of firearms, ammunition, explosives, explosives devices, and/or components or non-functional “props” of such items across the U.S.-Mexico border from the United States shall be coordinated with and approved in advance by Bureau headquarters and the MCO.

The MCO in turn shall ensure that ATF headquarters and the principal Southwest border field divisions are kept apprised of significant events occurring in Mexico related to ATF jurisdiction. The MCO is responsible for facilitating requests for information, evidence, and/or assistance between ATF domestic offices and the Government of Mexico. However, requests for documents or other evidence from Mexican authorities required for prosecution in the United States shall be submitted through the Mutual Legal Assistance Treaty. Such requests shall be initiated by the local United States Attorney’s Office and be processed through the Department’s Office of International Affairs.

In support of this strategy, while the MCO will continue to facilitate the exchange of investigative information to Bureau headquarters and domestic ATF offices on all criminal organizations in Mexico, it will focus on the activities of the Gulf, Zetas, and Sinaloa cartels and provide information as appropriate concerning these organizations to Bureau headquarters and the Houston and Phoenix Field Divisions.

As a result of the increased use of explosives by the DTOs against the Mexican military and Mexican law enforcement, in July 2009, ATF and the Government of Mexico entered into a trial mutual assistance protocol to create the Combined Explosive Investigative Team (CEIT). ATF’s partnership with PGR, CENAPI, SEDENA, SEMAR, and the U.S. Defense Attaches’ Office assists the Government of Mexico with its responses to seizures of military and homemade grenades to determine the source, identify suspects, and to provide assistance with post-blast investigations. ATF has assisted Mexico in identifying foreign military ordnance recovered from and used by DTOs and cartels in Mexico. Prior to such assistance, most of the recovered

Project Gunrunner– A Cartel Focused Strategy

military ordnance were incorrectly identified by Mexico as coming directly from the U.S., when in fact most have come from Central American countries and much is of non-U.S. manufacture. When requested, explosives evidence is shipped to the ATF National Laboratory for examination. ATF is also providing Mexican officials training in explosives identification, evidence collection, and post-blast investigation.

Project Gunrunner– A Cartel Focused Strategy

BORDER LIAISON AND EXPLOSIVES ENFORCEMENT OFFICERS

ATF currently deploys Border Liaison Officers (BLO) and Explosives Enforcement Officers in the four principal Southwest border field divisions. BLOs work under the supervision of the special agent in charge and are an essential component of ATF information collection and analysis capabilities and the dissemination of actionable intelligence. ATF has established BLOs in the following field offices for the respective points of entry: (b) (7)(E)

(b) (7)(E)

(b) (7)(E)

In coordination with the Mexico Country Office, BLOs are permitted to operate in Mexico and often respond to the scene of firearm and explosive recovery incidents and arrests. In some instances, BLOs serve as a force multiplier for the MCO and may be the first ATF responder to recovery and arrest incidents, thus providing timely and essential investigative and technical assistance to Mexican law enforcement and/or military authorities. The BLOs additionally serve as ATF's principal liaison to other key U.S. law enforcement agencies operating in the vicinity of the Southwest border and provide training to counterparts in Mexico. Due to the increasing importance of the BLO position, each field division with a BLO will ensure that an alternate or backup BLO is selected and trained.

BLO activities in Mexico shall be coordinated with the MCO. Information collected by BLOs shall be disseminated to both the MCO and appropriate field intelligence groups.

EEOs work for the Arson and Explosives Program Division, Explosives Technology Branch and provide vital explosives technical assistance to domestic and international investigative operations. Given the significant increase in incidents pertaining to the use, recovery, and trafficking of explosives; improvised explosive devices; and IED components it is essential that EEO capabilities be more fully incorporated into Southwest border operations. An EEO has been assigned to the MCO in Mexico City. At this time, Southwest border area EEOs are designated to support Mexican authorities and the MCO in relation to explosives investigations, including participation on Combined Explosive Investigative Teams.

Project Gunrunner— A Cartel Focused Strategy

BORDER VIOLENCE, VCITS AND GANGS

Sometimes overlooked in our efforts to suppress firearms and explosives trafficking across the U.S.-Mexico border is that a key component of Project Gunrunner is the investigation and suppression of drug related border violence. ATF has been involved in a number of successful border violence enforcement initiatives, including those designed to combat gang violence, kidnappings, and home invasions fueled by the presence of drugs trafficked from Mexico and/or perpetrated by gangs affiliated with Mexican drug cartels. Examples include ATF participation in OCDETF strike force groups in Houston and Phoenix, and ATF's Project Gideon, a proactive home invasion/robbery undercover scenario targeting armed violent offenders and criminal groups. These efforts should continue and be expanded as part of this revised strategy.

Related to our efforts to suppress border related violence is our Violent Crime Impact Team (VCIT) initiative. Our VCIT initiative appears prominently in the ONDCP National Southwest Border Counternarcotics Strategy. VCITs are designed to proactively target the persons and gangs most responsible for firearms-related violent crime in select neighborhoods or sections of communities experiencing an increase in such criminal activity. VCIT groups have been established in thirty-one locations, including Houston and Laredo, Texas; and Tucson and Mesa, Arizona.

Integration of our gang enforcement activities with the drug-related border violence reduction component of our Gunrunner strategy is essential to achieving our strategic goals. Recent reports issued by the National Drug Intelligence Center (NDIC) and the National Gang Intelligence Center (NGIC) reveal a growing association between U.S.-based gangs and Mexican drug trafficking organizations. Mexican DTO's are increasingly using this association to support their drug and firearms trafficking operations. According to the NDIC, gangs recruited by DTO's to transport and distribute drugs are increasingly being used to acquire and transport firearms on their behalf and to protect their drug shipments. Some of these U.S.-based gangs have known associations with a number of Mexican cartels including the Gulf, Zetas, and Sinaloa cartels.

Although our VCIT initiative is not a pure gang enforcement strategy, it is flexible enough to include the targeting of violent gangs as a performance goal provided other VCIT guidance is met. Where VCIT enforcement groups exist along the Southwest border every effort should be made to ensure that the persons, gangs, and activities targeted are related to the activities of Mexican drug cartels. Likewise, in areas where VCIT groups do not exist, special agents in charge are strongly encouraged to target street gangs with a nexus to Mexican cartels, particularly the Sinaloa, Gulf, and Zetas. Where resources are an obstacle, SACs are encouraged to establish or participate in cartel related border violence task forces.

Future decisions about the establishment of VCIT groups along the Southwest border will be based on proposals to reduce firearms-related violence associated with Mexican drug cartels.

Project Gunrunner– A Cartel Focused Strategy

INFORMATION COLLECTION, MANAGEMENT AND EXPLOITATION

ATF's investigative efforts are largely intelligence driven. Directly related to our ability to identify cartel members and other persons with greater responsibility for trafficking firearms to Mexico is our ability to capture, exploit, and share information. The thoroughness with which we collect and document information is also vital to our ability to properly analyze data and produce timely investigative leads. Properly populating data fields in the ATF case management system is equally vital to our success.

Understanding the manner in which information flow should normally occur and the variety of intelligence resources available to ATF is also essential to our ability to properly address cross border firearms trafficking and related border violence.

Although ATF will continue to exploit a variety of sources of information, our most vital collection source remains our investigative personnel. As a result, it is essential that information be collected in accordance with the OSII collection plan and that case information be documented in accordance with Bureau policy. Proper documentation of investigative findings allows ATF to report to a variety of agencies with oversight responsibility and provides Bureau headquarters with vital statistical data for inclusion in budgetary and other documents. However, most importantly our investigative reports are essential to the successful prosecution of defendants and allows for the sharing and exploitation of information in our possession.

Information impacting our operations in Mexico shall be shared with the MCO. In most cases, information collected in Mexico will originate with the MCO. Information collected by BLO's responding to incidents in Mexico or obtained as a result of their liaison duties with counterparts in Mexico shall be shared with the MCO and OSII in a timely manner.

The division field intelligence group (FIG) is responsible for managing the flow of information/intelligence into and out of the field division (laterally to offices within the division, through the chain-of-command to ATF Headquarters, and externally to other domestic law enforcement and intelligence partners). FIGs analyze, disseminate, track and audit information and intelligence inside and outside the division and function as a clearinghouse for information from numerous ATF enforcement programs (e.g., NICS/Brady, NIBIN, NTC trace and multiple sale data, thefts and recoveries involving FFLs and FELs, etc). FIGs additionally establish and maintain partnerships with Federal, State, and local law enforcement partner intelligence components within their geographical areas of responsibility (to include regional information sharing systems and fusion centers) in support of the Bureau's mission.

Actionable information obtained by the MCO, BLOs or other Bureau components shall be immediately shared with the appropriate field division, enforcement group, and FIG. The MCO and/or BLO shall also provide information of a non-urgent nature to the appropriate FIG, OSII, and EPIC.

Project Gunrunner– A Cartel Focused Strategy

Information collected and analyzed by field intelligence groups shall be shared with OSII's Field Intelligence Support Branch and other field intelligence groups.

Information obtained and analyzed by OSII shall be disseminated to field components and the MCO as appropriate.

This revised strategy calls for greater use of underutilized intelligence and analytical resources such as EPIC, the OCDETF Fusion Center, and the DEA Special Operations Division.

In support Southwest border strategies, ATF is significantly increasing its staffing at the El Paso Intelligence Center (EPIC). As of July 6, 2010, ATF is leading EPIC's newly formed Firearms and Explosives Trafficking (FET) Unit and awaiting dedicated personnel from DEA, CBP, and ICE. ATF's mission at EPIC is now two-fold; run the traditional Gun Desk and provide collection management and analysis of firearms and explosives seizure data from Mexico. EPIC's FET Unit essentially functions as the U.S. Government's clearinghouse of information pertaining to known or suspected trafficked firearms to Mexico. It conducts suspect criminal history and other data base inquiries; initiates and accesses firearms trace requests/results; analyzes and disseminates open source information; receives and disseminates information to other agencies with drug trafficking and/or Southwest border responsibilities; and conducts limited regional analysis. It facilitates connectivity to all other EPIC investigative, technical, and analytical capabilities. ATF is expanding its mission to include tactical support to operations, with a special agent being assigned to the EPIC TACOPS Unit, to coordinate ground tracking, aviation tracking, and communications intercepts.

The OCDETF Fusion Centers gather, store, and analyze all-source drug and drug-related financial investigative information and intelligence to support coordinated, multijurisdictional investigations. ATF both staffs and contributes information in the form of investigative reports pertaining to OCDETF and drug-related investigations to the OCDETF Fusion Center. As a result, the Fusion Center allows for the searching of ATF and other participating agency investigative reports for information pertaining to specific targets. In an effort to better leverage the analytical capabilities of the Fusion Center and contribute information that may be used by other participating law enforcement agencies, all ATF investigations pertaining to the Southwest border will be shared with the OCDETF Fusion Center, regardless of whether the ATF case qualifies as a significant/sensitive investigation.

The DEA Special Operations Division is primarily responsible for exploiting signal intelligence (i.e. telephone toll records). Given the number of DEA Title III's in existence at any given time and the relationship between drug and firearms along the Southwest border, there is a high probability that information developed during an ATF investigation will connect in some fashion to an existing DEA investigation. Therefore, telephone numbers developed during the course of an ATF investigation (e.g., pen register; subpoena; Title III phone data; witness information) should be provided to the DEA SOD through the appropriate ATF field intelligence group in an effort to determine their possible relationship to other on-going drug-related investigations.

Project Gunrunner— A Cartel Focused Strategy

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

The cooperation and assistance of State and local law enforcement agencies, particularly those responsible for patrolling key interstate highways that connect firearm source locations and the Southwest border, is another important component of this comprehensive strategy. In fact, effective collaboration with State and local law enforcement agencies on a variety of ATF responsibilities is one of the historical cornerstones of our success as an agency. This is no less true when considering our ability to suppress firearms trafficking, generally and cross border firearms trafficking, specifically. State and local police officers properly trained in ATF jurisdiction; firearms trafficking schemes, including information pertaining to methods of acquisition, transportation and concealment; trafficking corridors; and firearms specific interviewing techniques would likely provide vital intelligence and investigative leads.

The lawful detention of trafficking participants and their subsequent and timely interview by ATF would likely result in increased seizure of firearms and ammunition intended for Mexican drug cartels; assist with narrowing current intelligence gaps by achieving a better understanding of trafficking trends and methods of operation; and serve as the predicate for initiating trafficking investigations that may otherwise go unaddressed. In fact, ATF has already benefited from partnering with State and local law enforcement agencies in cross border firearms trafficking enforcement operations and from the referral of information derived from vehicle stops unrelated to a particular ATF investigation.

Special agents in charge are strongly encouraged to work with State and local law enforcement agencies in their areas of operations as discussed above and to incorporate State and local law enforcement agencies into investigative and enforcement operations when appropriate.

ATF headquarters elements will be responsible for developing more comprehensive and formal State and local training programs, such as complex investigations and Southwest border oriented firearms trafficking seminars in partnership with other Federal law enforcement agencies and organizations such as the International Association of Chiefs of Police. ATF is currently developing a comprehensive ATF task force officer training course related to our DOJ asset forfeiture funded Joint Law Enforcement Operations program.

Project Gunrunner– A Cartel Focused Strategy

DOJ ASSISTANCE AND PROSECUTION STRATEGY

Although it is expected that cases investigated as part of this strategy will be prosecuted by the appropriate local United States Attorney, DOJ has shown interest and support of the approach outlined in this document and has designated a Criminal Division attorney to serve as the Department's liaison to ATF. In some cases, the Criminal Division may become directly involved in the prosecution of OCDETF and cartel focused cases.

Whenever feasible, we will seek to prosecute defendants in the United States and when necessary, we will attempt to secure the presence of Mexican nationals in the United States through extradition. However, it is reasonable to assume that the extradition process, once begun, may take many months to conclude and that in some cases the U.S. Government will not be able to secure the presence of Mexican nationals in the United States for trial. As a result, prosecution under Article IV of the Mexican Federal Penal Code may be the best option available. Article IV allows for the prosecution of Mexican nationals who commit crimes outside the national borders of Mexico. In order to be prosecuted under this provision of Mexican law, the accused must be in the Republic of Mexico, the accused cannot have been tried in the country where the criminal offense was committed, and the crime committed in the United States must also be a crime in the Republic of Mexico. The Mexican system of criminal justice is very different than that in the United States. No trial by jury system exists and witnesses are seldom called to testify. Trial judges make decisions based on a careful study of the evidence presented.

The States Attorney Generals for Texas, California, New Mexico, and Arizona have established Article IV units and may serve as a resource should Article IV prosecutions be contemplated. A potential Article IV prosecution may require that U.S. law enforcement agents collect evidence in a manner somewhat different than is customary in the United States. Any consideration of prosecution of Mexican nationals under Article IV will require close coordination with ATF headquarters and the U.S. Department of Justice.

Project Gunrunner– A Cartel Focused Strategy

PERFORMANCE GOALS AND PERFORMANCE INDICATORS

Effective strategies set clear goals and performance measures. The ATF 2010-2016 Strategic Plan lists Interdiction and Prevention of Firearms Trafficking and the Advancement of Firearms Trafficking Intelligence Capabilities as Strategic Goals in our efforts to reduce the risk to public safety caused by firearms trafficking. Several performance indicators are also listed as a means of measuring our performance toward achieving our strategic goals. While performance indicators reflect a level of ATF efficiency and effectiveness, our overall value as a law enforcement agency will be reflected by our ability to reduce the frequency of gun trafficking to Mexico by disrupting and dismantling the firearms trafficking organizations that provide firearms to targeted drug trafficking organizations.

Vital to our ability to track and report our progress is the timely and accurate reporting of information in our case management system (i.e. N-Force and N-Spect). A brief instructional document entitled, "Procedures for Incorporating Project Gunrunner References into N-Force Cases" dated April 10, 2007, can be accessed on the ATF Portal/Intraweb, via About ATF/OSII/Intelligence Information Systems Division/NFOCIS/Resources/Publications/P/Project Gunrunner – Case Maintenance.pdf. This document includes instructions and N-Force screen shots depicting methods to properly designate Southwest border and Gunrunner investigations, reports of investigations, suspects and defendants, significant incident reports, and firearms traces in N-Force. In addition to following the instructions in the referenced N-Force document, special agents should ensure that firearms trafficking investigations are properly reflected in General Case Information, Firearms tab, to include source state and country, and target (market) state and/or country. Planned enhancements to N-Force will allow us to document investigations involving specific Mexican cartels in the same manner as U.S. street gangs.

In addition, all special agents are encouraged to identify Southwest border firearms trafficking investigation suspects in TECS, including case agent contact information, in order to gain intelligence information concerning border crossings, etc.

All special agents and IOIs, but particularly those involved in Southwest border firearms trafficking and cartel related investigations and inspections, should be familiar with these reporting procedures.

Project Gunrunner– A Cartel Focused Strategy

SUMMARY OF KEY ELEMENTS OF CARTEL FOCUSED STRATEGY

With diligent implementation of this revised strategy and adherence to its key elements, ATF should achieve greater success in our efforts to reduce cross border firearms trafficking and related border violence.

Specifically, this strategy is designed to achieve:

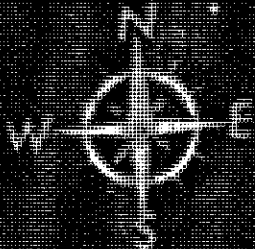
- Improved collection, analyses, sharing, and exploitation of intelligence information.
- Improved prioritization of investigative leads.
- Greater use of intelligence that links seizure events, purchase transactions, and other unlawful or suspicious activity with specific DTOs.
- Employment of a greater array of investigative resources, techniques, and criminal statutes.
- Improved investigative coordination and intelligence sharing with the Government of Mexico and other law enforcement partners.
- Improved communication and coordination between ATF field divisions and between field divisions, ATF headquarters and the Mexico Country Office.
- More effective alignment of ATF enforcement programs.
- Increased use of OCDEF program.
- Closer coordination with DEA and other law enforcement partners.
- Greater emphasis on multi-defendant conspiratorial trafficking cases that more often focus on facilitators; organizers and persons with greater responsibility for trafficking operations.
- The new Firearms Operations Division (FOD) in the Office of Field Operations will monitor cartel focused investigations and where appropriate, help coordinate multi-division, multi-agency, and multi-national investigative efforts. These FOD activities will be led by the Southwest Border National Coordinator, who will communicate with senior leadership, field management, and ATF intelligence assets based on linkages between seemingly unrelated cases or fragments of intelligence pertaining to firearms trafficking and border violence by targeted DTOs.
- Improved understanding of Southwest border challenges and intelligence gaps.
- Ultimately enhance the effectiveness of our cross border trafficking and related border violence investigations and operations.



ATF

SOUTHWEST BORDER INITIATIVE PROJECT GUNRUNNER

December 2007



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Foreword by the Director



Recently, I traveled to Mexico City to meet with Mexico's Attorney General Medina Mora and Secretary of Public Safety Garcia Luna to discuss enforcement strategies in combating the unprecedented firearms violence taking place along the U.S.- Mexico border. This violence, which is fueled by the burgeoning drug trade and enforced through the ruthless and criminal use of firearms and explosives, has taken the lives of many citizens on both sides of our international border.

A significant number of the casualties are Mexican law-enforcement officers and elected officials who put their lives on the line to protect their citizenry. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has come to the forefront to address this growing threat to the safety of our mutual communities. We have mobilized as an agency to combat this threat to communities on both sides of the border, by working with our domestic and international law-enforcement counterparts.

We are using resources such as our firearms tracing and intelligence capabilities, and have partnered with a number of other Federal law-enforcement agencies and local governments to address violence on the U.S. side of the border. Through our office in Mexico, we continue to work with Mexican law-enforcement officials to identify the best tactics to address our common fight against this threat.

By presenting this strategy, we seek to communicate the level of our resolve and commitment in addressing the violence along the U.S. - Mexico border, and thus we call on our law-enforcement partners on both sides of the international border to join us and continue to work with us in the common goal of reducing crime related to firearms violence and bringing stability to both of our countries.

Michael J. Sullivan, Director Designate
Bureau of Alcohol, Tobacco, Firearms and Explosives

Table of Contents

Southwest Border Initiative, U.S. Department of Justice.....	1
Background.....	1
ATF's Southwest Border Strategy and Strategic Outcome.....	2
Expansion of eTrace.....	3
International Strategic Component.....	5
Domestic Strategic Component.....	9
■ <i>Firearms Trafficking Investigations</i>	9
■ <i>Other Investigations – Narcotics</i>	10
■ <i>National Industry Operations Strategy</i>	11
■ <i>FFL Outreach and Training Activities</i>	12
■ <i>Border Liaison Position</i>	12
■ <i>BEST / OCDETF / HIDTA</i>	12
■ <i>Guns Shows</i>	13
■ <i>Highway Interdiction</i>	13
■ <i>Telephone Analysis</i>	14
■ <i>NForce / NSpect</i>	14
■ <i>Language</i>	14
■ <i>Explosives / Detection K9</i>	14
■ <i>Forensic Training</i>	14
■ <i>Law Enforcement Training</i>	15
■ <i>Firearms Trafficking</i>	15
Intelligence Component.....	16
■ <i>OSII</i>	16
■ <i>Project Gunrunner Coordinator</i>	17
■ <i>EPIC - Central Information Collection Point</i>	17
■ <i>Violent Crime Analysis</i>	18
■ <i>Field Intelligence Groups</i>	18
Performance Measures.....	19
Needs Assessment.....	19
■ <i>General Needs Assessment</i>	20
■ <i>Field Operations Needs Assessment</i>	20
Conclusion.....	22

Appendix A – Press Release: U.S. and Mexican Attorneys General Meet in San Antonio, TX, October 2005.....	A-1
Appendix B – Memorandum: ATF Director to Attorney General Regarding Visit to Mexico, March 2007.....	B-1
Appendix C – Summary of Senior Law Enforcement Plenary Session (SLEP) session in Mexico City, September 2005.....	C-1
Appendix D – Law Enforcement Information Packet, Including Introduction to eTrace (Internet Based Firearms Tracing Application).....	D-1
Appendix E – Recent Adjudicated International Firearms Trafficking Investigations Involving Mexico.....	E-1
Appendix F – Memorandum: Division Industry Operations Guidelines.....	F-1
Appendix G – Press Release: DOJ to Partner in Task Forces to Combat Cross-Border Crime at Southwest Border, January 2006.....	G-1
Appendix H – Press Release: Attorney General Announces Additional Funding to Combat Drug Trafficking and Border Violence Along the Southwest Border, January 2006.....	H-1
Appendix I – Briefing Paper: OSII Southwest Border Strategic Assessment, March 15, 2007 (DRAFT).....	I-1
Appendix J – U.S. Source Metropolitan Areas for Firearms Recovered in Mexico (VCAB Study, Calendar Years 2005 and 2006).....	J-1
Appendix K – Apparent Firearms Trafficking Routes from the U.S. into Mexico (NTC Trace Analysis of Mexico, Fiscal Years 2004-2006).....	K-1



Southwest Border Initiative, U.S. Department of Justice

Background

Approximately 92 percent¹ of the cocaine that currently enters the United States is filtered and distributed by Mexican Drug-Trafficking Organizations (DTO) located just across the border from the United States. Mexico's top two DTOs are operating in these areas. These are the Gulf Cartel, located on the Gulf Coast side of Mexico and the Sinaloa Cartel, operating in the Central to West side of Mexico. Mexico's top drug lords are battling for highly prized smuggling routes along this international border, but particularly in Nuevo Laredo, the busiest commercial border crossing for US-bound Mexican goods, because drugs are often hidden in commercial vehicles driving north.

In an effort to maintain control of their drug routes and distribution, and to keep their competitors in check, these DTOs readily resort to violence and intimidation through the use of firearms and explosives, which are the "tools of the trade" for the criminal element.

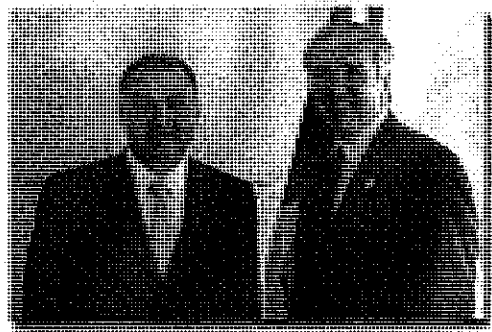
In response to this escalating drug-related, firearms-trafficking violence—which has included the kidnapping of American citizens and the murder of Mexican officials—U.S. Attorney General Alberto Gonzales and his previous Mexican counterpart, Daniel Caveza de Vaca, announced an initiative to address this problem on October 13, 2005, in San Antonio, Texas. This initiative, which has come to be known as the Southwest Border (SWB) (Narco-Violence) Initiative, was coordinated by the U.S. Department of Justice's (DOJ) Criminal Division and Office of International Affairs. It brings the resources of the Department's various law-enforcement agencies [e.g., ATF, Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Bureau of Prisons (BOP), and the United States Marshal Service (USMS)] together in order to devise a concerted strategy to meet the threats affecting the cities and towns on both sides of the border (see Appendix A).



U.S. Attorney General Alberto Gonzales (left) and his Mexican counterpart, Daniel Caveza de Vaca (right) in San Antonio, TX in October 2005

¹ Remarks to Congressional Panel by DEA Intelligence Official Anthony Placido on June 14, 2005.

In February 2007, ATF Acting Director Michael J. Sullivan traveled to Mexico City to meet with U.S. Ambassador to Mexico Tony Garza in order to assess how the United States could help Mexico stem the traffic in illegal weapons across the border. Mr. Sullivan also discussed his thoughts with Mexican Attorney General Medina Mora and Secretary of Public Safety (SSP) Garcia Luna and with other cabinet-level officials, including how ATF could support the proposals made by Attorneys General Alberto Gonzales and Medina Mora during their meetings in Mexico City in January 2007 (see Appendix B).



Mexican Secretary of Public Safety Garcia Luna (left) and ATF Director Designate Michael Sullivan (right) in Mexico City, February 2007

Historically, in September of 2005 Mexican and U.S. authorities, including representatives from DOJ's various law-enforcement agencies and other Federal, State, and local agencies, attended a mini-Senior Law Enforcement Plenary (SLEP) session. The SLEP is composed of senior law-enforcement DOJ representatives and Mexican counterparts and is the principal coordinating body of the Attorneys General Bi-national Commission. It convenes bi-annually to develop, assess, and report on the progress being made on policy and law-enforcement issues jointly developed by the United States and Mexican governments. During that session, ATF agreed to implement a number of actions in support of this initiative. As a result, ATF developed strategic action items that involve both domestic and international components.

During the October 2005 SLEP session in Mexico City, ATF introduced its action items under this initiative (see Appendix C). These continuing action items are appropriate for incorporation into ATF's response to the SWB violence. These action items are also regular topics of discussion at bi-annual SLEP sessions.

ATF's Southwest Border Strategy and Strategic Outcome

ATF's strategy regarding the Southwest Border (Narco-Violence) Initiative is summarized as follows:

Working with its domestic and international law-enforcement partners, ATF will deny the "tools of the trade" to the firearms-trafficking organizations operating in Mexico through proactive enforcement of its jurisdictional areas in the affected border States in the domestic front, as well as through assistance and cooperative interaction with the Mexican authorities in their fight to effectively deal with these violent firearms and DTOs.

The expected strategic outcome will be the:

Suppression of the firearms and explosives-related violence occurring on both sides of the border through effective law-enforcement collaboration involving the investigation and interdiction of illicit trafficking and use of firearms, explosives, and ammunition.

Expansion of eTrace



The cornerstone of ATF's SWB Strategy, which encompasses the international and domestic strategic components as discussed below, is the tracing of firearms recovered from the criminal element by law enforcement. The value of firearms trace information and statistics in law-enforcement efforts is unquestionable. eTrace is an internet, web-based law-enforcement tool that allows for the online tracing of firearms and the production of statistical data (see Appendix D). This tool allows for the comprehensive and systematic tracing of firearms in order to develop intelligence regarding the sources of crime guns recovered in Mexico and in border areas. It also assists local offices in identifying, targeting, and investigating straw purchasers and the traffickers who employ them.

ATF committed itself to decentralizing eTrace and utilizing it in Mexico's 31 states and further recommended its implementation in the 9 U.S. Consulates within Mexico. The decentralization implementation is pending approval by the Mexican government.

Ongoing analysis of firearms trace data allows ATF to continuously evaluate changes in purchase patterns. For example, analysis of successfully traced crime guns recovered in 2005 and 2006 suggests that the Los Angeles metropolitan area of California; Phoenix and Tucson, Arizona; and Dallas, Houston, San Antonio, El Paso, Laredo, McAllen, and Brownsville in Texas are currently major source areas. Additionally, the States of Georgia, Illinois, Kansas, Ohio, Oklahoma, Pennsylvania, Tennessee, Colorado, and Florida have become significant source states in the past four years in terms of firearms successfully traced to a US Federal Firearms Licensee (FFL).

The ATF National Tracing Center Division (NTC) has analyzed the firearms' tracing information submitted by Mexico and has determined that there exists two general categories of firearms demand and that there are three general trafficking routes from the United States into Mexico. Firearms' trafficking is a supply-and-demand dynamic.

The first category of demand is for 7.62mm rifles, 5.56mm rifles, and new handguns to support criminal organizations associated with narcotics trafficking and serious violent crime. These groups are characterized by their desire for specific types of firearms, purchased as part of a multiple sale and transported from the U.S. into Mexico to specific locations and organizations within Mexico.

The second category of demand is for inexpensive handguns for persons who do not have the proper permissions to possess firearms in Mexico. This method is commonly referred to as "ant-trafficking" and the demand group is characterized by persons purchasing low-quality, used handguns one at a time which they then transport into Mexico where they are subsequently dispersed. Over an extended period of time, they slowly migrate southward throughout the country.

As indicated above, there are three major trafficking routes from the United States into Mexico. The first route, called the "Tucson Corridor," runs from Tucson, Arizona, across the border at Nogales and then proceeds south along the West Coast highway to Hermosillo, Guaymas, Culiacan, Matzatlán, and Guadalajara then on to Mexico City. Primarily firearms purchased in California and Arizona are trafficked along this corridor to supply organized crime groups operating along the West Coast of Mexico.

The second route, called the "El Paso Corridor," runs from El Paso, Texas, across the border at Ciudad Juarez, continuing down the central highway to Chihuahua, Durango, Zacatecas, and San Luis Potosi into Mexico City. Primarily firearms from Texas and Arizona are trafficked along this corridor and may or may not be associated with organized crime.

The third route, called the "Houston Corridor," runs from Houston, San Antonio, and Laredo, crosses the border into Nuevo Laredo, Reynosa, and Matamoros, proceeds to Monterrey, Tampico, Poza Rica, and then proceeds to Mexico City or Vera Cruz and east. Primarily firearms purchased in Texas are trafficked along this corridor to supply organized crime elements operating in eastern Mexico.

The NTC and ATF's Mexico City Office (MCO) will work with the Mexican government to decentralize and distribute eTrace in order to provide an effective methodology for Mexican law enforcement to submit crime-gun trace requests in a timely and accurate manner.

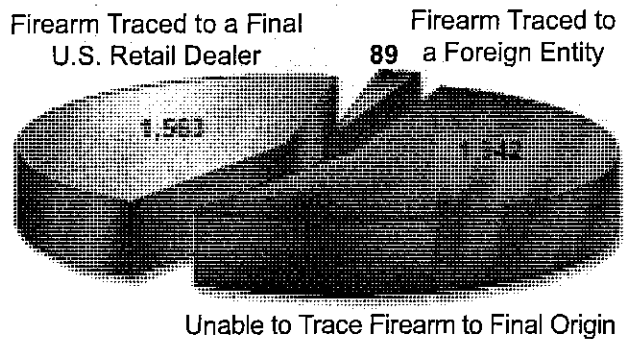
The NTC is responsible for effectively and efficiently tracing guns recovered in Mexico and submitted via eTrace. This also implies three additional items (a) a regular feedback loop to Mexico defining trends in errors relative to the submission of the trace requests in order to make continuous improvements in the data quality; (b) a Spanish version of eTrace as a funding and development priority to improve accuracy; and (c) all new handguns, 7.62mm or 5.56mm rifles recovered anywhere in Mexico should be traced URGENT.

Further data mining of firearms-trace data conducted by the Violent Crimes Analysis Branch (VCAB) will be used to determine specific trends and assist in the identification of potential targets. This analysis includes crime-gun mapping that ties the location in Mexico where the crime guns are being recovered to their specific source areas in the United States. It also identifies high-volume FFLs who are the point of origin for firearms that are being recovered by law enforcement in Mexico or in border areas in connection with criminal investigations. Through periodic data mining and analysis, shifts in patterns will be ascertained in order to devise specific strategies to cut off the flow of illegal U.S.-sourced firearms to Mexico.

An emphasis will be placed upon deploying ATF's eTrace system to law-enforcement agencies along the SWB in Texas; a Spanish version of this system is planned for deployment to the International law-enforcement community.

BREAKDOWN OF TRACE RESULTS WITH A RECOVERY IN MEXICO

Calendar Years 2005-2006



NOTE: Other traces may be pending or may have been stopped per the requestor.

*Bureau of Alcohol, Tobacco, Firearms and Explosives
Violent Crime Intelligence Division
Violent Crime Analysis Branch*

International Strategic Component

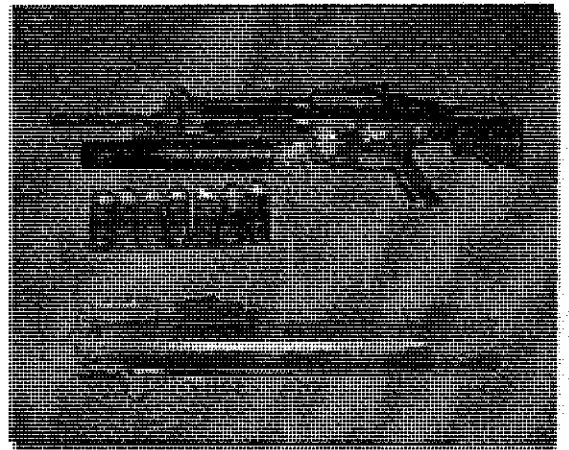
All of ATF's activities in Mexico should be coordinated through the ATF Attaché Office located in the U.S. Embassy Mexico City. Coordination is essential to ensuring the safety of ATF personnel on TDY to Mexico, for vetting of Mexican law enforcement and other officials that contact field divisions asking for various ATF resources, and for ensuring that the United States Ambassador and law-enforcement component are aware of ATF activities in Mexico. Failure to coordinate all ATF official activities can cause serious problems for our personnel in country and for TDY personnel requiring country clearance or other diplomatic assistance.

The action items that were promulgated through ATF's participation in the bi-annual U.S. - Mexico SLEP sessions are the primary means by which ATF will strive to contribute to the fight against the narco-violence taking place along the U.S. border with Mexico. These action items will be implemented through ATF's International Affairs Office (IAO) and the ATF MCO through the coordination of ATF's various assets and resources as follows:

1. **The United States and Mexico will establish a point of contact (POC) for each ATF border field division. The POC will be the Division's Special Agent in Charge (SAC) or his/her designee. The POC and the Procuraduría General de la República (PGR, Mexican Attorney General's Office) representative will meet regularly to coordinate investigative and firearms-trafficking issues. Additionally, meetings between agency leadership representatives will occur every four months to address administrative and oversight issues. These meetings will include PGR officials, ATF field designees, and ATF's IAO representatives from Headquarters or Mexico City.**

ATF and other DOJ components [(e.g., DEA, USMS, and FBI] and U.S. Department of Homeland Security (DHS) [e.g., Immigration and Customs Enforcement (ICE)] operating along the border will be responsible for implementing investigative strategies and for developing intelligence relating to trafficking into Mexico for dissemination as appropriate.

2. **The United States and Mexico will form a consultative group of attorneys and law-enforcement officials from both countries to address legal issues and policies involving firearms trafficking and enforcement strategies and policies. This group will also make recommendations to both governments to consider on firearms trafficking and enforcement policy issues and operating procedures. ATF will designate its representatives for the policy consultative group.**



On May 5, 2005, the Mazatlan City Municipal Police in Mazatlan, Sinaloa, Mexico seized these weapons as well as a LAW rocket following a tip regarding individuals who were seen in possession of weapons near a dance club. ATF traced the firearms.

3. **The United States will investigate the availability of funding in order to provide technology and equipment to assist the government of Mexico in upgrading its firearms forensics analysis and tracing capabilities.**

ATF will conduct an assessment of the capabilities of Mexican law-enforcement components operating along Mexico's northern border with the United States in order to develop a priority list that ranks Mexican law-enforcement offices that could benefit from ATF-provided technology.

ATF, the Department of State's Narcotics Affairs Section (NAS), and the Government of Mexico (GOM), will develop the logistics and seek funding to implement and sustain eTrace capabilities in the identified offices in Mexico.

ATF will assess the need and potential for establishing new ATF offices in the northern areas of Mexico. These offices would serve as strategic bases of operation for combating violence and trafficking activities that occur in those areas.

TOP U.S. SOURCE STATES OF FIREARMS TRACED IN MEXICO

Calendar Years 2005-2006

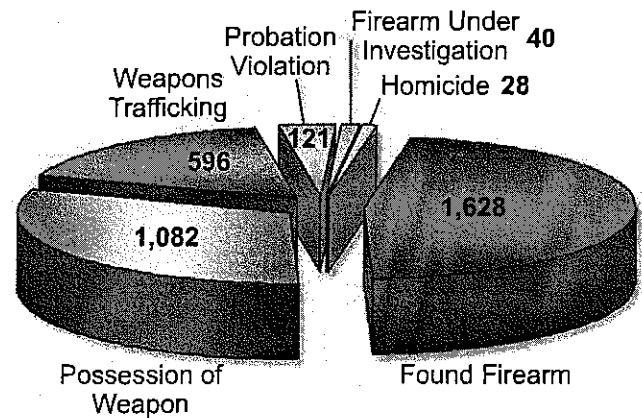


4. **The United States, through ATF, has and will continue to provide training and canines to Mexican customs officials at the border to for use in detecting firearms and explosives entering Mexico from the United States.**

ATF, with the assistance of NAS Mexico City, continues to assess the need for Mexican customs officials operating at the border with the United States to be provided explosives-detecting canines. Entry points into Mexico from the United States that are likely to be prime trafficking venues will be prioritized for the potential receipt of canines. ATF, with the assistance of NAS Mexico City and the GOM, will continue to determine the needed resources and coordinate training classes and funding for the implementation of a sustainable canine-training program in Mexico.

TOP CRIMES REPORTED ON FIREARMS TRACES WITH A RECOVERY IN MEXICO

Calendar Years 2005-2006



*Bureau of Alcohol, Tobacco, Firearms and Explosives
Violent Crime Intelligence Division
Violent Crime Analysis Branch*

5. **The United States will explore opportunities to provide training as requested by Mexico's Agencia Federal de Investigacion (AFI - Mexican National Police) and Unidad Especializada de Investigacion en Terrorismo, Acopio y Trafico de Armas (UEITA - Mexican Federal Prosecutor's Office), in the following areas: (1) post-blast investigation; (2) render-safe training; and (3) firearms trafficking, tracing, and identification.**

ATF, the NAS Mexico City, and the GOM will determine the resources and funding necessary in order to provide the pertinent requested training.

6. **Whenever possible, the United States will consider the GOM's requests for detailed information on firearms-trafficking suspects (developed as a result of tracing information). In turn, the GOM will consider ATF's requests for detailed information (associates, cell-phone information, and other relevant intelligence) gleaned by Mexican law-enforcement officials from persons arrested or detained in firearms investigations or trafficking schemes.**

ATF will strive to promptly meet requests for relevant intelligence/information from the GOM, within any prescribed parameters, laws, and regulations that exist in the United States and/or guidelines established under this initiative. This issue will be further addressed by the consultative group of attorneys and enforcement officials from both governments that will convene as outlined earlier.

7. The United States, through ATF, will increase its tracing of seized and otherwise recovered crime guns in Mexico through the expansion of eTrace and an emphasis on tracing by ATF's MCO.

ATF will strive to timely conduct traces of suspected U.S.-sourced firearms recovered in Mexico that are brought to its attention. At the same time, it will work to increase the tracing capabilities of the GOM. ATF is also working with NAS Mexico City to develop a Spanish language version of eTrace.

Through the ATF Attaché Office at the United States Embassy in Mexico City, ATF personnel are also heavily involved in the following:

- The coordination of the deployment of eTrace through the Regional Security Officer, Department of State to U.S. Consulates in regions of Mexico experiencing major seizures of firearms originating in the United States.
- The coordination of an ATF explosives assessment at the U.S. Embassy Mexico City and a similar assessment of training needs by Mexican AFI, SSP, and PGR security and enforcement personnel.
- The coordination of Firearms Forensic Lab equipment and training assessments at the PGR Laboratory and SSP Laboratory.
- The coordination of intelligence sharing between ATF's Office of Strategic Intelligence and Information (OSII) personnel and vetted Mexican law-enforcement and intelligence officials.



Domestic Strategic Component

The domestic strategic component of ATF's responsibility under DOJ's SWB Initiative is designed to focus Bureau resources on its four affected border field divisions (Dallas, Houston, Los Angeles and Phoenix) in order to combat firearms violence, violent offenders, and firearms trafficking along the U.S. and Mexico border.

This component utilizes the results of firearms trace information/statistics for the affected area(s). It also encompasses various local initiatives implemented by the SWB field divisions as discussed in various internal documents/reports such as "Interdicting Guns and Ammunition to Mexican Drug Traffickers," which was composed by the ATF Corpus Christi Field Office and "Firearms Trafficking to the United Mexican States through Arizona – Project Iron River," which was authored by the Phoenix Field Division. ATF's focus on violence and firearms trafficking along the SWB, as outlined below, will also improve U.S. homeland security in that region.

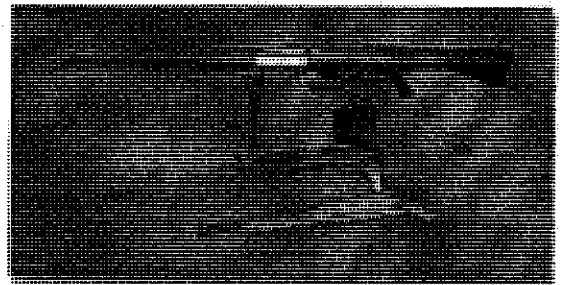
Firearms Trafficking Investigations

While a great portion of the firearms and ammunition trafficking that fuels the violence along the SWB is concentrated in the areas covered by ATF's Dallas, Houston, Los Angeles, and Phoenix Field Divisions, firearms-trace results show that trafficking from other field divisions also accounts for a substantial portion of recovered crime guns. Additionally, firearms trafficking via the Internet and the illegal manufacture of machine guns from parts kits available via the Internet or mail are also potential problems. Therefore, all ATF Field Divisions will make firearms trafficking associated with crime guns encountered along the SWB a top priority.

Any firearms-trafficking investigation that specifically relates to this initiative will be coded in NForce with SWB for "Southwest Border Initiative" in order to measure the level of success of ATF's strategy in implementing this initiative. A project code of "SWB" will also be implemented in eTrace for this initiative.

OSII Field Intelligence Division analysts monitor firearms trace data, multiple-purchase information, out-of-state firearms recovery information, High Intensity Drug Trafficking Area (HIDTA) interdiction reports and other agency reports documenting firearms recoveries, to assist in identifying firearms trafficking patterns, trends, and methods.

ATF has formed an SWB Committee which will convene periodically to plan, coordinate, and evaluate the effectiveness of current border-trafficking enforcement activities, including those named above. ATF will conduct assessments in border towns to determine if there are any other areas where successful strategies may be applicable and effective.



The Mexican Army seized one .50 caliber Barrett rifle and two Norinco 7.62x.39mm rifles on August 9, 2005. Mexican military personnel stationed at a check point in the municipality of Navolato, Sinaloa, Mexico stopped a vehicle for a routine check. Although two of the three occupants of the vehicle escaped after they fled, the third occupant was arrested immediately when the soldiers discovered the weapons inside the vehicle.

Additionally, ATF brings the following tactics and resources to firearms-trafficking enforcement efforts:

- **ATF's NTC, the VCAB, and Regional Crime Gun Centers (RCGC):** These offices are used to pinpoint problem areas and "hot spots," through the use of analytical firearms trace data in order to identify the "worst-of-the-worst" criminals.
- **National Integrated Ballistics Information Network (NIBIN) Testing:** ATF ensures that all recovered firearms are traced and submitted for NIBIN testing. ATF will ensure that all ballistic crime-scene evidence is also entered into NIBIN.
- **Investigative Resources:** ATF has devoted additional Special Agents, Industry Operations Investigators (IOI), and Intelligence Research Specialists (IRS) to border Field Divisions. ATF is also working to increase staffing levels through additional funding.
- **Information Sharing:** ATF continues to stress the sharing of information with all levels of law enforcement (International, Federal, tribal, State, and local). Additionally, ATF assets at the El Paso Intelligence Center (EPIC) continue to serve as a clearinghouse for both law-enforcement intelligence and investigative information pertinent to the entire SWB region.

For cases in which Federal prosecution provides for enhanced sentencing, ATF and the U.S. Attorney's Office in each of the affected Field Divisions/districts will continue to target and prosecute the most violent offenders, or the "worst-of-the-worst." By identifying those specific cases in which individuals or organizations that have a history of violence have illegally obtained firearms, ammunition, and/or explosives, or are engaged in violent criminal activity that involves arson or the illegal use or possession of firearms or explosives, ATF will continue to impact the nefarious effects of violent crime. (See Appendix E for representative investigations.) In addition, along with investigating violent criminal organizations, ATF will continue to focus its efforts on investigating and prosecuting firearms traffickers and corrupt FFLs.

Other Investigations - Narcotics

It is the experience of ATF and DEA agents in the border area that many DTOs who are responsible for bringing narcotics into the United States comprise a ready market for illicit firearms. Their demand for high-caliber, quality firearms is a result of the need to protect their illicit drug business and eliminate rivals. These traffickers recruit individuals to purchase firearms in the United States or purchase firearms from persons trafficking firearms to Mexico. These weapons are frequently secreted in hidden compartments or voids in the same vehicles used to traffic narcotics into the United States.

HIDTA Task Forces and Organized Crime Drug Enforcement Task Forces (OCDETF) regularly encounter firearms during the course of their investigations.

Under the SWB Violent Crime Impact Team program, ATF will ensure that all firearms recovered in HIDTA and OCDETF investigations are traced, and that investigations relative to the sources of these firearms are conducted, particularly where the firearms are recovered from Regional Priority Organization Targets and Consolidated Priority Organization Targets.

ATF partners with HIDTA and OCDETF on DTO investigations that reveal the existence of a firearms-trafficking infrastructure. ATF has also provided DEA with access to, and training in, eTrace in an effort to increase firearms tracing by DEA.

Additionally, ATF will work with the Customs and Border Patrol (CBP), DEA, and ICE, to ensure that all of the firearms they recover are traced, that an analysis of each of those traces is made to determine the source of the recovered firearm, and that investigations are initiated, when appropriate, to shut down trafficking operations that are arming DTOs along the border.

National Industry Operations Strategy

One key component to shutting off the illicit flow of firearms into Mexico and U.S. border states is ATF's industry inspection program of FFLs in the affected areas. A primary cause for unsuccessful firearms traces is the incomplete record keeping by FFLs.

The inspection plan is designed as a three-pronged approach (b) (7)(E)

(b) (7)(E)
(b) (7)(E)

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Using information from these inspections, each Field Division intelligence unit will develop for their respective area supervisor a list of licensees for inspection and related receipt data.

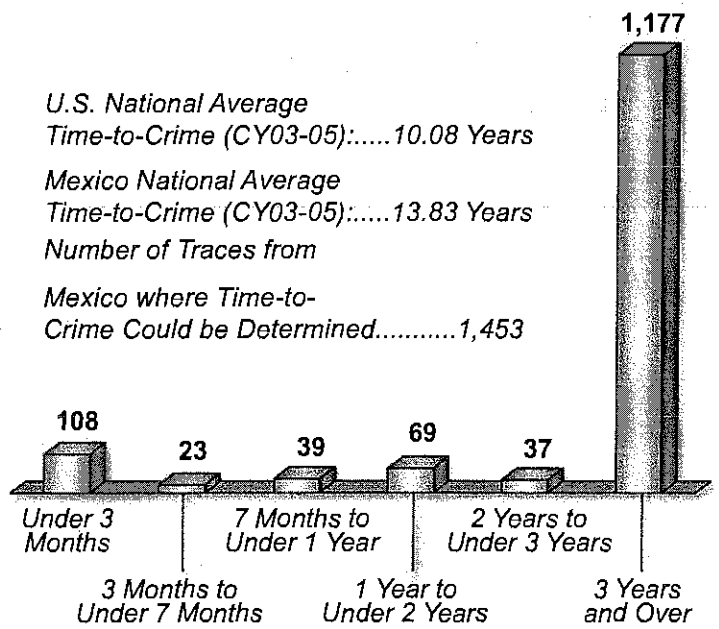
(b) (7)(E)
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Each field division is required to inspect all pawnbrokers in their area over the next two years. (b) (7)(E)

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The outreach component will include a firearms-industry component as well as outreach to other Federal, State, or local law enforcement. See memorandum from AD Field Operations (FO) which references the Industry Operations' Implementation Plan in Appendix F.

TIME-TO-CRIME RATES FOR TRACED FIREARMS RECOVERED IN MEXICO
Calendar Years 2005-2006



U.S. National Average
Time-to-Crime (CY03-05):.....10.08 Years
Mexico National Average
Time-to-Crime (CY03-05):.....13.83 Years
Number of Traces from
Mexico where Time-to-Crime Could be Determined.....1,453

Bureau of Alcohol, Tobacco, Firearms and Explosives
Violent Crime Intelligence Division
Violent Crime Analysis Branch

FFL Outreach and Training Activities

ATF will pursue face-to-face contact with all FFLs in the targeted areas and will conduct planned and well-advertised seminars. "Don't Lie for the Other Guy" promotional campaign materials, available in both English and Spanish, will be distributed. The training will cover firearms trafficking, straw purchasing, record-keeping requirements, theft prevention, tracing, multiple sales, and theft-reporting requirements. This outreach, besides enhancing voluntary compliance, has three goals:

- To improve relations with FFLs by opening dialogue and providing information to industry members, including the clarification of rules regarding straw purchasers and sales to foreign customers.
- To further enhance ATF's tracing capabilities by improving record keeping and reporting by FFLs in the targeted area.
- To develop informational leads that may assist in targeting potential traffickers of firearms and ammunition, or other unscrupulous FFLs that may be operating in violation of Federal or State laws.

Border Liaison Position

Each Field Division will assign a special agent to act as the Border Liaison in their specific area of operation. These FO personnel will be the front line of this initiative, attacking the issues on the ground level. In their areas of operation, they will be responsible for driving the collection and subsequent dissemination of actionable investigative intelligence through the Project Gunrunner structure. These individuals will be stationed in forward positions, adjacent to the border, and will be provided with the means to operate within Mexico to enhance their productivity (i.e., Diplomatic U.S. Passports, investigative and safety equipment, etc.).

BEST/OCDETF/ HIDTA

In January 2006, ICE, in collaboration with DHS and CBP, created Border Enforcement Security Task Forces (BEST) (see Appendix G). The BEST teams were created to develop a comprehensive approach to identifying, disrupting, and dismantling criminal organizations posing threats to border security. ATF currently participates in, and plans to expand our participation in, many of these task forces. In January of 2007, Attorney General Gonzales announced additional resources for use in combating the drug trafficking and border violence along the SWB (See Appendix H).

An inseparable relationship exists between violent firearm-related crimes in Mexico, Mexican-based criminal organizations, and the drug trafficking conducted by these organizations to destinations throughout North America. As a result, collaboration with BEST, HIDTA, and OCDETF assets will be sought at the earliest possible time once a qualifying nexus to a known DTO is documented. ATF continually emphasizes the investigative potential of firearms seized pursuant to these investigations and ensures all firearms recovered in BEST, HIDTA, and OCDETF investigations are not only traced, but that investigations relative to the sources of these firearms are exhaustively conducted, particularly where the firearms are recovered from Regional Priority and Consolidated Priority Organization Targets.

This will be done in conjunction with OCDETF's Operation Gatekeeper. Operation Gatekeeper is a multi-agency, multi-district attack on the individuals and organizations referred to as Gatekeepers. These entities control the flow of drugs through the SWB corridors linking Mexico and the United States. The Gatekeepers generally operate at the behest of a Mexican drug cartel and are located in and manage geographically specific entry points along the United States-Mexico border.

Border-nexus weapons' interdictions will be coordinated through CBP who will be the lead for interdictions along the United States border with Mexico. CBP will coordinate the interdiction operation with the EPIC ATF Gun Desk but will have final decision authority on actual border-nexus interdictions. At no time will there be any type of cross-border operation, whether it is north or southbound without the concurrence of CBP. CBP will provide feedback to EPIC ATF Gun Desk regarding all seizures. All SWB Project Gunrunner weapons investigations will be coordinated through the EPIC ATF Gun Desk. All enforcement groups from ATF, CPB, ICE, DEA, FBI, USMS, US Secret Service, and National Drug Intelligence Center will provide firearms and explosives-related intelligence and case status reports to the weapons desk in EPIC regarding all related investigative leads, intelligence and seizures.

Gun Shows

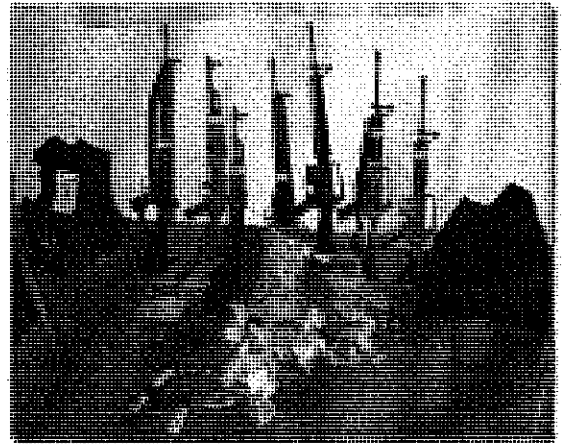
Gun shows throughout the border region pose a significant threat as a source of WOC and ammunition for Mexican-based criminal organizations. Gun shows conducted within states where current legislation does not provide for longer waiting periods than those mandated by the National Instant Check System pose an elevated risk as WOC sources, specifically within Arizona and Texas. At these venues, the difficulties in regulating the transfer of firearms and ammunition amongst private citizens require more austere measures to be conducted by field operations and intelligence personnel. Through the purchase and use

(b) (7)(E)

intelligence on non-U.S. vehicles present at these shows can be gathered and shared with the appropriate law-enforcement agency within the U.S. and/or Mexico. The availability of this technology could more than double the productivity of these efforts. This information will undoubtedly identify individuals obtaining firearms through this illicit and otherwise un-checked source of firearms destined for Mexico and will also lead to the interdiction of firearms at the ports of entry where requisite levels of suspicion for searches are statutorily reduced.

Highway Interdiction

It is widely known that many of the vehicles designed and used to traffic controlled substances from Mexico into the U.S. are used to return money and firearms to Mexico. By utilizing Federal, State and local law enforcement situated along the identified trafficking corridors and using the LPR technology, real-time intelligence gathered from these agencies will be funneled from its source, through EPIC resources, to personnel positioned adjacent to points of entry. This will identify and interdict the transportation of firearms and ammunition into Mexico along identified corridors, which will take advantage of the reduced border-search requirements for mobile-conveyance searches.



On August 4, 2005, citizens of Uruapan alerted the municipal police after witnessing a group of suspicious civilians traveling in a vehicle at excessive speed through town and brandishing firearms. After a short pursuit, the vehicle was stopped and surrounded. A subsequent search of the vehicle and its occupants led to the recovery of ten rifles, three pistols, and a large quantity of ammunition, as well as the detainment of several suspects.

Telephone analysis

FO personnel will provide Intelligence Component assets with any pertinent information regarding phone numbers recovered pursuant to these firearms-trafficking investigations. This information sharing will enable the Intelligence Components to reconcile this information against indigenous and outside agency intelligence engines leading to insights as to the identity of individuals involved within the U.S. and Mexico.

NForce/NSpect

In an April 2007 memorandum, ATF standardized the documentation process for work completed in Project Gunrunner in NForce, including Investigative Profile, Report of Investigation, and Significant Activity Report format and trace submission. In order for these systems to be used as an intelligence source, each user must receive the necessary training to identify these distinctions and judiciously annotate them when appropriate. Currently, no code in NSpect specifically identifies inspections associated with Project Gunrunner. The only Industry Operations efforts being documented toward this initiative are those inspections profiled as Pawnbroker or Pawnbroker Recall in the SWB Divisions. A specific code needs to be created similar to designation within NForce. This can be accomplished by creating an additional selection within the Profile tab under Tier Three or Tier Four drop down menus within NSpect.

Language

For personnel operating abroad to do so effectively, they must possess the ability to communicate effectively. Many of these individuals are native and/or fluent Spanish speakers. However, the cadre of these employees with these skills is limited throughout ATF, and Spanish speakers are needed elsewhere throughout the country. Language and culture training will be needed depending on individual levels of proficiency.

Explosives/Detection K9

ATF will continue to assess the need for Mexican customs and law-enforcement officials operating at the border with the United States to have canines. Entry points into Mexico from the United States that are likely to be prime trafficking venues will be prioritized for the potential receipt of canines. Six students graduated from ATF's Canine Academy in April 2007. These explosives-detection canine handlers returned to Mexico with an additional six ATF-trained canines for a total of nine canines. All of these teams are disbursed throughout Mexico and are working at various points of entry. Continuing to adhere to ATF's explosive-detection standards, these nine teams are scheduled to travel to the US in September of 2007 for re-certification at ATF's Phoenix Field Division. Negotiations are underway with NAS to fund a canine-training academy in Mexico City where ATF would provide trainers to on a rotating basis so that large numbers of quality canines and handlers can be trained to combat illicit firearms, ammunition, and explosives trafficking. In furtherance of this goal, ATF has traveled to Mexico for site surveys and recommendations for establishing and maintaining such a facility.

Forensic Training

To improve upon the number of viable traces for recovered firearms, Mexico's law enforcement must be able to provide complete information regarding these firearms despite attempts made to obliterate the identifying marks. ATF, in concert with NAS Mexico City, has provided Serial Number Restoration and Firearms Identification training to forensic lab personnel in Mexico City. This training was very timely

since there are now three Integrated Ballistic Identification System machines in Mexico (Mexico City, Guadalajara and Reynosa).

Law Enforcement Training

A concerted effort continues to be made to focus ATF's training resources toward those involved in and/or affected by SWB firearms trafficking. Externally, ATF is continually assessing the training needs of Mexico's law-enforcement agencies to improve the quality of the trace results and other evidence recovered pursuant to their increasing violent-crime rates. It is incumbent on ATF to impress upon its domestic law-enforcement partners the importance of proper firearms identification and the value of comprehensive tracing. Additionally, ATF will conduct aggressive public and industry outreach and promotional efforts regarding the existence, elements, and repercussions of firearms trafficking to Mexico. Internally, much of the ATF workforce that will conduct investigations involved in Project Gunrunner are either native or proficient Spanish speakers; however, additional language and culture training is necessary at various skill levels. For the real-time intelligence component of this initiative to be successful, ATF will standardize data entry as it pertains to Project Gunrunner designation which will lead to consistent and complete record maintenance and the ease of information retrieval.

Firearms Trafficking

ATF's Training and Professional Development Directorate (TPD) has perfected an SWB Firearms Trafficking course to enhance the attendees' knowledge and resources in combating firearms trafficking along our southern border. The course will orient the attendees with current advanced firearms-trafficking concepts, intelligence sources, schemes, patterns, and trends that are prevalent along the US-Mexico border. The objectives of the class will be to introduce appropriate methods for investigating firearms-trafficking offenses through the utilization of new and innovative techniques, as well as to expose the participants to actual case studies, projects, and operations that are relevant to SWB firearms trafficking. Additionally, the collective networking of our resources, contacts, techniques, and issues will prove to be an added benefit to those involved in combating SWB firearms trafficking. Two classes are scheduled to be delivered in August and September of 2007.

In June 2007, at the International Law Enforcement Academy San Salvador, ATF will be delivering instruction on firearms trafficking, firearms tracing, ballistics, and gangs to various law-enforcement entities from the countries of El Salvador and Mexico. This is the third such course delivered to this audience.

Further, ATF has developed a course on recognizing the characteristics of armed persons. This four-hour course, designed for State and local police officers as well as agents, provides authorities with the skills and abilities needed to recover crime guns from the street prior to their use in additional crimes of violence. The course includes detailed instructions on identifying the characteristics of persons who carry concealed firearms, the legal issues concerning stop and frisk, and articulating probable cause for searches. An emphasis will be placed upon delivering this course to law-enforcement authorities with areas of operations along the Mexican border. This training will both enhance the officers' margins of safety on the street by making them aware of when they are dealing with an armed suspect, and it will also increase the number of street-level recoveries of firearms.

With the implementation of this domestic component of ATF's strategy in DOJ's SWB Initiative, the Bureau will be able to effectively address the current narco-trafficking violence threat affecting both sides of the border.

Intelligence Component

In order for intelligence relating to this initiative to be of value, it must be “real time” in nature. To this end, each entity within the Intelligence Component must be diligent in its exercise of information flow to and from other strategic components and other domestic and Mexican counterparts.

OSII

OSII will be responsible for the oversight of the Intelligence Component of Project Gunrunner. Dedicated Project Gunrunner analysts will evaluate trace data, multiple-

purchase information, and crime-gun recovery information and will work closely with the NTC, FO, other Federal, State, and local enforcement and intelligence agencies, in an effort to identify firearms traffickers, suspect FFLs, trafficking trends, routes, methods, and means of trafficking.

OSII's responsibilities will include:

- Coordinate activities as appropriate with Enforcement Programs and Services (EPS), TPD and FO.
- Ensure that all viable firearms recovered are traced within the United States.
- Identify significant gun seizures and analyze trace results and agency reports.
- Prepare trace summaries detailing any acquisition observations, use of secondary markets, stolen-gun trafficking, and initiate referrals to the field intelligence groups.
- Utilize NTC, VCAB, RCGCs, and other federal intelligence reports (i.e., HIDTA and OCDETF interdiction reports) to identify trafficking trends and indicators of illegal activities in the U.S.
- Prepare intelligence advisories and/or information papers linking recovered firearms to criminal organizations within Mexico and other observations detailing any other unique characteristics encountered, including pertinent findings, trends, and patterns. for field and management use.
- Review criminal and general-intelligence investigations and FFL inspections for commonalities such as individuals, vehicles, locations, and telephone numbers for subsequent dissemination to the field for investigation.
- Identify facilitator and purchaser telephone numbers in the U.S. and Mexico, vet through DEA for identification purposes, case de-confliction and/ or case fusion, and disseminate the information to the Intelligence Community Representatives to ATF for identification and exploitation.
- Identify multi-agency investigations involving Project Gunrunner suspects and facilitate the potential for OCDETF investigations.
- Facilitate meetings between agency leadership representatives at predetermined intervals to address administrative and oversight issues. These meetings will include PGR officials, ATF field designees, and ATF's IAO representatives.

Project Gunrunner Coordinator

ATF has designated a Project Gunrunner Coordinator, responsible for the coordination of the agency's overall SWB Initiative efforts. This individual is assigned to OSII and stationed at EPIC.

The Project Gunrunner Coordinator will:

- Coordinate criminal intelligence and industry operations intelligence endeavors with all affected field divisions, EPS, TPD, OSII and other U.S. and Mexican law-enforcement agencies.
- Develop a unified strategy in concert with the four SWB Division SACs and MCO to affect firearms and ammunition trafficking to Mexican-based criminal organizations in both the U.S. and Mexico.
- Develop and/or disseminate real-time intelligence relating to cross-border gun trafficking.
- Develop and coordinate intelligence with OSII relating to Mexican criminal organization gun seizures and domestic Mexico-bound gun and ammunition shipments.
- Develop cross-border investigations through coordination of domestic investigations.
- Assist case agents in preparing intelligence and information-sharing packages for Mexican counterparts.
- Coordinate intelligence and information-sharing packages with the MCO.
- Prepare quarterly progress reports relating to Project Gunrunner.
- Coordinate Project Gunrunner-related training, briefings, etc.

Appendix I is OSII's Draft Strategic Assessment of the SWB Initiative. It contains additional information pertaining to OSII's responsibilities.

EPIC – Central Information Collection Point

EPIC will act as the clearinghouse for the information flow between ATF, other U.S. assets, and their Mexican counterparts (in cases involving Mexico in coordination with the MCO). All firearms and explosives seizure intelligence gleaned by all participating agencies and the GOM will be forwarded to the EPIC ATF Gun Desk, which is manned by ATF personnel, for trace referrals and analysis of the results. EPIC has historically focused on the drug and illegal-immigrant movement along the southwest border; however, considering the increasing occurrences of firearm violence associated with these two areas, assets within the EPIC infrastructure will be dedicated to Project Gunrunner areas of interest.

ATF has established a National Gun Desk in the EPIC. The Gun Desk within EPIC serves as a central repository for weapons-related intelligence. The Guns Desk compiles illicit weapons information and intelligence from Federal, State, and local law-enforcement agencies as well as foreign governments such as Mexico. CBP and ICE will share weapons seizure data with the EPIC ATF Gun Desk. Weapons seizure information will be appropriately de-conflicted and coordinated among participating agencies. The sharing of weapons seizure information with the EPIC ATF Gun Desk will be complemented by tactical information sharing within regional investigative task forces.

Project Gunrunner will incorporate ATF, ICE, CBP, and other participating agencies into joint initiatives based upon expanded information sharing and coordinated operations. By September 1, 2007, ICE principal field officers should have coordinated with their CBP and ATF counterparts to implement regional initiatives and intelligence sharing/de-confliction to counter outbound-weapons smuggling to Mexico.

A thorough analysis of the collected data on weapons seized at the border and in Mexico will: 1) establish sales/purchase patterns, 2) identify areas in Mexico that have a high concentration of seized firearms, and 3) identify and target persons and/or businesses that are involved in the selling/purchasing of weapons smuggled into Mexico.

ATF will work in concert with other agencies assigned to EPIC. ATF has sole regulatory authority of FFLs and Federal Explosives Licensees and the only NTC for tracing firearms as well as the US Bomb Data Center for tracing explosives. All SWB firearms investigations will be de-conflicted and intelligence will be shared through the EPIC ATF Gun Desk.

Violent Crime Analysis

The principal objective of ATF's illegal firearms-trafficking enforcement actions is to deny criminals access to firearms and reduce the number of firearms-related violent crimes. Periodic analyses of successfully traced U.S.-sourced crime guns recovered in Mexico will be used to identify both trafficking trends and specific straw purchasers.

ATF will provide detailed analyses of this data in order to identify various indicators of suspected illegal activities, such as U.S. firearms dealers with a disproportionate number of firearms recovered in Mexico, two or more firearms recovered in Mexico traced back to the same individual, persons making multiple purchases of firearms with one or more of the firearms subsequently being recovered in Mexico, or multiple individuals purchasing a single type of gun on the same day from the same FFL with these firearms eventually being recovered in Mexico. These analyses, coupled with other intelligence, will be used to target firearms and ammunition traffickers who are illegally providing firearms to criminals in at least the States of Texas, Arizona, New Mexico, southern California, and Mexico.

Field Intelligence Groups

The SAC of each border field division will dedicate an additional IRS to Project Gunrunner, with each division providing supervision of those IRS's dedicated to the project. A schedule of meetings and information sharing sessions will be coordinated with their Mexican counterparts as well as the other border field division POCs, the Project Gunrunner Coordinator, and applicable MCO personnel.

Field Intelligence Group (FIG) responsibilities will include:

- Act as the conduit for information requests from Mexico to EPIC or other OSII entities.
- Coordinate the appropriate response to significant violent crime-related firearm seizures by Mexican law enforcement in order to enhance and expedite the intelligence gained from these events.

- Prepare referrals summarizing the OSII analytical findings identifying the potential links to Mexico-based criminal organizations and the recovery incident.
- Develop background packages on purchasers and/or FFLs identified through trace results to include pertinent contact information and any other relevant intelligence that can be developed, including information contained in TECS, Online LEAD, and from local law-enforcement intelligence units.
- Refer to the appropriate Field Office/Group and ensure any results are correctly documented within NForce.
- Utilize PeN-LINK to store and analyze telephone data from Project Gunrunner and Violent Crime Impact Team/Project Safe Neighborhood suspects from the four border divisions for analyses by OSII.

Performance Measures

Several areas within the Project Gunrunner lend themselves to insights as to its effectiveness. In order to monitor the productivity of the efforts committed to this initiative and to assign or re-adjust resources appropriately, the following areas have been identified:

Trace Component

- Number of traces submitted, manual vs. eTrace. (NTC)
- Percentage of completed traces, manual vs. eTrace. (NTC)

Intelligence Component

- Number of viable/valid referrals sent to enforcement agencies. (OSII/FIGs)
- Number (%) of response/reciprocal referrals. (OSII)

Industry Component:

- Number of illicit sources (licensee/individual) identified. (NSpect)
- Number of inspections completed within target areas/corridors. (NSpect)

Enforcement Component:

- Defendant/Investigative Analysis information (NForce)
- Seizure information (NForce)
- Seizure/arrest rates pursuant to Gun Show and Highway Interdiction efforts (NForce/EPIC)

Training Component

- Number of individuals trained. (TPD)
- Number and variety of training iterations completed. (TPD)

Overall Measures (Within Mexico and U.S. Border areas)

- Change in firearm-related violent crime. (MCO/FBI-UCR)

- Number of firearm recoveries. (NForce/MCO)
- Change in firearm and controlled substance prices. (EPIC/DEA)

Needs Assessment

General Needs Assessment

Short Term

- Spanish version of eTrace and associated Firearms Tracing System modifications.
- Expanded hours for contract analysts supporting border field divisions.

Long Term

- Four firearms tracing specialists stationed at the NTC to support additional SWB trace requests.

Field Operations Needs Assessment

In order for ATF to successfully accomplish a reduction in firearms trafficking and related violent crime in the SWB region and Mexico, additional assets must be committed to this initiative. These can be categorized as short and long-term needs, respectively.

Short Term

- Diplomatic credentialing for those personnel operating within Mexico including passports.
- Obtain funding for travel/training.
- Reproduction of the eTrace website and ATF publications in Spanish.
- Public Service Announcements.
- (b) (7)(E)
- (b) (7)(E)
- Obtain SCI clearance for select special agents assigned to the Project Gunrunner to provide access to valuable classified information.

Long Term

ATF criminal and industry operations offices are understaffed in the border cities where the majority of DTO-related crime occurs.

- The Dallas Field Division is understaffed with agents and inspectors. The target city of El Paso is understaffed with agents and has (b) (7)(E) inspectors at the Industry Operations (IO) satellite office.
- The Houston Field Division is understaffed with agents and inspectors. The target city of McAllen is understaffed with agents and has (b) (7)(E) inspectors at the IO satellite office. The satellite office of Laredo has (b) (7)(E) agents and no inspectors. Brownsville is established but is not staffed.
- The Phoenix Field Division is understaffed with agents and inspectors. The target city of Tucson has 2 enforcement offices and is understaffed with agents and inspectors. The IO satellite office has (b) (7)(E) inspectors.

- Los Angeles Field Division is understaffed with agents and inspectors. The target city of San Diego has two enforcement offices which are fully staffed. The Industry Operations field office is understaffed.

Below are the additional staffing needs to achieve the ideal staffing levels to conduct the Project Gunrunner successfully:

LOCATION	OFFICE	SA	IOI	IRS	IA	PSA	ATTY	FSN
HQ	EPIC	(b) (7)(E)						
	VCAB	(b) (7)(E)						
	OSII	(b) (7)(E)						
	CHIEF COUNSEL	(b) (7)(E)						
	COORDINATOR	(b) (7)(E)						
FIELD DIVISION	CHULA VISTA*	(b) (7)(E)						
	EL CENTRO*	(b) (7)(E)						
	TUSCON I	(b) (7)(E)						
	SIERRA VISTA*	(b) (7)(E)						
	TUSCON II	(b) (7)(E)						
	YUMA*	(b) (7)(E)						
	LAREDO	(b) (7)(E)						
	MCALLEN	(b) (7)(E)						
	BROWNSVILLE*	(b) (7)(E)						
	LAS CRUCES	(b) (7)(E)						
	EL PASO	(b) (7)(E)						
	DEL RIO*	(b) (7)(E)						
	ROSWELL*	(b) (7)(E)						
	MIDLAND/ODESSA*	(b) (7)(E)						
	FUSION CENTERS*	(b) (7)(E)						
INTERNATIONAL (TO BEGIN AS TDY)	EPS - MEXICO	(b) (7)(E)						
	MEXICO CITY	(b) (7)(E)						
	MONTERREY*	(b) (7)(E)						
	HERMOSILLO*	(b) (7)(E)						
	GUADALAJARA*	(b) (7)(E)						
	TIJUANA*	(b) (7)(E)						
	MAZATLAN*	(b) (7)(E)						
	TOTAL	56	9	17	4	1	2	7

*NEW OFFICES

Conclusion

ATF's SWB Strategy, with its international and domestic components, expects to make a significant contribution to DOJ's department-wide SWB (Narco-Violence) Initiative. This focused approach will ensure that a significant impact is made on the violence affecting communities in the affected region.

Appendix A



Department of Justice

FOR IMMEDIATE RELEASE
 THURSDAY, OCTOBER 13, 2005
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AG
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 (202) 514-2008

FACT SHEET

ATTORNEY GENERAL OF MEXICO DANIEL CABEZA DE VACA ANNOUNCE INITIATIVES TO COMBAT NARCOTICS-RELATED VIOLENCE ON THE BORDER

The U.S. and Mexican Attorneys General along with officials from the Offices of the Attorneys General of the State of Texas and the State of Tamaulipas in Mexico met in San Antonio today to discuss mutual concerns and to review a series of law enforcement initiatives to strengthen our coordinated attack on the narco-violence plaguing the communities on both sides of the border.

Today's high-level meeting followed a meeting in Houston on September 13, 2005 of more than 100 federal law enforcement and criminal justice representatives of the United States and Mexico and their state counterparts from Texas and Tamaulipas to focus their attention, experience, and skills on developing initiatives and additional efforts to confront the increased violence attributed to narcotics trafficking in the border area. The meeting resulted in concrete recommendations for action and provided an opportunity for all to meet personally with counterparts across jurisdictions and across the border who are working against the troubling increase in narco-violence in the Southwest Border region.

The recommended and agreed-upon bilateral initiatives, some of which Attorney General Alberto R. Gonzales and Attorney General of Mexico Daniel Cabeza de Vaca highlighted at a joint press conference in San Antonio, Texas, today are as follows:

TACTICAL LAW ENFORCEMENT EFFORTS

- The U.S. and Mexican federal and state criminal justice authorities have committed to coordinate law enforcement efforts, using all available legal authorities, to counter and quell the extreme narco-violence in the border area and to disrupt the flow of illicit proceeds that fuel that violence.

Information and Intelligence Sharing

- The United States and Mexico will improve the coordination and timeliness of law enforcement information sharing between and among the appropriate U.S.-Mexican *federal and state* authorities and agencies on both sides of the border relating to narco-violence forces, forensics, prison security, victim/witness security, cross-border currency flows, and firearms trafficking.
- As an example, the United States and Mexico will establish points of contact and a regular course of meetings to improve and expedite information sharing opportunities that will specifically enhance both sides' knowledge and capabilities to combat cross-border firearms trafficking.

- The United States and Mexico will place *special emphasis* on the coordinated and prompt exchange of information about relevant events that occur on our respective sides of the border that may impact the other country so that both may effectively determine and initiate any necessary country-specific or coordinated law enforcement response.

Training and Technical Assistance

- The United States will provide Mexico with training and technical assistance in an array of criminal investigative areas, to include:

Port of Entry Security: the United States will offer training for Mexican custom officials (vetted units) on the utilization of truck portal x-ray machines (previously provided by the USG) at strategically located ports of entry within Mexico

Forensics: the FBI will detail for the Government of Mexico (GOM) how they might best submit evidence to the United States for advanced forensic examination and analysis, explore opportunities to transfer U.S. lab equipment to the GOM (and provide necessary training on the equipment) to assist Mexican forensic personnel in advancing their forensics capability, share forensics protocols to ensure full compatibility with international evidentiary databases (e.g., DNA databases), and consider mechanisms to permit the rapid exchange of forensic results; and

Prison Security: the U.S. Bureau of Prisons will provide information to the federal prison facilities in Mexico on electronic devices and equipment used in the U.S. federal prisons to deter and detect the introduction of contraband into the prison system.

- In addition, recognizing the devastating impact of this continued violence on those in the communities on both sides of the border and on our separate and coordinated efforts to bring to justice those that perpetuate this violence, the United States and Mexico will work together to ensure prompt responses to threats against officials, victims, and witnesses by the violent criminal organizations operating in the border areas in order to ensure their safety and availability. To that end, the United States will share its experiences as well as offer training and technical assistance to Mexico on Victim/Witness Security Programs, a Crime Victim Fund, and a coordinated U.S. - Mexican Rewards Program.
- The United States will also explore opportunities to provide and expand training and technical assistance and equipment to enhance Mexico's capabilities in post-blast investigations, crime scene preservation, security-conscious investigative practices, and firearms and explosives detection at the border (including the use of weapons detection canines).

Additional Bilateral Cooperative Measures

- Finally, State officials will continue their law enforcement cooperation, support, and discussions on the effective and coordinated use of task forces in both countries. The federal components of both the U.S. and Mexican governments will continue to meet on a regular basis in the U.S.-Mexican Senior Law Enforcement Plenary in an ongoing effort to coordinate initiatives and overcome obstacles to progress in all phases of the work against international criminal organizations.
- The United States and Mexico will explore opportunities for bilateral conferences of judicial branch members.

Appendix B



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Office of the Director

MAR 6 2007

Washington, DC 20226

MEMORANDUM FOR THE ATTORNEY GENERAL

THROUGH THE DEPUTY ATTORNEY GENERAL

FROM: Michael J. Sullivan
Acting Director 
Bureau of Alcohol, Tobacco, Firearms and Explosives

SUBJECT: Visit to Mexico City

At your request, I visited Mexico City from February 13-15, 2007, to meet with senior law enforcement officials and Ambassador Garza to discuss ways ATF can work cooperatively with our Mexican counterparts on the issue of gun trafficking. The meetings were substantive, informative, and productive. This memo provides a brief overview of the meetings and outlines the efforts ATF intends to pursue over the next several months to reduce the flow of illegal guns from the United States to Mexico.

MEETINGS WITH SENIOR MEXICAN LAW ENFORCEMENT

On the morning of February 14, 2007, ATF met with Secretary of Public Safety Genaro Garcia Luna and his senior officers at SSP headquarters. In the afternoon, we met with Attorney General Eduardo Medina Mora and several of his senior advisors. In both meetings, we discussed the new Administration's efforts to consolidate and modernize their federal law enforcement agencies, and ways to better cooperate on gun trafficking matters.

According to Garcia Luna, he is working to modernize and merge Mexico's federal police agencies: AFI, PFP, Customs and Immigration. The new agency will be called the CFP (Cuerpo Federal Policiaco).

Garcia Luna noted that Mexico is tremendously concerned about increasing numbers of more powerful firearms, ammunition, and other items trafficked from the United States into Mexico. According to Luna, Mexico has recovered 40mm grenades, M-203 grenade launchers, AR-15's, M-16s, and AK-type weapons at crime scenes and from associates of narco-traffickers throughout the country. According to the GOM, most individuals arrested in Mexico in possession of these weapons state that the firearms and explosives were obtained in the United States.

Memorandum for the Attorney General
Subject: Visit to Mexico City

Page 2

Attorney General Medina Mora discussed many of the same cases and seizures as Garcia Luna, and presented ATF with a paper outlining Mexico's concerns along with a series of proposals to solve the gun trafficking problem. We have attached a translated version of that paper for your review.

ATF provided an overview of our current activities and assistance in Mexico, and we had an open and frank discussion about United States firearms laws, limitations on information collection, enhanced sharing of firearms trace data, and the obstacles to cooperation we observed with the previous administration. In particular, we discussed the fact that the number of gun trace requests from Mexico has declined substantially in recent years and that this information is valuable to ATF in identifying Federal firearms licensees (FFL) responsible for gun trafficking into Mexico, potential straw purchasers, as well as gun trafficking organizations and routes. Both Medina Mora and Garcia Luna acknowledged that they are working to solve bureaucratic problems (largely involving the Mexican military's involvement in firearms seizures) associated with trace requests, and that they anticipated that the number of trace requests would increase under the new Administration.

We closed both meetings by outlining a series of steps ATF will take to further cooperation and strengthen our partnership to better reduce firearms trafficking in Mexico. Those steps are detailed in the latter half of this memo.

To summarize, Mexico's primary requests were as follows:

- Increase the timing and quality of information sharing, including firearms trace data, evidence of trafficking organizations and routes, and information on Mexican nationals who purchase firearms in the United States;

Assist Mexico in upgrading its technological capacity to better prevent, detect, and deter firearms and explosives trafficking; and

Establish a permanent liaison program to exchange information in real time.

ATF COMMITMENT TO REDUCE FIREARMS TRAFFICKING IN MEXICO

ATF remains firmly committed to assisting Mexico in reducing firearms trafficking from the United States. To that end, ATF offered the following assistance to Medina Mora and Garcia Luna in this area:

- ATF will immediately detail two additional Special Agents to Monterrey, Mexico to provide firearms training (basic firearms examinations and use of eTrace) and assist with on-going firearms trafficking investigations.

Memorandum for the Attorney General
Subject: Visit to Mexico City

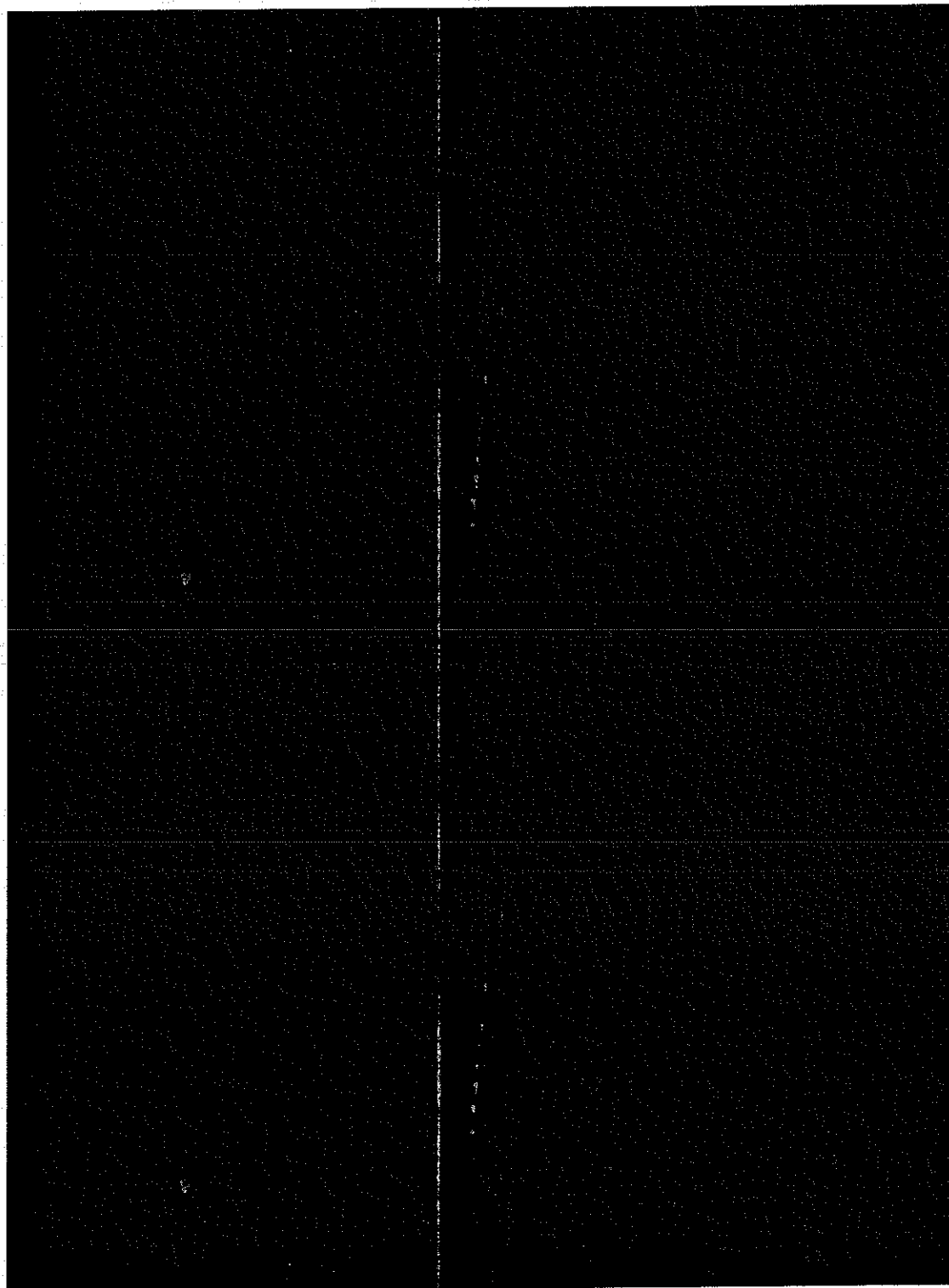
Page 3

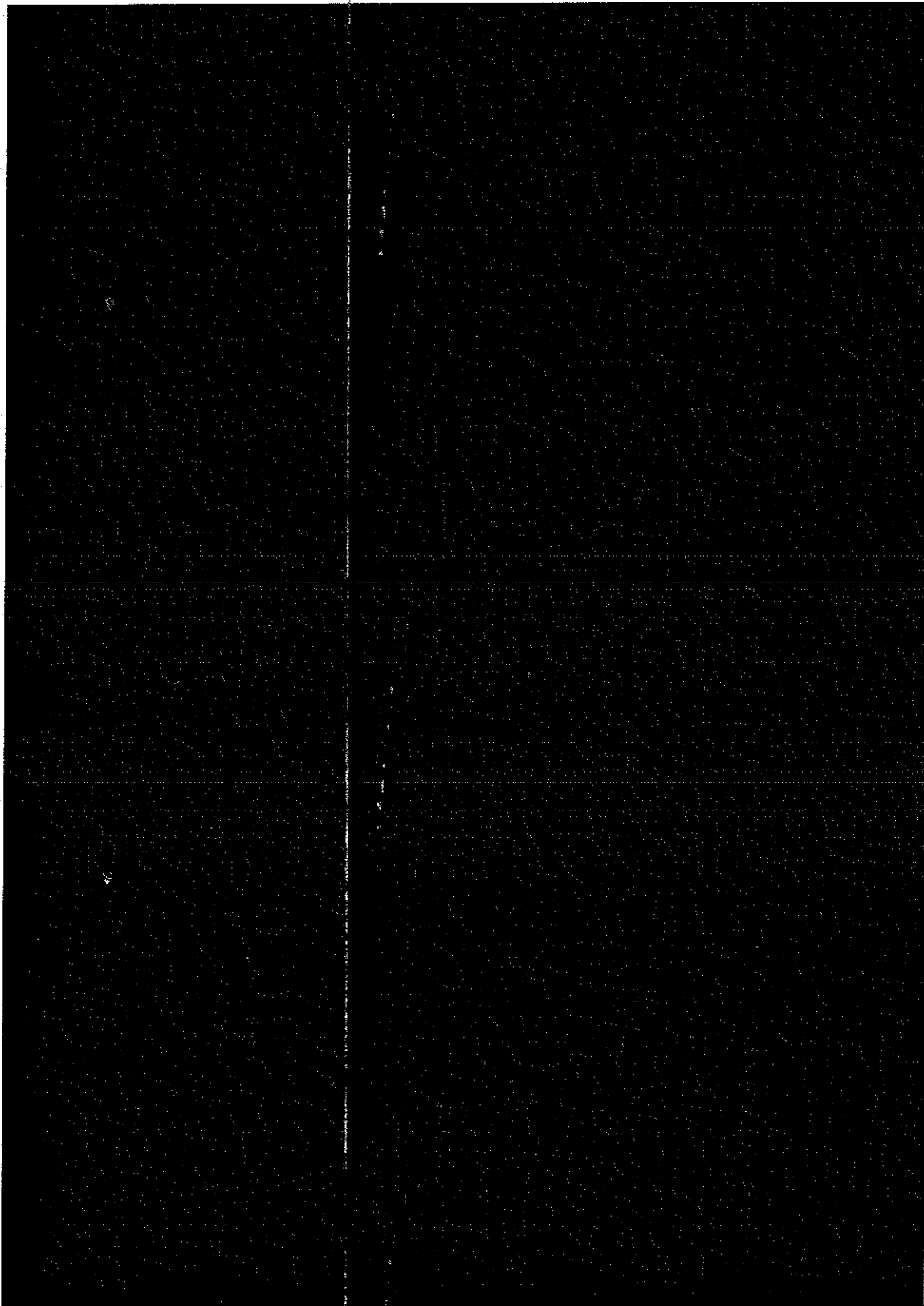
- ATF will implement eTrace in all 31 states in Mexico to decentralize firearms tracing requests. The system will allow each state to obtain trace data from firearms recovered within their geographic jurisdiction and provide all trace data to the Attorney General's office. ATF also intends to implement eTrace at the nine U.S. Consulates in Mexico for use by U.S. law enforcement personnel pursuant to a developing Memorandum of Understanding (MOU) with the Department of State.
- ATF will send a team of experts to Mexico City to assess Mexico's K-9 training facility, and is working with the State Department's Narcotics Affairs Section to secure \$1.2 million to upgrade the facility and provide enhanced explosives and firearms detection training. ATF also will send forensics personnel from our national laboratory (OST) to meet with Mexican PGR laboratory personnel to assess their capacity and recommend procedures and technology to improve their forensics capabilities, including firearms serial number restoration.
- ATF southwest border special-agents-in-charge are meeting this week in Dallas to discuss ways to better cooperate and share information with Mexican federal law enforcement officials in on-going firearms trafficking cases, and to centralize ATF's enforcement efforts along the border. ATF-designated border liaisons will contact their Mexican counterparts as designated by the Mexican Attorney General to discuss cooperative efforts.
- ATF will designate at least two regional counsels to be available to meet with attorneys from the Attorney General's Office to share information on each country's firearms laws, and to seek innovative solutions on information sharing that respect each country's sovereignty and need to comply with our respective Constitutions and statutes.

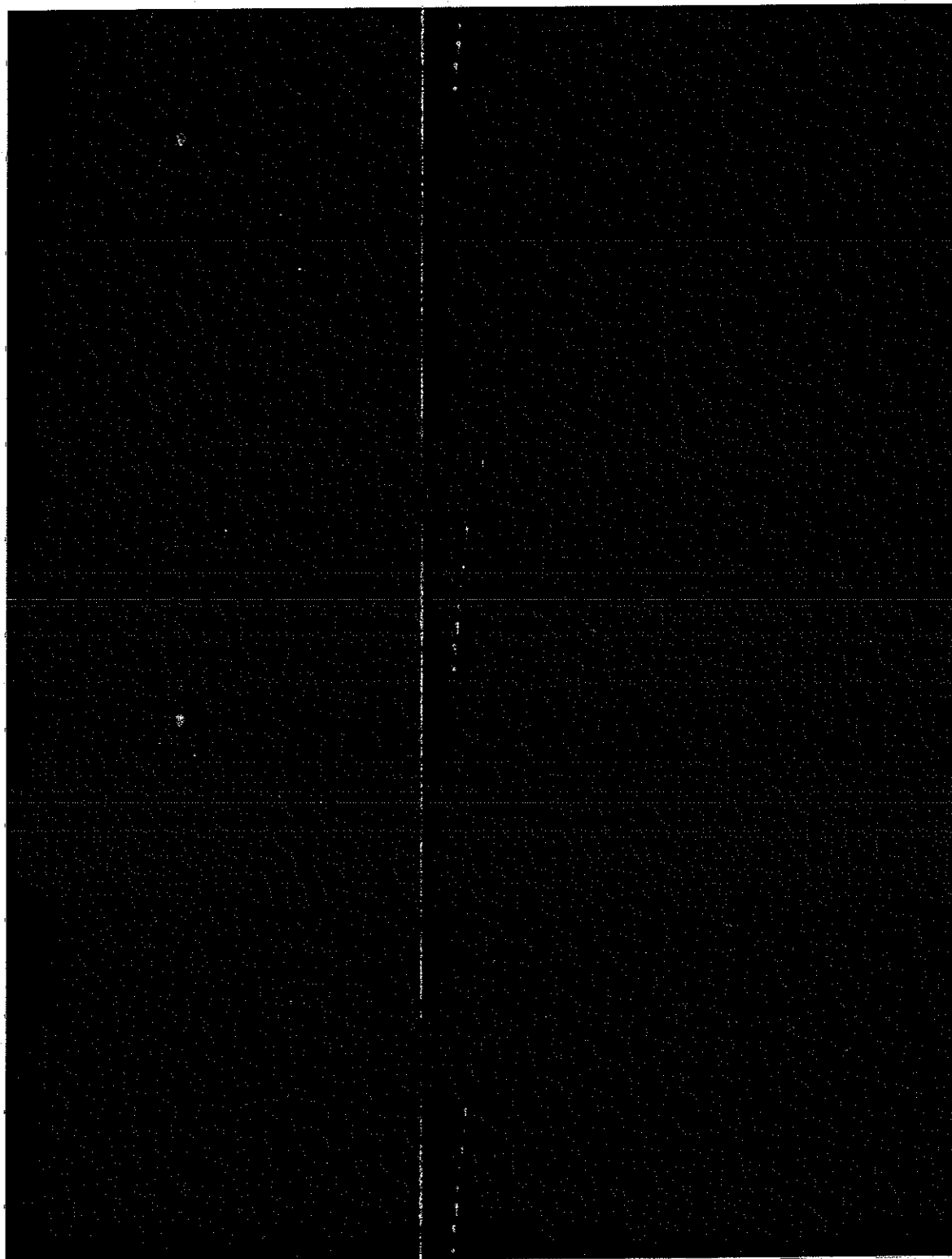
CONCLUSION

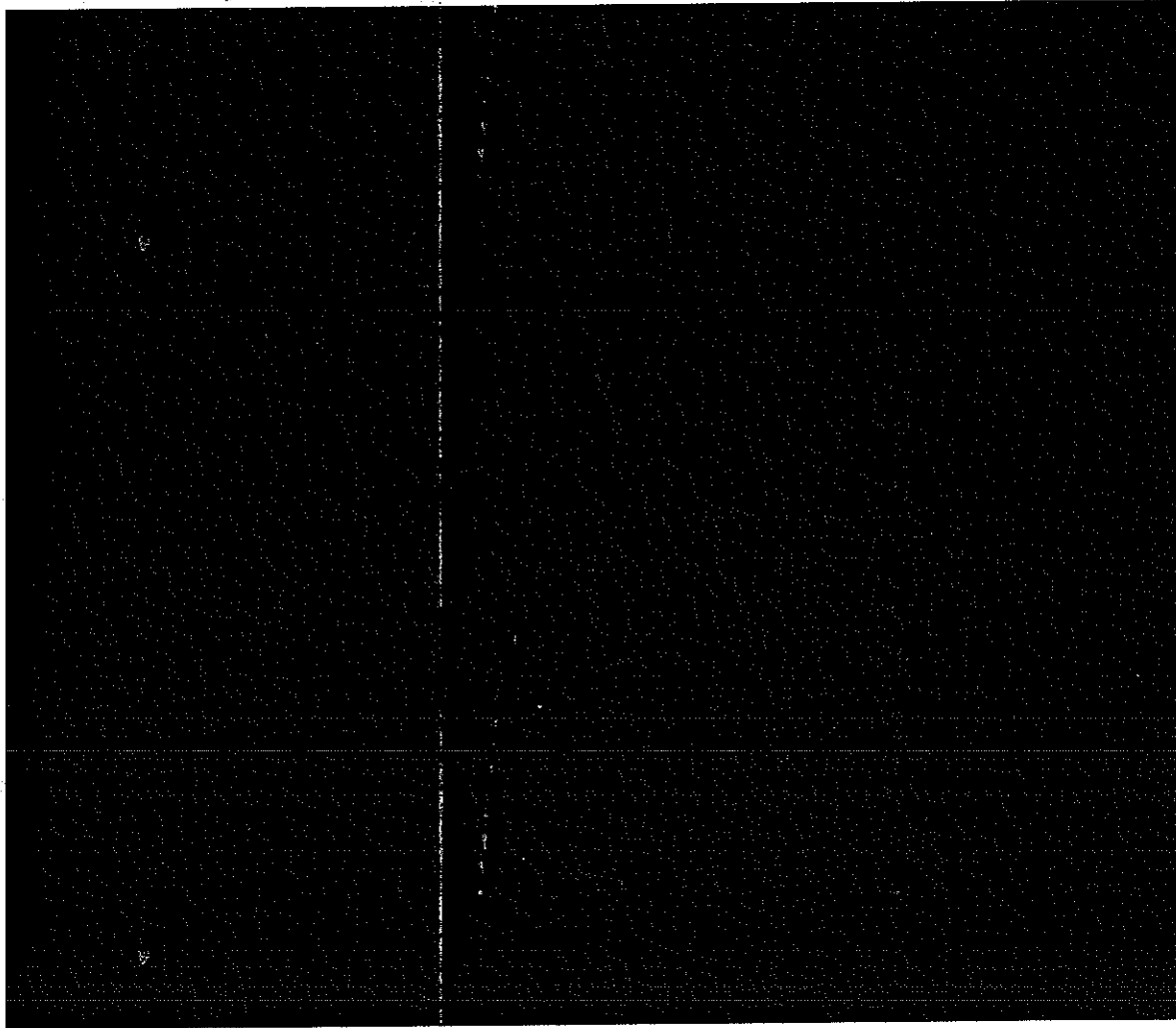
ATF stands committed to assisting the Department and the Government of Mexico in efforts to reduce firearms trafficking and gun violence in Mexico. Please let me know if you or your staff would like further information about any of the matters contained in this memorandum.

Attachment









Appendix C

United States - Mexico Binational Commission (BNC) Working Group on Law Enforcement and Counter-Narcotics Matters

Background

The Law Enforcement and Counter-Narcotics Working Group has been meeting since the inception of the Binational Commission (BNC). The Group, chaired by the Attorneys General, includes senior representatives of all major law enforcement entities in Mexico and the United States who meet each year in the BNC setting to discuss and resolve policy issues, and to promote continued and improved bilateral cooperation in fighting crime and ensuring the security of the citizens, communities, and institutions of both countries.

Without question, this bilateral cooperation has taken on increased importance in the light of each country's persistent efforts to fight against terrorism financed through narco-trafficking and other illegal means. The BNC Group also receives the report and monitors the ongoing practical efforts of the Senior Law Enforcement Plenary (SLEP), which serves as the primary coordinating mechanism for our bilateral law enforcement cooperation. At each SLEP session, especially at the session held in Washington, D.C., April 7/8, 2005, SLEP's sub-working groups showed much greater progress in their bilateral efforts, and a higher level of mutual confidence. The level of cooperation demonstrated sets a higher standard for the future with respect to effective and cooperative law enforcement efforts.

ATF Training to Mexican Government (April - September 2005)

April 26-29, 2005:

ATF, through its Mexico City Office (MCO), provided Basic Firearms and Explosives Identification training to 205 local, State, and Federal officials from the State of Morelos. The opening and closing ceremonies included high-level Morelos government officials, and State and Federal agents. The training was very well received and will be used as a model for future academy training.

May 19, 2005:

ATF sponsored training for 10 Attorneys General of the Republic (PGR), Federal Public Ministry (prosecutor) agents in Mexico City, Mexico. Two PGR laboratory technicians also attended the training. The training was on Basic Firearms and Explosives Identification and the instructors consisted of personnel from ATF's Explosives Technology Branch (ETB), Crime Gun Analysis Branch (CGAB), and Firearms Technology Branch (FTB). Towards the end of the training session, Agencia Federal de Investigacion/Federal Agency of Investigation (AFI) agents brought in several recently seized firearms and requested ATF assistance in properly identifying them.

June 29, 2005:

ATF coordinated for ATF/El Paso, Texas, to present two, 4-hour sessions of Basic Explosives Identification training to a total of 200 Mexican law enforcement officers, including the Mexican Attorney General's Office, Federal Secretariat of Public Safety, Highway and Airport Police, Mexican Customs, Special Operations, Mexican Military, and the National Central Intelligence and Security Agency. This provided ATF MCO an opportunity to meet and establish information sharing contacts with Mexican Federal, State, and local law enforcement officials.

Pending ATF Training to Mexican Government

1. ATF has completed final preparations at the PGR forensics laboratory for the 2nd Annual Ballistics Seminar scheduled for October 24-28, 2005. An ATF toolmark examiner recently conducted an assessment of the PGR forensics lab in September 2005, and determined that the PGR lab met the requirements to proceed with the training seminar. ATF forensics personnel will serve as instructors to 30 PGR laboratory technicians.
2. The Federal Investigative Agency (AFI) requested several explosives-related training courses. AFI is interested in International Post-Blast Investigation, Render Safe, and training on the Handling and Transporting of Pyrotechnics. They have also requested training in canine operations.

Appendix D



**BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
NATIONAL TRACING CENTER DIVISION**



**LAW ENFORCEMENT INTRODUCTION TO THE
eTRACE INTERNET BASED FIREARM TRACING APPLICATION**

Chief LE Official: _____

Agency Name: _____

Initial Contact Date: _____

Agency Address: _____

ATF Field Division Point of Contact: _____

Phone: _____

Introduction to eTrace

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) would like to extend its on-going commitment to the law enforcement community by providing participating agencies with a paperless firearm trace submission system that is readily accessible through a connection to the worldwide web (Internet). This system, known as eTrace, provides the necessary utilities for submitting, retrieving, storing and querying all firearms trace related information relative to your agency. The newly developed eTrace application not only provides your agency with the ability to electronically submit firearm trace requests, but also to monitor progress of traces and efficiently retrieve completed trace results in a real-time environment. Additionally, eTrace provides an invaluable new feature that will provide your agency immediate access to a user friendly and searchable online database comprised of all trace requests submitted by your agency. This tool will provide your agency with the ability to perform detailed search functions and customized analysis relative to your jurisdiction.

In recent years, ATF has made a concerted effort to leverage existing information technology to better assist law enforcement agencies in the investigation of illicit firearms trafficking as well as the interdiction of firearm sources to juveniles, youth offenders and other prohibited persons. The eTrace application is the newest tool available to the law enforcement community in a growing investigative arsenal. This correspondence is intended to provide an executive level overview of the eTrace application, to include: availability, functionality, benefits, and the steps required to gain access.

What is firearm tracing?

Firearm tracing is the systematic process of tracking a recovered crime guns chain of custody from its source (manufacturer/importer) through the chain of distribution (wholesaler/retailer) to the individual who was the first retail purchaser of the firearm, or to a point where all other possibilities of identifying the original purchaser have been thoroughly exhausted. The ATF National Tracing Center processes approximately 250,000 firearm trace requests for both foreign and domestic law enforcement agencies annually. Comprehensive firearms tracing by jurisdiction or community, involves the tracing of all recovered crime guns within a particular geographic area (e.g., city, county, metropolitan area, or State). Information

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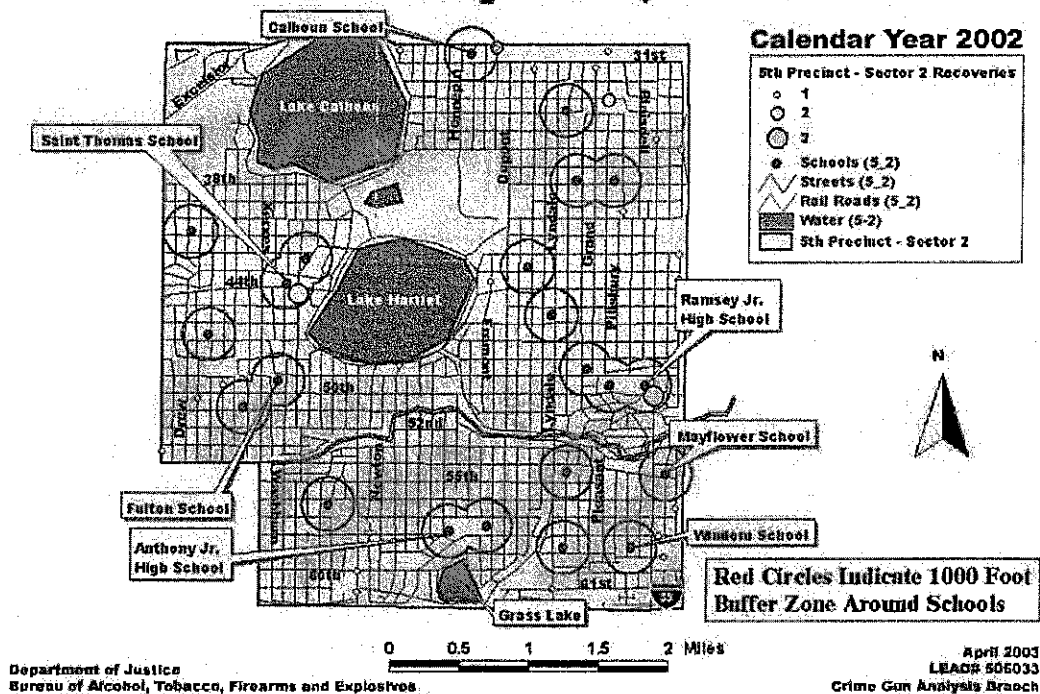
1

obtained through the tracing process is utilized to solve and/or enhance individual cases and to maximize investigative lead development through eTrace. For example, the analysis of trace related data might reveal that a particular individual has repeatedly purchased firearms that were later recovered from crimes within your community.

Law Enforcement agencies that make a commitment to comprehensive firearms tracing through ATF will be provided with an information platform for developing the best local investigative strategies for their community in the reduction of firearm related crime and violence. The term "comprehensive firearms tracing" refers both to the quantity and quality of firearm traces submitted. For an agency to succeed in producing meaningful analysis of its firearm tracing information, the relative data must be as complete and accurate as possible. Therefore, true comprehensive firearms tracing occurs when an agency traces all of its recovered crime guns and provides all available information detailing the circumstances of each recovery. The relevant information refers to not just the proper identification of the firearm, but also includes specific details regarding the firearms' possessor, associates, location of recovery, and associated crime.

*Below is a sample of a typical map that can be generated as a result of your comprehensive firearm tracing effort:

Crime Gun Recovery Locations Anytown, USA



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What functionality is available via eTrace and what benefits will it provide to your agency?

eTrace is an Internet based firearm trace submission system and trace analysis module available to the entire law enforcement community. The focus of the e-Trace application is to enhance current trace protocols to efficiently function in a web-based environment and provide for the secure exchange of firearm trace related information between the user community and the ATF, National Tracing Center. The eTrace application allows participating law enforcement agencies to both submit firearm traces to the National Tracing Center and to electronically receive firearm trace results in a real-time environment.

eTrace also affords law enforcement agencies direct access to a historical database of firearm trace related data comprised of all requests initiated by a particular agency. More importantly, eTrace provides the ability to perform analysis of your agencies trace related data through a broad search utility. A search for traces can be initiated on virtually any data field captured or combination thereof, to include: individual names, recovery location address, type of crime, date of recovery, etc. eTrace also provides users with the ability to generate analytical reports regarding the number of traces submitted over time, the top firearms traced, time-to-crime rates, age of possessors and more. To access and utilize the e-Trace application, the only infrastructure an agency needs is a personal computer and access to the World Wide Web, thus empowering even the smallest of agencies to comprehensively trace their firearms and perform on-line data analysis.

Benefits of utilizing eTrace to facilitate the firearms tracing process include the following:

1. The ability to identify investigative lead information relative to your trace request,
2. A significant decrease in the turnaround time required to process a trace request,
3. An increase in the overall number of crime guns traced by providing a user friendly interface for entering trace data,
4. Improved data quality of trace related information by providing real time data validation,
5. The ability to monitor the status of traces,
6. The ability to view/print/download completed trace results (All print functions are formatted for standard 8 ½ x 11" paper),
7. The ability of the users to perform on-line analytical research relative to your jurisdiction.

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What functions are available through the eTrace application?

High-level functionality available through the eTrace application includes the following capabilities:

- Enter, validate and submit comprehensive firearm trace request data
- View a summary listing of recently submitted traces
- View the status of a trace (In Progress, Completed, Delayed)
- View, Print, and Download detailed trace request and trace result information
- Perform a "Quick-Search" or a detailed multi-layer search for traces
- Submit Urgent Trace Requests for processing
- Update a trace (user may only update a trace for which they were the original submitter)
- Re-Open a trace based upon the provision of previously missing or invalid data
- Online Help & Frequently Asked Questions bulletin board
- Access to the Firearms Identification Guide (FIG)
- Generate analytical reports (i.e.- number of traces, top firearms traced, time-to-prime rates, age of possessors, etc...)

Additional information relative to each of the above listed functions is detailed in the eTrace Users Manual and within the online help utility found on the eTrace website.

How can a Law Enforcement agency gain access to eTrace?

The eTrace application was developed and is administered by the ATF National Tracing Center Division. However, access to eTrace is being coordinated through the various ATF Field Divisions located throughout the United States. Receipt of this information packet is the first step towards obtaining system access. To gain access to eTrace, the chief of police (or equivalent) must complete and return the attached Memorandum of Understanding (MOU). This MOU will establish an interagency agreement governing the access and utilization of eTrace. In addition, the MOU will designate a primary and alternate point of contact within your agency. The appointed individual(s) will be responsible for providing and maintaining a list of personnel within your department that require access to eTrace.

The MOU will provide a section in which the designated POC must identify all personnel within your organization that you would like to be granted an eTrace account. This list must include the employees' name, title, unit and phone number. The designated POC will also be responsible for contacting the National Tracing Center in the event that an individual's access needs to be suspended or cancelled for any number of reasons, to include: employee transfer, retirement, or release from employment. Please keep in mind that once an account has been issued, failure to access the application for a period of 90 days or more will result in the account being locked out. Therefore, your agency should be somewhat judicious in choosing the individuals whom you would like to grant access to eTrace.

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After the attached MOU has been completed and signed by both the local ATF Field Division representative and the chief of your law enforcement agency the original copy should be mailed to the ATF National Tracing Center at the following address:

Bureau of Alcohol, Tobacco, Firearms & Explosives
National Tracing Center Division
Law Enforcement Support Branch
244 Needy Road
Martinsburg, WV 25401
Attn: eTrace Customer Service Group

Upon receipt, a representative from the National Tracing Center will initiate a phone call to the designated point of contact within your organization and provide detailed instructions on the process of requesting and receiving an eTrace user account (user id. and password). Once the user account is created, each user will be individually contacted and provided with their user account information. At that point, the users will be able to access the eTrace application through an Internet connection and immediately begin to take advantage of this real-time firearm trace submission and trace data analysis system.

(A sample of the eTrace "My Trace Requests" screen is included on the next page)

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5

ATF
Bureau of Alcohol, Tobacco, Firearms and Explosives
U.S. Department of Justice

eTrace

- Home
- My Trace Requests
- Create a Trace Request
- Search for Trace Requests
- Generate Statistical Reports
- My Profile & Preferences
- Contact Us
- Log Off

Welcome, JANE SMITH, to the ATF Electronic Tracing System. With this tool, you can view status of traces you've submitted previously via eTrace or you can create and submit new traces.

- [eTrace Tips](#)
- [Firearms Identification Guide \(PDF\)](#)
- [Batch Upload](#)
- [User Guide \(PDF\)](#)
- [Frequently Asked Questions](#)
- [Change Password](#)

My Trace Requests

Trace Requests submitted by THE ATF via eTrace within the last 30 days:
(Use "Search for Traces Requests" for over 30 days or requests by other users in your agency)

Trace ID	Mfr	Type	Ctr	Serial #	Poss/Assn	Case #	Status
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							
(b) (3) (P.L. 111-117)							

1 to 28 of 500 (Total Matching Records: 500) | Next >

Quick Search by:

[Quick search only returns traces requested by THE ATF. Use "Search for Traces Requests" to find traces submitted by other users.]

Status Description:
Trace was completed successfully.
Trace was completed unsuccessfully but may be reopened if corrected or additional information is supplied.

If you have difficulty accessing any information on this site due to a disability, please contact us via email feedback@atf.gov and we will do our best to make the information available to you.

This site is best viewed at 800x600 screen resolution or higher using Internet Explorer 5.0 or higher and the Flash Player plug-in.

NOTIFICATION: Users may experience compatibility problems when attempting to view PDF files using Internet Explorer browser version 5 and above and Adobe Acrobat Reader v2.0. If problems occur, consider the following options: Right-click on PDF link and save to local drive; use an earlier version of Adobe Acrobat Reader; use an earlier version of Internet Explorer; use Netscape Navigator browser; or convert PDF to text using [ATF's PDF Extraction Service](#).

You have entered an Official United States Government System, which may be used only for authorized purposes. The government may monitor and audit usage of this system, and all persons are hereby advised that use of this system constitutes consent for such monitoring and auditing. Unauthorized attempts to obtain information and/or change information on this web site are strictly prohibited and are subject to prosecution under the Computer Fraud and Abuse Act of 1986 and Title 18 U.S.C. Sec. 1001 and 1030.

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Appendix E

Recent Adjudicated International Firearms Trafficking Investigations Involving Mexico

CASE/INSPECTION TITLE: CABRERA, Juan V.

SYNOPSIS OF INVESTIGATION: On December 6, 2004, Juan CABRERA, a Mexican national and U.S. resident Alien, purchased 70 cases of small arms ammunition from several McAllen area gun stores. CABRERA possessed an out of state identification and the rental truck he was driving was followed by ATF agents to a warehouse in Mercedes, TX where he unloaded the rental truck and left. On December 7, 2004, ATF agents obtained consent to search from CABRERA as he returned to the warehouse. The agents discovered 78, 500 rounds (70 cases) of ammunition and forty-seven (47) boxes of plastic vacuum seal bags. An empty tractor-trailer with Mexican license plates was also located in the warehouse. CABRERA told the agents that he and two other Mexican investors paid \$15,000.00 for the ammunition and planned to sell it to a buyer in Mexico he could not fully identify. Juan CABRERA was later arrested by DEA as part of an OCDETF investigation.

CASE/INSPECTION TITLE: Montéz, Edgar Efrén

SYNOPSIS OF INVESTIGATION: In April 2005, an 8-man conspiracy to purchase 44 firearms including pistols, AR15 rifles, firearms parts, and ballistic vests was thwarted by ATF resulting in the recovery of 9 firearms, 9 ballistic vests, and \$5,800 in cash. The scheme involved separate 2 to 3 man teams that would purchase firearms at various gun stores located in 3 Rio Grande Valley cities. Several vehicles were used in the conspiracy. Edgar Efrén Montéz, the principal suspect, headed the conspiracy paying each man \$200.00 for every false ATF firearm transaction record they completed. ATF recovered six 9mm Beretta pistols, two Colt .38 super pistols, one AR-15 rifle, nine ballistic vests, \$5804.00 in cash, and numerous receipts for firearms and firearm parts. The conspirators include a Mexican National and U.S. citizens that either reside in Mexico or have strong ties to Mexico. In addition, Juan Mike Morales, a Texas Department of Criminal Justice correctional officer was arrested by ATF in relation to the straw purchasing scheme. To date, ATF has confiscated 19 firearms and 9 ballistic vests that were destined for Mexico.

CASE/INSPECTION TITLE: ARAIZA, David, et al

SYNOPSIS OF INVESTIGATION: A 10-man conspiracy to purchase 55 firearms including a of Barrett .50 caliber semi-automatic rifle, a Browning Model 1919 belt-fed semiautomatic trench gun, several Colt AR-15 variants and other various assault rifles was interrupted by ATF in Brownsville, Texas in April 2005 after a 5-month investigation. The conspiracy involved the recruitment by the principal suspect, David Araiza of 8 straw purchasers from the Brownsville, Corpus Christi, and Houston, Texas

who accepted cash to falsify numerous ATF 4473 forms to acquire the firearms. All the firearms were trafficked to Mexico. Araiza fled to Mexico to avoid prosecution. One of the conspirators, Juan Cardenas Perez is an active-duty U.S. Marshal's Courthouse Security Officer. Two Beretta model 92 pistols purchased by the Perez were recovered in México by the Federal Agency of Investigation (AFI) at shooting scene that resulted in the death of a Mexico federal agent as the AFI attempted to apprehend several Gulf Cartel narcotics traffickers in Matamoros, Mexico.

CASE/INPECTION TITLE: Ivan Rangel

SYNOPSIS OF INVESTIGATION: Jorge Luis GARCIA, an active duty police officer for the City of Alamo, Texas admittedly straw purchased an Olympic Arms, Model PCR5, .223 caliber semi-automatic rifle for a Mexican national identified as David or Ivan Rangel, age 18 to 20, of Matamoros, Mexico.

The officer met Rangel through an ex-girlfriend. Rangel gave the officer cash and instructions as to which rifle to purchase from a Brownsville gun dealer. On May 25, 2005 the Federal Agency of Investigation (AFI) attempted to arrest several gulf Cartel narcotics traffickers in Matamoros that resulted in a gun battle and the death of an AFI agent. Thirteen firearms, several grenades, and ammunition were recovered along with the 4 arrests made.

CASE/INSPECTION TITLE: Angel's Cottage Guns and Ammo

SYNOPSIS OF INVESTIGATION: An ATF inspection of a Federal firearms licensee (FFL) in New Mexico determined that more than 300 handguns were recently shipped by the FFL to Mexico. The FFL had no records for the firearms. A consent search resulted in a seizure of 89 firearms, more \$123,000 in cash, and a 2004 Hummer. The FFL admitted to trafficking large numbers of firearms with obliterated serial numbers. The FFL cooperated with agents, who were present when the buyer of the firearms from Mexico returned to the U.S. After the FFL completed the transaction, agents arrested the buyer. He was identified as a Federal Police officer from Mexico who has been trafficking firearms with obliterated serial numbers back to Mexico for years. Records revealed that since 1995 the FFL had illegally transferred 10,000 firearms to Mexico.

Appendix F

Division Industry Operations Guidelines

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MEMORANDUM TO: All Special Agents in Charge
All Directors, Industry Operations

ATTN: Assistant Director
(Enforcement Programs and Services)

FROM: Assistant Director
(Field Operations)

SUBJECT: Southwest Border Initiative – Industry Operations Strategy

On October 13, 2005, in response to escalating narco-trafficking violence along the southwest border – which has included the kidnapping of American citizens and the murder of Mexican officials – Mexican and American authorities announced what has come to be known as the Southwest Border Initiative (SWBI). This initiative focuses the resources of the Department of Justice's various agencies in an effort to meet the threats affecting the cities and towns on both sides of the border.

ATF's Southwest Border Initiative strategy is to deny the "tools of the trade" to the firearms trafficking organizations operating in border areas through proactive enforcement of firearms laws primarily in the affected border field divisions. ATF has introduced a number of programs, such as Project Gunrunner, Operation Iron Triangle, and a VCIT in Laredo, Texas to better coordinate intelligence and information and more effectively detect and disrupt firearms trafficking schemes and violent crime along the border.

Critical tactics of this firearms trafficking reduction strategy include a focused firearms inspection program and regular collaboration between special agents and industry operations investigators with respect to referrals and outreach efforts. The industry operations portion of the SWBI includes three components – forward traces, secondary market inspections, and outreach to the industry and other law enforcement agencies.

Specific information and procedures regarding these components are discussed in the attached FY 2007 Southwest Border action plan.

If you have any questions, please contact Program Manager (b) (7)(C) via email or at (202) 927-0020.

William Hoover

FY 2007 Southwest Border Initiative

Strategy

The primary goal of the DOJ's SWBI is to reduce firearms violence and firearms trafficking along the U.S./Mexico border. ATF is utilizing resources of its four affected border field divisions (Dallas, Houston, Los Angeles, and Phoenix) to fulfill its responsibility under this initiative. Industry Operations contributes toward this goal through compliance inspections and outreach activities.

Industry Operations Objectives

- Improve relations with firearms industry members, enhance voluntary compliance, and promote licensees' assistance in preventing diversion by conducting training and outreach activities with Federal firearms licensees (FFLs) in the targeted areas.
- Initiate Forward Trace inspections utilizing data on major wholesalers and retailers of identified weapons of choice (WOC).
- Conduct compliance inspections on major retailers of new WOC in the four field divisions and identify suspected traffickers or straw purchasers.
- Identify FFLs who may be actively participating in trafficking schemes.
- Conduct compliance inspections of pawnbrokers and identify suspected traffickers or straw purchasers.
- Perfect referral data by utilizing the "fact sheet" attached to this document.

Action Plan

The inspection plan is designed as a three pronged approach – a forward trace component, a secondary market component, and outreach to the industry and other law enforcement agencies.

Forward Trace

In the forward trace component, we will use (b) (7)(E)

(b) (7)(E)

Concurrently with the distribution of this initiative to the field, a forward trace inspection request has been sent from HQ to the divisions where the manufacturers and/or primary importers of these firearms are located. Each SWBI field division may also identify additional WOC specific to their division (see attached list of additional new weapons of choice for examples). Field divisions that identify additional WOC should forward to the division where the manufacturer and/or primary importers are located a Referral of Information requesting a forward trace inspection.

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

completed by August 1,

2007.

Through analysis of the information received from wholesaler inspections, each field division intelligence unit will develop for their respective area supervisor a list of licensees for inspection and related receipt data.

The successful completion of this component will:

- Identify corrupt FFLs
- Identify firearms traffickers
- Improve compliance rates of FFLs

Secondary Market

The value of firearms trace information and statistics in law enforcement is unquestionable. Firearms tracing produces substantial intelligence on the sources of crime guns recovered in Mexico and border areas, and assists ATF in identifying, targeting, and investigating straw purchasers and the traffickers who employ them. Unfortunately, for calendar years 2003 – 2005, (b) (3) (P.L. 111-19) traces of firearms recovered in Mexico were unable to be successfully completed. Additionally, the Violent Crime Analysis Branch (VCAB) has determined that the average time to crime (the time from the retail sale to the date of recovery) for firearms recovered in Mexico is 13 years.

There is evidence to suggest that the time from the point a firearm illegitimately enters Mexico until the time it is used in criminal activity is relatively short. VCAB has concluded that many firearms illegally entering Mexico have been on the secondary market (previously purchased at retail and subsequently sold in individual transactions) in the United States for a number of years. Further, it is likely that many of these firearms are acquired and sold by pawnbrokers in the U.S. at some point prior to being smuggled into Mexico. Therefore, the second component of the SWBI, Secondary Market Inspections, will attempt to address these unsuccessful traces and traces with an artificially long time-to-crime, and to gather valuable information on the most recent retail purchases.

In May 2006, ATF implemented the Pawnbroker Initiative. Each field division is required to inspect all pawnbrokers in their area over the next two years. The inspections conducted under the Pawnbroker Initiative in the four SWBI divisions will also constitute the secondary market inspections under the SWBI. These inspections will also be conducted using the guidelines of a full compliance inspection, incorporating trafficking-detection strategies from the disposition emphasis inspection program.

We expect that analysis of used WOC sold by pawnbrokers will “pick up the trail” of some of those firearms recently recovered in the United States and Mexico.

Therefore, while conducting pawnbroker inspections, IOIs will record all used WOC currently in the FFL's inventory, as well as those sold or otherwise disposed of during the period of the inspection (usually one year)(see attached list of secondary market WOC). This information will be forwarded to the division intelligence group. The Intelligence Group will have one intelligence UI to cover these guns. The information will then be forwarded with the UI number to the NTC Law Enforcement Support Branch, Suspect Gun Program for inclusion in the Firearms Tracing System.

Further, the Intelligence offices will maintain all WOC firearms in a spreadsheet to be run in On-Line Lead every six months. In this way, an ever-broadening list of used WOC recently sold by pawnbrokers will be checked against all firearms traces. For example, a WOC first sold at retail in 1983 and recovered in Mexico in 2007 would have a time to crime of 24 years. However, if the recovered WOC was recorded by an IOI during an inspection and subsequently queried against On-Line Lead, it may be determined that the used WOC was sold again in 2006. This information would reduce the time-to-crime to 1 year, and ATF would have a significant lead as to how the firearm was trafficked into Mexico. When a firearm description gleaned from an inspection matches On-Line Lead information on a recently recovered and traced firearm, the information will be forwarded to Program Manager (b) (7)(C) National Tracing Center, Industry Records Branch.

The successful completion of this component will:

- Improve the traceability of WOC recovered in Mexico and the United States.
- Identify potential firearms traffickers.
- Improve the compliance rate of FFLs.

Any potential traffickers identified during the execution of these two components will be referred to ATF CE. In order to maximize the possibility that the suspect will be investigated, IOIs should present as complete a referral package as possible. The IOI should request that the intelligence group run all applicable queries to identify trafficking patterns. These include, but are not limited to Auto Track, to identify a suspect's vehicles, TECS SQ13, to determine if the suspect or his vehicles have crossed the border and TECS SQ11 to identify any cash transfers and determine if there are any current or closed investigations involving the suspect.

Outreach Activities

This component has two facets: Outreach to the firearms industry and outreach to other Federal, State, or local law enforcement.

Any SWBI outreach activity must include contact with other Federal, State, or local law enforcement agencies. IOIs will work with ATF Criminal Enforcement to make contact with agencies such as DEA and ICE, and state or local agencies such as Texas Workforce Commission to inform them of our role in combating firearms trafficking. Ideally, this will result in an open dialog and sharing of intelligence information that will benefit our initiative as well.

Outreach to the industry will also be conducted. Utilizing intelligence information, DIOs will coordinate with the area offices in pursuing face-to-face contact with selected FFLs in the targeted areas to educate them about straw purchases and firearms trafficking and answer any of their questions. The IOIs making the contacts will encourage the FFLs to deter criminal activity by reporting suspicious persons/dispositions to ATF.

The successful completion of this component will result in:

- Enhanced voluntary compliance by FFLs
- An open dialog with FFLs that will result in the forwarding of information to ATF regarding suspicious transactions
- Dissemination of information and clarifying of rules to industry members
- Enhanced tracing ability due to improved record keeping and reporting by FFLs in the targeted area
- An open dialog with other law enforcement agencies that will result in the sharing of intelligence information

Assignment Coding

All inspections, including those conducted on manufacturers, importers, and wholesalers, will be conducted utilizing the guidelines of a full compliance inspection. Only inspections conducted from this point forward will be coded and counted as SWBI inspections. Inspections already conducted should not be recoded. If a recently-inspected FFL is targeted as a retailer of WOC, you should conduct an inspection at your first opportunity one year after the beginning date of their latest inspection.

Two new Tier III picks, "Southwest Border Full" and "Southwest Border Recall Full" have been created in N-Spect for this program. The following coding should be utilized for the compliance inspections: Tier I, Firearms; Tier II, License Type; Tier III, Southwest Border Full. Any recall inspections conducted this fiscal year, from this point forward, on a licensee also identified for inspection under the SWBI should be coded as Tier I, Firearms; Tier II, License Type; Tier III, Southwest Border Recall Full. SWBI coding will take precedence over other firearms compliance inspection coding such as Full New Follow Up, Pawnbroker Full, Pawnbroker Full Recall, DE VCIT, DE Non VCIT and Recall.

Seminars and other outreach activities should be coded as Tier I, General, Tier II, Firearms, Tier III, Outreach Industry. Because this Tier III code does not differentiate these assignments from other industry outreach, we ask that you please include a notation in the special instructions field in N-Spect that this assignment is in support of the Southwest Border Initiative so it can be more readily identified. The above coding process will ensure that inspection completions can be queried or otherwise efficiently tabulated, and that completions will be attributed to applicable programs.

Performance Measures

- Number of seminars conducted
- Number of FFLs visited by ATF inspectors
 - Number inspected
 - Number visited through Outreach
- Number of referrals to ATF CE regarding potential traffickers that result in a criminal investigation.
- Number of corrupt FFL's identified
- Number of traces successfully completed as a result of the semi-annual query of WOC in On-Line Lead
- Enhanced compliance of licenses (measured by reduction in violations disclosed during recall inspections in those divisions)

FY 2007 Southwest Border Initiative

Weapons of Choice

Primary New Weapons of Choice

(b) (7)(E)
 (b) (7)(E)
 (b) (7)(E)
 (b) (7)(E)

Additional New Weapons of Choice

(b) (7)(E)
 (b) (7)(E)
 (b) (7)(E)

Secondary Market Inspection Weapons of Choice

(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)

* All models including (b) (7)(E) etc.

Appendix G



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 6, 2006
WWW.USDOJ.GOV

(202) 514-2007
TDD (202) 514-1888

DOJ TO PARTNER IN TASK FORCES TO COMBAT CROSS-BORDER CRIME AT THE SOUTHWEST BORDER

Washington - Department of Homeland Security (DHS) Secretary Michael Chertoff announced today the creation of new Border Enforcement and Security Task Forces, as part of the Department's Secure Border Initiative aimed at increasing control over our borders. These task forces will be nationally-integrated teams with federal, state, and local representation specifically directed at cross-border criminal activity.

"These new task forces will take a comprehensive approach to dismantling criminal organizations that exploit our border," said Secretary Chertoff. "The task forces will be charged with sharing information, developing priority targets, and carrying out coordinated law enforcement operations that will enhance border security."

"We are very pleased to join DHS in this initiative," said Attorney General Gonzales. "The complexities surrounding the security of our borders require innovative partnerships and strategic thinking. The intelligence-driven enforcement teams announced today exemplify the type of collaboration needed to be successful in securing our borders."

The Border Enforcement and Security Task Forces build on the Department's experiences fighting violent cross-border crime in Laredo, Texas during Operation Black Jack. Operation Black Jack has been a focused effort to coordinate Immigration and Customs Enforcement, Customs and Border Protection, Drug Enforcement Administration, Federal Bureau of Investigations, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Marshals Service, and other state and local law enforcement agencies, with significant support from the United States Attorney's Office and the District Attorney's Office. Operation Black Jack has already resulted in the arrest of 26 individuals, and the seizure of more than \$1 million in U.S. currency, 19 assault rifles, 300 pounds of marijuana, and 330 pounds of cocaine.

Operation Black Jack has benefited from information assembled by multiple agencies to go after organized cross-border criminal activity. Like Operation Black Jack, additional task forces will be co-located, intelligence-driven enforcement operations, placed in areas where significant border security vulnerabilities exist, and where measurable results can be achieved.

Border Enforcement and Security Task Forces will focus on every element of the enforcement process, from interdiction to prosecution and removal, with the goal of eliminating the top leadership and supporting infrastructure that sustains these cross-border organizations. They will leverage federal, state, tribal, local, and intelligence entities to focus resources on identifying and combating emerging or existing threats.

The next Border Enforcement and Security Task Force will be stood up in Arizona, after DHS conducts a threat assessment of that area. DHS will conduct similar assessments as it establishes additional task forces and will constantly measure results in order to refine and focus our enforcement actions.

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06-007

Appendix H



Department of Justice

FOR IMMEDIATE RELEASE
 WEDNESDAY, 10, 2007
 WWW.USDOJ.GOV

(202) 514-2007
 TDD (202) 514-1888

**ATTORNEY GENERAL ALBERTO R. GONZALES
 ANNOUNCES ADDITIONAL FUNDING TO COMBAT DRUG TRAFFICKING
 AND BORDER VIOLENCE ALONG THE SOUTHWEST BORDER**

WASHINGTON –Attorney General Alberto R. Gonzales today visited the U.S. border in Laredo, Texas and announced \$300,000 in additional funding to boost efforts to combat drug trafficking in Laredo and McAllen, Texas. The grant will help fund a joint task force of federal and state law enforcement agencies to target high-level drug trafficking organizations along the U.S./Mexico border.

The joint task force—called a Strike Force—allows law enforcement agents from the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Department of Homeland Security’s Immigration and Customs Enforcement (ICE), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Internal Revenue Service (IRS), and the Texas Department of Public Safety to work side-by-side in the same location, quickly responding to leads and establishing links between investigations.

The Strike Force is supported by the Organized Crime Drug Enforcement Task Force (OCDETF), a federal drug enforcement program that focuses attention and resources on the disruption and dismantling of major drug trafficking organizations. OCDETF provides a framework for federal, state and local law enforcement agencies to work together to target well-established and complex organizations that direct, finance or engage in illegal narcotics trafficking and related crimes.

“Many border communities in Texas have unfortunately experienced first hand the terrible consequences caused by violent crime and drug trafficking,” said Attorney General Gonzales. “But law enforcement is fighting back and I am pleased to announce new funding for our Strike Force team in Laredo and McAllen. This team will provide greater coordination between state and federal law enforcement agencies as we work together to combat crime and stop the flow of drugs across the U.S.-Mexico border.”

The OCDETF Strike Force in Laredo and McAllen is an extension of the Houston OCDETF Strike Force established in October 2005. Law enforcement agents participating in the Houston OCDETF Strike Force pursue major investigations in a coordinated, aggressive fashion. Since its creation, the Houston OCDETF Strike Force has identified Mexican organizational leaders, Columbian narcotics suppliers, international and domestic drug transporters, and domestic distribution cells. It has prevented the shipment of over 30 tons of cocaine from crossing the U.S. border and confiscated more than \$32 million from major drug trafficking organizations.

The OCDETF Strike Force compliments the efforts of the Laredo Violent Crime Impact Team (VCIT), established in 2005. The VCIT program is an ATF-led joint law enforcement effort launched in cities with high volumes of firearms crimes and is designed to identify, arrest and prosecute the most dangerous violent criminals. The Laredo VCIT is composed of law enforcement agents from the ATF, DEA, FBI, ICE, Customs and Border Protection and the U.S. Marshals Service.

In 2006, the Laredo VCIT was credited with recovering 224 firearms and arresting 69 of Laredo's most dangerous felons and fugitives, including Jose A. Garza-Robles and Hector Herrera-Sifuentes, both permanent resident aliens from Mexico. Both are accused of kidnapping an American citizen and holding him hostage in Mexico until his family paid Garza-Robles a \$57,500 ransom. Garza-Robles and Herrera-Sifuentes were charged in a 3 count indictment with conspiring to kidnap and kidnapping a United States citizen. Each of the two counts carries a punishment of one year to life imprisonment upon conviction. Garza-Robles was also charged with a third count of receiving ransom money which carries a maximum punishment of 10 years imprisonment. Each of the three counts also carries a maximum fine of \$250,000 upon conviction.

The Laredo VCIT also arrested Jesus Alberto De Leon. On September 25, 2006, court documents allege that De Leon, a twice-convicted felon, and unknown co-conspirators attempted to kidnap an individual in the parking lot of a Target store in Laredo. The victim escaped and entered the store, but De Leon pursued the victim into the department store, armed with a 12-gauge shotgun. He was arrested as he attempted to flee from law enforcement officers. He has been indicted for conspiracy to kidnap, attempted kidnapping, use of a firearm in the course and commission of a crime of violence, and felon in possession of a firearm. He faces a sentence of up to life imprisonment.

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07-005

Appendix I

OSII Southwest Border Strategic Assessment, March 2007 (DRAFT)

March 15, 2007

Southwest Border Strategy Strategic Assessment Briefing Paper

INTRODUCTION

In October 2005, U.S. Attorney General Alberto Gonzales and his Mexican counterpart, Daniel Caveza de Vaca, announced an initiative to combat the unprecedented violence occurring at the United States-Mexico border. Later that month, former Director Carl Truscott pledged ATF's support to U.S. Ambassador to Mexico Antonio O. Garza, Jr., to stem the illegal weapons trafficking from the U.S. to Mexico. In April 2006, ATF personnel from EPS, FO, and OSII participated in the ATF Southwest Border (SWB) Initiative Conference in El Paso, Texas. At this meeting, it was agreed that a primary strategy for reducing gun-related violence would be to focus on significant firearms seizures in Mexico that were related to the major drug-trafficking organizations (DTO) and then analyze the sources in the U.S. to provide actionable intelligence to investigators.

In February 2006, ATF produced a draft publication entitled "The Southwest Border Initiative: ATF's Southwest Border Strategy," that delineated the means by which ATF would contribute to this multi-agency endeavor. Working in concert with the four field division intelligence groups and the SWB Coordinator, OSII conducts in-depth post-seizure analyses to determine trends, patterns, and suspects linked to U.S. points of origin for the seized weapons (Project Gunrunner). The Houston, Dallas, Phoenix, and Los Angeles Field Divisions are primarily affected but many guns resolve to other source-State field divisions, as well. This assessment serves to not only report OSII's contributions and continuing strategies but also to provide an update on the overall contribution ATF has made to the initiative.

During the week of February 13, 2007, Acting ATF Director Michael Sullivan traveled to Mexico to meet with senior law-enforcement officials and Ambassador Garza. He discussed the ways in which ATF could contribute to their efforts to combat firearms trafficking originating in the U.S. The Mexican authorities provided valuable information that will assist ATF in furthering SWB investigative activities in our joint efforts to reduce violence on both sides of the border and is referenced in this paper when appropriate.

BACKGROUND

Mexican drug cartels have flourished and grown steadily in terms of size and violence over the past several years along the U.S.-Mexico border. Approximately 92 percent of the cocaine that enters the U.S. is distributed by these groups. Two of these are located just over the Mexican border near El Paso and Brownsville, Texas, respectively. The cartels fiercely protect their cocaine and human-smuggling routes and willingly resort to violence against competitors utilizing firearms and explosives. Incredibly,

they do not hesitate to turn their weapons on law enforcement officers on both sides of the border. The Arizona border is the most dangerous for officers. DTO members shoot at Customs and Border Protection (CBP) officers on average of 6-10 times per month. They have approached law-enforcement officers' families and homes and threatened to kill them, if the cartel's activities continued to be curtailed.

Violence stemming from DTOs has existed for decades in many parts of Mexico. What is new are the facts that cartel violence is now spilling over onto the U.S. side of the border, the composition of the DTO membership has become more violent, and their choices of weapons have become more dangerous. In addition to powerful handguns and assault rifles, these organizations use rocket-propelled grenade launchers and fragmentary grenades to conduct attacks. The National Gang Intelligence Center informs OSII that local and prison gangs along the border are working in concert with the DTOs to distribute cocaine in the area. Drugs have deteriorated the quality of life in the U.S. and threaten life, property, and personal security. Violence in our inner cities is driven by the narcotics trade.

Analyses of recent seizures in Mexico clearly show that the DTOs acquire firearms in the U.S. with ease and impunity, from FFLs and secondary markets. The dismantling of Mexican DTOs begins with the denial of U.S. firearms and ammunition. ATF is in a unique position to make a large contribution to this effort by virtue of our enforcement mission and expertise in the firearms-trafficking arena.

Post-seizure analyses of significant firearms seizures relating to the Mexican DTOs were initiated in April 2006, under Project Gunrunner. OSII began to systematically assess, analyze, and refer findings to the field for investigative action. OSII has been working with an acting Project Gunrunner coordinator, who began monitoring DTO gun seizures before the start of the Mexican drug war three years ago.

OTHER AGENCIES' EFFORTS

CBP and Immigration and Customs Enforcement (ICE) often fail to manage gun-seizure information outside of strict inventory accounting. Firearms charges are frequently dismissed in exchange for pleas to narcotics and human-smuggling charges. As a rule, the Drug Enforcement Agency (DEA) turns over the weapons seized to ATF, as do the High-Intensity Drug-Trafficking Area groups (HIDTA) and Organized Crime Drug-Enforcement Task Force offices (OCDETF) that are run by a DEA office. DEA does not maintain independent data or analyses on gun seizures. As a matter of fact, DEA requests firearms statistics from ATF's firearms coordinator in the Houston Field Division regarding Mexican DTO gun seizures. The El Paso Intelligence Center (EPIC) will mirror what DEA does when querying DEA cases—they'll refer back to ATF. The Federal Bureau of Investigation (FBI) has no specific programs to address cross-border criminal activities. Investigations are offense based and include public corruption, civil rights, human smuggling, gangs, and organized crime. They participate in local, State, and Federal task forces involving immigration and drug offenses, including the EPIC-sponsored Southwest Border Gatekeepers Program. The unique character of the Sonoran/Arizona border creates an important tier of "Gatekeeper" organizations along this border, with corridors through Yuma, Lukeville, Nogales, Naco, and Douglas.

These "Gatekeepers" are smuggling organizations that control specific entry points along the U.S.-Mexico border through a sophisticated infrastructure and transportation system.

JOINT EFFORTS

ATF's OCDETF Coordinator in the area provided information on the cities with an OCDETF office in the Southwest Border area: El Paso, Laredo, McAllen, Brownsville, Tucson, and San Diego. He stated that he makes referrals to the field divisions for consideration for assignment to an agent. The combined authorized FTEs of the aforementioned OCDETF offices are 65. They are staffed with an additional 30 detailees. Additional funding has been requested to permanently establish the 30 FTEs.

ATF STATISTICS

OSII's research into the tracing center database revealed that [REDACTED] firearms had been traced to the U.S. upon their recovery in Mexico, from the beginning of FY-02 to date. Of this total, [REDACTED] had been traced to an FFL. The remainder could not be traced due to lack of information at the manufacturer, distributor, or importer level; or due to the fact that the weapons were obtained from secondary sources, such as pawn shops and gun shows. Trend analysis of trace submissions from Mexican authorities indicates greatly varying differences from fiscal year to fiscal year. The immediate explanation is that as the Mexican government reallocates their military resources to address changing crime areas, some weapons do not become subject to trace submissions. Mexican authorities are refining a procedure to ensure that these weapons are traced in the future.

Of significance is the fact that although the trace submissions vary widely—FY-03 up 38 percent, FY-04 down 62 percent, FY-05 up 25 percent, and FY-06 down 65 percent—the traces unfailingly resolve to the same source States proportionately. Below is a chart depicting all successful traces for FY-02 through FY-06. All numbers highlighted represent at least 1 percent of successful traces resolving to that State for the corresponding fiscal year. (Based on the total number of [REDACTED] completed results, 1 percent was determined to be the more significant of the 1 percent and 5 percent standard applied by statisticians). The States of Arizona, California, Colorado, Florida, Georgia, Illinois, New Mexico, Nevada, Ohio, Oklahoma, Texas, and Washington are consistently identified as the major source States. Interestingly, North Carolina and Pennsylvania reached the level of significance in FY-06.

STATE	FY 02	FY 03	FY 04	FY 05	FY 06
ALASKA	(b) (3)	(P.L. 111-117)			
ALABAMA	(b) (3)	(P.L. 111-117)			
ARKANSAS	(b) (3)	(P.L. 111-117)			
ARIZONA	(b) (3)	(P.L. 111-117)			
CALIFORNIA	(b) (3)	(P.L. 111-117)			
COLORADO	(b) (3)	(P.L. 111-117)			
CONNECTICUT	(b) (3)	(P.L. 111-117)			
DELAWARE	(b) (3)	(P.L. 111-117)			
FLORIDA	(b) (3)	(P.L. 111-117)			
GEORGIA	(b) (3)	(P.L. 111-117)			
GUAM	(b) (3)	(P.L. 111-117)			
HAWAII	(b) (3)	(P.L. 111-117)			
IOWA	(b) (3)	(P.L. 111-117)			
IDAHO	(b) (3)	(P.L. 111-117)			
ILLINOIS	(b) (3)	(P.L. 111-117)			
INDIANA	(b) (3)	(P.L. 111-117)			
KANSAS	(b) (3)	(P.L. 111-117)			
KENTUCKY	(b) (3)	(P.L. 111-117)			
LOUISIANA	(b) (3)	(P.L. 111-117)			
MASSACHUSETTS	(b) (3)	(P.L. 111-117)			
MARYLAND	(b) (3)	(P.L. 111-117)			
MAINE	(b) (3)	(P.L. 111-117)			
MICHIGAN	(b) (3)	(P.L. 111-117)			
MINNESOTA	(b) (3)	(P.L. 111-117)			
MISSOURI	(b) (3)	(P.L. 111-117)			
MISSISSIPPI	(b) (3)	(P.L. 111-117)			
MONTANA	(b) (3)	(P.L. 111-117)			
NORTH CAROLINA	(b) (3)	(P.L. 111-117)			
NORTH DAKOTA	(b) (3)	(P.L. 111-117)			
NEBRASKA	(b) (3)	(P.L. 111-117)			
NEW HAMPSHIRE	(b) (3)	(P.L. 111-117)			
NEW JERSEY	(b) (3)	(P.L. 111-117)			
NEW MEXICO	(b) (3)	(P.L. 111-117)			
NEVADA	(b) (3)	(P.L. 111-117)			
NEW YORK	(b) (3)	(P.L. 111-117)			
OHIO	(b) (3)	(P.L. 111-117)			
OKLAHOMA	(b) (3)	(P.L. 111-117)			
OREGON	(b) (3)	(P.L. 111-117)			
PENNSYLVANIA	(b) (3)	(P.L. 111-117)			
PUERTO RICO	(b) (3)	(P.L. 111-117)			
RHODE ISLAND	(b) (3)	(P.L. 111-117)			
SOUTH CAROLINA	(b) (3)	(P.L. 111-117)			
SOUTH DAKOTA	(b) (3)	(P.L. 111-117)			
TENNESSEE	(b) (3)	(P.L. 111-117)			

TEXAS	(b) (3) (P.L. 111-117)
UTAH	(b) (3) (P.L. 111-117)
VIRGINIA	(b) (3) (P.L. 111-117)
VERMONT	(b) (3) (P.L. 111-117)
WASHINGTON	(b) (3) (P.L. 111-117)
WISCONSIN	(b) (3) (P.L. 111-117)
WEST VIRGINIA	(b) (3) (P.L. 111-117)
WYOMING	(b) (3) (P.L. 111-117)

Utilizing in-depth analyses prepared by the Violent Crime Analysis Branch for FY-04 and FY-05, we know that 85 percent and 63 percent of the weapons traced were connected to firearms trafficking respectively. In FY-04, the weapons of choice were (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117) assumed the balance. These are overall trace-submission results, not to be confused with the analyses of weapons seized and analyzed as part of Project Gunrunner, which focuses on seizures from DTOs as opposed to country-wide seizure statistics.

As an aside, shotguns and .22 caliber rifles are typically used by farmers to protect cultivation areas and for personal use in hunting small game. These are not the weapons that ATF needs to focus on. Obviously, attention will be concentrated upon those pistols and assault-type weapons used by the DTOs.

For the five-year period prior to October 2006, the weapons of preference and DTO acquisition methodology remained consistent in Mexico. Since that time, there has been an increase in the number of assault rifle seizures that were acquired directly from licensed gun dealers, as opposed to handgun seizures from secondary markets such as pawn shops and gun shows.

A careful analysis of the aforementioned NTC trace data for suspect FFLs was conducted. In terms of the targeted States, the same FFLs appear in the data year after year as being the points of purchase for weapons seized in Mexico, including the top suppliers in California, which are [REDACTED]. Texas boasts the largest suppliers in terms of FFLs with traceable results. They are: (in no particular order) [REDACTED]. Arizona has its share of obvious violators in [REDACTED]. It bears mentioning that the Mexican authorities' by-name mentioned [REDACTED] in their information paper submitted to our Acting Director in February 2007.

Under Project Gunrunner, OSII forwarded 14 referrals of information relative to suspected gun traffickers to the field since May 2006. Of these, four were directly related to ongoing investigations and one resulted in the initiation of a new investigation. Agents have indicated that are actively working on two of the remaining referrals. VCAB has provided the field divisions with 12 referrals since FY-04; of them: one has been adjudicated, one is pending AUSA action, one was related to an ongoing case, three were closed with no potential, and six have had no investigative activity.

According to Mexican authorities, not only are more powerful firearms being trafficked into Mexico, but explosives and military-type artillery are being routinely seized. They have identified anti-rocket launchers of 84mm and 66mm calibers, 40mm grenade launcher grenades, and fragmentary grenades that have originated from the U.S. This is borne out by our USBDC chart below. The USBDC examined the AEXIS database for all explosives trace requests from Mexico where the manufacturer of the product was located in the U.S. The query resulted in (b) (3) (P.L. 111-117) separate incidents. One resulted in an ATF investigation. In this case, a practice rocket—an 83mm, MK7-0, SMAW—was recovered in Nogales, Mexico, during a search of a residence by Mexican law-enforcement authorities. The item traced back to a (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117) However, no information exists on the FEL or on the possessor. As depicted in the chart below, the majority of these items are destructive devices or launchers.

Tracing ID	Manufacturer Name	Product Name	Recovery Agency Name	Recovery Agency	Recovery Country	Product Name	Manufacturer Name	City	State	Country	Shipped Date
(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)	(b) (3) (P.L. 111-117)

ATF INVESTIGATIONS/ARRESTS

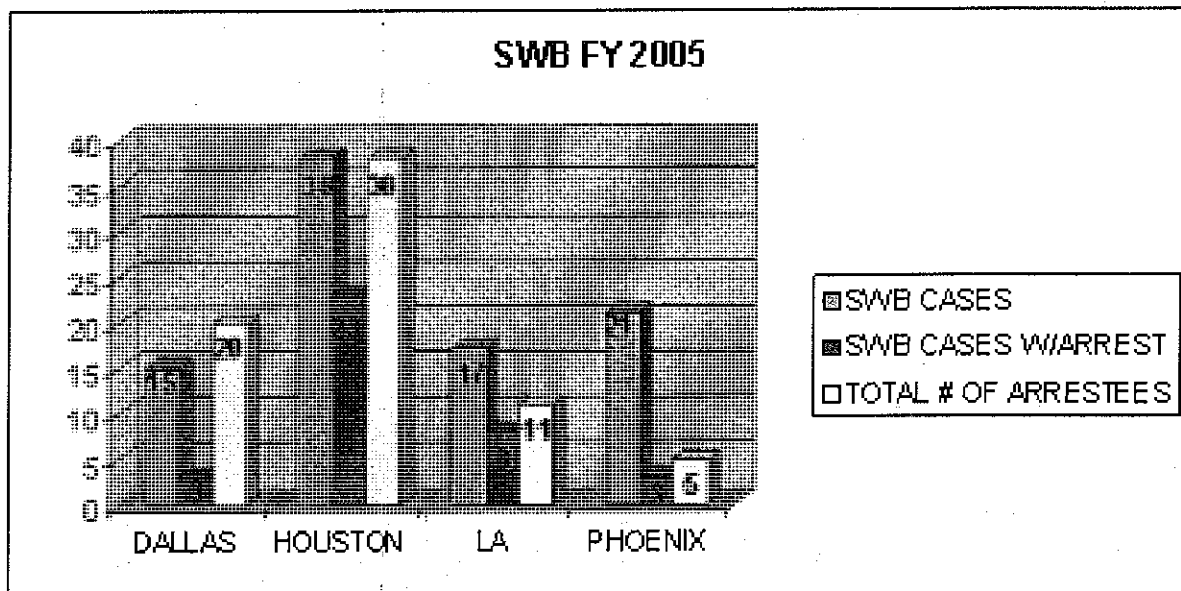
The Field Intelligence Groups from the affected field divisions were telephonically contacted by OSII FIST members to ascertain what efforts were being employed by their field divisions relative to SWB, what results had they achieved, and what recommendations they could proffer for expanding the initiative. The group supervisors referred OSII to their assessments from October 2005, and indicated that they had no updated information or recommendations. Therefore, OSII relied on ATF databases and outside agency information to assimilate and analyze existing data, and used that to base this assessment and the resulting analyses and recommendations upon.

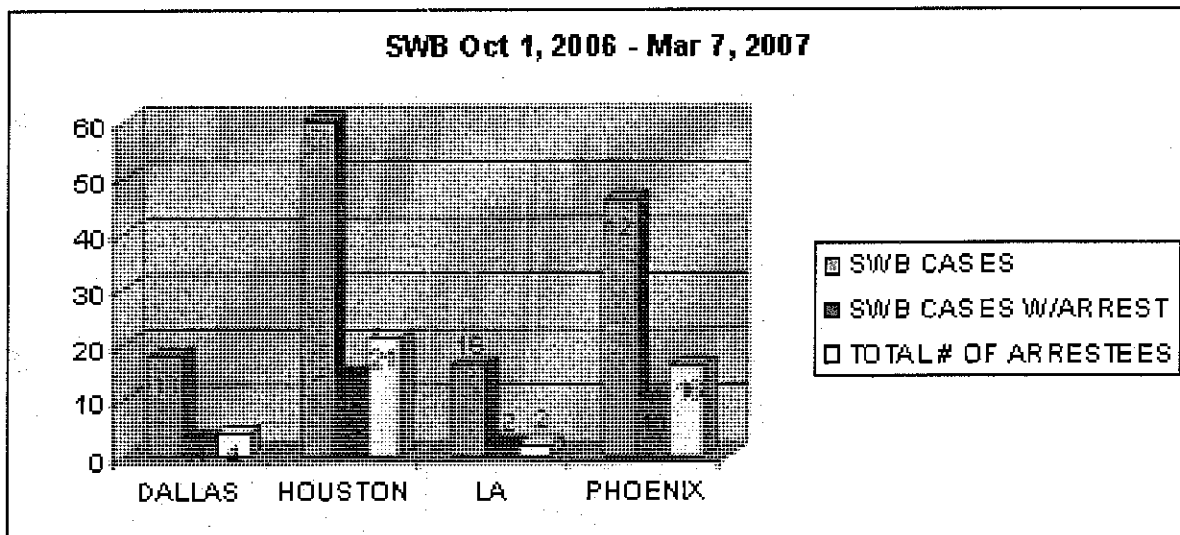
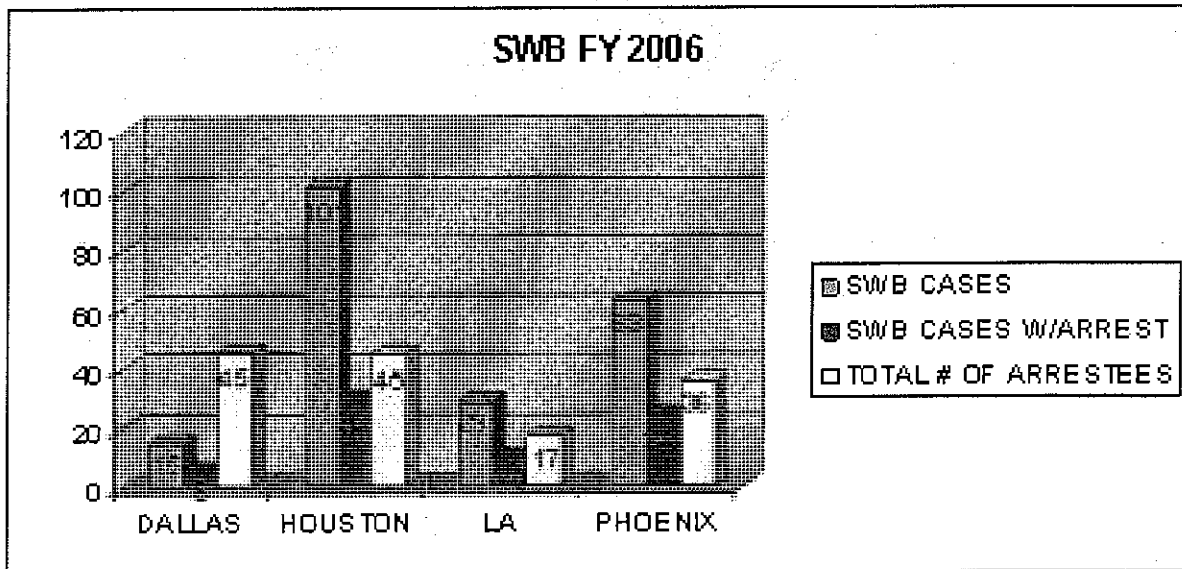
In April 2006, OSII instituted an N-FORCE code to identify the SWB-related cases. The field divisions were requested to immediately start utilizing the code and to research prior case files and affix the SWB code where applicable. It should be noted that a standardized criteria outlining the parameters for a SWB case has not been established. Without this criterion, the process of identifying a SWB case is open to interpretation. A strong potential exists for a vast amount of disparity in actually counting cases and arrests truly associated with the SWB. The charts provided below depict the investigations and arrests coded as SWB for FY-05, FY-06, and the first five months of FY-07.

If we assume the coding is accurate, we can ascertain the following:

1. All of the border field divisions had a significant increase in SWB investigations and arrests from FY-05 to FY-06.
2. In the first five months of this fiscal year, the Dallas Field Division has already exceeded their FY-06 number of SWB cases opened by 120 percent. The Houston Field Division has achieved 59 percent of their FY-06 total. The Los Angeles Field Division stands at 55 percent over last fiscal year and the Phoenix Field Division is at 73 percent. It would be inappropriate and misleading to measure the arrests further, as investigative efforts in a large amount of cases remains ongoing. They are contained herein to illustrate that ATF is contributing to the initiative by effecting related arrests.

As reported in N-FORCE





STATISTICS

According to DEA, one of our partners in this initiative, there were more than 2,500 drug-related murders throughout Mexico in 2006; up significantly from the 1,543 drug-related murders for 2005. OSII obtained and analyzed the FBI's Uniform Crime Report (UCR) statistics for FY-02 through FY-05. FY-06 statistics have not yet been made available. The major categories of crimes that can be associated with the weapons and drug trades were included in the chart below for the States of Arizona, California, and Texas. Only information collected against major metropolitan areas was included. Unfortunately, although requested, the FBI could not drill down in their data to provide city-by-city information. Nonetheless, the figures are disturbing and would undoubtedly decline with the application of industrious law-enforcement efforts and successes along the SWB.

The State of Arizona remains relatively level across the board in all of the crime categories analyzed for the four fiscal years examined. California's and Texas' violent crimes, robberies, and aggravated assaults have declined slightly over this period, however, murder rates rose. It is important to bear in mind that the Mexican government declared a drug war against the DTOs three years ago and has aimed substantial additional resources against them. OSII is aware of no other initiatives, other than that one and our SWB Strategy, that would explain this reduction in major crimes in the targeted area. Conversely, the fact that murder rates are up verifies the escalated violence levels associated with the DTOs in the recent past.

ARIZONA	FY 02	FY 03	FY 04	FY 05
VIOLENT CRIME	27,729	26,208	26,444	27,940
MURDER	367	416	392	419
ROBBERY	7,876	7,460	7,556	8,393
AGGRAVATED ASSAULT	17,966	16,587	16,718	17,252

CALIFORNIA

VIOLENT CRIME	204,139	202,433	194,890	186,982
MURDER	2,352	2,369	2,363	2,475
ROBBERY	64,453	63,482	61,488	63,325
AGGRAVATED ASSAULT	127,525	126,887	121,694	112,095

TEXAS

VIOLENT CRIME	116,090	112,910	112,576	111,867
MURDER	1,165	1,287	1,253	1,280
ROBBERY	36,679	36,085	34,935	34,889
AGGRAVATED ASSAULT	70,705	68,364	68,802	68,080

2006 SOUTHWEST BORDER INITIATIVE PUBLISHED PROTOCOLS

OSII's Responsibilities in Project Gunrunner:

1. Identify significant gun seizures and analyze trace reports and agency reports.
2. Ensure that all recovered firearms are traced.
3. Prepare trace summaries detailing any acquisition observations, use of secondary markets, stolen gun trafficking, and initiate referrals to the field intelligence groups.
4. Utilize NTC, VCAB, and Regional Crime Gun Centers to identify trafficking trends and indicators of illegal activities in the U.S.
5. Prepare intelligence advisories linking recovered firearms to DTOs and other observations detailing any other unique characteristics encountered.
6. Prepare information papers regarding findings, trends, and patterns, etc. for field and management use.
7. Review criminal and general-intelligence investigations, as well as, FFL inspections for commonalities such as individuals, vehicles, locations, and telephone numbers for subsequent dissemination to the field for investigation.
8. Coordinate activities as appropriate with EPS, TPD, and FO (criminal and industry operations).
9. Identify facilitator and purchaser telephone numbers in the U.S. and Mexico, vet through DEA for identification purposes, case de-confliction, and/or case fusion; and disseminate to the Intelligence Community Representatives to ATF for identification and exploitation.
10. Identify multi-agency investigations involving Project Gunrunner suspects and facilitate the potential for OCDETF investigations.

FIG Responsibilities:

1. After receiving Advisory (trace results) from OSII, check purchasers identified in the trace results in TECS and in On-Line Lead.
2. Develop background packages on purchasers identified in the trace results to include driver's license photo, current address, and any other relevant intelligence that could be developed through local police intelligence units.
3. Prepare referral summarizing the OSII analytical findings that identifies the link to the DTO and the recovery incident.

4. Refer to the appropriate Field Office/Group.
5. Ensure that results are entered into N-FORCE.

Field Office Responsibilities:

1. Attempt to identify the traffickers through interviews of the first purchaser identified through trace and identify subsequent purchasers.
2. Open an investigation if warranted. If not, document results of the interview in N-FORCE, which will allow for review by OSII for strategic analysis.
3. If trafficking cell is active, obtain telephone toll records of straw purchasers and conduct telephone-toll analysis to identify recruiter/facilitator/financier and provide OSII with identified numbers for overall strategic/national analysis.
4. Report results in N-FORCE.

Southwest Border Coordinator Responsibilities:

1. This person will have overall responsibility for coordinating criminal and industry operation endeavors with all affected field divisions, EPS, TPD, OSII, and other U.S. and Mexican law-enforcement agencies.
2. With the SWB SACs, develop a unified strategy to affect firearms and ammunition- trafficking to Mexican DTOs in both the U.S. and Mexico.
3. Develop real-time intelligence relating to cross-border gun trafficking.
4. Develop and coordinate intelligence with OSII relating to Mexican DTO gun seizures and domestic Mexico-bound gun and ammunition shipments.
5. Develop cross-border investigations through coordination of domestic investigations.
6. Assist case agents in preparing intelligence and information-sharing packages for Mexican counterparts.
7. Coordinate intelligence and information sharing packages with the Mexico Country Office.
8. Prepare quarterly progress reports relating to Operation Gunrunner.
9. Conduct/coordinate Project Gunrunner-related training, briefings, etc.

VCIT/PSN Responsibilities:

1. Identify traffickers supplying firearms to violent offenders in the U.S.
2. Link the traffickers and violent offenders to firearms-trafficking activities between the U.S. and Mexico.
3. Disrupt the flow of firearms to the DTOs and other criminal organizations that operate between the two countries.

FINDINGS:

1. It has been observed that more U.S.-sourced assault rifles have been recovered in Mexico in the last year, compared to the previous year. DTOs favor:

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2. Recently, more recovered guns have been purchased directly from U.S. FFLs, as compared to secondary markets, which have traditionally been the source of weapons seized in Mexico.
3. More firearms recovered in Mexico are being purchased from FFLs in States other than those on the border.
4. ATF criminal and industry operations offices are understaffed in the border cities where the majority of DTO-related crime occurs.
 - The Dallas Field Division is understaffed with agents and inspectors. The target town of El Paso is understaffed with special agents and has (b) (7)(E) inspectors at the IO satellite office.
 - The Houston Field Division is understaffed with agents and inspectors. The target city of McAllen is understaffed with agents and has (b) (7)(E) inspectors at the satellite office. The satellite office of Laredo has (b) (7)(E) agents and (b) (7)(E) inspectors. Brownsville is established but is not staffed.

- Los Angeles Field Division is understaffed with agents and inspectors. Their enforcement field offices are fully staffed in San Diego but the industry operations field office is understaffed.
 - The Phoenix Field Division is understaffed with agents and inspectors. The Tucson I and II enforcement offices are also understaffed with both agents and inspectors. The IO satellite office has (b) (7)(E) inspectors.
5. The incidence of seizures of explosives and artillery by Mexican authorities is on the rise but they are not traced with regularity.
 6. According to FBI UCR statistics, violent crime in the target areas has been reduced with the exception of murder rates, which have risen for FY-02, FY-03, FY-04, and FY-05.

CHALLENGES:

1. ATF Field Intelligence Groups need to coordinate inter and intra-division intelligence activities much like operational activities.
2. ATF, at all levels, is not working in concert with other participating Federal agencies and task forces with the exception of OCDETF.
3. The same dealers are listed year after year as being the points of origin for weapons recovered in Mexico.
3. ATF is unaware of the number of long guns being purchased by individuals because we typically only learn of an individual's purchase of more than one long gun when it is recovered in the U.S. and/or Mexico. This is not proactive monitoring of long-gun trafficking but reactive due to a potential criminal act.
4. Participating Federal agencies and task forces place little-to-no importance on capturing data on seized weapons; they usually do not trace them.
5. Due to the fact that the Mexican government has deployed 10,000 military members in the drug war, firearms trace submissions are significantly lower than in previous years. The military authorities fail to trace seized weapons. On the other hand, Project Gunrunner seizures have increased due to the concentration of the additional resources on DTO activities.
6. Although Mexican authorities report a marked increase in seizures of explosives and military artillery, as well as launchers; they fail to trace them and to report them to ATF to determine their U.S. points of origin.

7. ATF OSII created a code in N-FORCE after the creation of the SWB. The field was instructed to retroactively code their applicable investigations. The parameters have not been defined for the field and it is very likely that the field is applying the code inappropriately, both in terms of not coding appropriate cases and in over utilizing the code. An accurate assessment of ATF investigations and arrests cannot be made due to the unreliability of the data.

RECOMMENDATIONS:

1. Formalize and fully implement ATF's Southwest Border Initiative, released in draft form in March 2006, which is attached to this report. (FO, OSII, EPS)
2. Facilitate real-time intelligence sharing with U.S. and Mexican law-enforcement partners during ATF enforcement efforts at gun shows and other enforcement operations. (FO, EPS)
3. Encourage and educate DEA, CPB, ICE, HIDTA, and OCDETF as to the importance of firearms interdiction and investigation as an over-arching solution to the SWB Initiative. These agencies treat firearms issues as a superfluous detail having little relevance to their overall mission. ATF needs to pursue the important job of conducting liaison with our Federal counterparts where we are co-located, to capitalize on firearms and explosive seizures as they occur. Additionally, liaison with counterparts on all ATF levels needs to occur on a regular basis. Further, ATF needs to formulate initiatives with U.S. Attorney's Offices, and other Federal law enforcement agencies, in order to share information and to ensure that we are bringing the full forces of our collective authorities and missions to bear against the DTOs and the firearms traffickers on this side of the border. ATF should collaborate with the U.S. Attorney's Offices to conduct monthly SWB intelligence-sharing meetings with the Federal agencies. (FO)
4. Bring affected enforcement and industry operations staffing levels up to ATF staffing models, and increase staffing at the satellite offices. (FO)
5. Develop and implement a standardized intelligence debriefing questionnaire, to ensure uniform collection of data (attached) and implement the post-seizure analysis reporting protocols. (FO, OSII)
6. Select a permanent, autonomous SBW coordinator. The person selected must speak Spanish fluently; have detailed knowledge of Mexican DTOs; be experienced in international firearms-trafficking investigations; have knowledge of the political, judicial, and law-enforcement systems in Mexico; and be able to develop and present detailed briefings related to Mexican gun seizures and Mexican government operations. ATF should consider placing the SWB Coordinator at EPIC, enabling real-time interaction with other involved Federal agencies and with firmly established infrastructure and firearm information inputs from all agency partners. (FO)
7. Expand e-Trace to every border city in the U.S. and Mexico. (ATF has agreed to deploy e-Trace to all 31 Mexican states.) Also, most importantly, create a Spanish version of e-Trace. (EPS, OST)

8. Develop controls for periodic re-assessments to allow for adjustments of enforcement strategies as the criminals adjust their modes of operation. (FO)
9. Assign additional IRSs and IAs to OSII in order to create a team that would support the SWB by reviewing all criminal and general intelligence investigations in N-FORCE and N-SPECT for commonalities across cases. Assign special agents whose sole function would be to support Project Gunrunner to the (b) (7)(E)
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(b) (7)(E) Other U.S. Consulates would benefit from our presence. For example, in Guadalajara most firearms seizures could be associated with a specific DTO, if we had assigned personnel. Assign additional agents, IOIs, IRSs, and IAs to SWB Field Divisions to support the SWB by providing direct analytic support to criminal investigations. Assign special agents to each SWB State's Fusion Center/De-confliction Center or HIDTA to share information and de-conflict investigations. (FO, OSII, EPS, OM)
10. Utilize PeN-LINK to store and analyze telephone data from Project Gunrunner and VCIT/PSN suspects from the four border divisions for analyses by OSII. (FO, OSII)
11. Obtain SCI clearance for select special agents assigned to the SWB to provide access to valuable classified intelligence (could be accessed at EPIC, field divisions, military facilities). (OSII, OPRSO)
12. Establish OSII teams similar to the National Response Teams to support the field divisions during major operational activities. The teams should be comprised of IRSs and IAs to provide on-site, real-time research into the possessors, the FFLs, and the original purchasers to provide on-the-spot actionable intelligence to Investigators, whether at a seizure site or at a gun show. (FO, OSII)
13. In February 2007, the Agencia Federal de Investigacion dismantled a highly advanced DTO communications intercept facility seizing antennas, scanners (VHF, UHF, WFM, FM, and AM), intercept equipment, and broad-band antenna (VHF and UHF). ATF agents working along the SWB area need to be reminded to use their secure-radio functions and to not use their cellular phones. (FO, OST)
14. Use ATF Explosives-Detecting Canines at the border to assist law enforcement searches of southbound vehicles. (FO, TPD)
15. (b) (7)(E)
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16. Enact legislation requiring the use a multiple-sales form for long guns. (PGA)

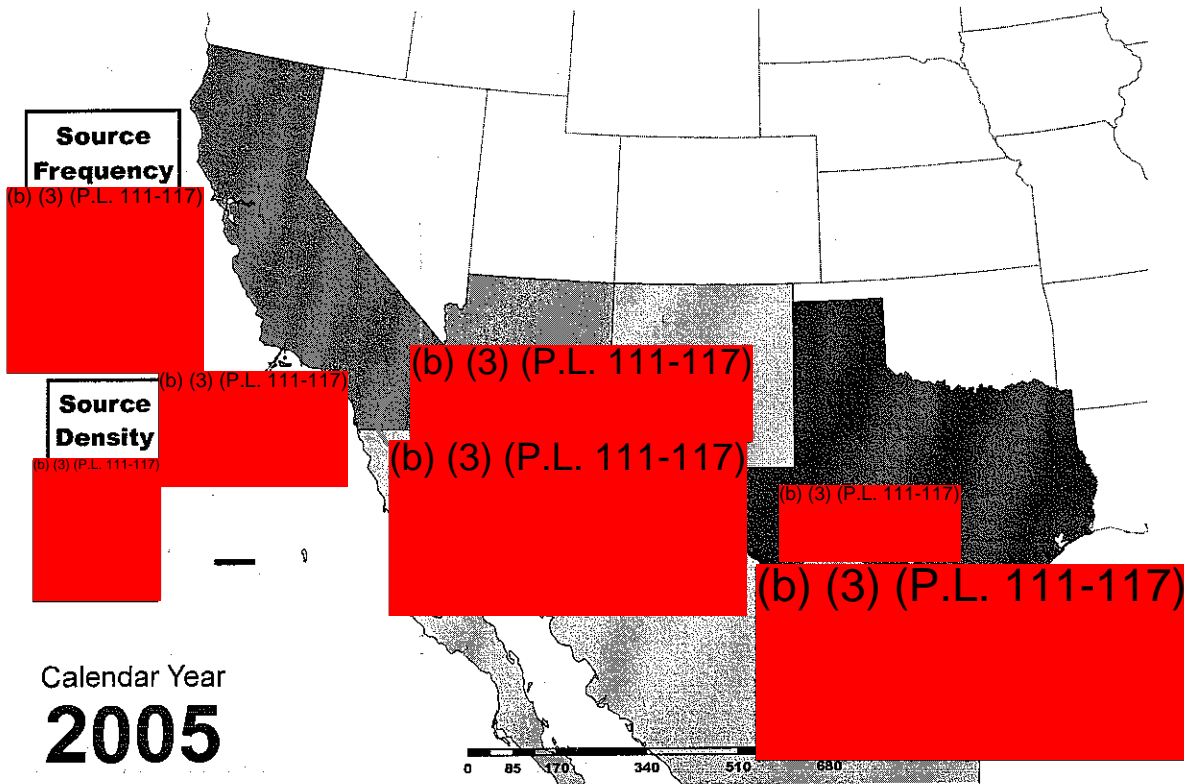
17. Expand our initiative by examining all firearms traces and source states for FFL commonalities and/or purchaser commonalities. (FO, EPS, OSII)
18. The parameters of the SWB N-FORCE code need to be defined and applied retroactively to ATF cases actually involved in the project. (FO)
19. The FIGs need to become fully engaged in the SWB and be in a position to provide statistical data and recommendations upon request. (FO)
20. Inspections of border-county FFLs need to be conducted as expeditiously as possible. Teams for these inspections should consist of investigators and special agents. (FO)
21. Encourage Mexican authorities to report seizures of explosives and artillery to ATF for tracing and analysis purposes. (EPS)

CONCLUSION:

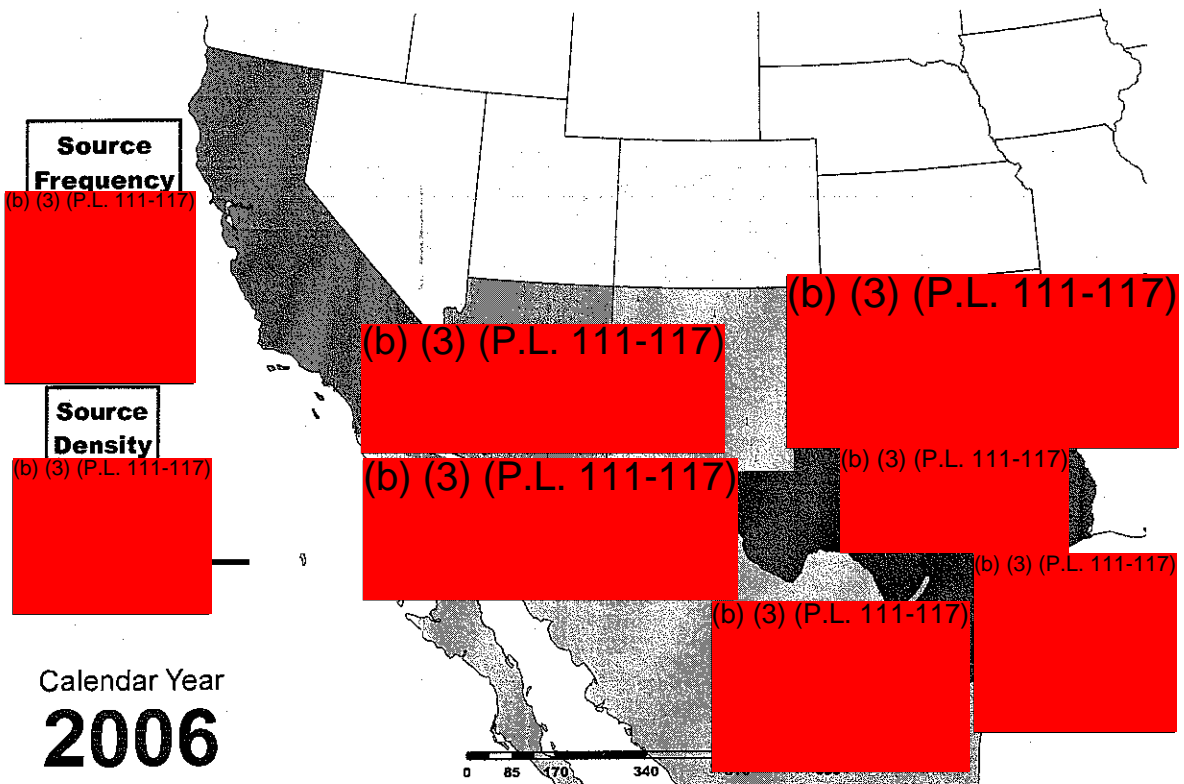
If the aforementioned recommendations are adopted, a vast reduction in violence on both sides of the border would occur in very short order. We have already contributed to the reduction of violent crimes along the Southwest Border by identifying and arresting over 250 persons suspected of firearms violations, in just two and a half years. We have identified the FFLs most often linked to weapons seized in Mexico. We accomplished this with nominal resources and despite the lack of clear lines of communication with Mexican authorities and their limited technology. The exchange of real-time intelligence and trace data would ensure quick identification and apprehension of gun traffickers in both countries. More thorough inspections and/or investigations of FFLs may deprive the DTOs of illegally obtained firearms and result in the reduction of violence. When the DTOs are deprived of their means of protection and enforcement, it will directly impinge on their ability to apply their drug trade, and will reduce the amount of cocaine coming into the US. ATF will make significant inroads into dismantling the DTOs, while fulfilling its primary missions of reducing violent crime and protecting the public.

Appendix J

U.S. Source Metropolitan Areas for Firearms Recovered in Mexico



Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch



Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch

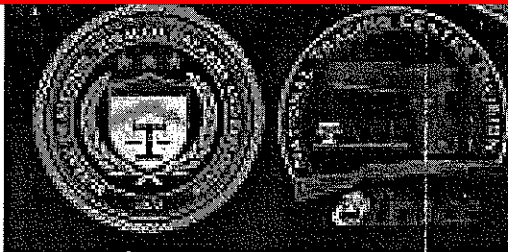
Appendix K

Apparent Firearms Trafficking Routes from the U.S. into Mexico

(b) (3) (P.L. 111-117)

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(b) (3) (P.L. 111-117)



(b) (3) (P.L. 111-117)

Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of Enforcement Programs and Services, National Tracing Center Division Trace Study Analysis of Mexico for Fiscal Years 2004-2006

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June 2007

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U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Office of Strategic Intelligence and Information



ATF (U) 2009 Project Gunrunner Assessment

ATF Intelligence Assessment



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EXECUTIVE SUMMARY

(U//LES) This report is an assessment of armaments illegally acquired and trafficked to Mexico in 2009, focusing on the drug trafficking organizations (DTOs), through the examination of the illegal acquisition, transportation, distribution, and recovery of these arms. The primary objective of this assessment is to provide information in support of Southwest border trafficking investigations and/or to assist operational planning and support initiatives. It was developed by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Southwest Border-Field Intelligence Support Team, El Paso Intelligence Center (EPIC), International Affairs Office (IAO), and the Violent Crime Analysis Branch, with assistance from the Field Operations Division and the National Tracing Center.

(U//LES) The Cartel Controlled Landscape and Firearms Trafficking portion section in this report provides an overview of the DTOs' ongoing confrontations for control of territory in Mexico throughout 2009. The turf wars are still active as of the writing of this report, with ongoing violence especially in the Mexican border cities of Reynosa, Nuevo Laredo, Ciudad Juarez and Tijuana. There are drastic changes in DTO alliances in 2010. The Gulf and the Sinaloa cartels have aligned themselves with La Familia Michoacana to form the New Federation to fight Los Zetas.

(U//LES) ATF's Office of Strategic Intelligence and Information will be compiling a 2010 Executive Summary of the changes to the DTOs' structure and firearms trafficking methodology to immediately follow this report.

MEXICAN ORGANIZED CRIME – FIREARMS TRAFFICKING METHODOLOGY

(U) The Mexican cartels are multifaceted criminal enterprises that are engaged in narcotics trafficking, firearms trafficking, money laundering and various other types of criminal activity. The Mexican cartels operate worldwide as transnational criminal enterprises. There are scores of Mexican drug trafficking organizations (DTOs), all of which have various degrees of affiliation to a cartel. The U.S.-Mexico transportation methodology utilized by the cartels is the result of decades of countering enforcement operations through effective intelligence collection. As a result, they have established systems of layered compartmentalized organizations with limited operational knowledge to form acquisition, supply and transportation networks. These networks are highly successful and extremely resilient. The identification, interdiction and prosecution of these networks are extremely arduous.

(U) The cartels maintain a supply of firearms through a process similar to the practice known as the Pull System. Under this process the financing, acquisition, storage and transportation (supply chain) are performed by compartmentalized components in line with one another to minimize detection, disruption and prosecution. This is a demand-based process wherein ranking DTO leaders in Mexico acquire the needed firearms, explosives and other equipment by controlling

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the entire process through strict orders and oversight of the supply chain. The communications throughout the supply chain are of vital importance in maintaining control and give the leadership the ability to protect their interest and deflect or minimize any risks. In the event that one of the components (links) of the supply chain is compromised, that component can be replaced with minimal disruption to the rest of the chain because of the component's limited operational knowledge.

(U) The firearms supply chain contains two distinct component types that are tactically used in varying degrees. The first component type is directly managed and operated by DTO members. This type is mainly utilized in the financing, transportation, storage and distribution of firearms components in Mexico. The second component type is the outsourcing of services by the DTOs to independent operators. The straw purchaser component in any supply chain is comprised almost entirely by independent operators. The DTOs utilize independent operators within the United States to avoid risk to DTO members or when their resources are limited.

(U) The DTOs' demand for firearms soars when they encounter heavy military and law enforcement offensives against them and/or a spike in internal and territorial conflicts. In the quest to identify and dismantle the supply chain components, it is essential to know the cartel landscape, the territorial conflicts and the operational environment in Mexico. The assessment of the acquisition and trafficking of firearms by the Mexican DTOs is a very challenging task due to the ever changing alliances that make up the structure of each drug cartel.

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(U) The average penalty for firearms trafficking ranges from approximately 12 to 30 months. A person that confines their criminal activities to being a low-volume straw purchaser would have a good chance of receiving probation. There is a willing pool of firearms traffickers and straw purchasers because there is minimal risk of lengthy incarceration.

(U//LES) In examining just the magnitude of the weapons being recovered in Mexico, it gives the impression that identifying and stemming the flow would be easy. The volume of weapons does not equate to large shipments of weapons crossing the border. With all of the advanced detection equipment and highly trained personnel, we have not produced a pattern of massive seizures that the volume suggests, to substantiate this methodology. Furthermore, the vast majority of the seized weapons in Mexico do not come from seizures at the border. They are recovered when confronting DTOs and by raiding DTO hideouts and stash houses. Illicit weapons are confiscated at other crime scenes and checkpoints where the possessors are not

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related to a DTO. Based on this, it appears that the "ant trafficking" methodology is more likely the cross-border firearms transportation scenario.

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DTO SUPPLY CHAIN MODEL:

(U//LES) Beginning in September 2009, Arizona emerged as the source State for what appears to be DTO managed and operated supply chains affiliated with the Sinaloa cartel. The DTO solicited several straw purchasers in the Phoenix, Arizona, area. They began purchasing firearms in large quantities, several times in a month for DTOs. These independent operators would

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Some of the firearms, along with magazines and ammunition, were recovered while in transit or in stash houses along the border in Arizona and in El Paso, Texas. The location of these seizures is compatible with the Sinaloa's territorial control along the border in Mexico. The rest of the firearms were recovered in the Mexican States of Baja California Norte and Sur, Sonora, Chihuahua, Sinaloa, Guerrero and Durango. A full range of investigative avenues, techniques and resources have been implemented in order to identify the DTO operatives throughout the supply chain(s). Valuable information has been ascertained from this investigation. From the base storage locations in Phoenix, several border stash houses and multiple supply routes were identified.

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DTO OUT-SOURCING MODEL:

(U//LES) In November 2009, a significant firearms trafficking target was arrested following a 1,400-mile mobile surveillance by ATF from Minnesota to a Laredo, Texas, border crossing. Seized from his vehicle were nine FN 5.7mm rifles and pistols, and five Ruger and Berreta .380 caliber pistols. The target's criminal activity came to light in February 2009 while the SWB-FIST team was matching Mexican seizure events in 2008 to the corresponding firearms traces from NTC. The target purchased a single Ruger pistol that was recovered in southern Mexico in January 2008. Further research on the National Tracing Center records revealed (b) (3) (P.L. 111-117)

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(U//LES) The target pleaded guilty and provided information as to his illegal firearms trafficking activities. He admitted that he was an independent operator that solicited the services of other straw purchasers, transported the firearms to southern Mexico and delivered them to the Mexican buyer. The buyer and two additional recipients of the firearms were identified. Based on information provided by ATF, the Mexican Secretariat of Public Safety (SSP) executed a search warrant and arrest warrant for the Mexican buyer that resulted in the recovery of 12 additional firearms. This case highlights the outsourcing firearms supply chain model.

MEXICO FIREARMS AND EXPLOSIVES SEIZURE EVENTS

(U//LES) The U.S. Government's ability to inspect the firearms and explosives seized throughout Mexico is limited. ATF and the Mexican military created the Combined Explosives Investigative Team (CEIT) to respond to major explosives seizure locations throughout Mexico. One of the main CEIT functions is to collect evidence for laboratory examinations. Currently there is not a similar joint unit to respond and collect evidence and conduct firearms examinations. In Mexico, all seized firearms must be turned over to the military within the short time period mandated by law. A formal request must be submitted to inspect the firearms once in military storage. All explosives are turned over to the military. There is a very limited amount of U.S. personnel available to respond to the location of the evidence. As a result, U.S. authorities must rely on Mexican authorities for this information.

(U//LES) The Government of Mexico (GOM) does not have a system in place to provide the United States Government with real-time official Government **seizure event information** that provides the **recovery of all** firearms and explosives in Mexico, the **affiliation to organized crime groups** and **all the markings** needed to trace these weapons. In the regularly scheduled

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GC Armas meetings in Mexico City. Mexican authorities provide U.S. authorities with a hard copy list of some of these seizure events. In most firearms and explosives seizure events, the Mexican authorities provide written press releases to media outlets throughout Mexico. In the larger seizure events, the authorities hold live press conferences and display the seized items and the people detained.

(U//LES) Since the inception of Project Gunrunner, ATF has compensated for the lack of official GOM seizure event information by collecting Mexican Government press releases and the open source reporting of firearms and explosive seizure events throughout Mexico. The information is collected and disseminated daily to our U.S. and Mexican law enforcement and military partners. It is essential to determine the identity of the DTO for each reported seizure event. Armed with this information, ATF would be able to effectively trace the weapons, analyze the data, and provide effective tactical and strategic intelligence that would severely disrupt U.S. commercial-sourced firearms trafficking to Mexico.

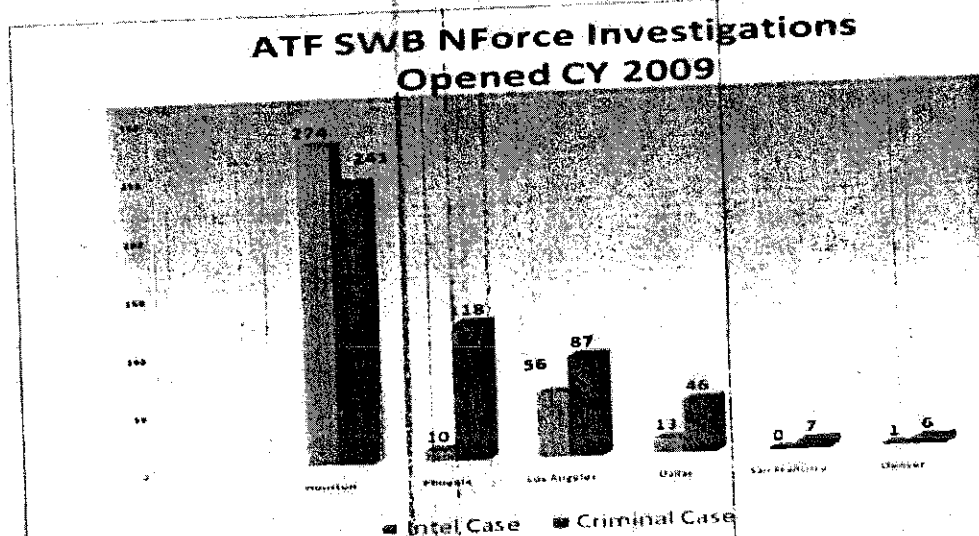
SOUTHWEST BORDER (SWB) FIREARMS TRAFFICKING INVESTIGATIONS

(U//LES) There were 2,410 intelligence and criminal cases opened in N-Force in CY 2009 with the investigative profile, Project Gunrunner (SWB-Southwest Border Project). The field divisions and the Mexico Country Office (MCO) opened 517 criminal cases. There are several SWB Gunrunner investigations that were opened as Organized Crime Drug Enforcement Task Force (OCDETF) cases in 2009, and others were carried over from previous years.

(U//LES) The Houston Gun Runner Impact Team (GRIT) generated a significant number of cases in 2009. The MCO and the New Orleans Field Division each opened three SWB criminal cases. The Atlanta, Detroit, Kansas City, Nashville, Seattle and St. Paul Field Divisions all opened one SWB criminal case. The Detroit Field Division was the only one to open a SWB intelligence case.

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(U//LES) The below chart is a listing of the criminal and intelligence SWB files opened by the top 6 field divisions in CY 2009



(U//LES) ATF OSII, along with the IAO Mexico Country Office (MCO) and border liaison agents, opened 1,508 criminal intelligence cases relating to the firearms and explosives seizures events in Mexico in 2009. The seizure events were collected, entered, and maintained under the N-Force Southwest Border (SWB) case numbers 164020-09-0001 and 162080-09 or 10-0001. Each N-Force seizure event contains the following information: all open source information pertaining to the event to include the weapons seized and persons detained; official Mexican and U.S. Government agency reports; information about the weapons seized; the firearms trace information; and any supporting documentation in connection with the seizure event.

(U//LES) In the majority of the SWB investigations, the identification, arrest and indictments were limited to the perpetrators, within the United States, that were part of the purchase and/or transportation components of the supply chains. There is valuable intelligence derived during the course of these investigations. The DTO intelligence and information are usually retained at the agent, field office or divisional level.

(U//LES) Firearms trafficking investigations should encompass the full scope of criminal activities associated with DTO weapons, especially acts of violence and intimidation. All parties in a firearms trafficking organization (supply chain) are supplying firearms that are used in furtherance of the organization's violent criminal activities in both the United States and Mexico. Under Project Gunrunner, OSII and the MCO have been collecting information from the violent events occurring in Mexico, the perpetrators, the firearms recovered and the affiliation to a criminal organization. This is challenging because the DTOs are constantly changing alliances. If the information is fully developed, the end-user's violent actions and their affiliation to a DTO would provide essential evidence to broaden the scope of the prosecution against firearms

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traffickers. By merging this evidence into the prosecution of a DTO firearms supply chain, the parties could be exposed to Federal organized crime charges (RICO, CCE, VICAR) and the maximum penalties allowable by law.

(U//LES) ATF OSII is monitoring and collecting information from the major ATF SWB investigations. OSII has established points of contacts and has personnel supporting Project Gunrunner investigations that are assigned to other U.S. Federal agencies at their headquarters level. OSII is merging case information with all available unclassified and classified information from all our U.S. and international partners.

(U//LES) ANALYTICAL CRITERIA USED TO COMPILE THE STATISTICS CONTAINED IN THIS REPORT

Please be advised that a significant number of Mexico traces are currently being entered into the Firearms Tracing System (FTS); therefore, the Mexico recovered and traced data (especially CY 2009) will continue to change.

All of the following statistics have the following selection criteria in common:

- Traces with a recovery country of Mexico were included.
- Traces with a recovery date between January 1, 2009, and December 31, 2009, were selected; the statistics are based on a query of the FTS on June 15, 2010.
- Traces with a recovery date between January 1, 2008, and December 31, 2009, were selected; the statistics are based on a query of the FTS on March 9, 2010.
- Duplicate, Gun Buyback, Firearm Turned-in, and Firearm Not Recovered traces were not included.

MEXICO FIREARMS TRACING

(U//LES) It has been the stance of the GOM that the United States is solely responsible for the weapons being trafficked into Mexico. The Mexican media has fueled discussions that Mexico has a shared responsibility to confront the weapons trafficking into Mexico as well. The GOM rarely submits consistent requests for traces to ATF's National Tracing Center for the firearms recovered in Mexico. In the past several years, Mexican authorities have submitted requests, through eTrace, for less than 10 percent of all firearms recovered in Mexico. Furthermore, Mexican authorities do not provide ATF with the firearms data from those recoveries in a timely manner. In order for ATF to facilitate the tracing of these firearms, ATF obtains the firearms data from the Mexican authorities, other U.S. authorities or personally inspects the weapons.

(U//LES) Each year, ATF receives trace data from GC Armas reports, urgent requests for tracing, and CD(s) with data from thousands of recovered firearms. ATF started receiving a CD with several thousand firearms, and over the last few years the data on the CDs grew to more than 10,000 firearms. Finally, in August 2009, the Mexican military provided a CD containing an inventory of 64,227 entries for seized firearms, grenade launchers and ammunition being stored from recoveries from CY 2005 to August 2009. There were more than 62,000 firearms data entries, of which almost 18,500 or 30 percent were found to have been previously traced.

(U) 2009 Project Gunrunner Assessment

The additional firearms data substantially changed the statistical information for that time period and the analysis of the 2008 Project Gunrunner Assessment.

(U//LES) The PGR's Center of Information, Analysis, and Planning to Fight Crime (CENAPI) was provided 10 computers and additional eTrace accounts in October 2009. They were given additional accounts, boosting them to 10. In March 2010, the Mexican Attorney General announced that he wanted all Mexican State law enforcement agencies to have eTrace access. The Mexican Federal Police (SSP) and some State governments have requested hundreds of accounts. The PGR has severely limited the dissemination of the accounts. The PGR/CENAPI maintains that they are capable of tracing all firearms seized in Mexico and therefore must assert its control of the eTrace system. The PGR reports that the GOM confiscated more than 83,000 weapons since December 2006. As previously stated, the PGR has an extremely poor record of tracing those weapons in eTrace during this time period. The PGR's current personnel levels and structure make it very highly unlikely to fulfill the task. It is imperative that to effectively stem the flow of firearms, eTrace must be utilized in a timely and efficient manner by entering the firearms data at the crime scene or shortly thereafter. The GOM should ensure that the proper personnel are dedicated to collecting the firearms data and submitting the traces in eTrace.

(U//LES) From CY 2007 to CY 2009, almost (b) (3) (P.L. 111-117) firearms were recovered in Mexico and submitted to ATF's National Tracing Center for tracing. Of those, almost (b) (3) (P.L. 111-117) were traced to the first retail purchaser. The top 5 acquisition States (source States) were (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

and (b) (3) (P.L. 111-117). The "source States" are basically consistent each calendar year. The percentages of firearm recoveries per State for each of the calendar years (CY 2007 - CY 2009) are within a half percent. The total number of firearms traced to the first retail purchaser is consistently (b) (3) (P.L. 111-117) of the total number of firearms recovered and traced in each of the calendar years (CY 2007 - CY 2009).

(U//LES) It is important to note that when analyzed by date of purchase in relation to date of recovery (i.e. "time to crime"), the data yields a different picture of significant "source States." For example, overall California was the second highest "source State" for firearms recovered in Mexico in CY 2009. However, there were only (b) (3) (P.L. 111-117) of the total firearms recovered in Mexico in CY 2009, purchased in California, that had a time-to-crime (TTC) of 1 year or less. Furthermore, there were (b) (3) (P.L. 111-117) recovered in Mexico in CY 2009 and traced to California with a TTC of 5 years or less. This data highlights that California's significance as a "source State" to Mexico is most likely dated and will likely diminish as the existing, dated source pool of firearms runs out. The California firearms registration and gun show laws, along with their strict enforcement, appear to have a severe impact on the straw purchasing of firearms.

(U//LES) Additionally, the type of firearm and the intended user are important to determine in order to differentiate between firearms trafficking to a DTO or other users. Of the (b) (3) (P.L. 111-117) traces noted above, there were (b) (3) (P.L. 111-117)

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(b) (3) (P.L. 111-117) The rifles were en route to the rural areas of Oaxaca, Mexico. Investigation revealed that the rifles were not being sent to a DTO. Under Mexican law, a .22 caliber rifle can be legally possessed in Mexico if it is registered. Only the remaining (b) (3) (P.L. 111-117) firearms with a TTC of 1 year or less and the (b) (3) (P.L. 111-117) firearms, for a total (b) (3) (P.L. 111-117) with a TTC of 5 years or less were potential DTO crime guns.

(U) It is important to adopt these principles to determine the current DTO firearms trafficking trends and patterns.

2009 Mexico Firearms Tracing

(U//LES) As of June 25, 2010, the National Tracing Center processed (b) (3) (P.L. 111-117) firearms submitted for tracing that were recovered in Mexico during calendar year 2009. This is down (b) (3) (P.L. 111-117) from the approximately (b) (3) (P.L. 111-117) firearms recovered and traced in 2008. Using open source reporting as an indicator, there were most likely several thousand more firearms recovered in Mexico in 2009. It should be noted that the CD tendered in August 2009 only had information of firearms seized until July 2009. Since then, the Mexican authorities have gone back to their practice of not providing ATF with all their recovered firearms data in a timely manner.

(U//LES) Of the (b) (3) (P.L. 111-117) were traced to the first retail purchaser. Of those, the top 5 acquisition States (source States) were (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117). The other top source States were States surrounding the (b) (3) (P.L. 111-117) and States surrounding the (b) (3) (P.L. 111-117). Within the continental United States, only (b) (3) (P.L. 111-117) did not have any firearms traced back to individual purchasers. The average TTC for 2009 was (b) (3) (P.L. 111-117) ears.

(U//LES) A total of (b) (3) (P.L. 111-117) firearms recovered in Mexico were identified as having been sold from an FFL at a gun show. This represents only (b) (3) (P.L. 111-117) percent of all firearms recovered and traced from transactions by FFLs at gun shows nationwide in CY 2009. This percentage is slightly higher in (b) (3) (P.L. 111-117) respectively. Only (b) (3) (P.L. 111-117) firearms recovered in Mexico were identified as having been stolen from an FFL; this number, while minimal, is still slightly higher than the previous 2 years. *(It is important to note that these statistics only deal with FFL transactions at gun shows; private sales at gun shows are unregulated at the Federal level and no comprehensive data set exists for private firearms sales.)*

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CARTEL-CONTROLLED LANDSCAPE AND FIREARMS TRAFFICKING

AREAS OF CARTEL INFLUENCES IN MEXICO, 2008

(b) (7)(E)**(b) (7)(E)****(b) (7)(E)****(b) (7)(E)**

(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTO) cartels in areas throughout Mexico at the end of 2008.

(U//LES) Entering 2009, the DTO supply chains were faced with additional demands for firearms and ammunition in three areas. The Sinaloa cartel exerted their power in the State of Baja California against the Tijuana cartel and in the State of Chihuahua against the Juarez cartel, in a bid to gain control of these crucial cross-border transportation territories. This aggression, along with the military and law enforcement response, fueled additional demands for firearms, ammunition, explosives and other equipment. Their supply chains had to adapt to the increased demands and the transportation routes to the battleground areas. A major contributing factor for their success is that they meet the demand for manpower and firepower to overpower their rivals.

(U//LES) In 2006, La Familia Michoacána severed their alliance with the Gulf, Los Zetas and Beltran-Leyva cartels. They established their own firearms supply chains to gain power and facilitate the needs for their expansion. In 2009, they gained the majority control in their home State of Michoacán.

(U//LES) The Gulf cartel and Los Zetas suffered the loss of hundreds of firearms and explosives as a result of Mexican Government operations targeting them in mid 2008 and throughout 2009. Los Zetas suffered additional losses in Guatemala and Honduras.

(U//LES) By mid 2008, the Beltran-Leyva Organization's (BLO) battles with the Sinaloa cartel began to subside, and they secured their own areas of control in the coastal areas of southern Mexico and made inroads into the State of Sonora. La Familia had launched a campaign to take control of the State of Michoacán.

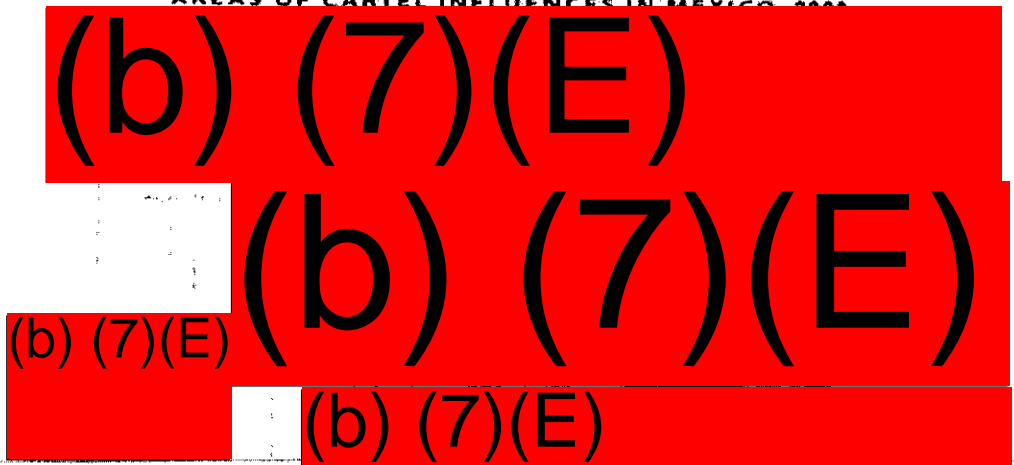
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2009 Mexican Organized Crime Related Gun Seizure Events

(U//LES) The Southwest Border Field Intelligence Support Team and EPIC have identified 329 Mexican seizure events in 2009 that were linked to specific DTOs based upon the reporting from open source and Mexican Governmental agencies. From the DTO-related seizure events, 126 events were matched to [REDACTED] firearms recovered and submitted for tracing. Of the [REDACTED] firearms (b) (3) (P.L. 111-117) [REDACTED] was the top acquisition State in 2009 with the purchase of (b) (3) (P.L. 111-117)

AREAS OF CARTEL INFLUENCES IN MEXICO, 2009



(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTO)/Cartels in areas throughout Mexico at the end of 2009.

GULF CARTEL/LOS ZETAS

(U//LES) Throughout 2009, Los Zetas and the Gulf cartel faced mounting opposition from the Mexican military and law enforcement authorities. Their rivals, the Sinaloa cartel and La Familia Michoacana, escalated the attacks against them. Their organizational tensions began to threaten their longstanding relationship. In spite of the enormous amount of aggression from every entity around them, they maintained control of all of their previous areas and expanded their control into portions of the State of Chiapas, Mexico, and the bordering nation of Guatemala. The U.S. Department of Justice and several Federal, State and local law enforcement agencies are vigorously pursuing arrest and prosecution of the Gulf cartel and Los Zetas hierarchy and key operatives.

(U//LES) From April 29, 2009, to August 28, 2009, ATF's Gun Runner Impact Team (GRIT) in the Houston Field Division conducted a successful firearms trafficking offensive in the south Texas area. The Houston GRIT was a supplemental initiative to ATF's Project Gunrunner. Extensive community outreach was conducted in conjunction with the Houston GRIT, including

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(U) 2009 Project Gunrunner Assessment

press releases, press conferences, and interviews with national or international news media. This intelligence-driven initiative focused on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico. They aggressively targeted firearms traffickers supplying criminal organizations in Mexico. The GRIT identified several firearms supply chain components, the majority of which were linked to the Gulf cartel and Los Zetas.

(U//LES) The most significant impact was on the acquisition (straw purchasing) component of these firearms supply chains. ATF industry operations investigators completed nearly 1,100 inspections of Federal firearms licensees (FFL), issued more than 440 violations, and recommended 78 adverse actions. These regulatory actions helped to identify and correct the neglectful compliance by the FFLs that straw purchasers had been exploiting. ATF partnered with the FFLs and provided training in identifying and dealing with illegal purchasers (straw) and firearms traffickers. The Houston GRIT successfully investigated more than 700 existing leads and more than 400 new leads that were developed during the operation. There were 276 new criminal and intelligence cases opened involving 189 suspects, and 644 firearms were identified as being trafficked to Mexico. The Houston GRIT seized 443 firearms, 141,442 rounds of ammunition and 3 blasting caps. They provided information to Federal, State, and local law enforcement partners that resulted in the seizure of an additional 171 firearms, bringing the total to 614 seized firearms.

(U//LES) The Houston GRIT's preventative tactics, criminal investigations and firearms seizures definitely affected the Gulf cartel and Los Zetas' ability to acquire firearms in a "business as usual approach." These efforts also effectively brought law enforcement's attention, at all levels, on the FFLs that were regularly utilized by the straw purchasing rings on behalf of the DTOs. All of these factors had an impact on the Gulf cartel and Los Zetas at a time when they were facing major offensives from the Mexican authorities and their rivals, as well as while experiencing internal turmoil.

Los Zetas/Gulf Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Gulf cartel and Los Zetas in 117 Mexican seizure events in which they were named separately (Zetas 70%, Gulf 30%) and together. The top seizure event States in Mexico are: 24 (21%) in Nuevo Leon; 16 (14%) in Tamaulipas; 15 (13%) in Jalisco; 9 (8%) in Chiapas; and 8 (7%) in Veracruz. According to the open source reporting, there were 892 firearms and 782 grenades recovered in 21 Mexican States, with 19 or 20 percent occurring in the State of Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Gulf cartel/Los Zetas had recoveries in 16 different States in Mexico. There were (b) (3) (P.L. 111-117) firearms

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(U) 2009 Project Gunrunner Assessment

recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced, (b) (3) (P.L. 111-117) these purchases occurred in (b) (3) (P.L. 111-117). The average TTC was (b) (3) (P.L. 111-117).

Significant Investigation:

(U//LES) In 2007, an investigation involving an FFL was opened in Houston, Texas, that led to the identification of a large-scale firearms trafficking organization. The investigation uncovered more than 23 participants involved in illegally acquiring and trafficking firearms. After numerous interviews with straw purchasers, three individuals residing in the Houston area were ultimately identified as the leaders of this trafficking ring. The investigation revealed that a high-ranking member of the Los Zetas organization provided the financing to one of the leaders for the firearms.

(U//LES) Throughout 2009, 16 individuals have been charged with firearms trafficking violations in the case. Several individuals have cooperated in this investigation and provided intelligence as to the workings of this trafficking organization. Approximately 336 various firearms, to include Bushmaster AR-15 rifles, Beretta 9mm pistols and FN 5.7 pistols, were purchased by this firearms trafficking organization. To date, 88 of these firearms have been recovered in Mexico, and 4 have been recovered in Guatemala. The firearms have been traced to 51 separate incidents in Mexico, in which 18 law enforcement officers and civilians have died, along with 37 DTO gunmen.

SINALOA CARTEL

(U//LES) Continuing throughout 2009, the aggressive actions of the Sinaloa cartel raged fiercely in and around the areas of Tijuana, Baja California, and Juarez, Chihuahua. The Beltran-Leyva expanded their presence in the State of Sinaloa and established a greater presence along the coast of the State of Sonora. The Sinaloa cartel gained the majority control in the State of Chihuahua and the eastern portion of the State of Sonora. They provided the additional manpower and resources to focus on the remaining forces of the Juarez cartel and gang associates. Also, they prepared for a confrontation with Beltran-Leyva in Sonora. All of these factors led to an extremely high demand to quickly obtain firearms, ammunition and equipment. This tasked the rival cartel members in charge of the firearm supply chains to obtain and transport record numbers of firearms to these hotspots.

Sinaloa Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Sinaloa cartel's involvement in 45 seizure events in Mexico. The top seizure event States in Mexico are: 20 (44%) in the State of Chihuahua; 11 (24%) in Sinaloa; and 5 (11%) in Jalisco. According to the open source reporting, there were 578 firearms and 60 grenades recovered in 9 Mexican States.

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(U) 2009 Project Gunrunner Assessment

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Sinaloa cartel had recoveries (b) (3) (P.L. 111-117) States in Mexico. There were (b) (3) (P.L. 111-117) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced, (b) (3) (P.L. 111-117) were successful in identifying the first retail purchase (b) (3) (P.L. 111-117) of these purchases occurred in Arizona.

JUAREZ CARTEL

(U//LES) The Mexican military and law enforcement authorities were not successful in stopping the drug war in the State of Chihuahua. For more than 2 years, violent confrontations have raged between the Juarez and Sinaloa cartels. The cartel battles coupled with the intervention by the Mexican authorities have caused the loss of thousands of lives. The besieged Juarez cartel and their enforcement arm, La Linea, turned to the U.S.-Mexican gang, Barrio Azteca, to help them fend off the Sinaloa cartel. The Sinaloa cartel's control of the State of Chihuahua places the Juarez cartel under siege within portions of the city of Juarez. Their drug supply chains are cut off. Their firearms cross-border supply routes are restricted to the El Paso-Ciudad Juarez area where the Sinaloa cartel is gaining almost complete control. Without a breakthrough, the Juarez cartel will be dismantled or exterminated.

Juarez Cartel - La Linea - Barrio Azteca - 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Juarez cartel, La Linea and Barrio Azteca's involvement in 24 seizure events in Mexico. All of the seizure events occurred in the State of Chihuahua. According to the open source reporting, there were 64 firearms and 6 grenades recovered in these seizure events.

(U//LES) The open source reporting of seizure events in the State of Chihuahua lacks the reference to DTO affiliation and firearms information that prevents the matching of the data from the firearms recovered and traced in this State.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. There were only 2 (8.3%) seizure events that matched the aforementioned 24 open source seizure events. There were a total of 181 seizure events in the State of Chihuahua in 2009, and from those there were 109 seizure events in Ciudad Juarez. The 24 Juarez cartel open source seizure events only account for 13 percent of the total 2009 seizure events. The Sinaloa cartel was confronting the Juarez cartel in the State during this time, and they only account for 20 seizure events or 11 percent of the total open source seizure events. These 44 events account for only 24 percent of the total open source seizure events and leave 137 seizure events not identified as being associated with a DTO.

(U) 2009 Project Gunrunner Assessment

(U//LES) *Insufficient information was submitted to ATF's National Tracing Center for almost all of the firearms recovered and traced in the State of Chihuahua in 2009. The insufficient information prevented the matching of the trace data to the corresponding seizure events.*

(U//LES) In 2009, the Mexican authorities in Chihuahua did not provide written official or open source reports on firearms recovered, and this precluded OSII from matching the firearms trace data to the seizure events. Rarely will the firearms trace data from a recovery in Mexico provide any information pertaining to the firearm's affiliation to a drug trafficking organization. The firearms recovered and traced information can only be matched to the analyzed open source reporting by having sufficient possessor, date and location information from the trace data.

(U//LES) There were [REDACTED] firearms submitted to ATF's National Tracing Center for firearms recovered and traced from the State of Chihuahua in 2009. This information is almost entirely nonexistent as evidenced by the fact that there were only 10 firearms identified in the 2 seizure events that matched Juarez cartel open source reporting. None were identified as matching La Linea and Barrio Azteca. Furthermore, there were only 5 of the 20 Sinaloa open source seizure events that matched [REDACTED] firearms recovered and traced in Chihuahua the same year. These [REDACTED] firearms only account for [REDACTED] of the total firearms submitted for tracing in 2009.

(U//LES) There were [REDACTED] firearms of [REDACTED] of the total firearms recovered and traced that [REDACTED]. The trace information is valuable in [REDACTED]. However, without the DTO and seizure event information, the opportunity to expand the scope of the investigation and prosecution may be lost. The remaining [REDACTED].

[REDACTED]
[REDACTED]

TIJUANA CARTEL

(U//LES) The fighting between the two factions of the Tijuana cartel continued throughout 2009. The fighting since February 2009 and the Mexican Government's intervention caused high demands for firearms and ammunitions. Their supply chains along the entire west coast and in Phoenix met these demands. According to Mexican authorities, the Sinaloa cartel and La Familia are also present in Baja California. The Sinaloa cartel is transporting bulk loads of drugs into Baja California for shipment to the United States. Mexican authorities have recovered large amounts of drugs, firearms, ammunition and cash from the Sinaloa in this area.

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Tijuana Cartel/EL TEO – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Tijuana cartel and the El Teo DTO in 34 seizure events in Mexico. According to the open source reporting, there were 259 firearms and 4 grenades all recovered in Baja California.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Tijuana cartel and El Teo DTO had recoveries in Baja California. There were (b) (3) (P.L. 111-117) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

LA FAMILIA MICHOACANA

(U//LES) While La Familia Michoacána was establishing majority control in the State of Michoacán, they were also restructuring and expanding. They sent organizational members from Mexico and positioned them throughout the United States. These leaders had direct control of their retail distribution and supply chains within these areas. In doing so, they gained a substantial amount of profits from the U.S. retail market and greatly increased their drug trafficking abilities, which in turn elevated their organization to cartel status. All of these factors caused a greater demand for firearms and ammunition on their supply chains to protect their interests in Mexico.

(U//LES) In October 2009, the U.S. Department of Justice's Project Coronado dealt a devastating blow to La Familia's U.S. operations that severely impacted the entire organization. The 44-month investigation led to the arrest of more than 1,186 people and the seizure of approximately \$33 million, 7.5 metric tons of marijuana, 2 metric tons of cocaine, 13 kilograms of heroin, 1,240 kilograms of methamphetamine and 389 firearms. This once-emerging organization is now in the position of having to make alliances with other organizations to maintain their current status.

La Familia Michoacána – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified La Familia's involvement in 53 seizure events in Mexico. The top seizure event States in Mexico are: 25 (47%) in Michoacán; 13 (24%) in Mexico State; 7 (13%) in Guanajuato; and 6 (11%) in Guerrero. According to the open source reporting, there were 339 firearms and 68 grenades recovered in 5 Mexican States.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the

(U) 2009 Project Gunrunner Assessment

events. From the matching trace data the La Familia had recoveries in the same five States in Mexico as in open source reporting. There were (b) (3) (P.L. 111-117) reported firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Significant Investigation:

(U//LES) In September 2008, ATF targeted an individual that paid cash in a multiple sale purchase of 20 AK-47 type rifles in Fort Worth, Texas. The investigation revealed that the target oversaw the purchases by numerous straw purchasers. The majority of the firearms purchased were AK-47 assault-style rifles and .50 caliber sniper rifles. It was determined that La Familia organization members from Mexico were in the United States and were part of this investigation. Hundreds of firearms were being transported to organization members in the State of Michoacán, Mexico.

(U//LES) Agents determined that some of these perpetrators were targets in a major Drug Enforcement Administration (DEA) investigation involving the La Familia DTO at which time a joint OCDETF investigation was initiated. Intelligence gleaned indicated that a high-ranking La Familia cartel member, who resided in Mexico, would contact buyers positioned throughout the United States for the acquisition of firearms to be transported into Mexico. Through numerous interviews and debriefs, investigators learned that the weapons were used primarily to protect the organization's narcotic manufacturing sites and to engage in drug war battles with other cartel organizations. On October 21, 2009, ATF executed six search warrants, recovering 15 firearms and arresting 10 defendants while participating in the take-down of the Department of Justice's Project Coronado.

BELTRAN-LEYVA ORGANIZATION

(U//LES) The Beltran-Leyva Organization (BLO) lost majority control of the State of Michoacán to La Familia. They maintained control of their remaining southern coastal States, the coast of Sonora and coastal portions of Sinaloa. The BLO maintained a strong relationship with Los Zetas in 2009. The BLO has arrangements with the Los Zetas to use their cross-border trafficking routes in Mexico along the south Texas border. The impending confrontation in the State of Sonora between the Sinaloa and Beltran-Leyva cartels came to a halt in mid December 2009, after the death of the BLO leader, Arturo Beltran Leyva, and the arrest of his brother, Carlos Beltran Leyva. This allowed the Sinaloa cartel to forge all the way to the U.S. border without any significant opposition.

Beltran-Leyva Organization – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Beltran-Leyva Organization's involvement in 30 seizure events in Mexico. According to the open source

(U) 2009 Project Gunrunner Assessment

reporting, there were 349 firearms and 78 grenades recovered in 9 Mexican States. The top seizure event States in Mexico are: 7 (23%) in Guerrero; 7 (23%) in Morales; and 4 (13%) in Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data there were recoveries in (b) (3) (P.L. 111-117). There were (b) (3) (P.L. 111-117) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117)

2010 Updates

AREAS OF CARTEL INFLUENCES IN MEXICO - 2010

(b) (7)(E)

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(b) (7)(E)

(b) (7)(E)

(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTOs)/Cartels in areas throughout Mexico around May of 2010.

(U) The battling by the two factions of the Tijuana cartel ended without a clear winner after the arrest of the leader of the challenging faction.

(U//LES) In 2009, the mounting tensions between the Gulf cartel and Los Zetas began to take its toll on their longstanding relationship. A shooting incident in February 2010 sparked major ongoing hostilities in the States of Nuevo Leon and Tamaulipas. The Sinaloa cartel and La Familia have aligned themselves with the Gulf cartel members in this area.

(U//LES) From 2009 into 2010, the Sinaloa cartel continued to expand and gain territorial control in Mexico. They gained control up to the Mexico side of the U.S. border from the

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eastern half of Arizona to east of El Paso, Texas. As a result, they have set up new cross-border firearms trafficking routes as far east as El Paso. They are now able to route firearms to disputed areas adjacent to the territory controlled by the Gulf cartel and Los Zetas. This provides the Sinaloa cartel a greater advantage to deliver firearms to the region at a time that the Gulf cartel and Los Zetas are engaged in a battle.

CONCLUSION

(U) ATF remains at the forefront of the battle to eliminate the flow of firearms and munitions to Mexican DTOs. The demand by these organizations for U.S.-sourced firearms has never been greater. They have amassed enormous arsenals of semiautomatic and automatic assault rifles, machine guns, grenades and explosives. With these arsenals of weapons, they have handily confronted every level of Mexican law enforcement and the military. The territorial conflicts, internal battles and criminal violence have spiraled to unprecedented levels. These conflicts have risen to a level that some outside entities believe may even challenge Mexico's national security.

(U) ATF's Project Gunrunner is a huge undertaking that is expanding and adapting to meet the intelligence, investigative, and prosecutorial needs of international firearms trafficking cases. ATF is working in close collaboration with its domestic and international law enforcement partners to halt the violence along the Southwest border and throughout Mexico by denying the cartels the firearms, ammunition, and explosives that are essential for them to maintain power and control. However, OSII expects that the amount of violence, the number of seizure events and the number of firearms recovered will continue to increase throughout Mexico in FY 2010.

(U//LES) OSII points of contact are Southwest Border Team Leader (b) (7)(C) 648 (b) (7)(C) Intelligence Research Specialist (b) (7)(C) (202) 648 (b) (7)(C) and Intelligence Research Specialist (b) (7)(C) (202) 648 (b) (7)(C)

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Bureau of Alcohol, Tobacco, Firearms and Explosives
Office of Strategic Intelligence and Information



ATF (U) 2009 Project Gunrunner Assessment

ATF Intelligence Assessment



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EXECUTIVE SUMMARY

(U//LES) This report is an assessment of armaments illegally acquired and trafficked to Mexico in 2009, focusing on the drug trafficking organizations (DTOs), through the examination of the illegal acquisition, transportation, distribution, and recovery of these arms. The primary objective of this assessment is to provide information in support of Southwest border trafficking investigations and/or to assist operational planning and support initiatives. It was developed by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Southwest Border-Field Intelligence Support Team, El Paso Intelligence Center (EPIC), International Affairs Office (IAO), and the Violent Crime Analysis Branch, with assistance from the Field Operations Division and the National Tracing Center.

(U//LES) The Cartel Controlled Landscape and Firearms Trafficking portion section in this report provides an overview of the DTOs' ongoing confrontations for control of territory in Mexico throughout 2009. The turf wars are still active as of the writing of this report, with ongoing violence especially in the Mexican border cities of Reynosa, Nuevo Laredo, Ciudad Juarez and Tijuana. There are drastic changes in DTO alliances in 2010. The Gulf and the Sinaloa cartels have aligned themselves with La Familia Michoacana to form the New Federation to fight Los Zetas.

(U//LES) ATF's Office of Strategic Intelligence and Information will be completing a 2010 Executive Summary of the changes to the DTOs' structure and firearms trafficking methodology to immediately follow this report.

MEXICAN ORGANIZED CRIME - FIREARMS TRAFFICKING METHODOLOGY

(U) The Mexican cartels are multifaceted criminal enterprises that are engaged in narcotics trafficking, firearms trafficking, money laundering and various other types of criminal activity. The Mexican cartels operate worldwide as transnational criminal enterprises. There are scores of Mexican drug trafficking organizations (DTOs), all of which have various degrees of affiliation to a cartel. The U.S.-Mexico transportation methodology utilized by the cartels is the result of decades of countering enforcement operations through effective intelligence collection. As a result, they have established systems of layered compartmentalized organizations with limited operational knowledge to form acquisition, supply and transportation networks. These networks are highly successful and extremely resilient. The identification, interdiction and prosecution of these networks are extremely arduous.

(U) The cartels maintain a supply of firearms through a process similar to the practice known as the Pull System. Under this process the financing, acquisition, storage and transportation (supply chain) are performed by compartmentalized components in line with one another to minimize detection, disruption and prosecution. This is a demand-based process wherein ranking DTO

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(U) 2009 Project Gunrunner Assessment

leaders in Mexico acquire the needed firearms, explosives and other equipment by controlling the entire process through strict orders and oversight of the supply chain. The communications throughout the supply chain are of vital importance in maintaining control and give the leadership the ability to protect their interest and deflect or minimize any risks. In the event that one of the components (links) of the supply chain is compromised, that component can be replaced with minimal disruption to the rest of the chain because of the component's limited operational knowledge.

(U) The firearms supply chain contains two distinct component types that are tactically used in varying degrees. The first component type is directly managed and operated by DTO members. This type is mainly utilized in the financing, transportation, storage and distribution of firearms components in Mexico. The second component type is the outsourcing of services by the DTOs to independent operators. The straw purchaser component in any supply chain is comprised almost entirely by independent operators. The DTOs utilize independent operators within the United States to avoid risk to DTO members or when their resources are limited.

(U) The DTOs' demand for firearms soars when they encounter heavy military and law enforcement offensives against them and/or a spike in internal and territorial conflicts. In the quest to identify and dismantle the supply chain components, it is essential to know the cartel landscape, the territorial conflicts and the operational environment in Mexico. The assessment of the acquisition and trafficking of firearms by the Mexican DTOs is a very challenging task due to the ever changing alliances that make up the structure of each drug cartel.

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

The straw purchasing component in a supply chain is readily identified through trace information and human intelligence (HUMINT). The collection of HUMINT that would provide information identifying other components (links) is severely limited because the majority of the individuals in this component are independent operators.

(U) The average penalty for firearms trafficking ranges from approximately 12 to 30 months. A person that confines their criminal activities to being a low-volume straw purchaser would have a good chance of receiving probation. There is a willing pool of firearms traffickers and straw purchasers because there is minimal risk of lengthy incarceration.

(U//LES) In examining just the magnitude of the weapons being recovered in Mexico, it gives the impression that identifying and stemming the flow would be easy. The volume of weapons does not equate to large shipments of weapons crossing the border. With all of the advanced detection equipment and highly trained personnel, we have not produced a pattern of massive seizures that the volume suggests, to substantiate this methodology. Furthermore, the vast majority of the seized weapons in Mexico do not come from seizures at the border. They are recovered when confronting DTOs and by raiding DTO hideouts and stash houses. Illicit

(U) 2009 Project Gunrunner Assessment

weapons are confiscated at other crime scenes and checkpoints where the possessors are not related to a DTO. Based on this, it appears that the "ant trafficking" methodology is more likely the cross-border firearms transportation scenario.

(U) The Mexican Attorney General's Office (PGR) has released conflicting views on the firearms trafficking methodology by criminal organizations. In an Arms Trafficking Report the PGR produced in April 2008, it was officially stated that DTOs had members designated to ensure that firearms are procured in the United States and transported to Mexico. One year later, the PGR disseminated another report in which it stated that the DTOs were relying on independent operators or organizations to procure the weapons and sell them to the DTOs. This contributes to the OSII conclusion that there is a combination of both.

DTO SUPPLY CHAIN MODEL:

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(U//LES) The straw purchasers spent more than \$1.5 million for these firearms. In addition, these individuals have obtained hundreds of high-capacity magazines and tens of thousands of rounds of ammunition, driving their expenditures to nearly \$2 million. Approximately 25 percent of the firearms purchased by these straw purchasers have been recovered. The firearms had very (b) (3) (P.L. 111-117) Some of the firearms, along with magazines and ammunition, were recovered while in transit or in stash houses along the border in Arizona and in El Paso, Texas. The location of these seizures is compatible with the Sinaloa's territorial control along the border in Mexico. The rest of the firearms were recovered in the Mexican States of Baja California Norte and Sur, Sonora, Chihuahua, Sinaloa, Guerrero and Durango. A full range of investigative avenues, techniques and resources have been implemented in order to identify the DTO operators and recipients.

(b)(7)(A) & (E)

(b)(7)(A) & (E)

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DTO OUT-SOURCING MODEL:

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(3) (Public Law 111-117) & (7)(A)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(U//LES) The target pleaded guilty and provided information as to his illegal firearms trafficking activities. He admitted that he was an independent operator that solicited the services of other straw purchasers, transported the firearms to southern Mexico and delivered them to the Mexican buyer. The buyer and two additional recipients of the firearms were identified. Based on information provided by ATF, the Mexican Secretariat of Public Safety (SSP) executed a search warrant and arrest warrant for the Mexican buyer that resulted in the recovery of 12 additional firearms. This case highlights the outsourcing firearms supply chain model.

MEXICO FIREARMS AND EXPLOSIVES SEIZURE EVENTS

(U//LES) The U.S. Government's ability to inspect the firearms and explosives seized throughout Mexico is limited. ATF and the Mexican military created the Combined Explosives Investigative Team (CEIT) to respond to major explosives seizure locations throughout Mexico. One of the main CEIT functions is to collect evidence for laboratory examinations. Currently there is not a similar joint unit to respond and collect evidence and conduct firearms examinations. In Mexico, all seized firearms must be turned over to the military within the short time period mandated by law. A formal request must be submitted to inspect the firearms once in military storage. All explosives are turned over to the military. There is a very limited amount of U.S. personnel available to respond to the location of the evidence. As a result, U.S. authorities must rely on Mexican authorities for this information.

(U//LES) The Government of Mexico (GOM) does not have a system in place to provide the United States Government with real-time official Government seizure event information that provides the recovery of all firearms and explosives in Mexico, the affiliation to organized

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crime groups and all the markings needed to trace these weapons. In the regularly scheduled GC Armas meetings in Mexico City, Mexican authorities provide U.S. authorities with a hard copy list of some of these seizure events. In most firearms and explosives seizures events, the Mexican authorities provide written press releases to media outlets throughout Mexico. In the larger seizure events, the authorities hold live press conferences and display the seized items and the people detained.

(U//LES) Since the inception of Project Gunrunner, ATF has compensated for the lack of official GOM seizure event information by collecting Mexican Government press releases and the open source reporting of firearms and explosive seizure events throughout Mexico. The information is collected and disseminated daily to our U.S. and Mexican law enforcement and military partners. It is essential to determine the identity of the DTO for each reported seizure event. Armed with this information, ATF would be able to effectively trace the weapons, analyze the data, and provide effective tactical and strategic intelligence that would severely disrupt U.S. commercial-sourced firearms trafficking to Mexico.

SOUTHWEST BORDER (SWB) FIREARMS TRAFFICKING INVESTIGATIONS

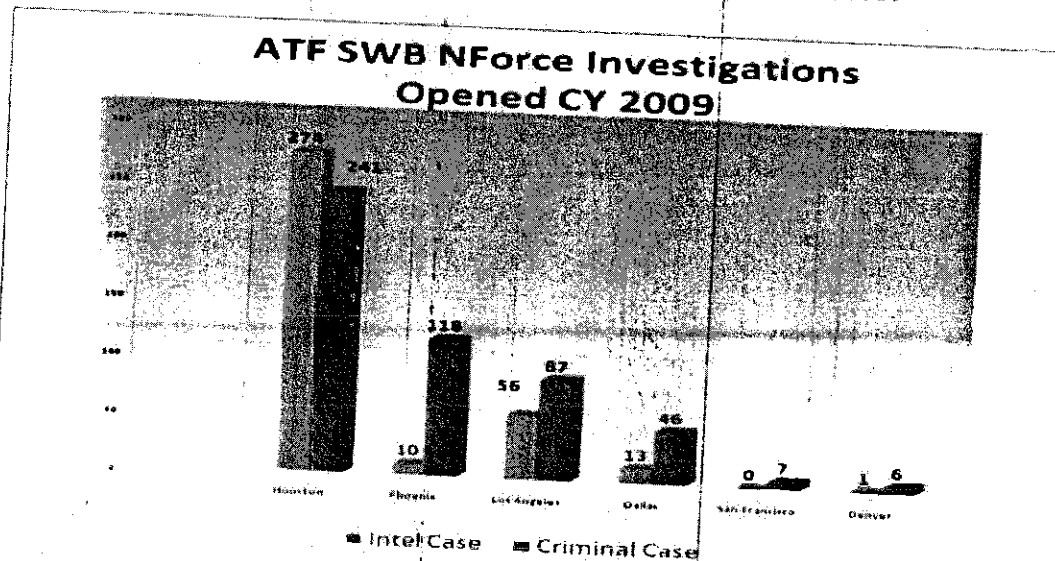
(U//LES) There were 2,410 intelligence and criminal cases opened in N-Force in CY 2009 with the investigative profile, Project Gunrunner (SWB-Southwest Border Project). The field divisions and the Mexico Country Office (MCO) opened 517 criminal cases. There are several SWB Gunrunner investigations that were opened as Organized Crime Drug Enforcement Task Force (OCDETF) cases in 2009, and others were carried over from previous years.

(U//LES) The Houston Gun Runner Impact Team (GRIT) generated a significant number of cases in 2009. The MCO and the New Orleans Field Division each opened three SWB criminal cases. The Atlanta, Detroit, Kansas City, Nashville, Seattle and St. Paul Field Divisions all opened one SWB criminal case. The Detroit Field Division was the only one to open a SWB intelligence case.

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(U//LES) The below chart is a listing of the criminal and intelligence SWB files opened by the top 6 field divisions in CY 2009



(U//LES) ATF OSII, along with the IAO, Mexico Country Office (MCO) and border liaison agents, opened 1,508 criminal intelligence cases relating to the firearms and explosives seizures events in Mexico in 2009. The seizure events were collected, entered, and maintained under the N-Force Southwest Border (SWB) case numbers 164020-09-0001 and 162080-09 or 10-0001. Each N-Force seizure event contains the following information: all open source information pertaining to the event to include the weapons seized and persons detained; official Mexican and U.S. Government agency reports; information about the weapons seized; the firearms trace information; and any supporting documentation in connection with the seizure event.

(U//LES) In the majority of the SWB investigations, the identification, arrest and indictments were limited to the perpetrators, within the United States, that were part of the purchase and/or transportation components of the supply chains. There is valuable intelligence derived during the course of these investigations. The DTO intelligence and information are usually retained at the agent, field office or divisional level. The information is buried in the individual group and field office case files in each field division. As an agency, this silo system of individual investigations severely restricts the case agent's ability to locate other investigations related to their DTO targets and retrieve the information.

(U//LES) The collection, analysis and centralization of the DTO intelligence and information from the SWB cases are not being conducted at the field division level, and this information is not being forwarded to ATF headquarters to be analyzed and retained in a central repository. This limits ATF's ability to identify a DTO's multi-divisional firearms trafficking activities

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throughout the United States or to put together national or international firearms trafficking cases for prosecution.

(U//LES) Firearms trafficking investigations should encompass the full scope of criminal activities associated with DTO weapons, especially acts of violence and intimidation. All parties in a firearms trafficking organization (supply chain) are supplying firearms that are used in furtherance of the organization's violent criminal activities in both the United States and Mexico. Under Project Gunrunner, OSII and the MCO have been collecting information from the violent events occurring in Mexico, the perpetrators, the firearms recovered and the affiliation to a criminal organization. This is challenging because the DTOs are constantly changing alliances. If the information is fully developed, the end user's violent actions and their affiliation to a DTO would provide essential evidence to broaden the scope of the prosecution against firearms traffickers. By merging this evidence into the prosecution of a DTO firearms supply chain, the parties could be exposed to Federal organized crime charges (RICO, CCE, VICAR) and the maximum penalties allowable by law.

(U//LES) ATF OSII is monitoring and collecting information from the major ATF SWB investigations. OSII has established points of contacts and has personnel supporting Project Gunrunner investigations that are assigned to other U.S. Federal agencies at their headquarters level. OSII is merging case information with all available unclassified and classified information from all our U.S. and international partners.

(U//LES) ANALYTICAL CRITERIA USED TO COMPILE THE STATISTICS
CONTAINED IN THIS REPORT

Please be advised that a significant number of Mexico traces are currently being entered into the Firearms Tracing System (FTS); therefore, the Mexico recovered and traced data (especially CY 2009) will continue to change.

All of the following statistics have the following selection criteria in common:

- Traces with a recovery country of Mexico were included.
- Traces with a recovery date between January 1, 2009, and December 31, 2009, were selected; the statistics are based on a query of the FTS on June 15, 2010.
- Traces with a recovery date between January 1, 2008, and December 31, 2009, were selected; the statistics are based on a query of the FTS on March 9, 2010.
- Duplicate, Gun Buyback, Firearm Turned-in, and Firearm Not Recovered traces were not included.

MEXICO FIREARMS TRACING

(U//LES) It has been the stance of the GOM that the United States is solely responsible for the weapons being trafficked into Mexico. The Mexican media has fueled discussions that Mexico has a shared responsibility to confront the weapons trafficking into Mexico as well. The GOM rarely submits consistent requests for traces to ATF's National Tracing Center for the firearms

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recovered in Mexico. In the past several years, Mexican authorities have submitted requests, through eTrace, for less than 10 percent of all firearms recovered in Mexico. Furthermore, Mexican authorities do not provide ATF with the firearms data from those recoveries in a timely manner. In order for ATF to facilitate the tracing of these firearms, ATF obtains the firearms data from the Mexican authorities, other U.S. authorities or personally inspects the weapons.

(U//LES) Each year, ATF receives trace data from GC Armas reports, urgent requests for tracing, and CD(s) with data from thousands of recovered firearms. ATF started receiving a CD with (b) (3) (P.L. 111-117) and over the last few years the data on the CDs grew to more than (b) (3) (P.L. 111-117). Finally, in August 2009, the Mexican military provided a CD containing an inventory of (b) (3) (P.L. 111-117) entries for seized firearms, grenade launchers and ammunition being stored from recoveries from CY 2005 to August 2009. There were more than (b) (3) (P.L. 111-117) firearms data entries, of which almost (b) (3) (P.L. 111-117) were found to have been previously traced. The additional firearms data substantially changed the statistical information for that time period and the analysis of the 2008 Project Gunrunner Assessment.

(U//LES) The PGR's Center of Information, Analysis, and Planning to Fight Crime (CENAPI) was provided 10 computers and additional eTrace accounts in October 2009. They were given additional accounts, boosting them to 10. In March 2010, the Mexican Attorney General announced that he wanted all Mexican State law enforcement agencies to have eTrace access. The Mexican Federal Police (SSP) and some State governments have requested hundreds of accounts. The PGR has severely limited the dissemination of the accounts. The PGR/CENAPI maintains that they are capable of tracing all firearms seized in Mexico and therefore must assert its control of the eTrace system. The PGR reports that the GOM confiscated more than 83,000 weapons since December 2006. As previously stated, the PGR has an extremely poor record of tracing those weapons in eTrace during this time period. The PGR's current personnel levels and structure make it very highly unlikely to fulfill the task. It is imperative that to effectively stem the flow of firearms, eTrace must be utilized in a timely and efficient manner by entering the firearms data at the crime scene or shortly thereafter. The GOM should ensure that the proper personnel are dedicated to collecting the firearms data and submitting the traces in eTrace.

(U//LES) From CY 2007 to CY 2009, almost (b) (3) (P.L. 111-117) firearms were recovered in Mexico and submitted to ATF's National Tracing Center for tracing. Of those, almost (b) (3) (P.L. 111-117) were traced to the first retail purchaser. The top 5 acquisition States (source States) were (b) (3) (P.L. 111-117), (b) (3) (P.L. 111-117), (b) (3) (P.L. 111-117), (b) (3) (P.L. 111-117) and (b) (3) (P.L. 111-117). The "source States" are basically consistent each calendar year. The percentages of firearm recoveries per State for each of the calendar years (CY 2007 - CY 2009) are within a half percent. The total number of firearms traced to the first retail purchaser is consistently about (b) (3) (P.L. 111-117) of the total number of firearms recovered and traced in each of the calendar years (CY 2007 - CY 2009).

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(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

diminish as the existing, dated source pool of firearms runs out. The California firearms registration and gun show laws, along with their strict enforcement, appear to have a severe impact on the straw purchasing of firearms.

(U//LES) Additionally, the type of firearm and the intended user are important to determine in order to differentiate between firearms trafficking to a DTO or other users. Of the (b) (3) traces noted above, there were (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) in (b) (3) (P.L. 111-117)

The rifles were en route to the rural areas of Oaxaca, Mexico. Investigation revealed that the rifles were not being sent to a DTO. Under Mexican law, a .22 caliber rifle can be legally possessed in Mexico if it is registered. Only the remaining 5 firearms with a TTC of 1 year or less and the additional 20 firearms, for a total of 25, with a TTC of 5 years or less were potential DTO crime guns.

(U) It is important to adopt these principles to determine the current DTO firearms trafficking trends and patterns.

2009 Mexico Firearms Tracing

(U//LES) As of June 25, 2010, the National Tracing Center processed (b) (3) (P.L. 111-117) firearms submitted for tracing that were recovered in Mexico during calendar year 2009. This is down (b) (3) (P.L. 111-117) from the approximately (b) (3) (P.L. 111-117) firearms recovered and traced in 2008. Using open source reporting as an indicator, there were most likely several thousand more firearms recovered in Mexico in 2009. It should be noted that the CD tendered in August 2009 only had information of firearms seized until July 2009. Since then, the Mexican authorities have gone back to their practice of not providing ATF with all their recovered firearms data in a timely manner.

(U//LES) Of the (b) (3) (P.L. 111-117) traces, (b) (3) (P.L. 111-117) percent were traced to the first retail purchaser. Of those, the top 5 acquisition States (source States) were (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117). The other top source States were States surrounding the (b) (3) (P.L. 111-117) and States surrounding the (b) (3) (P.L. 111-117). Within the continental United States, only (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) did not have any firearms traced back to individual purchasers. The average TTC for 2009 was (b) (3) (P.L. 111-117) years.

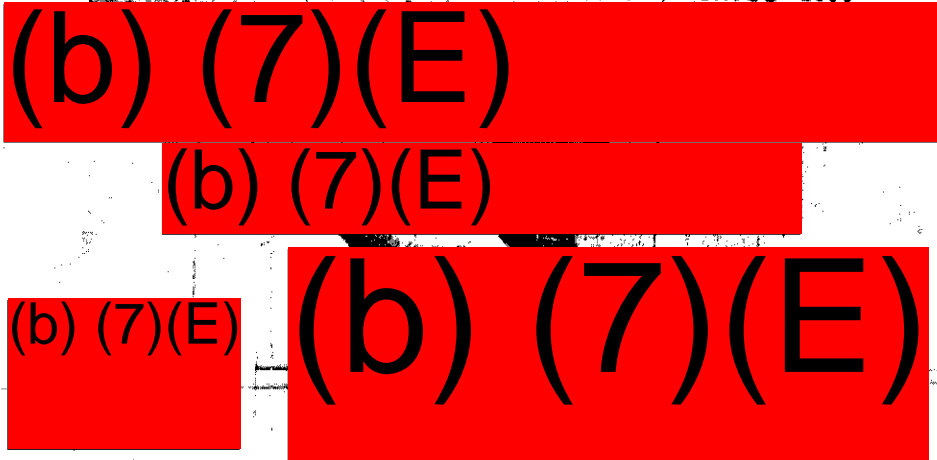
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(U//LES) A total of [REDACTED] firearms recovered in Mexico were identified as having been sold from an FFL at a gun show. This represents only [REDACTED] (b)(3) (P.L. 111-117) of all firearms recovered and traced from transactions by FFLs at gun shows nationwide in CY 2009. This percentage is slightly higher in [REDACTED] (b) (3) (P.L. 111-117) respectively. Only [REDACTED] firearms recovered in Mexico were identified as having been stolen from an FFL; this number, while minimal, is still slightly higher than the previous 2 years.

CARTEL-CONTROLLED LANDSCAPE AND FIREARMS TRAFFICKING

AREAS OF CARTEL INFLUENCES IN MEXICO - 2008



(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTO)/Cartels in areas throughout Mexico at the end of 2008.

(U//LES) Entering 2009, the DTO supply chains were faced with additional demands for firearms and ammunition in three areas. The Sinaloa cartel exerted their power in the State of Baja California against the Tijuana cartel and in the State of Chihuahua against the Juarez cartel, in a bid to gain control of these crucial cross-border transportation territories. This aggression, along with the military and law enforcement response, fueled additional demands for firearms, ammunition, explosives and other equipment. Their supply chains had to adapt to the increased demands and the transportation routes to the battleground areas. A major contributing factor for their success is that they meet the demand for manpower and firepower to overpower their rivals.

(U//LES) In 2006, La Familia Michoacana severed their alliance with the Gulf, Los Zetas and Beltran-Leyva cartels. They established their own firearms supply chains to gain power and facilitate the needs for their expansion. In 2009, they gained the majority control in their home State of Michoacán.

(U//LES) The Gulf cartel and Los Zetas suffered the loss of hundreds of firearms and explosives as a result of Mexican Government operations targeting them in mid 2008 and throughout 2009. Los Zetas suffered additional losses in Guatemala and Honduras.

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(U//LES) By mid 2008, the Beltran-Leyva Organization's (BLO) battles with the Sinaloa cartel began to subside, and they secured their own areas of control in the coastal areas of southern Mexico and made inroads into the State of Sonora. La Familia had launched a campaign to take control of the State of Michoacán.

2009 Mexican Organized Crime Related Gun Seizure Events

(U//LES) The Southwest Border Field Intelligence Support Team and EPIC have identified 329 Mexican seizure events in 2009 that were linked to specific DTOs based upon the reporting from open source and Mexican Governmental agencies. From the DTO-related seizure events, 126 events were matched to [redacted] firearms recovered and submitted for tracing. Of the [redacted] firearms, [redacted] successfully traced to the first retail purchaser. Texas was the top acquisition State in 2009 with the purchase of [redacted] DTO-related firearms.

AREAS OF CARTEL INFLUENCES IN MEXICO, 2009

[redacted] (b) (7)(E)

[redacted] (b) (7)(E)

[redacted] (b) (7)(E)

[redacted] (b) (7)(E)

[redacted] (b) (7)(E)

STRATFOR Map

(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTO)/Cartels in areas throughout Mexico at the end of 2009.

GULF CARTEL/LOS ZETAS

(U//LES) Throughout 2009, Los Zetas and the Gulf cartel faced mounting opposition from the Mexican military and law enforcement authorities. Their rivals, the Sinaloa cartel and La Familia Michoacána, escalated the attacks against them. Their organizational tensions began to threaten their longstanding relationship. In spite of the enormous amount of aggression from every entity around them, they maintained control of all of their previous areas and expanded their control into portions of the State of Chiapas, Mexico, and the bordering nation of Guatemala. The U.S. Department of Justice and several Federal, State and local law

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enforcement agencies are vigorously pursuing arrest and prosecution of the Gulf cartel and Los Zetas hierarchy and key operatives.

(U//LES) From April 29, 2009, to August 28, 2009, ATF's Gun Runner Impact Team (GRIT) in the Houston Field Division conducted a successful firearms trafficking offensive in the south Texas area. The Houston GRIT was a supplemental initiative to ATF's Project Gunrunner. Extensive community outreach was conducted in conjunction with the Houston GRIT, including press releases, press conferences, and interviews with national or international news media. This intelligence-driven initiative focused on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico. They aggressively targeted firearms traffickers supplying criminal organizations in Mexico. The GRIT identified several firearms supply chain components, the majority of which were linked to the Gulf cartel and Los Zetas.

(U//LES) The most significant impact was on the acquisition (straw purchasing) component of these firearms supply chains. ATF industry operations investigators completed nearly 1,100 inspections of Federal firearms licensees (FFL), issued more than 440 violations, and recommended 78 adverse actions. These regulatory actions helped to identify and correct the neglectful compliance by the FFLs that straw purchasers had been exploiting. ATF partnered with the FFLs and provided training in identifying and dealing with illegal purchasers (straw) and firearms traffickers. The Houston GRIT successfully investigated more than 700 existing leads and more than 400 new leads that were developed during the operation. There were 276 new criminal and intelligence cases opened involving 189 suspects, and 644 firearms were identified as being trafficked to Mexico. The Houston GRIT seized 443 firearms, 141,442 rounds of ammunition and 3 blasting caps. They provided information to Federal, State, and local law enforcement partners that resulted in the seizure of an additional 171 firearms, bringing the total to 614 seized firearms.

(U//LES) The Houston GRIT's preventative tactics, criminal investigations and firearms seizures definitely affected the Gulf cartel and Los Zetas' ability to acquire firearms in a "business as usual approach." These efforts also effectively brought law enforcement's attention, at all levels, on the FFLs that were regularly utilized by the straw purchasing rings on behalf of the DTOs. All of these factors had an impact on the Gulf cartel and Los Zetas at a time when they were facing major offensives from the Mexican authorities and their rivals, as well as while experiencing internal turmoil.

Los Zetas/Gulf Cartel – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Gulf cartel and Los Zetas in 117 Mexican seizure events in which they were named separately (Zetas 70%, Gulf 30%) and together. The top seizure event States in Mexico are: 24 (21%) in Nuevo Leon; 16 (14%) in Tamaulipas; 15 (13%) in Jalisco; 9 (8%) in Chiapas; and 8

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(7%) in Veracruz. According to the open source reporting, there were 892 firearms and 782 grenades recovered in 21 Mexican States, with 19 or 20 percent occurring in the State of Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Gulf cartel/Los Zetas had recoveries in 16 different States in Mexico. There were (b) (3) (P.L. 111-117) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced (b) (3) (P.L. 111-117) were successful in identifying the first retail purchaser; (b) (3) (P.L. 111-117) of these purchases occurred in Texas. The average TTC was (b) (3) (P.L. 111-117)

Significant Investigation:

(U//LES) In 2007, an investigation involving an FFL was opened in Houston, Texas, that led to the identification of a large-scale firearms trafficking organization. The investigation uncovered more than 23 participants involved in illegally acquiring and trafficking firearms. After numerous interviews with straw purchasers, three individuals residing in the Houston area were ultimately identified as the leaders of this trafficking ring. The investigation revealed that a high-ranking member of the Los Zetas organization provided the financing to one of the leaders for the firearms.

(U//LES) Throughout 2009, 16 individuals have been charged with firearms trafficking violations in the case. Several individuals have cooperated in this investigation and provided intelligence as to the workings of this trafficking organization. Approximately 336 various firearms, to include Bushmaster AR-15 rifles, Beretta 9mm pistols and FN 5.7 pistols, were purchased by this firearms trafficking organization. To date, 88 of these firearms have been recovered in Mexico, and 4 have been recovered in Guatemala. The firearms have been traced to 51 separate incidents in Mexico, in which 18 law enforcement officers and civilians have died, along with 37 DTO gunmen.

SINALOA CARTEL

(U//LES) Continuing throughout 2009, the aggressive actions of the Sinaloa cartel raged fiercely in and around the areas of Tijuana, Baja California, and Juarez, Chihuahua. The Beltran-Leyva expanded their presence in the State of Sinaloa and established a greater presence along the coast of the State of Sonora. The Sinaloa cartel gained the majority control in the State of Chihuahua and the eastern portion of the State of Sonora. They provided the additional manpower and resources to focus on the remaining forces of the Juarez cartel and gang associates. Also, they prepared for a confrontation with Beltran-Leyva in Sonora. All of these factors led to an extremely high demand to quickly obtain firearms, ammunition and equipment. This tasked the

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rival cartel members in charge of the firearm supply chains to obtain and transport record numbers of firearms to these hotspots.

Sinaloa Cartel - 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Sinaloa cartel's involvement in 45 seizure events in Mexico. The top seizure event States in Mexico are: 20 (44%) in the State of Chihuahua; 11 (24%) in Sinaloa; and 5 (11%) in Jalisco. According to the open source reporting, there were 578 firearms and 60 grenades recovered in 9 Mexican States.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Sinaloa cartel had recoveries in different States in Mexico. There were (b) (3) (P.L. 111-117) of open source (firearms reported) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced, (b) (3) (P.L. 111-117) were successful in identifying the first retail purchaser; (b) (3) (P.L. 111-117) of these purchases occurred in (b) (3) (P.L. 111-117).

JUAREZ CARTEL

(U//LES) The Mexican military and law enforcement authorities were not successful in stopping the drug war in the State of Chihuahua. For more than 2 years, violent confrontations have raged between the Juarez and Sinaloa cartels. The cartel battles coupled with the intervention by the Mexican authorities have caused the loss of thousands of lives. The besieged Juarez cartel and their enforcement arm, La Linea, turned to the U.S.-Mexican gang, Barrio Azteca, to help them fend off the Sinaloa cartel. The Sinaloa cartel's control of the State of Chihuahua places the Juarez cartel under siege within portions of the city of Juarez. Their drug supply chains are cut off. Their firearms cross-border supply routes are restricted to the El Paso-Ciudad Juarez area where the Sinaloa cartel is gaining almost complete control. Without a breakthrough, the Juarez cartel will be dismantled or exterminated.

Juarez Cartel - La Linea - Barrio Azteca - 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Juarez cartel, La Linea and Barrio Azteca's involvement in 24 seizure events in Mexico. All of the seizure events occurred in the State of Chihuahua. According to the open source reporting, there were 64 firearms and 6 grenades recovered in these seizure events.

(U//LES) The open source reporting of seizure events in the State of Chihuahua lacks the reference to DTO affiliation and firearms information that prevents the matching of the data from the firearms recovered and traced in this State.

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(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. There were only 2 (8.3%) seizure events that matched the aforementioned 24 open source seizure events. There were a total of 181 seizure events in the State of Chihuahua in 2009, and from those there were 109 seizure events in Ciudad Juarez. The 24 Juarez cartel open source seizure events only account for 13 percent of the total 2009 seizure events. The Sinaloa cartel was confronting the Juarez cartel in the State during this time, and they only account for 20 seizure events or 11 percent of the total open source seizure events. These 44 events account for only 24 percent of the total open source seizure events and leave 137 seizure events not identified as being associated with a DTO.

(U//LES) Insufficient information was submitted to ATF's National Tracing Center for almost all of the firearms recovered and traced in the State of Chihuahua in 2009. The insufficient information prevented the matching of the trace data to the corresponding seizure events.

(U//LES) In 2009, the Mexican authorities in Chihuahua did not provide written official or open source reports on firearms recovered, and this precluded OSII from matching the firearms trace data to the seizure events. Rarely will the firearms trace data from a recovery in Mexico provide any information pertaining to the firearm's affiliation to a drug trafficking organization. The firearms recovered and traced information can only be matched to the analyzed open source reporting by having sufficient possessor, date and location information from the trace data.

(U//LES) There were [REDACTED] firearms submitted to ATF's National Tracing Center for firearms recovered and traced from the State of Chihuahua in 2009. This information is almost entirely nonexistent as evidenced by the fact that there were only [REDACTED] firearms identified in the 2 seizure events that matched Juarez cartel open source reporting. None were identified as matching La Linea and Barrio Azteca. Furthermore, there were only [REDACTED] Sinaloa open source seizure events that matched [REDACTED] firearms recovered and traced in Chihuahua the same year. These [REDACTED] firearms only account for [REDACTED] percent of the total firearms submitted for tracing in 2009.

(U//LES) There were [REDACTED] percent of the total firearms recovered and traced that were successfully traced to the first retail purchaser. The trace information is valuable in identifying straw purchasers. However, without the DTO and seizure event information, the opportunity to expand the scope of the investigation and prosecution may be lost. The remaining [REDACTED] unsuccessful firearms traces show that the data pertaining to the firearms is not sufficiently being submitted for tracing.

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TIJUANA CARTEL

(U//LES) The fighting between the two factions of the Tijuana cartel continued throughout 2009. The fighting since February 2009 and the Mexican Government's intervention caused high demands for firearms and ammunitions. Their supply chains along the entire west coast and in Phoenix met these demands. According to Mexican authorities, the Sinaloa cartel and La Familia are also present in Baja California. The Sinaloa cartel is transporting bulk loads of drugs into Baja California for shipment to the United States. Mexican authorities have recovered large amounts of drugs, firearms, ammunition and cash from the Sinaloa in this area.

Tijuana Cartel/EL TEO – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified involvement of the Tijuana cartel and the El Teo DTO in 34 seizure events in Mexico. According to the open source reporting, there were 259 firearms and 4 grenades all recovered in Baja California.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the Tijuana cartel and El Teo DTO had recoveries in Baja California. There were [REDACTED] percent of open source firearms reported) firearms recovered and traced that matched the open source seizure events. Of the [REDACTED] firearms recovered and traced, [REDACTED] were successful in identifying the first retail purchaser. There were [REDACTED] percent of these purchases) that occurred in [REDACTED] (b) (3) (P.L. 111-117)

LA FAMILIA MICHOACANA

(U//LES) While La Familia Michoacana was establishing majority control in the State of Michoacán, they were also restructuring and expanding. They sent organizational members from Mexico and positioned them throughout the United States. These leaders had direct control of their retail distribution and supply chains within these areas. In doing so, they gained a substantial amount of profits from the U.S. retail market and greatly increased their drug trafficking abilities, which in turn elevated their organization to cartel status. All of these factors caused a greater demand for firearms and ammunition on their supply chains to protect their interests in Mexico.

(U//LES) In October 2009, the U.S. Department of Justice's Project Coronado dealt a devastating blow to La Familia's U.S. operations that severely impacted the entire organization. The 44-month investigation led to the arrest of more than 1,186 people and the seizure of approximately \$33 million, 7.5 metric tons of marijuana, 2 metric tons of cocaine, 13 kilograms of heroin, 1,240 kilograms of methamphetamine and 389 firearms. This once-emerging organization is now in the position of having to make alliances with other organizations to maintain their current status.

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La Familia Michoacána – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified La Familia's involvement in 53 seizure events in Mexico. The top seizure event States in Mexico are: 25 (47%) in Michoacán; 13 (24%) in Mexico State; 7 (13%) in Guanajuato; and 6 (11%) in Guerrero. According to the open source reporting, there were 339 firearms and 68 grenades recovered in 5 Mexican States.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data the La Familia had recoveries in the same five States in Mexico as in open source reporting. There were (b) (3) (P.L. 111-117) percent of open source firearms reported) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced (b) (3) (P.L. 111-117) were successful in identifying the first retail purchaser; (b) (3) (P.L. 111-117) of these purchases occurred in (b) (3) (P.L. 111-117)

Significant Investigation:

(U//LES) In September 2008, ATF targeted an individual that paid cash in a multiple sale purchase of 20 AK-47 type rifles in Fort Worth, Texas. The investigation revealed that the target oversaw the purchases by numerous straw purchasers. The majority of the firearms purchased were AK-47 assault-style rifles and .50 caliber sniper rifles. It was determined that La Familia organization members from Mexico were in the United States and were part of this investigation. Hundreds of firearms were being transported to organization members in the State of Michoacán, Mexico.

(U//LES) Agents determined that some of these perpetrators were targets in a major Drug Enforcement Administration (DEA) investigation involving the La Familia DTO at which time a joint OCDETF investigation was initiated. Intelligence gleaned indicated that a high-ranking La Familia cartel member, who resided in Mexico, would contact buyers positioned throughout the United States for the acquisition of firearms to be transported into Mexico. Through numerous interviews and debriefs, investigators learned that the weapons were used primarily to protect the organization's narcotic manufacturing sites and to engage in drug war battles with other cartel organizations. On October 21, 2009, ATF executed six search warrants, recovering 15 firearms and arresting 10 defendants while participating in the take-down of the Department of Justice's Project Coronado.

BELTRAN-LEYVA ORGANIZATION

(U//LES) The Beltran-Leyva Organization (BLO) lost majority control of the State of Michoacán to La Familia. They maintained control of their remaining southern coastal States.

(U) 2009 Project Gunrunner Assessment

the coast of Sonora and coastal portions of Sinaloa. The BLO maintained a strong relationship with Los Zetas in 2009. The BLO has arrangements with the Los Zetas to use their cross-border trafficking routes in Mexico along the south Texas border. The impending confrontation in the State of Sonora between the Sinaloa and Beltran-Leyva cartels came to a halt in mid December 2009, after the death of the BLO leader, Arturo Beltran Leyva, and the arrest of his brother, Carlos Beltran Leyva. This allowed the Sinaloa cartel to forge all the way to the U.S. border without any significant opposition.

Beltran-Leyva Organization – 2009 Firearms Data:

(U//LES) During CY 2009, OSII's collection of open source reporting identified the Beltran-Leyva Organization's involvement in 30 seizure events in Mexico. According to the open source reporting, there were 349 firearms and 78 grenades recovered in 9 Mexican States. The top seizure event States in Mexico are: 7 (23%) in Guerrero; 7 (23%) in Morales; and 4 (13%) in Nuevo Leon.

(U//LES) The analysis of the data from all firearms recovered and traced in Mexico in 2009 was compared to the open source seizure events in order to match the firearms trace data to the events. From the matching trace data there were recoveries in five different States in Mexico. There were (b) (3) (P.L. 111-117) percent of open source firearms reported) firearms recovered and traced that matched the open source seizure events. Of the (b) (3) (P.L. 111-117) firearms recovered and traced, (b) (3) (P.L. 111-117) were successful in identifying the first retail purchaser; (b) (3) (P.L. 111-117) of these purchases occurred in (b) (3) (P.L. 111-117) and (b) (3) (P.L. 111-117) occurred in (b) (3) (P.L. 111-117).

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2010 Updates

AREAS OF CARTEL INFLUENCES IN MEXICO, 2010

(b) (7)(E)

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(b) (7)(E)

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STRATFOR

(U) The above map fairly depicts the majority command and control by the Drug Trafficking Organizations (DTOs)/Cartels in areas throughout Mexico around May of 2010.

(U) The battling by the two factions of the Tijuana cartel ended without a clear winner after the arrest of the leader of the challenging faction.

(U//LES) In 2009, the mounting tensions between the Gulf cartel and Los Zetas began to take its toll on their longstanding relationship. A shooting incident in February 2010 sparked major ongoing hostilities in the States of Nuevo Leon and Tamaulipas. The Sinaloa cartel and La Familia have aligned themselves with the Gulf cartel members in this area.

(U//LES) From 2009 into 2010, the Sinaloa cartel continued to expand and gain territorial control in Mexico. They gained control up to the Mexico side of the U.S. border from the eastern half of Arizona to east of El Paso, Texas. As a result, they have set up new cross-border firearms trafficking routes as far east as El Paso. They are now able to route firearms to disputed areas adjacent to the territory controlled by the Gulf cartel and Los Zetas. This provides the Sinaloa cartel a greater advantage to deliver firearms to the region at a time that the Gulf cartel and Los Zetas are engaged in a battle.

INTELLIGENCE GAPS AND RECOMMENDATIONS

Lack of Domestic Seizure Information

(U//LES) The lack of the exchange of information between U.S. Federal, State and local law enforcement agencies pertaining to domestic seizure events continues to present a huge intelligence gap in addressing the issue of gun trafficking into Mexico. The information

(U) 2009 Project Gunrunner Assessment

provides intelligence to assist in identifying individuals within the supply chain and the methodology as well as the location of stash houses and border crossings. Even though all our partner agencies are committed in this area, the exchange of information and joint investigations varies by region or field division. ATF has established strong relationships with our Federal partners at the headquarters level.

(U//LES) To further minimize this gap, ATF resources must be committed to increasing communication, collaboration, and training efforts with U.S. law enforcement agencies (i.e. ICE/CBP, DEA, fusion centers, and local police departments) to capture this information in a more timely and efficient manner. Comprehensive crime gun tracing is a must. ATF also needs to fully exploit witness/suspect interviews and post-arrest statements to fully answer the collection requirements common to all Project Gunrunner investigations.

Lack of Official Information Linking DTOs to Mexican Firearms Seizure Events

(U//LES) U.S. authorities are dependent upon the Mexican Government to obtain official information from the firearms seizure events in Mexico. The ATF Mexico Country Office has worked diligently with the GOM to further engage them in the tracing of firearms and the identification of DTOs in their seizure events. The MCO has shown some improvement in this area. However, ATF continues to rely on open source reporting for the majority of these seizure events. Additionally, the GOM's dissemination of official information identifying the associated DTOs in seizure events is sporadic at best. They rarely trace seized firearms and are not timely in furnishing the firearms data for traces to be submitted for them.

(U//LES) ATF's continued commitment to provide additional personnel and resources in Mexico is paramount to bridging the information and intelligence gap that is desperately needed to prosecute major international firearms trafficking cases. Over time, through a sustained commitment, effective communications and collaboration with the GOM, the Mexican authorities will have the opportunity to put in place their own effectively trained personnel and furnish this crucial information.

Consistent Internal ATF Reporting

(U//LES) ATF reporting on Project Gunrunner investigations on the U.S. side of the border, on seizure events on the Mexican side, and on overall significant events lacks continuity and conformity. Granted, information can be received from and reported by numerous arms of ATF (case agents in the field, border liaison officers, MCO attaches and assistant attaches, EEOs, FIG members, EPIC personnel, HQ OSII, etc.), but there must be some standards for reporting this information in N-Force as ATF's case management system. Incomplete reporting in N-Force sometimes causes searches by other ATF entities to retrieve negative results—when in fact, crucial information or intelligence does exist.

(U) 2009 Project Gunrunner Assessment

(U//LES) ATF personnel involved in Project Gunrunner must utilize N-Force to its fullest extent and in compliance with existing orders, so that information is not lacking in both the structured fields and free text sections of the system. Additionally, the collection requirements annotated in detail at the end of the Project Gunrunner Southwest Border Initiative Intelligence Collection Plan Update FY 2010 (published November 2009) should be adhered to for consistent and accurate reporting. Also, all elements of ATF, no matter to which reporting chain they belong, need to take an active role in communicating and coordinating Project Gunrunner data, so that efforts are not duplicated and that critical information is not left untouched.

CONCLUSION

(U) ATF remains at the forefront of the battle to eliminate the flow of firearms and munitions to Mexican DTOs. The demand by these organizations for U.S.-sourced firearms has never been greater. They have amassed enormous arsenals of semiautomatic and automatic assault rifles, machine guns, grenades and explosives. With these arsenals of weapons, they have handily confronted every level of Mexican law enforcement and the military. The territorial conflicts, internal battles and criminal violence have spiraled to unprecedented levels. These conflicts have risen to a level that some outside entities believe may even challenge Mexico's national security.

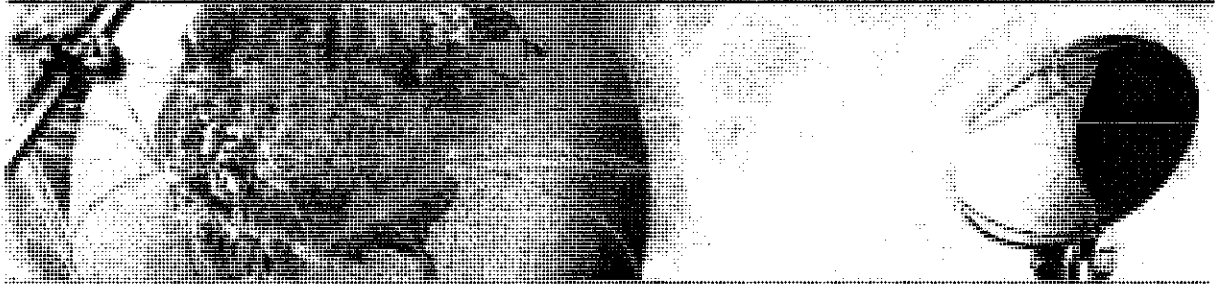
(U) ATF's Project Gunrunner is a huge undertaking that is expanding and adapting to meet the intelligence, investigative, and prosecutorial needs of international firearms trafficking cases. ATF is working in close collaboration with its domestic and international law enforcement partners to halt the violence along the Southwest border and throughout Mexico by denying the cartels the firearms, ammunition, and explosives that are essential for them to maintain power and control. However, OSII expects that the amount of violence, the number of seizure events and the number of firearms recovered will continue to increase throughout Mexico in FY 2010.

(U//LES) OSII points of contact are Southwest Border Team Leader (b) (7)(C) (202) 648 (b) (7)(C) Intelligence Research Specialist (b) (7)(C) (202) 648 (b) (7)(C) and Intelligence Research Specialist (b) (7)(C) (202) 648 (b) (7)(C)

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Office of Strategic Intelligence and Information



ATF Project Gunrunner Southwest Border Initiative Intelligence Collection Plan



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04/03/09

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Project Gunrunner Collection Plan Initiative

Table of Contents

I.	Overview	4
II.	Directing Resources	6
III.	Collection Management	7
IV.	Collection Plan	8
V.	Processing Information	11
VI.	Disseminating Intelligence	13

Appendix A- Priority Intelligence Requirements (PIRs)
Appendix B- Intelligence Requirements (IRs)
Appendix C- Mexican Drug Trafficking Organizations and Firearms Trafficking
Threat Assessment
Appendix D- Actionable Intelligence Products (that can be shared with Mexican Law
Enforcement)
Appendix E- ATF Firearms & Munitions Trafficking Intelligence Collection Requirements
Questionnaire

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Project Gunrunner Collection Plan Initiative

ATF, Office of Strategic Intelligence and Information (OSII), Project Gunrunner Mission Statement: To effectively employ strategic and operational intelligence to eliminate the diversion of firearms from the lawful marketplace by Mexican Drug Trafficking Organizations (DTOs) and others engaged in trafficking firearms to Mexico, thereby reducing firearms-related acts of violence perpetrated by DTOs in support, intimidation, and furtherance of their narcotics trafficking enterprises.

I. OVERVIEW

ATF's Southwest Border Strategy and Strategic Outcome

ATF's strategy regarding the Department of Justice Southwest Border (narco-Violence) Initiative is summarized as follows:

Working with its domestic and international law-enforcement partners, ATF will deny the "tools of the trade" to the firearms-trafficking infrastructure of the criminal organizations operating in Mexico through proactive enforcement of its jurisdictional areas in the affected border States in the domestic front, as well as through assistance and cooperative interaction with the Mexican authorities in their fight to effectively deal with the increase in violent crime.

The expected strategic outcome will be the:

The suppression of the firearm and explosive-related violence occurring on both sides of the border through effective law-enforcement collaboration involving the focused training, investigation, and interdiction of illicit trafficking and illegal use of firearms, explosives, and ammunition.

Intelligence is more than just the collection of facts and statistics; intelligence is the analysis and processing of information into a product that can be acted upon or used to drive the decision making process on specific problems. The term "processing" includes the collation of raw data into related items, evaluation to determine reliability and relevance, analysis to establish significance and implications, integration to identify patterns and collateral information, and finally, the interpretation of the data to assess its significance so that an actionable product can be disseminated.

Firearms trafficking to Mexico has become a security matter of equal importance to the United States and Mexico. Previously, the issue was a regional problem; however, as incidents of firearms violence involving members of DTOs have increased on both sides of the border, Mexican firearms violence has become an international issue.

Firearms trafficking to Mexico is not a new phenomenon. ATF has been addressing the issue for decades. Firearms trafficking techniques generally remain similar regardless of the final destination of the trafficked firearms. However, there are unique variables in the territories covered by each southwest border field division, which complicate any effort affect the issue by applying a standard tactic. Historically, each ATF field division developed its own gun

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Project Gunrunner Collection Plan Initiative

trafficking intelligence and focused its resources on only those issues immediately concerning the division.

The trafficking of guns to Mexican DTOs is a multi-dimensional problem that requires ATF to look *through* the border and from the opposite point of view to understand how we may stop it. Additionally, it will require us to pool our resources into a single intelligence-gathering network to be effective. ATF must develop a 'bee-hive mentality' whereby everyone works toward a common goal. With this in mind, it is important that we institute an *Intelligence Collection Management Plan*, that identifies intelligence gaps, and tasks each intelligence gathering element intelligence collection requirements so that can be processed (collated, evaluated, analyzed, integrated, and interpreted) and ultimately disseminated as products that can be acted upon .

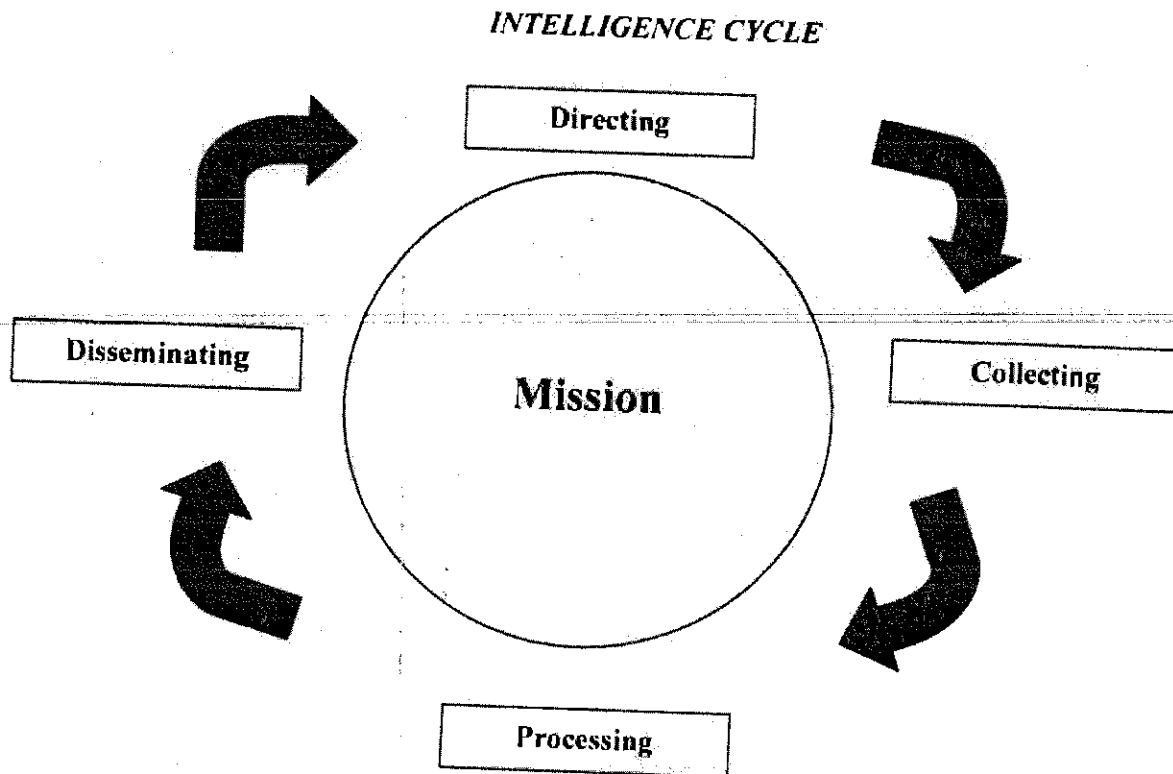
Intelligence gathering is a cyclical process. After acting upon the information or redirecting our resources, the process begins again: evaluating feedback, altering requirements and redirecting if necessary.

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II. Directing Resources

The intelligence process begins by determining requirements, prioritizing them, and issuing intelligence collection tasking and requests for information (RFIs). The highest or most important intelligence requirements (IRs) are designated as priority intelligence requirements (PIRs). The resident agent in charge (RAC) or field intelligence supervisor determines priorities and establishes deadlines for operational activities, identifies information gaps, and develops leads for intelligence to use in support of both ongoing operations and special operations under consideration. The IRs can either support PIRs or be stand alone requirements of a lesser priority than PIRs. Both PIRs and IRs serve as the basis for collection and analysis efforts. The collection manager remains aware of the RAC's guidance and operation goals, as well as all requests for information, in the preparation of the PIRs and IRs. ATF field intelligence supervisors should review and continually assess what information is already available and determine what information still needs to be acquired. New requirements for new information are passed to the respective collection assets as additional collection requirements.



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Project Gunrunner Collection Plan Initiative

III. Collection Management

Collection of Real-Time Actionable Intelligence for Project Gunrunner

The Government of Mexico has requested that the Government of the United States do more to stop the flow of guns and ammunition used in the border violence in Mexico. ATF has been tasked by the Administration to share with Mexican law enforcement real-time actionable intelligence relating to firearms trafficking networks operating in both the United States and Mexico. ATF tasked OSII to develop this plan.

In discussions between Assistant Director Field Operations (ADFO) William Hoover and Assistant Director OSII James McDermond, an agreement was reached for ATF to develop actionable intelligence products that can be shared with ATF's Mexican law enforcement counterparts through the ATF Mexico Country Office. It was also agreed that Field Operations would support OSII by tasking the special agents assigned with border liaison responsibilities and field intelligence officers with collecting, developing, and reporting such intelligence.

The collection management process involves the formulation of IRs and the direction of activities to obtain the required information. Intelligence collection management is an important component of the intelligence cycle, which draws feedback for the preparation of the intelligence collection plan.

ATF Field Offices will establish procedures to collect information from a broad variety of source such as:

- Interviewing confidential informants and other sources of information
- Reviewing trace and Federal Firearm Licensing (FFL) records on multiple sales and firearms recovered in a crime in Mexico.
- Conducting liaison with other agencies to include Mexican counterparts
- Exchanging information with other ATF field offices, the El Paso Intelligence Center (EPIC), other intelligence agencies, and other law enforcement agencies.
- Reporting "what we know when we know it"

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IV. Collection Plan

The Collection Plan for Project Gunrunner requires the continuous collection and reporting of information. The Project Gunrunner central information collection point, EPIC, will direct the collection of the intelligence. EPIC's collection, analysis and information processing efforts will be reinforced at ATF Headquarters by the Southwest Border Field Intelligence Team (SWB FIST). Both of these entities are part of OSII's Field Intelligence Division.

The process of collection planning requires an ongoing effort to identify threats and targets in order to determine the PIRs and IRs which must be collected. The analysis of each intelligence requirement includes determining where the information may be available and identifying the assets and resources needed to obtain the information.

Collection of Real-Time Actionable Intelligence

There have been several instances where such intelligence has been cultivated and developed by individual special agents resulting in successful joint cross-border operations with Mexican law enforcement. These successes and attempts are few and far between but can become routine by tasking the intelligence and border liaison officers to collect and pass to the Gunrunner Program Manager/Coordinator for development and the Mexico Country Office for sharing.

Intelligence and border liaison officers trained in developing cross-border intelligence operations can cultivate additional intelligence sharing opportunities with Mexico. These points of contact with Mexico will also generate reciprocal actionable intelligence opportunities that will be developed by ATF's Mexican law enforcement counterparts.

The Program Manager will also identify relevant gun, ammunition, and explosives seizures through official Mexican Government websites and the news media. Whenever possible, Center for Planning Analysis and Information Combating Organized Crime (CENAPI) Trace Request Reports and Central Administration for the Fiscal and Customs Inspection (ACIFA) Seizure/Trace Request Reports are collected to further identify the seizure.

The Program Manager makes an initial attempt to establish a link between the arms seizure and a Mexican Drug Trafficking organization.

The Program Manager monitors Online Lead and E-Trace to link the trace results with the seizure event.

The Program Manager opens a Seizure Event General Intelligence File in N-Force. The General Intelligence File to be used will be 164020-XX-0001. It will be updated each fiscal year with a new two digit year code. The Seizure Event will document the following information:

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- Initial Seizure Incident
- Open Source Reporting
- CENAPI and/or ACIFA Trace Request Reports
- Trace Results
- Judicial actions relating to possessors
- Any other relevant findings associated with the seizure event
- Any information linking the seizure event to a DTO

For tracking purposes, the Seizure Event General Intelligence File will be titled GUN SEIZURE or ACIFA SEIZURE documenting the date and place as follows -

Example: 10/01/2007 GUN SEIZURE - HUETAMO, MICHOACAN

10/01/2007 ACIFA SEIZURE - NOGALES, SONORA

The Mexico Country Office and the designated field intelligence group personnel will be given access to the General Intelligence Files opened in N-Force. It will be the responsibility of the field intelligence group supervisor to then grant access to those persons requiring it in other field offices.

Note: This collection procedure is a continuing process and the N-Force file and its source documents and other contents are constantly updated as additional information is developed and processed.

This plan identifies ATF's intelligence collection components relating to firearms trafficking to DTOs as 1) ATF EPIC, 2) SWB FIST, 3) the Mexico City Country Office, 4) border liaison agents, and 5) field intelligence groups.

ATF EPIC

- Open source information relating to firearms, ammunition, and explosives seizures from DTOs
- Trace Results relating to seizures from DTOs
- Reports, cables, raw intelligence, etc. reported by the U.S. Intelligence Community relating to guns, ammunition, and explosives-related incidents involving DTOs
- All source information - CBP, DEA, FBI, ICE and others in the community of interest

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SWB FIST

- Trace information and other pertinent information in Online Lead and N-Force
- Case information from field divisions not physically located on the border but related to Project Gunrunner
- Formal intelligence and investigative reporting from other law enforcement and intelligence agencies at the headquarters level

Mexico Country Office

- Trace information relating to firearms seizures from DTOs
- Trace request reports, Official Inventory lists, and other official documents obtained from the CENAPI, SIEDO, SEDENA, ACIFA, SSP, and other Mexican agencies relating to firearms seizures from DTOs

Border Liaison Officers

- Debrief and report information collected from ATF defendants, confidential informants, or walk-ins with knowledge of Mexican gunrunning operations
- Report intelligence developed by case agents investigating gun traffickers to Mexico not included in their investigative case files
- Debrief and report information collected from other Federal, State, and or local officers and/or their defendants, informants, or walk-ins with knowledge of Mexican gun running operations
- Develop and report information collected from self-developed informants, sources of information, and points of contact that can provide access to information relating to Mexican gunrunning operations
- Debrief and report information collected from U.S. Consular Officers, other Federal LE officers operating in Mexico, PGR Public Ministry Agents, PGR Technical Experts (Peritos), AFI, SSP, or SEDENA personnel

Field Intelligence Officers

- Debrief and report information collected from ATF defendants, confidential informants, or walk-ins with knowledge of Mexican gunrunning operations
- Report intelligence developed by case agents investigating gun traffickers to Mexico not included in their investigative case files.

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- Debrief and report information collected from other Federal, State, and/or local officers and/or their defendants, informants, or walk-ins with knowledge of Mexican gun running operations
- Develop and report information collected from self-developed informants, sources of information, and points of contact that can provide access to information relating to Mexican gunrunning operations
- Debrief and report information collected from U.S. Consular Officers, other Federal LE officers operating in Mexico, PGR Public Ministry Agents, PGR Technical Experts (Peritos), AFI, SSP, or SEDENA personnel

It is imperative that all components adhere to the collection process, requirements, and especially the reporting requirements. Incorporating N-Force into ATF's intelligence database is a cornerstone in developing an efficient and effective real-time actionable intelligence gathering operation. Besides using the database to warehouse intelligence that can be acted on immediately, it will also be used to prepare strategic intelligence reports and assessments, as well as to provide actionable leads for future investigations.

V. Processing Information

The processing of information involves steps in the intelligence cycle whereby information becomes intelligence through recording, evaluation, and analysis. After collecting and recording the available information, the intelligence research specialist (IRS) employs assessment, integration, and deduction to evaluate and determine the pertinence of information to the operation, the reliability of the source of agency, and the credibility of the information.

Assessment is the sifting and sorting of evaluated information to update significant elements with respect to the trafficking of firearms. All information is gathered together and is applied in relation to what ATF wants to accomplish. Assessment also requires the use of judgment and a thorough knowledge of the ATF mission in the area of operation, including the firearms trafficker's methods of operation and trends.

Integration is the combining of the elements isolated during assessment with other known information in order to form a logical hypothesis of trafficking activities. In this process, more than one hypothesis may be formulated based on existing intelligence.

It is important to remember that integration may be a mental process completed in a few moments or it may be a lengthy process involving the review of a large volume of information. A hypothesis is formed and then applied, analyzed and tested. Analysis of a hypothesis includes determining the indicators that should exist if the hypothesis is a valid one. Testing includes verifying the existence or nonexistence of these indicators within the limitations of available time and means.

Deduction is the last step in the analysis of information. Meaning is deduced from the hypotheses developed; they are then tested and considered valid as a result of integration.

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Deduction answers the question, "What does this information mean in relation to the firearms trafficker's methodology and our areas of operation and intent?" The answer provides a useful conclusion for determining the courses of action and for keeping the intelligence estimate current.

Developing Actionable Intelligence

The development of actionable real-time intelligence relating to firearms trafficking to DTOs must be collected where the problem is manifested: on the Mexican border and in the major source cities of Houston, Dallas, Phoenix, and Los Angeles. ATF EPIC Project Gunrunner IRSs will also process the information and provide intelligence by conducting research on the information documented in the Seizure Event General Intelligence File report and by reviewing CBP, DEA, FBI, and ICE cables; DEA Form 6 reports; and any other reports related to the seizure event to identify links to DTOs.

ATF EPIC IRSs query all possessors, associates, vehicles, aircraft, etc. identified in the initial seizure reports through the EPIC 10 query network, NCIC, and Online Lead to document relevant information.

Note: In the interest of timeliness, trace results will be referred immediately to the appropriate field intelligence group for local processing while ATF EPIC conducts its processing. To avoid duplication, the field intelligence group IRS, IOIS, or IA processing any given individual purchaser should contact the EPIC IRS processing the same purchaser. The name of the ATF EPIC IRS with a contact phone number will accompany all initial referrals to the field intelligence groups.

The DEA Southwest Border Unit assists the ATF IRSs to link any of the possessors, associates, and purchasers identified in the Seizure Event General Intelligence File to a DTO through NADDIS and other available resources. Similarly, every attempt will be made to connect the possessors, associates, and purchasers to any active Organize Crime Drug Enforcement Task Force (OCDETF) investigation.

All findings are documented in the ATF case management database, N-Force.

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VI. Disseminating Intelligence

Disseminating is the last step in the intelligence cycle. Disseminating is the systematic distribution of finished intelligence products to all users who would benefit from the information. Dissemination of intelligence must be on a "need to know" basis of the individuals that require it. Guidelines for product distribution should be established and followed, in order to safeguard the dissemination of intelligence for a successful operation. Critical pieces of information need to be timely for those who can use them. The intelligence community must use communications channels that provide speed and security to pass vital reports. Furthermore, producers and user need to interact during dissemination to assure that intelligence and its significance are adequately communicated and understood.

Following are examples of reporting formats that should be used to disseminate intelligence information:

Intelligence Report

The intelligence report will be the primary means to disseminate intelligence. The intelligence report is a standardized report which, based on its importance, is disseminated without regard to a specific schedule. It is prepared at all levels when facts concerning trafficking capabilities have been observed or when a change in their method of operation has taken place. It can be of varying lengths and details; for example, the debriefing of an informant or defendant may contain much more voluminous information than the description of a concealment technique. But no matter the length, this report must be clear, accurate and thorough. It is passed to any other offices at the discretion of the originating office. It is sent as quickly as possible following receipt of the information, and should include the following:

- Issuing office
- Time and date of issue
- Evaluation of the information and source
- Activity (Who, What, When, Why & How)
- Conclusion, whenever possible the report should include the originating offices interpretation of the information being reported.

Other Forms of Reporting

Depending on the needs and requirement of a particular field office or field division, various other intelligence reporting formats may be utilized. Intelligence summaries may be prepared to describe broader topics, such as firearms trafficking routes and patterns, concealment methods, significant events on the Mexican side of the border, etc. By nature, these summaries will be more general in content, but should still seek to cover the information listed above. Intelligence estimates and assessments may be prepared prior to specific operations, on a determined time basis (annual, semi-annual, monthly), or on a very broad topic. Intelligence estimates are more specifically focused and cover a shorter amount of time; intelligence assessment are much broader, over-arching, and cover a longer period of time. Briefing papers, briefing slides, charts and diagrams will be prepared on a regular basis or as situations dictate. Each field office should always have charts and diagrams prepared to cover the various firearms trafficking issues

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affecting their specific areas of operations. Additionally, for those offices along the Mexican border, charts and diagrams of the corresponding DTO opposite their area of operations (leadership, organization, geographic area of control, plazas, gatekeepers, etc.) should be maintained and updated frequently.

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Appendix A - Priority Intelligence Requirements (PIRs)

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Appendix B - Intelligence Requirements (IRs)

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Appendix C- Mexican Drug Trafficking Organizations and Firearms Trafficking Threat Assessment
Threat Inventory

- Mexican Drug Trafficking Organizations (MXDTO) actively exploiting the US commercial firearms market to challenge the Mexican Government
 - Gulf Cartel
 - Sinaloa Cartel
 - Juárez Cartel
 - Millennium Cartel
 - Tijuana Cartel (Arellano Félix Organization)
 - Isthmus Cartel (Diaz Parada Organization)
- Supply Sources actively being exploited by DTOs for guns and ammunition
 - Gun stores
 - Pawn shops
 - Gun shows
 - Internet sales
 - Residential and commercial thefts/burglaries
- Acquisition methods
 - Straw Purchasing Conspiracies organized by US-based MXDTO distribution, transportation, and money laundering cells
 - Street level bartering of drugs for guns

Threat Assessment

DTOs have actively been exploiting the US commercial firearms market for years prior to the outbreak of the Mexican Drug War (March 2003) to control the day-to-day requirements of protecting territory, enforcing narcotics transactions, eliminating rivals, etc. With the outbreak of the drug war, the need for firearms, especially those with a military application has increased exponentially to include an outright challenge of the Mexican Government. To acquire firearms and ammunition, the DTOs have tasked their narcotics distribution, transportation, and money laundering infrastructures. In essence, the DTOs firearms trafficking infrastructure is the same as their narcotics distribution, transportation, and money laundering infrastructure. The level of firearms trafficking by DTOs will increase.

Supply Sources traditionally exploited by the DTOs for guns and ammunition continue to operate under the protection of the U.S. Constitution with only the minimal regulatory oversight permitted by U.S. law. The secondary market (gun shows, second-hand sales, personal sales) confounds gun tracing adding to the difficulty of effectively monitoring illegal gun trafficking. The lifting of the assault rifle ban has flooded the U.S. commercial firearms market with assault

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rifles which has been fueling the DTO appetite for military-type firearms. To add to the firearms trafficking issue, outbound persons and conveyances are not examined as thoroughly as inbound persons and conveyances. U.S. law enforcement is only now attempting to conduct southbound firearms interdiction operations in the same manner as it conducts southbound bulk cash interdiction. Although the Government of Mexico is attempting to change its policy, their law enforcement and military personnel do not inspect southbound traffic giving the overland gun trafficker an open corridor into Mexico.

Acquisition Methods, particularly straw purchasing is not a new phenomenon and indeed has been practiced for years not only by Mexican gun traffickers but by domestic traffickers as well. Deliberately lax regulatory controls and record keeping requirements make straw purchasing relatively simple with little threat of prosecution as United States attorneys are reluctant to prosecute with what amount to 'paper cases'. Straw purchasing conspiracies organized by US-based DTO distribution, transportation, and money laundering cells have created an especially difficult challenge for U.S. law enforcement. These US-based DTO cells have applied their narcotics trafficking and money laundering expertise to gun trafficking adding to the existing problem. Their organizational and clandestine operational experience has been honed through years of adjusting to US law enforcement counter-narcotics efforts. Street level bartering of drugs for guns has not proved to be a major source of firearms for DTOs. The specialized nature and quantities of the guns required by the DTOs far exceeds the ability of street-level bartering to acquire.

Target Assessment

~~The U.S. commercial market is a target-rich environment and while it appears that the DTOs and their firearms trafficking infrastructures have the advantage, U.S. law enforcement can effectively respond to the threat by identifying and tracing guns being used by the DTOs through gun seizures in Mexico. DTO purchasers identified in the U.S. are thus flushed out and through effective post seizure analysis, it is possible to link the straw purchasers to a DTO narcotics distribution, transportation, or a money laundering cell. By the same token, post seizure analysis is an effective tool in identifying or at least tying purchasers to straw purchasing conspiracies that can be further unraveled through link analysis and telephone toll analysis.~~

Target Vulnerability:

Mexican Drug Trafficking Organizations can be affected by denying them access to firearms and ammunition. Through identifying and tracing DTO guns seized by Mexican law enforcement and military personnel and conducting effective post seizure analysis, it is possible to identify the firearms trafficking infrastructure that can be targeted. Through post seizure analysis, the straw purchasing conspiracies can be targeted for elimination and prosecution. By establishing highway interdiction partnerships with State and local law enforcement to interdict southbound gun and ammo loads, conduct controlled deliveries, and actively develop transporter intelligence targets for use by the interdiction task forces, it is possible to seriously affect the DTO southbound transportation infrastructure. By sharing intelligence, information, and evidence with ATF's Mexican law enforcement counterparts and conducting cross-border operations, it will be possible to attack the DTO firearms trafficking infrastructure on both sides of the border in a

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unified ATF-Mexico strategy. While the Mexico Country Office will take the lead in intelligence sharing, OSII and a cadre of border enforcement agents (or border liaison agents) can augment the efficiency of such a program

Supply Sources are especially vulnerable to DTO exploitation especially to straw purchasing conspiracies. It is a common practice for gun dealers especially those that are not especially successful to turn a blind eye to straw purchases. DTOs have been known to draw in such gun dealers committing them to actively falsify their records through intimidation and threats. This vulnerability can be offset through an effective outreach program to licensees operating at gun stores, pawn shops, or gun shows advising them of the trafficking indicators providing them with the opportunity to alert ATF to a DTO attempt to exploit their businesses.

Acquisition Methods remain problematic as they are almost impossible to defend against until they are well underway. The best defense against DTO acquisition attempts is early recognition through inspections and monitoring of suspicious purchases by both Special Agents and Investigators. Gun Shows are especially troublesome because of political pitfalls involved in any enforcement action attempted. An effective outreach program recruiting gun dealers to be at least more conscientious about questionable sales may be the only the politically acceptable defense.

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Appendix D- Analytic Strategies

- **Post Seizure Analysis**

- Identify DTO weapons seizures
- Link seizure to purchaser through Gun Desk and CENAPI analysis
- Identify straw purchasers
- Identify DTO firearms trafficking infrastructures

- **Operational Analysis**

- Identify Mexican-based firearms procurers/traffickers
- Identify U.S.-based firearms procurers/traffickers
- Identify moneymen
- Identify procurement specialists (facilitators & recruiters)
- Identify transporters
- Identify straw purchasing conspiracies

Identify Trafficking Logistics

- How does the DTO firearms trafficking infrastructure work?
- How is the DTO ordering guns and ammunition?
- How are they transporting guns and ammunition?
- How are they paying for the guns and ammunition?
- Where are they acquiring guns in a source city?

Identify Physical Infrastructure

- Mexico - Locate safe houses (paramilitaries, enforcers, & gun traffickers)
- Mexico - Locate clandestine armories (stash houses)
- Mexico - Locate residences (armorers, paramilitaries, enforcers, gun traffickers, transporters, etc)
- Mexico & US - Identify embarkation and debarkation (collection and delivery points)
- Mexico & US - Identify load vehicles
- US - Identify transporter residences
- US - Identify social gathering points (facilitators, straw purchasers, transporters, & traffickers)
- US - Identify supply sources (gun stores, pawn shops, & gun shows)
- US - Identify load vehicle acquisition points (used car lots & auto auctions)

Collection process

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**Appendix D- Actionable Intelligence Products
(That can be shared with Mexican Law Enforcement)**

DOCUMENT EXPLOITATION (captured from gun traffickers arrested in the U.S.):

- Telephone Numbers and addresses of Mexican contacts
- Mexican business cards
- Order lists (guns and ammunition)
- Maps
- All other documents that may relate to gun trafficking

INFORMATION AND EVIDENCE SHARING (relating to U.S.-based or captured gun traffickers):

- Photos
- Personal histories of defendants
- Names, addresses, telephones, etc. identified in the investigation
- Copies of Statements
- Copy of all legal documents permitted under law
- Inventories of guns suspected trafficked to Mexico
- Access to the Case Agent to discuss the investigation

HUMAN INTELLIGENCE RELATING TO:

- Identification of Mexico-based gun traffickers
- Location of safe houses where guns are stored
- Names and addresses of firearms traffickers, transporters, or firearms acquisition operatives residing on the Mexican side of the border
- Names and addresses of cartel gunmen
- Identification of load vehicles used for transporting firearms and ammunition
- Location of any rally points, distribution points, or places where gun traffickers may meet

CONTROLLED DELIVERIES (Information developed relating to Mexico-bound gun, ammo, or explosives shipments):

- Vehicle descriptions
- Occupant identification
- Approximate time and place of attempted entry into Mexico
- Type and quantity of guns, ammo, and/or explosives

(Note: any of the above can also be addressed on the Mexican side of the border through the effective use of the Border Liaison Officers and members of the Mexico Country Office)

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Appendix E- ATF Firearms & Munitions Trafficking Intelligence Collection Requirements
Questionnaire last updated: August 29, 2007

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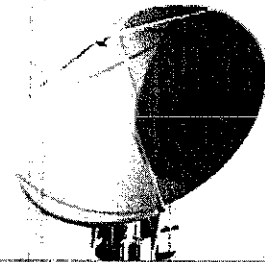
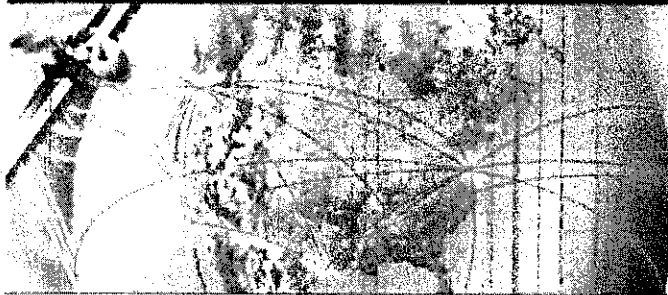
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U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Office of Strategic Intelligence and Information



ATF - Project Gunrunner Southwest Border Initiative Intelligence Collection Plan Update FY 2010



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Table of Contents

I.	Overview	3
II.	Directing Resources	5
III.	Collection Management	6
IV.	Collection Plan	7
V.	Processing Information	10
VI.	Disseminating Intelligence	12

Appendix A- Priority Intelligence Requirements (PIRs)

Appendix B- Intelligence Requirements (IRs)

Appendix C- Mexican Drug Trafficking Organizations and Firearms Trafficking
Threat Assessment

Appendix D- Actionable Intelligence Products (that can be shared with Mexican Law
Enforcement)

Appendix E- ATF Firearms & Munitions Trafficking Intelligence Collection Requirements
Questionnaire

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ATF, Office of Strategic Intelligence and Information (OSII), Project Gunrunner Mission Statement: To effectively employ strategic and operational intelligence to eliminate the diversion of firearms from the lawful marketplace by Mexican Drug Trafficking Organizations (DTOs) and others engaged in trafficking firearms to Mexico, thereby reducing firearms-related acts of violence perpetrated by DTOs in support, intimidation, and furtherance of their narcotics trafficking enterprises.

I. OVERVIEW

ATF's Southwest Border Strategy and Strategic Outcome

ATF's strategy regarding the Department of Justice Southwest Border (narco-Violence) Initiative is summarized as follows:

Working with its domestic and international law-enforcement partners, ATF will deny the "tools of the trade" to the firearms-trafficking infrastructure of the criminal organizations operating in Mexico through proactive enforcement of its jurisdictional areas in the affected border States in the domestic front, as well as through assistance and cooperative interaction with the Mexican authorities in their fight to effectively deal with the increase in violent crime.

The expected strategic outcome will be:

The suppression of the firearms and explosive-related violence occurring on both sides of the border through effective law-enforcement collaboration involving the focused training, investigation, and interdiction of illicit trafficking and illegal use of firearms, explosives, and ammunition, as well as through industry compliance and partnership.

Intelligence is more than just the collection of facts and statistics; intelligence is the analysis and processing of information into a product that can be acted upon or used to drive the decision making process on specific problems. The term "processing" includes the collation of raw data into related items, evaluation to determine reliability and relevance, analysis to establish significance and implications, integration to identify patterns and collateral information, and finally, the interpretation of the data to assess its significance so that an actionable product can be disseminated.

Firearms trafficking to Mexico has become a security matter of equal importance to the United States and Mexico. Previously, the issue was a regional problem; however, as incidents of firearms violence involving members of DTOs have increased on both sides of the border, Mexican firearms violence has become an international issue.

Firearms trafficking to Mexico is not a new phenomenon. ATF has been addressing the issue for decades. Firearms trafficking techniques generally remain similar regardless of the final destination of the trafficked firearms. However, there are unique variables in the territories covered by each southwest border field division, which complicate any effort to affect the issue by applying a standard tactic. Historically, each ATF field division developed its own gun

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Project Gunrunner Collection Plan Initiative Update FY 2010

trafficking intelligence and focused its resources on only those issues immediately concerning the division. Currently ATF case statistics reveal that 24 out of the 25 field divisions have opened Project Gunrunner firearms trafficking investigations, in some form or another. Firearms trafficking to Mexico has most certainly grown beyond regional or divisional concerns.

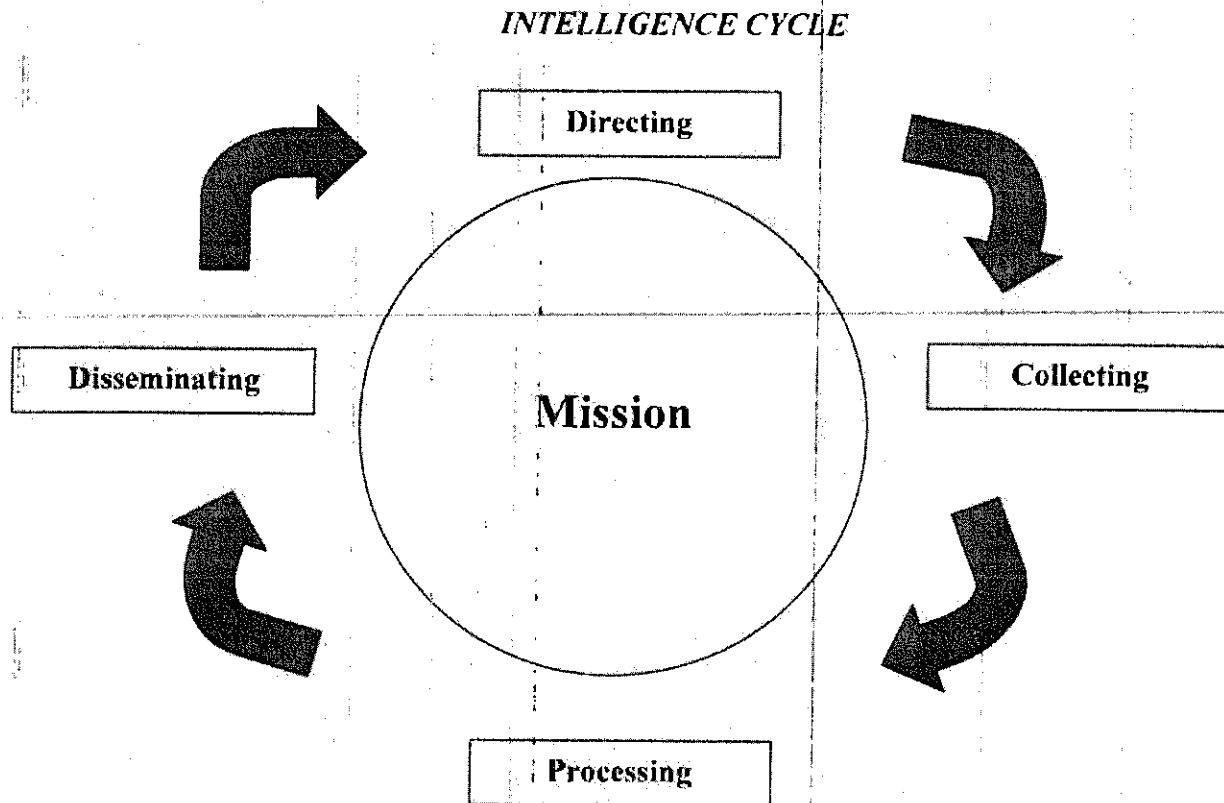
The trafficking of guns to Mexican DTOs is a multi-dimensional problem that requires ATF to look *through* the border and from the opposite point of view to understand how to stop it. Additionally, it will require the pooling of resources into a single intelligence-gathering network to be effective. ATF must develop a 'bee-hive mentality' whereby everyone works toward a common goal. With this in mind, it is important that ATF institute an ***Intelligence Collection Management Plan***, that identifies intelligence gaps, and tasks each intelligence gathering element requirements that can collect information to be processed (collated, evaluated, analyzed, integrated, and interpreted) and ultimately disseminated as products that can be acted upon.

Intelligence gathering is a cyclical process. After acting upon the information or redirecting our resources, the process begins again: evaluating feedback, altering requirements and redirecting if necessary.

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II. Directing Resources

The intelligence process begins by determining requirements, prioritizing them, and issuing intelligence collection tasking and requests for information (RFIs). The highest or most important intelligence requirements (IRs) are designated as priority intelligence requirements (PIRs). The resident agent in charge (RAC), field intelligence supervisor and/or area supervisor (AS) determine priorities and establish deadlines for operational activities, identify information gaps, and develop leads for intelligence to use in support of both ongoing operations and special operations under consideration. The IRs can either support PIRs or be stand alone requirements of a lesser priority than PIRs. Both PIRs and IRs serve as the basis for collection and analysis efforts. The collection manager remains aware of the supervisor's guidance and operation goals, as well as all requests for information, in the preparation of the PIRs and IRs. ATF field intelligence supervisors should review and continually assess what information is already available and determine what information still needs to be acquired. New requirements for new information are passed to the respective collection assets as additional collection requirements.



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III. Collection Management

Collection of Real-Time Actionable Intelligence for Project Gunrunner

The Government of Mexico has requested that the Government of the United States do more to stop the flow of guns and ammunition used in the border violence in Mexico. ATF has been tasked by the Administration to share with Mexican law enforcement real-time actionable intelligence relating to firearms trafficking networks operating in both the United States and Mexico. ATF tasked OSII to develop this plan.

In discussions between the Assistant Director Field Operations and the Assistant Director OSII, an agreement was reached for ATF to develop actionable intelligence products that can be shared with ATF's Mexican law enforcement counterparts through the ATF Mexico Country Office. It was also agreed that Field Operations would support OSII by tasking the special agents assigned with border liaison responsibilities and field intelligence officers with collecting, developing, and reporting such intelligence.

The collection management process involves the formulation of IRs and the direction of activities to obtain the required information. Intelligence collection management is an important component of the intelligence cycle, which draws feedback for the preparation of the intelligence collection plan.

ATF Field Offices will establish procedures to collect information from a broad variety of source such as:

- Interviewing confidential informants and other sources of information
- Reviewing trace and Federal Firearm Licensing (FFL) records on multiple sales and firearms recovered in a crime in Mexico.
- Conducting liaison with other agencies to include Mexican counterparts
- Exchanging information with other ATF field offices, the El Paso Intelligence Center (EPIC), other intelligence agencies, and other law enforcement agencies.
- Referrals from Industry Operations (IO) personnel regarding suspicious purchasers or FFLs
- Members of industry themselves
- Reporting "what we know when we know it"

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IV. Collection Plan

The Collection Plan for Project Gunrunner requires the continuous collection and reporting of information. The Project Gunrunner central information collection point, EPIC, will direct the collection of the intelligence. EPIC's collection, analysis and information processing efforts will be reinforced at ATF Headquarters by the Southwest Border Field Intelligence Team (SWB FIST). Both of these entities are part of OSII's Criminal Intelligence Division.

The process of collection planning requires an ongoing effort to identify threats and targets in order to determine the PIRs and IRs which must be collected. The analysis of each intelligence requirement includes determining where the information may be available and identifying the assets and resources needed to obtain the information.

Collection of Real-Time Actionable Intelligence

There have been several instances where such intelligence has been cultivated and developed by individual special agents and industry operations investigators resulting in successful joint cross-border operations with Mexican law enforcement. While not numerous, these successes and attempts can become routine by tasking the intelligence and border liaison officers to collect and pass to the Gunrunner Program Manager/Coordinator for development and the Mexico Country Office for sharing.

Intelligence and border liaison officers trained in developing cross-border intelligence operations can cultivate additional intelligence sharing opportunities with Mexico. These points of contact with Mexico will also generate reciprocal actionable intelligence opportunities that will be developed by ATF's Mexican law enforcement counterparts.

The Program Manager will also identify relevant gun, ammunition, and explosives seizures through official Mexican Government websites and the news media. Whenever possible, Center for Planning Analysis and Information Combating Organized Crime (CENAPI) Trace Request Reports and Central Administration for the Fiscal and Customs Inspection (ACIFA) Seizure/Trace Request Reports are collected to further identify the seizure.

The Program Manager makes an initial attempt to establish a link between the arms seizure and a Mexican Drug Trafficking organization.

The Program Manager monitors eTrace to link the trace results with the seizure event.

The Program Manager or other intelligence personnel open a Seizure Event General Intelligence File in N-Force. The General Intelligence File to be used will be 164020-XX-0001. It will be updated each fiscal year with a new two digit year code. The Seizure Event will document the following information:

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- Initial Seizure Incident
- Open Source Reporting
- CENAPI and/or ACIFA Trace Request Reports
- Trace Results
- Judicial actions relating to possessors
- Any other relevant findings associated with the seizure event
- Any information linking the seizure event to a DTO

For tracking purposes, the Seizure Event General Intelligence File will be titled GUN SEIZURE or ACIFA SEIZURE documenting the date and place as follows -

Example: 10/01/2007 GUN SEIZURE - HUETAMO, MICHOACAN

10/01/2007 ACIFA SEIZURE - NOGALES, SONORA

The Mexico Country Office and the designated field intelligence group personnel will be given access to the General Intelligence Files opened in N-Force. It will be the responsibility of the field intelligence group supervisor to then grant access to those persons requiring it in other field offices.

Note: This collection procedure is a continuing process and the N-Force file and its source documents and other contents are constantly updated as additional information is developed and processed.

This plan identifies ATF's intelligence collection components relating to firearms trafficking to DTOs as 1) ATF EPIC, 2) SWB FIST, 3) the Mexico City Country Office, 4) border liaison agents, and 5) field intelligence groups.

ATF EPIC

- Open source information relating to firearms, ammunition, and explosives seizures from DTOs
- Trace Results relating to seizures from DTOs
- Reports, cables, raw intelligence, etc. reported by the U.S. Intelligence Community relating to guns, ammunition, and explosives-related incidents involving DTOs
- All source information - CBP, DEA, FBI, ICE and others in the community of interest

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SWB FIST

- Trace information and other pertinent information in eTrace and N-Force
- Case and inspection information from field divisions not physically located on the border but related to Project Gunrunner
- Formal intelligence and investigative reporting from other law enforcement and intelligence agencies at the headquarters level

Mexico Country Office

- Trace information relating to firearms seizures from DTOs
- Trace request reports, Official Inventory lists, and other official documents obtained from the CENAPI, SIEDO, SEDENA, ACIFA, SSP, and other Mexican agencies relating to firearms seizures from DTOs

Border Liaison Officers

- Debrief and report information collected from ATF defendants, confidential informants, or walk-ins with knowledge of Mexican gunrunning operations
- Report intelligence developed by case agents investigating gun traffickers to Mexico not included in their investigative case files
- Report intelligence developed by IOIs regarding suspicious purchaser and/or FFL activity at physical establishments and/or gun shows near the border
- Debrief and report information collected from other Federal, State, and or local officers and/or their defendants, informants, or walk-ins with knowledge of Mexican gun running operations
- Develop and report information collected from self-developed informants, sources of information, and points of contact that can provide access to information relating to Mexican gunrunning operations
- Debrief and report information collected from U.S. Consular Officers, other Federal LE officers operating in Mexico, PGR Public Ministry Agents, PGR Technical Experts (Peritos), AFI, SSP, or SEDENA personnel

Field Intelligence Officers

- Debrief and report information collected from ATF defendants, confidential informants, or walk-ins with knowledge of Mexican gunrunning operations

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- Report intelligence developed by case agents investigating gun traffickers to Mexico not included in their investigative case files.
- Report intelligence developed by IOIs during inspections of FFLs in border divisions regarding suspicious purchasers, potential traffickers, and suspect dealers.
- Debrief and report information collected from other Federal, State, and or local officers and/or their defendants, informants, or walk-ins with knowledge of Mexican gun running operations
- Develop and report information collected from self-developed informants, sources of information, and points of contact that can provide access to information relating to Mexican gunrunning operations
- Debrief and report information collected from U.S. Consular Officers, other Federal LE officers operating in Mexico, PGR Public Ministry Agents, PGR Technical Experts (Peritos), AFI, SSP, or SEDENA personnel

It is imperative that all components adhere to the collection process, requirements, and especially the reporting requirements. Incorporating N-Force and N-Spect into ATF's intelligence database is a cornerstone in developing an efficient and effective real-time actionable intelligence gathering operation. Besides using the database to warehouse intelligence that can be acted on immediately, it will also be used to prepare strategic intelligence reports and assessments, as well as to provide actionable leads for future investigations.

V. Processing Information

The processing of information involves steps in the intelligence cycle whereby information becomes intelligence through recording, evaluation, and analysis. After collecting and recording the available information, the intelligence research specialist (IRS) employs assessment, integration, and deduction to evaluate and determine the pertinence of information to the operation, the reliability of the source of agency, and the credibility of the information.

Assessment is the sifting and sorting of evaluated information to update significant elements with respect to the trafficking of firearms. All information is gathered together and is applied in relation to what ATF wants to accomplish. Assessment also requires the use of judgment and a thorough knowledge of the ATF mission in the area of operation, including the firearms trafficker's methods of operation and trends.

Integration is the combining of the elements isolated during assessment with other known information in order to form a logical hypothesis of trafficking activities. In this process, more than one hypothesis may be formulated based on existing intelligence.

It is important to remember that integration may be a mental process completed in a few moments or it may be a lengthy process involving the review of a large volume of information.

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A hypothesis is formed and then applied, analyzed and tested. Analysis of a hypothesis includes determining the indicators that should exist if the hypothesis is a valid one. Testing includes verifying the existence or nonexistence of these indicators within the limitations of available time and means.

Deduction is the last step in the analysis of information. Meaning is deduced from the hypotheses developed; they are then tested and considered valid as a result of integration. Deduction answers the question, "What does this information mean in relation to the firearms trafficker's methodology and our areas of operation and intent?" The answer provides a useful conclusion for determining the courses of action and for keeping the intelligence estimate current.

Developing Actionable Intelligence

The development of actionable real-time intelligence relating to firearms trafficking to DTOs must be collected where the problem is manifested: on the Mexican border and in the major source cities of Houston, Dallas, Phoenix, and Los Angeles. ATF EPIC Project Gunrunner IRSs will also process the information and provide intelligence by conducting research on the information documented in the Seizure Event General Intelligence File report and by reviewing CBP, DEA, FBI, and ICE cables; DEA Form 6 reports; and any other reports related to the seizure event to identify links to DTOs.

ATF EPIC IRSs query all possessors, associates, vehicles, aircraft, etc. identified in the initial seizure reports through the EPIC 10 query network, NCIC, and eTrace to document relevant information.

Note: In the interest of timeliness, trace results will be referred immediately to the appropriate field intelligence group for local processing while ATF EPIC conducts its processing. To avoid duplication, the field intelligence group IRS, IOIS, or IA processing any given individual purchaser should contact the EPIC IRS processing the same purchaser. The name of the ATF EPIC IRS with a contact phone number will accompany all initial referrals to the field intelligence groups.

The DEA Southwest Border Unit assists the ATF IRSs to link any of the possessors, associates, and purchasers identified in the Seizure Event General Intelligence File to a DTO through NADDIS and other available resources. Similarly, every attempt will be made to connect the possessors, associates, and purchasers to any active Organize Crime Drug Enforcement Task Force (OCDETF) investigation.

All findings are documented in the ATF criminal case management database, N-Force; or if applicable, in the Industry Operations inspection management system, N-Spect.

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VI. Disseminating Intelligence

Disseminating is the last step in the intelligence cycle. Disseminating is the systematic distribution of finished intelligence products to all users who would benefit from the information. Dissemination of intelligence must be on a "need to know" basis of the individuals that require it. Guidelines for product distribution should be established and followed, in order to safeguard the dissemination of intelligence for a successful operation. Critical pieces of information need to be timely for those who can use them. The intelligence community must use communications channels that provide speed and security to pass vital reports. Furthermore, producers and user need to interact during dissemination to assure that intelligence and its significance are adequately communicated and understood.

Following are examples of reporting formats that should be used to disseminate intelligence information:

Intelligence Report

The intelligence report will be the primary means to disseminate intelligence. The intelligence report is a standardized report which, based on its importance, is disseminated without regard to a specific schedule. It is prepared at all levels when facts concerning trafficking capabilities have been observed or when a change in their method of operation has taken place. It can be of varying lengths and details; for example, the debriefing of an informant or defendant may contain much more voluminous information than the description of a concealment technique. But no matter the length, this report must be clear, accurate and thorough. It is passed to any other offices at the discretion of the originating office. It is sent as quickly as possible following receipt of the information, and should include the following:

- Issuing office
- Time and date of issue
- Evaluation of the information and source
- Activity (Who, What, When, Why & How)
- Conclusion, whenever possible the report should include the originating offices interpretation of the information being reported.

Other Forms of Reporting

Depending on the needs and requirement of a particular field office or field division, various other intelligence reporting formats may be utilized. Intelligence summaries may be prepared to describe broader topics, such as firearms trafficking routes and patterns, concealment methods, significant events on the Mexican side of the border, etc. By nature, these summaries will be more general in content, but should still seek to cover the information listed above. Intelligence estimates and assessments may be prepared prior to specific operations, on a determined time basis (annual, semi-annual, monthly), or on a very broad topic. Intelligence estimates are more specifically focused and cover a shorter amount of time; intelligence assessment are much broader, over-arching, and cover a longer period of time. Briefing papers, briefing slides, charts

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and diagrams will be prepared on a regular basis or as situations dictate. Each field office should always have charts and diagrams prepared to cover the various firearms trafficking issues affecting their specific areas of operations. Additionally, for those offices along the Mexican border, charts and diagrams of the corresponding DTO opposite their area of operations (leadership, organization, geographic area of control, plazas, gatekeepers, etc.) should be maintained and updated frequently.

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Appendix A - Priority Intelligence Requirements (PIRs)

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Appendix B - Intelligence Requirements (IRs)

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Appendix C- Mexican Drug Trafficking Organizations and Firearms Trafficking Threat Assessment

Threat Inventory

- Mexican Drug Trafficking Organizations (DTOs) actively exploiting the US commercial firearms market to challenge the Mexican Government
 - Gulf Cartel/Los Zetas
 - Sinaloa Cartel
 - Juárez Cartel (Carrillo Fuentes Organization)
 - Tijuana Cartel (Arellano Félix Organization)
 - Beltran Leyva Organization
 - La Familia Michoacana
- Supply Sources actively being exploited by DTOs for guns and ammunition
 - Gun stores
 - Pawn shops
 - Gun shows/flea markets
 - Internet sales
 - Print media (magazines, other periodicals, newspaper advertisements)
 - Residential thefts/burglaries
 - ports and Free Trade Zones
- Acquisition methods
 - Straw Purchasing Conspiracies organized by US-based DTO distribution, transportation, and money laundering cells
 - Street level bartering of drugs for guns
 - Assembly of firearms from parts

Threat Assessment

DTOs have actively been exploiting the US commercial firearms market for years prior to the outbreak of the Mexican Drug War (March 2003) to control the day-to-day requirements of protecting territory, enforcing narcotics transactions, eliminating rivals, etc. With the outbreak of the drug war, the need for firearms, especially those of high caliber and large capacity, has increased exponentially to include an outright challenge of the Mexican Government. To acquire firearms and ammunition, the DTOs have tasked their narcotics distribution, transportation, and money laundering infrastructures. In essence, the DTOs firearms trafficking infrastructure is a reflection of the other infrastructure. The level of firearms trafficking by DTOs will increase.

Supply Sources traditionally exploited by the DTOs for guns and ammunition continue to be utilized. The secondary market (gun shows, flea markets, second-hand sales, personal sales) confounds gun tracing adding to the difficulty of effectively monitoring illegal gun trafficking

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Project Gunrunner Collection Plan Initiative Update FY 2010

and tracking trends and patterns. To add to the firearms trafficking issue, outbound persons and conveyances are not examined as thoroughly as inbound persons and conveyances. U.S. law enforcement is only now attempting to conduct southbound firearms interdiction operations in the same manner as it conducts southbound bulk cash interdiction.

Acquisition Methods, particularly straw purchasing is not a new phenomenon and indeed has been practiced for years not only by Mexican gun traffickers but by domestic traffickers as well. Straw purchasing conspiracies organized by U.S.-based DTO distribution, transportation, and money laundering cells have created an especially difficult challenge for U.S. law enforcement. These US-based DTO cells have applied their narcotics trafficking and money laundering expertise to gun trafficking, adding to the existing problem. Their organizational and clandestine operational experience has been honed through years of adjusting to US law enforcement counter-narcotics efforts. Street level bartering of drugs for guns has not proved to be a major source of firearms for DTOs. The specialized nature and quantities of the guns required by the DTOs far exceeds the ability of street-level bartering to acquire.

Target Assessment

The U.S. commercial market is a target-rich environment, and while it appears that the DTOs and their firearms trafficking infrastructures have the advantage, U.S. law enforcement can effectively respond to the threat by identifying and tracing guns being used by the DTOs through gun seizures in Mexico. Additionally, effective use of ATF's industry inspection program and partnerships with cooperating members of industry can also identify potential firearms traffickers. DTO purchasers identified in the U.S. are thus flushed out; and through effective post seizure analysis, it is possible to link the straw purchasers to a DTO narcotics distribution, transportation, or a money laundering cell. By the same token, post seizure analysis is an effective tool in identifying or at least tying purchasers to straw purchasing conspiracies that can be further unraveled through link analysis and telephone toll analysis. Post seizure analysis may also provide indicators that an FFL is non-compliant with federal law or even complicit in illegal firearms transactions.

Target Vulnerability:

Mexican Drug Trafficking Organizations can be affected by denying them access to firearms and ammunition. Through identifying and tracing DTO guns seized by Mexican law enforcement and military personnel and conducting effective post seizure analysis, it is possible to identify the firearms trafficking infrastructure that can be targeted. Through post seizure analysis, the straw purchasing conspiracies can be targeted for elimination and prosecution. By establishing highway interdiction partnerships with State and local law enforcement to interdict southbound gun and ammo loads, conduct controlled deliveries, and actively develop transporter intelligence targets for use by the interdiction task forces, it is possible to seriously affect the DTO southbound transportation infrastructure. By sharing intelligence, information, and evidence with ATF's Mexican law enforcement counterparts and conducting cross-border operations, it will be possible to attack the DTO firearms trafficking infrastructure on both sides of the border in a unified ATF-Mexico strategy. While the Mexico Country Office will take the lead in intelligence sharing, OSII and a cadre of border liaison agents can augment the efficiency of such a program.

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Supply Sources are especially vulnerable to DTO exploitation especially to straw purchasing conspiracies. This vulnerability can be offset through an effective outreach program to licensees operating at gun stores, pawn shops, or gun shows advising them of the trafficking indicators providing them with the opportunity to alert ATF to a DTO attempt to exploit their businesses. This is also true for ammunition purchases, which are not required to be tracked with any of the detail that firearms purchases are tracked and recorded.

Acquisition Methods remain problematic as they are almost impossible to defend against until they are well underway. The best defense against DTO acquisition attempts is early recognition through thorough, effective inspections and monitoring of suspicious purchases by both special agents and industry operations investigators. Industry Operations has also devoted resources to such initiatives as the Used Gun Database and the Forward Trace Initiative, to further bolster detection of potential trafficking schemes, while at the same time more clearly explaining firearms trace results. Ultimately, an effective outreach program urging gun dealers to be at least more conscientious about questionable sales may be a defense that is both viable and politically acceptable.

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Appendix D- Analytic Strategies

- **Post Seizure Analysis**

- Identify DTO weapons seizures
- Link seizure to purchaser through Gun Desk and CENAPI analysis
- Identify straw purchasers
- Identify DTO firearms trafficking infrastructures

- **Operational Analysis**

- Identify Mexican-based firearms procurers/traffickers
- Identify U.S.-based firearms procurers/traffickers
- Identify moneymen
- Identify procurement specialists (facilitators & recruiters)
- Identify transporters
- Identify straw purchasing conspiracies

Identify Trafficking Logistics

- How does the DTO firearms trafficking infrastructure work?
- How is the DTO ordering guns and ammunition?
- How are they transporting guns and ammunition?
- How are they paying for the guns and ammunition?
- Where are they acquiring guns in a source city?

Identify Physical Infrastructure

- Mexico - Locate safe houses (paramilitaries, enforcers, & gun traffickers)
- Mexico - Locate clandestine armories (stash houses)
- Mexico - Locate residences (armorers, paramilitaries, enforcers, gun traffickers, transporters, etc)
- Mexico & US - Identify embarkation and debarkation (collection and delivery points)
- Mexico & US - Identify load vehicles
- US - Identify transporter residences
- US - Identify social gathering points (facilitators, straw purchasers, transporters, & traffickers)
- US - Identify supply sources (gun stores, pawn shops, & gun shows)
- US - Identify load vehicle acquisition points (used car lots & auto auctions)

Collection process

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**Appendix D- Actionable Intelligence Products
(That can be shared with Mexican Law Enforcement)**

DOCUMENT EXPLOITATION (captured from gun traffickers arrested in the U.S.):

- Telephone numbers and addresses of Mexican contacts
- Mexican business cards
- Order lists (guns and ammunition)
- Maps
- All other documents that may relate to gun trafficking

INFORMATION AND EVIDENCE SHARING (relating to U.S.-based or captured gun traffickers):

- Photos
- Personal histories of defendants
- Names, addresses, telephones, etc. identified in the investigation
- Copies of Statements
- Copy of all legal documents permitted under law
- Inventories of guns suspected trafficked to Mexico
- Access to the Case Agent to discuss the investigation

HUMAN INTELLIGENCE RELATING TO:

- Identification of Mexico-based gun traffickers
- Location of safe houses where guns are stored
- Names and addresses of firearms traffickers, transporters, or firearms acquisition operatives residing on the Mexican side of the border
- Names and addresses of cartel gunmen
- Identification of load vehicles used for transporting firearms and ammunition
- Location of any rally points, distribution points, or places where gun traffickers may meet

CONTROLLED DELIVERIES (Information developed relating to Mexico-bound gun, ammo, or explosives shipments):

- Vehicle descriptions
- Occupant identification
- Approximate time and place of attempted entry into Mexico
- Type and quantity of guns, ammo, and/or explosives

(Note: any of the above can also be addressed on the Mexican side of the border through the effective use of the Border Liaison Officers and members of the Mexico Country Office)

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**Appendix E- ATF Firearms & Munitions Trafficking Intelligence Collection Requirements
Questionnaire last updated: April 2009**

General

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Project Gunrunner Collection Plan Initiative Update FY 2010

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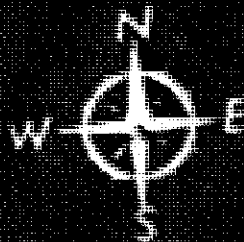
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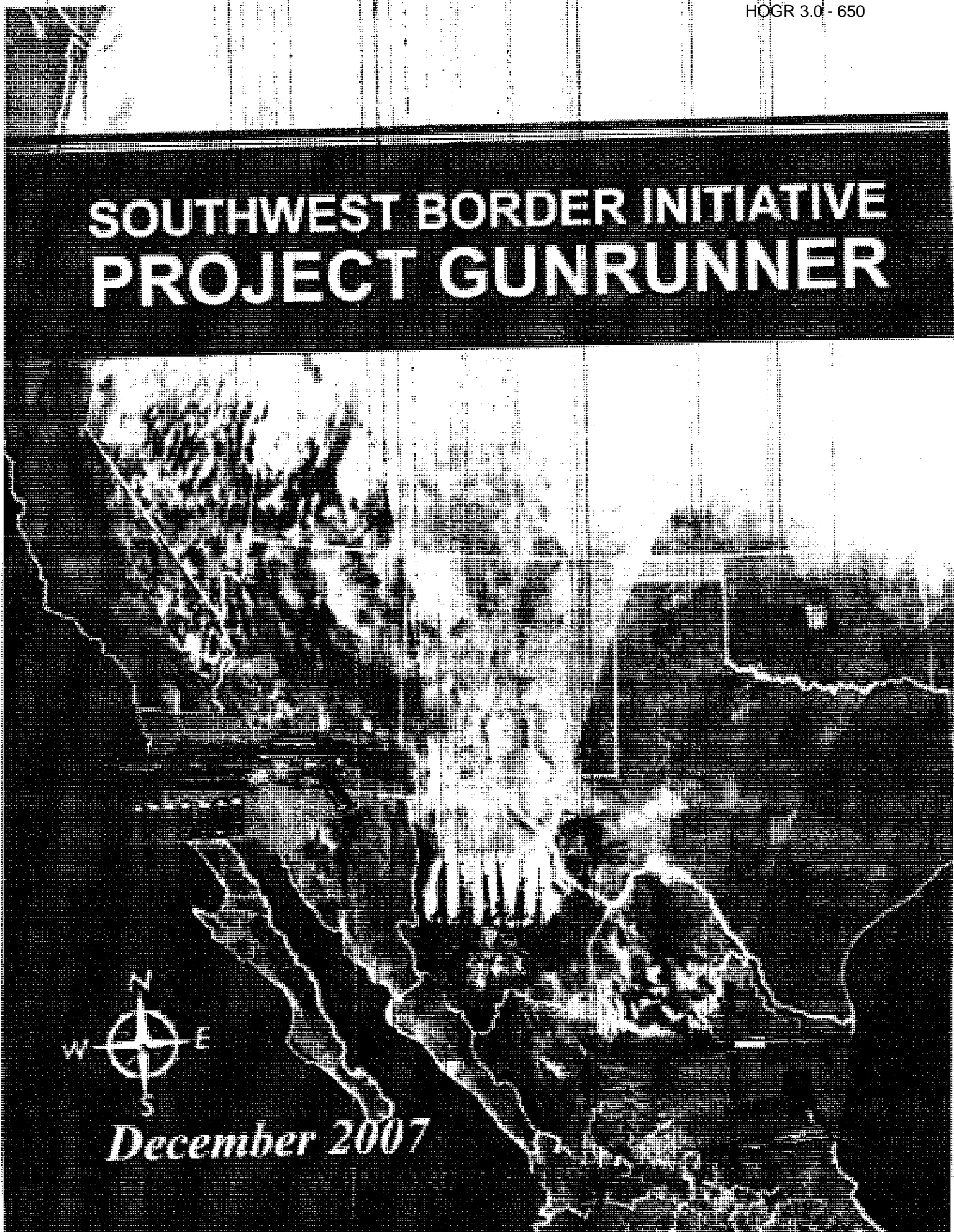
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SOUTHWEST BORDER INITIATIVE PROJECT GUNRUNNER



December 2007



Project Gunrunner

Southwest Border Initiative

Table of Contents

Southwest Border Initiative.....	3
Background.....	3
ATF's Southwest Border Strategy and Strategic.....	4
International Strategic Component.....	4
Project Gunrunner Strategic Component (Domestic Component).....	8
▪ <i>Trace Component</i>	8
▪ <i>Intelligence Component</i>	10
▪ <i>Industry Component</i>	13
▪ <i>Enforcement Component</i>	15
▪ <i>Training Component</i>	17
Performance Measures.....	20

Project Gunrunner

Southwest Border Initiative

Background

In April 2005, the Bureau of Alcohol, Tobacco, Firearms, and Explosives' (ATF) Field Operations (FO) Directorate organized the "El Paso Summit" held at the El Paso Intelligence Center (EPIC), in El Paso, Texas. The meeting involved the four Southwest Border (SWB) Field Divisions' Special Agents in Charge (SAC), various Assistant Special Agents in Charge, Group Supervisors and Office of Strategic Intelligence and Information (OSII) personnel. Also in attendance were the Assistant Directors of FO, OSII, and Enforcement Programs and Services (EPS). This marked the first time ATF gathered so much experience on SWB issues and during which the ground work was laid for what has become ATF's SWB Initiative, Project Gunrunner.

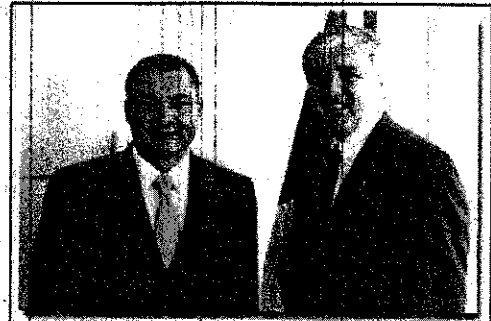
Bi-annually, Mexican and U.S. authorities, including representatives from the Departments of Justice, State and Homeland Security attend the Senior Law Enforcement Plenary (SLEP) session. The SLEP is composed of senior law-enforcement officials and Mexican counterparts and is the principal coordinating body of the Attorney Generals' Bi-national Commission. It convenes bi-annually to develop, assess, and report on the progress made on policy and law-enforcement issues jointly developed by the United States and Mexican governments. During that session, ATF agreed to address a number of actions in support of suppressing illicit-firearms trafficking.

In response to the escalating firearm and drug-related violence by Mexico-based criminal organizations - which has included the kidnapping of American citizens and the murder of Mexican officials - U.S. Attorney General Alberto Gonzales and the previous Mexican Attorney General, Daniel Cabeza de Vaca, announced on October 13, 2005, an initiative to address this problem. This initiative, which has come to be known as Southwest Border (Narco-Violence) Initiative, was coordinated by the U.S. Department of Justice's Criminal Division and Office of International Affairs. It brings the resources of the Department's various law-enforcement agencies together in order to devise a concerted strategy to meet the threats affecting the cities and towns on both sides of the border.



U.S. Attorney General Alberto Gonzales (left) and his Mexican Counterpart, Daniel Cabeza de Vaca (right) in San Antonio, TX in October 2005

In February 2007, ATF Acting Director Michael J. Sullivan traveled to Mexico City to meet with U.S. Ambassador to Mexico Tony Garza in order to assess how the United States, through ATF, can help Mexico stem the traffic in illegal weapons across the border and attack the firearms-trafficking infrastructure to this violent criminal element. Mr. Sullivan also discussed his thoughts with Mexican Attorney General Medina Mora, Secretary of Public Safety Garcia Luna, and with other cabinet-level officials, including how ATF could support proposals made by Attorneys General Alberto Gonzales and Medina Mora during their meetings in Mexico City in January 2007.



Mexican Secretary of Public Safety Garcia Luna (left) and ATF Director Designate Michael Sullivan (right) in Mexico City, February 2007

ATF's Southwest Border Strategy and Strategic Outcome

ATF's strategy regarding the Department of Justice Southwest Border (Narco-Violence) Initiative is summarized as follows:

Working with its domestic and international law-enforcement partners, ATF will deny the "tools of the trade" to the firearms-trafficking infrastructure of the criminal organizations operating in Mexico through proactive enforcement of its jurisdictional areas in the affected border States in the domestic front, as well as through assistance and cooperative interaction with the Mexican authorities in their fight to effectively deal with the increase in violent crime.

The expected strategic outcome will be the:

Suppression of the firearm and explosive-related violence occurring on both sides of the border through effective law-enforcement collaboration involving the focused training, investigation, and interdiction of illicit trafficking and illegal use of firearms, explosives, and ammunition.

International Strategic Component

All of ATF's activities in Mexico should be coordinated through the ATF Attaché Office located in the U.S. Embassy Mexico City. Coordination is essential to ensuring the safety of ATF personnel on TDY to Mexico, vetting of Mexican law enforcement and other officials that contact field divisions asking for various ATF resources, and ensures that the United States Ambassador and law-enforcement component are aware of ATF activities in Mexico. Failure to coordinate all ATF official activities can cause serious problems for our personnel in country and for TDY personnel requiring country clearance or other diplomatic assistance.

The action items that were promulgated through ATF's participation in the bi-annual U.S. Mexico SLEP sessions are the primary means through which ATF will strive to contribute to the fight against the narco-violence taking place along the U.S. border with Mexico. These action items will be implemented through ATF's International Affairs Office (IAO) and the ATF Mexico City Office (MCO) through coordination of ATF's various assets and resources as follows:

1. The United States and Mexico will establish a point of contact (POC) for each ATF border field division. This will be the Division's SAC or his/her designee. The POC and the Procuraduria General de la República (PGR) Mexican Attorney General's Office's representative will meet regularly to coordinate investigative and firearms-trafficking issues. Additionally, meetings between agency leadership representatives will occur every four months to address administrative and oversight issues. These meetings will include PGR officials, ATF field designees, and ATF's IAO representatives from headquarters or Mexico City.

ATF and other DOJ components [e.g., Drug Enforcement Agency (DEA), United States Marshall Service (USMS), and Federal Bureau of Investigation (FBI)] and U.S. Department of Homeland Security (DHS) [e.g., Immigration and Customs Enforcement (ICE)] operating along the border will be responsible for implementing investigative strategies and for developing intelligence relating to trafficking into Mexico for dissemination as appropriate.

2. The United States and Mexico will form a consultative group of attorneys and law-enforcement officials from both countries to address legal issues and policies involving firearms trafficking and enforcement strategies and policies. This group will also make recommendations for both governments to consider on firearms trafficking and enforcement policy issues and operating procedures.

ATF will designate its representatives for the policy consultative group.

3. The United States will look into the availability of funding to provide technology and equipment to assist the government of Mexico in upgrading its firearms forensics analysis and tracing capabilities.

ATF will conduct an assessment of the capabilities of Mexican law-enforcement components operating along Mexico's northern border with the United States in order to develop a priority list ranking Mexican law-enforcement offices that could benefit from ATF-provided technology.

ATF, the State Department through the Narcotics Affairs Section (NAS), and the Government of Mexico (GOM) will develop the logistics and seek funding to implement and sustain eTrace capabilities in the identified offices in Mexico.

ATF will assess the need and potential for establishing new ATF offices in the northern areas of Mexico. These offices would serve as strategic bases of operation to combat violence and trafficking activities occurring in those areas.

4. The United States, through ATF, has and will continue to provide training and canines for use by Mexican customs officials at the border to detect firearms and explosives entering Mexico from the United States.

ATF, with the assistance of NAS Mexico City, continues to assess the need for Mexican customs officials operating at the border with the United States to be provided explosives-detecting canines. Entry points into Mexico from the United States that are likely to be prime-trafficking venues will be prioritized for the potential receipt of canines. ATF, with the assistance of NAS Mexico City and the GOM, will continue to determine needed resources, coordinate training classes, and funding for the implementation of the a sustainable canine-training program in Mexico.

5. The United States will continue to explore and provide training, as requested by Mexico's Agencia Federal de Investigacion (AFI) Mexican National Police) and Unidad Especializada de Investigacion en Terrorismo, Acopio y Trafico de Armas (UEITA) Mexican Federal Prosecutor's Office), including the following areas: (1) post-blast investigation; (2) render-safe training; and (3) firearms trafficking, tracing and identification.

ATF, the NAS Mexico City and the GOM will determine the resources and funding necessary in order to provide the pertinent requested training.

6. Whenever possible, the United States will consider the GOM's requests for detailed information on firearms-trafficking suspects (developed as a result of tracing information). In turn, the GOM will consider ATF requests for detailed information (associates, cell-phone information, and other relevant intelligence) gleaned by Mexican law-enforcement officials from persons arrested or detained in firearms investigations or trafficking schemes.

ATF will strive to promptly meet requests for relevant intelligence/information from the GOM within any prescribed parameters, laws and regulations that exist in the United States and or guidelines established under this initiative. This issue will be further addressed by the consultative group of attorneys and enforcement officials of both governments that will convene as outlined earlier.

7. The United States, through ATF, will increase its tracing of seized, and otherwise recovered, crime guns in Mexico through the expansion of eTrace and an emphasis on tracing by ATF's MCO.

ATF will strive to timely conduct traces of suspected U.S.-sourced firearms recovered in Mexico that are brought to its attention. At the same time, it will work to increase the tracing capabilities of the GOM. ATF is also working with NAS Mexico City to develop a Spanish language version of eTrace.

Through the ATF Attaché Office at the United States Embassy in Mexico City, ATF personnel are also heavily involved in the following:

- The coordination of deploying eTrace through the Regional Security Officer, State Department to U.S. Consulates in regions of Mexico experiencing major seizures of firearms originating in the United States.
- The coordination of an ATF explosives assessment at the U.S. Embassy Mexico City and a similar assessment of training needs by Mexican AFI, SSP, and PGR security and enforcement personnel.
- The coordination of Firearms Forensic Laboratory equipment and training assessments at the PGR Laboratory and SSP Laboratory.
- The coordination of intelligence sharing between ATF's OSII personnel and vetted Mexican law-enforcement and intelligence officials

Project Gunrunner Strategic Components (Domestic Strategic Component)

Trace Component

eTrace

The cornerstone of ATF's Project Gunrunner is the tracing of firearms involved in violent crime recovered within the affected areas of Mexico. The value of firearms trace information and

The logo for eTrace, featuring a stylized lowercase 'e' inside a circle followed by the word 'Trace' in a bold, serif font.

statistics in law-enforcement efforts is unquestionable. eTrace is an internet, web-based law-enforcement tool that allows for the online tracing of firearms and the production of statistical data. eTrace allows for the comprehensive and systematic tracing of firearms, in turn developing intelligence regarding the sources of crime guns recovered in Mexico and in border areas. It will also assist local offices in identifying, targeting and investigating straw purchasers and the traffickers who employ them. A straw purchaser is an individual who acquires a firearm from a Federally licensed firearms dealer on behalf of another individual for the sole purpose of concealing the identity of the true intended recipient of that firearm.

Goals:

1. To develop a Spanish language version of eTrace.
2. To provide eTrace access, with the assistance of the Mexican government, in strategic locations throughout Mexico to ensure all crime guns are traced.

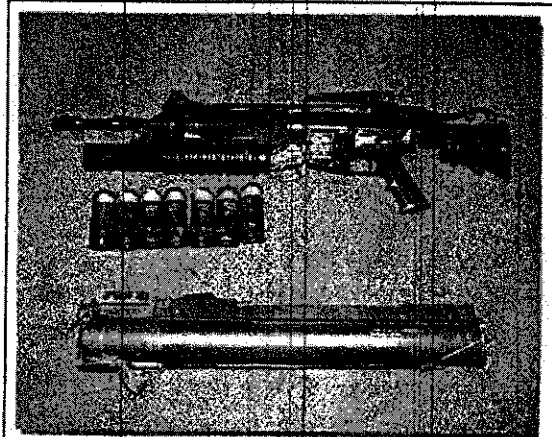
National Tracing Center

The ATF National Tracing Center Division (NTC) has analyzed the firearms-tracing information submitted by Mexico and has determined that there exists two general categories of firearm demand and three general-trafficking routes from the United States into Mexico. One category, and primary focus of ATF's Project Gunrunner, is high quality 7.62mm rifles, 5.56mm rifles, and new hand guns intended for distribution throughout Mexico's criminal organizations in furtherance of their illicit endeavors. Another category, commonly referred to as "ant-tracking," is low-quality firearms intended for use by individuals without the proper permission to possess firearms.

The focus of ATF's Project Gunrunner is to disrupt and dismantle the movement of the high-quality firearms intended for the violent criminal organizations in effort to remove their ability to readily conduct acts of violence and facilitate their organization's illicit activities.

There are multiple firearms-smuggling routes into the country of Mexico. Three corridors in particular, Tucson, El Paso and Houston, have gained the most notoriety and will receive Project Gunrunner's initial focus.

To successfully disrupt and dismantle the firearms-trafficking infrastructure of Mexico's criminal organizations, the following action items within the Trace Component, will be addressed:



On May 5, 2005, the Mazatlan City Municipal Police in Mazatlan, Sinaloa, Mexico seized these weapons as well as a LAW rocket following a tip regarding individuals who were seen in possession of weapons near a dance club. ATF traced the firearms.

- The NTC and ATF's MCO will work with the Mexican Government to decentralize and distribute eTrace in 31 locations throughout Mexico, particularly along the border and in areas along the Tucson and Houston Corridors and in 9 U.S. Consulates. Particular emphasis will be placed on traces emerging from agencies situated along the border and from those areas along the Tucson and Houston Corridors.
- The NTC and FO will coordinate the use and access of eTrace to Federal, State, and local agencies conducting operations along the SWB.
- The Violent Crime Analysis Branch (VCAB) will conduct further data mining of firearms trace data and will, in turn, determine specific trends and/or "hot spots" and assist in the identification of potential targets. This information will be forwarded to the appropriate Intelligence, and ultimately, Enforcement Component entities.

Goals:

1. The NTC will trace firearms recovered in Mexico, ensuring all new handguns, 7.62mm and 5.56mm rifles recovered within Mexico are traced as URGENT.
2. The NTC will provide a regular feedback loop to eTrace users within Mexico defining trends in errors relative to the submission of the trace requests in order to make continuous improvements in the data quality.

Intelligence Component

In order for intelligence relating to this initiative to be of value, it must be "real time" in nature. To this end, each entity within the Intelligence Component must be diligent in its exercise of information flow to and from other strategic components and other domestic and Mexican counterparts.

OSII

OSII will be responsible for the oversight of the Intelligence Component of Project Gunrunner. Dedicated Project Gunrunner analysts will evaluate trace data, multiple-purchase information, and crime-gun recovery information and will work closely with the NTC, FO, other federal, state, and local enforcement and intelligence agencies, in effort to identify firearms traffickers, suspect Federal Firearms Licensees (FFL), trafficking trends, routes, methods and means of trafficking.

OSII's responsibilities will include:

- Coordinate activities as appropriate with EPS, Training and Professional Development Directorate (TPD) and FO.
 - Ensure that all viable firearms recovered are traced within the United States.
 - Identify significant gun seizures and analyze trace results and agency reports.
 - Prepare trace summaries detailing any acquisition observations, use of secondary markets, stolen-gun trafficking, and initiate referrals to the field intelligence groups.
 - Utilize NTC, VCAB, Regional Crime Gun Centers and other federal intelligence reports [i.e. High-Intensity Drug-Trafficking Areas (HIDTA) and Organized-Crime Drug-Enforcement Task Forces (OCDEF) interdiction reports] to identify trafficking trends and indicators of illegal activities in the U.S.
 - Prepare intelligence advisories and/or information papers linking recovered firearms to criminal organizations within Mexico and other observations detailing any other unique characteristics encountered, including pertinent findings, trends, and patterns for field and management use.
- Review criminal and general-intelligence investigations and FFL inspections for commonalities such as individuals, vehicles, locations, and telephone numbers for subsequent dissemination to the field for investigation.
- Identify facilitator and purchaser telephone numbers in the U.S. and Mexico, vet through DEA for identification purposes, case de-confliction and/ or case fusion, and disseminate the information to the Intelligence Community Representatives to ATF for identification and exploitation.

- Identify multi-agency investigations involving Project Gunrunner suspects and facilitate the potential for OCDETF investigations.
- Facilitate meetings between agency leadership representatives at predetermined intervals to address administrative and oversight issues. These meetings will include PGR officials, ATF field designees and ATF's IAO representatives.

Establish a Project Gunrunner Coordinator

ATF has designated a Project Gunrunner Coordinator, responsible for the coordination of the agency's overall SWB Initiative efforts. This individual is assigned to OSII and stationed at EPIC.

The Project Gunrunner Coordinator will:

- Coordinate criminal intelligence and industry operations intelligence endeavors with all affected field divisions, EPS, TPD, OSII and other U.S. and Mexican law-enforcement agencies.
- Develop a unified strategy in concert with the four SWB Division SACs and MCO to affect firearms and ammunition trafficking to Mexican-based criminal organizations in both the U.S. and Mexico.
- Develop and/or disseminate real-time intelligence relating to cross-border gun trafficking.
- Develop and coordinate intelligence with OSII relating to Mexican criminal organization gun seizures and domestic Mexico-bound gun and ammunition shipments.
- Develop cross-border investigations through coordination of domestic investigations.
- Assist case agents in preparing intelligence and information-sharing packages for Mexican counterparts.
- Coordinate intelligence and information-sharing packages with the MCO.
- Prepare quarterly progress reports relating to Project Gunrunner.
- Coordinate Project Gunrunner-related training, briefings, etc.

EPIC – Central information collection point

EPIC will act as the clearinghouse for the information flow between ATF, other U.S. assets, and their Mexican counterparts (in cases involving Mexico in coordination with the MCO). All firearms and explosives seizure intelligence gleaned by all participating agencies and the GOM will be forwarded to the EPIC ATF Gun Desk at EPIC, which is manned by ATF personnel, for trace referrals and analysis of the results. EPIC has historically focused on drug and illegal-immigrant movement along the southwest border; however, considering the increasing occurrences of firearm violence associated with these two areas, assets within the EPIC infrastructure will be dedicated to Project Gunrunner areas of interest.

ATF has established a National Gun Desk in the EPIC. The Gun Desk within EPIC serves as a central repository for weapons-related intelligence. The Gun Desk compiles illicit weapons information and intelligence from Federal, state, and local law-enforcement agencies as well as foreign governments such as Mexico. CBP and ICE will share weapons seizure data with the EPIC ATF Gun Desk. Weapons seizure information will be appropriately de-conflicted and coordinated among participating agencies. The sharing of weapons seizure information with the EPIC ATF Gun Desk will be complemented by tactical information sharing within regional investigative task forces.

Project Gunrunner will incorporate ATF, ICE, CBP, and other participating agencies into joint initiatives based upon expanded information sharing and coordinated operations. By September 1, 2007, ICE principal field officers will coordinate with their CBP and ATF counterparts to implement regional initiatives and intelligence sharing/de-confliction to counter outbound-weapons smuggling to Mexico.

A thorough analysis of the collected data on weapons seized at the border and in Mexico will: 1) establish sales/purchase patterns, 2) identify areas in Mexico that have a high concentration of seized firearms, and 3) identify and target persons and/or businesses that are involved in the selling/purchasing of weapons smuggled into Mexico.

ATF will work in concert with other agencies assigned to EPIC. ATF has sole regulatory authority of Federal Firearms Licensees, Federal Explosives Licensees and the only National Tracing Center for tracing firearms as well as the US Bomb Data Center for tracing explosives. All SWB firearms investigations will be de-conflicted and intelligence will be shared through the EPIC ATF Gun Desk.

Field Intelligence Groups

The SAC of each border field division will dedicate an Intelligence Research Specialist (IRS) to Project Gunrunner. A schedule of meetings and information sharing sessions will be coordinated with their Mexican counterparts as well as the other border field division POCs, Project Gunrunner Coordinator, and applicable MCO personnel.

Field Intelligence Group (FIG) responsibilities will include:

- Act as the conduit for information requests from Mexico to EPIC or other OSII entity.
- Coordinate the appropriate response to significant violent crime-related firearm seizures by Mexican law enforcement in order to enhance and expedite the intelligence gained from these events.
- Prepare referrals summarizing the OSII analytical findings identifying the potential links to Mexico-based criminal organizations and the recovery incident.
- Develop background packages on purchasers and/or FFLs identified through trace results to include pertinent contact information and any other relevant intelligence that can be developed, including information contained in TECS, Online LEAD, and local law-enforcement intelligence units.
- Refer to the appropriate Field Office/Group and ensure any results are correctly documented within NForce.
- Utilize PeN-LINK to store and analyze telephone data from Project Gunrunner and Violent Crime Impact Team/Project Safe Neighborhood suspects from the four border divisions for analyses by OSII.

Border Liaison Position

Each Field Division will assign a special agent to act as the Border Liaison in their specific area of operation. These FO personnel will be the front line of this initiative, attacking the issues on the ground level. In their areas of operation, they will be responsible for driving the collection and subsequent dissemination of actionable investigative intelligence through the Project Gunrunner structure. These individuals will be stationed in forward positions, adjacent to the border, and provided with the means to operate within Mexico to enhance their productivity (i.e. Diplomatic U.S. Passports, investigative and safety equipment, etc.)

Industry Component

A key principle in stemming the illicit flow of firearms into Mexico and U.S. Border States is ATF's inspection of FFLs in the affected areas and their firearms sources to detect and prevent the diversion of firearms. The inspection of FFLs is directly linked to ATF's tracing component and other records maintained by ATF such as the record of all stolen guns and multiple-handgun purchaser information. Utilizing information maintained at the NTC and other areas, ATF identifies for inspection those FFLs which have the greatest risk for diversion of firearms.

Partnership with the legitimate business persons that are FFLs is also a critical component of preventing the diversion of firearms. Industry Operations Investigators (IOI) not only inspect the licensees to detect diversion if present, but partner with them to explain voluntary internal controls they can implement to prevent diversion. Training employees on regulatory requirements and how to detect straw buyers, taking frequent inventories to detect missing firearms, and having a second-person review of the Firearms Transaction Record, ATF Forms 4473, prior to sale for accuracy and completeness are just a few of the controls discussed.

Trends in firearm recoveries associated to Mexico's criminal organizations have identified certain commonalities in the types of firearms used by these organizations. Though additions have been made to the list with invention and availability of new technologies, these "weapons of choice" (WOC) remain a staple of these criminal organizations' arsenals due to their effectiveness, size, and availability of ammunition. It is important to remember that every firearm utilized by the drug-trafficking organizations (DTO) and other violent groups in this area and other parts of the United States has been diverted from legal commerce. IOIs are a key component in not only preventing this, but detecting it if present.



The Mexican Army seized one .50 caliber Barrett rifle and two Norinco 7.62x39mm rifles on August 9, 2005. Mexican military personnel stationed at a check point in the municipality of Navolato, Sinaloa, Mexico stopped a vehicle for a routine check. Although two of the three occupants of the vehicle escaped after they fled, the third occupant was arrested immediately when the soldiers discovered the weapons inside the vehicle.

Inspection Plan

Once the FFLs have been identified for inspection, IOIs utilize a very comprehensive inspection plan which focuses on accountability for firearms, purchaser eligibility, and indicators of diversion. Many of the ATF records noted previously are used on site during the inspection process to assist in detecting diversion of firearms.

As noted earlier, education of the FFL and their employees in regulatory requirements and voluntary internal controls is also a critical component of the inspection process. This not only helps prevent diversion, but ensures if diversion has occurred, that proper records are maintained to identify those involved.

IOIs also routinely work with other law-enforcement agencies to ensure they not only have complete information for their inspections but to share information with them.

Enforcement Component

Once information developed through the various firearms tracing methods is analyzed and definitive targets are identified, the Enforcement Component will take action to investigate and ultimately prosecute those individuals culpable for the flow of illicit firearms into Mexico in support of the violent criminal organization present. The cruxes of these investigations are the aspects surrounding the firearms trafficking to these Mexican-based criminal organizations.

Aside from the trace-based investigative efforts, various proactive measures will be taken by the affected border field divisions to identify additional sources of firearms that fuel violent crime in and around Mexico. These efforts will be conducted by a combination of personnel from the Enforcement, Intelligence and Industry Components to varying degrees depending on the scope of the operation.

BEST/OCDETF/HIDTA

In January 2006, ICE, in collaboration with DHS and CBP created Border Enforcement Security Task Forces (BEST). The BEST teams were created to develop a comprehensive approach to identify, disrupt and dismantle criminal organizations posing threats to border security. ATF participates and plans to expand our participation in many of these task forces.

There exists an inseparable relationship between violent firearm-related crimes in Mexico, Mexican-based criminal organizations, and the drug trafficking conducted by these organizations to destinations throughout North America. As a result, collaboration with BEST, HIDTA and OCDETF assets will be sought at the earliest possible time once a qualifying nexus to a known DTO is documented. ATF continually emphasizes the investigative potential of firearms seized pursuant to these investigations and ensures all firearms recovered in BEST, HIDTA and OCDETF investigations are not only traced, but that investigations relative to the sources of these firearms are exhaustively conducted, particularly where the firearms are recovered from Regional Priority and Consolidated Priority Organization Targets.

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Border-nexus weapons interdictions will be coordinated through CBP. CBP will be the lead for interdictions along the United States border with Mexico. CBP will coordinate the interdiction operation with the EPIC ATF Gun Desk but will have final decision authority on actual border-nexus interdictions. At no time will there be any type of cross-border operation, whether it is north or southbound without the concurrence of CBP. CBP will provide feedback to EPIC ATF Gun Desk regarding all seizures. All SWB Project Gunrunner weapons investigations will be coordinated through the EPIC ATF Gun Desk. All enforcement groups from ATF, CPB, ICE, DEA, FBI, USMS, US Secret Service, and National Drug Intelligence Center will provide firearms and explosives-related intelligence and case status reports to the weapons desk in EPIC regarding all related investigative leads, intelligence and seizures.

Gun Shows

Gun shows throughout the border region pose a significant threat as a source of WOC and ammunition for Mexican-based criminal organizations. Gun shows conducted within states where current legislation does not provide for greater waiting periods than mandated by National Instant Check System pose an elevated risk as WOC sources, specifically within Arizona and Texas. At these venues, the difficulties in regulating the transfer of firearms and ammunition amongst private citizens require more austere measures to be conducted by field operations and intelligence personnel.

Highway Interdiction

It is widely known that many of the vehicles designed and used to traffic controlled substances from Mexico into the U.S. are used to return money and firearms to Mexico. By utilizing federal, state and local law enforcement situated along the identified trafficking corridors and using the LPR technology, real time intelligence gathered from these agencies will be funneled from its source, through EPIC resources, to personnel positioned adjacent to points of entry. This will identify and interdict the transportation of firearms and ammunition into Mexico along identified corridors, which will take advantage of the reduced border-search requirements for mobile-conveyance searches.

Telephone analysis

FO personnel will provide Intelligence Component assets with any pertinent information regarding phone numbers recovered pursuant to these firearms-trafficking investigations. This information sharing will enable the Intelligence Component to reconcile this information against indigenous and outside agency intelligence engines leading to insights as to the identity of individuals involved within the U.S. and Mexico.

Training Component

A concerted effort continues to be made focusing ATF's training resources toward those involved in and/or affected by SWB firearms trafficking. Externally, ATF is continually assessing the training needs of Mexico's law-enforcement agencies to improve the quality of the trace results and other evidence recovered pursuant to their increasing violent-crime rates. It is incumbent on ATF to impress upon its domestic law-enforcement partners the importance of proper firearms identification and the value of comprehensive tracing. Additionally, ATF will conduct aggressive public and industry outreach and promotional efforts regarding the existence, elements, and repercussions of firearms trafficking to Mexico. Internally, much of the ATF workforce that will conduct investigations involved in Project Gunrunner are either native or proficient Spanish speakers; however, additional language and culture training is necessary at various skill levels. For the real-time intelligence component of this initiative to be successful, ATF will standardize data entry as it pertains to Project Gunrunner designation leading to consistent and complete record maintenance with ease of information retrieval.

Firearms Identification and eTrace

ATF has developed training modules in both Spanish and English on firearms identification and tracing techniques for law-enforcement officers. This training has been, and continues to be, delivered to the Mexican law-enforcement agencies located along the various trafficking corridors that are responsible for recoveries of firearms from Mexico's criminal organization and drug-trade enforcement. Personnel assignments by the Mexican government in border regions are temporary in order to combat corruption and compromise. As a result, training iterations will be completed on a rotational and continuing basis. Through this training, ATF expects to see marked increases in the percentage of completed traces due to the higher quality of information submitted. Additional recipients of this training must continue to be domestic law enforcement located in the Project Gunrunner's area of operation. Too often, firearm recoveries are overlooked because they do not fall under the primary jurisdiction of the seizing agency or are overshadowed by large, simultaneous controlled substance and/or currency seizures.

Firearms Trafficking

ATF's TPD has perfected a SWB Firearms-Trafficking course to enhance the attendees' knowledge and resources in combating firearms trafficking along our southern border. The course will orient the attendees with current advanced firearms-trafficking concepts, intelligence sources, schemes, patterns and trends that are prevalent along the US-Mexico border. The objectives of the class will be to introduce appropriate methods of investigating firearms-trafficking offenses through the utilization of new and innovative techniques, as well as exposing the participants to actual case studies, projects and operations that are relevant to SWB firearms trafficking. Additionally, a collective networking of our resources, contacts, techniques, and issues will prove to be an added

benefit to those involved in combating SWB firearms trafficking. Two classes are scheduled to be delivered in August and September of 2007.

In June 2007, at the International Law Enforcement Academy San Salvador, ATF will be delivering instruction on firearms trafficking, firearms tracing, ballistics and gangs to various law-enforcement entities from the countries of El Salvador and Mexico. This is the third such course delivered to this audience.

NForce/NSpect

In an April 2007 memo, ATF standardized the documentation process for work completed in Project Gunrunner in NForce, including Investigative Profile, Report of Investigation and Significant Activity Report format and trace submission. In order for these systems to be used as an intelligence source, each user must receive the necessary training to identify these distinctions and judiciously annotate them when appropriate. Currently, no code in NSpect specifically identifies inspections associated with Project Gunrunner. The only Industry Operations efforts being documented toward this initiative are those inspections profiled as Pawnbroker or Pawnbroker Recall in the SWB Divisions. A specific code needs to be created similar to designation within NForce. This can be accomplished by creating an additional selection within the Profile tab under Tier Three or Tier Four drop down menus within NSpect.

Explosives/Detection K9

ATF will continue to assess the need for Mexican customs and law-enforcement officials operating at the border with the United States to have canines. Entry points into Mexico from the United States that are likely to be prime trafficking venues will be prioritized for the potential receipt of canines. Six students graduated from ATF's Canine Academy in April 2007. These explosives-detection canine handlers returned to Mexico with an additional six ATF-trained canines for a total of nine canines. All of these teams are disbursed throughout Mexico working at various points of entry. Continuing to adhere to ATF's explosive-detection standards, these nine teams are scheduled to travel to the US in September of 2007 for re-certification at ATF's Phoenix Field Division. Negotiations are underway with State Department's NAS to fund a canine-training academy in Mexico City which ATF would provide trainers to on a rotating basis so that large numbers of quality canines and handlers can be trained to combat illicit firearms, ammunition, and explosives trafficking. In furtherance of this goal, ATF has traveled to Mexico for site surveys and recommendations for establishing and maintaining such a facility.

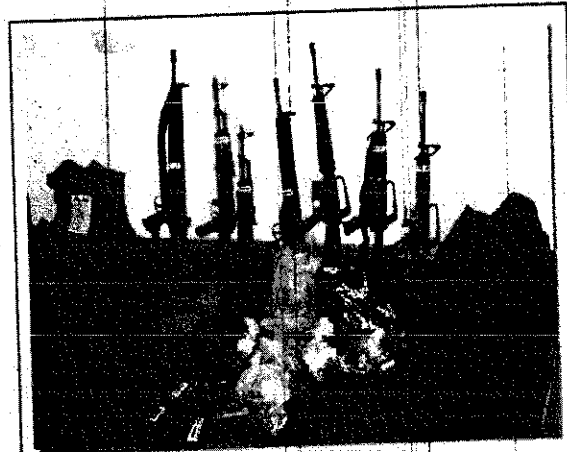
Forensic Training

To improve upon the number of viable traces for recovered firearms, Mexico's law enforcement must be able to provide complete information regarding these firearms, despite attempts to obliterate the identifying marks. In March of 2007, ATF, in concert with NAS Mexico City, provided Serial Number Restoration and Firearms Identification training to forensic lab personnel in Mexico City. The training was very timely since there are now three Integrated Ballistics Identification Systems machines in Mexico (Mexico City, Guadalajara and Reynosa).

FFL and Public Outreach

ATF will pursue face-to-face contact with all FFLs in the targeted areas and will conduct planned and well-advertised seminars. "Don't Lie for the Other Guy" promotional campaign materials available in English and Spanish will be distributed. The training will cover firearms trafficking, straw purchasing, record-keeping requirements, theft prevention, tracing, multiple sales, and theft-reporting requirements. This outreach, besides enhancing voluntary compliance, has three goals:

- To improve relations with FFLs by opening dialog and providing information to industry members, including clarifying rules regarding straw purchasers and sales to foreign customers.
- To further enhance ATF's tracing capabilities by improving recordkeeping and reporting by FFLs in the targeted area.
- To develop informational leads that may assist in targeting potential traffickers of firearms and ammunition or other unscrupulous FFLs that may be operating in violation of Federal or State law.



On August 4, 2005, citizens of Uruapan alerted the municipal police after witnessing a group of suspicious civilians traveling in a vehicle at excessive speed through town and brandishing firearms. After a short pursuit, the vehicle was stopped and surrounded. A subsequent search of the vehicle and its occupants led to the recovery of ten rifles, three pistols, and a large quantity of ammunition, as well as the detainment of several suspects.

Performance Measures

Several areas within the Project Gunrunner lend themselves to insights as to its effectiveness. In order to monitor the productivity of the efforts committed to this initiative and assign or re-adjust resources appropriately, the following areas have been identified:

Trace Component

- Number of traces submitted, manual vs. eTrace. (NTC)
- Percentage of completed traces, manual vs. eTrace. (NTC)

Intelligence Component

- Number of viable/valid referrals sent to enforcement agencies. (OSII/FIGs)
- Number (%) of response/reciprocal referrals. (OSII)

Industry Component:

- Number of illicit sources (licensee/individual) identified. (NSpect)
- Number of inspections completed within target areas/corridors. (NSpect)

Enforcement Component:

- Defendant/investigative analysis information (NForce)
- Seizure information (NForce)
- Seizure/arrest rates pursuant to Gun Show and Highway Interdiction efforts (NForce/EPIC)

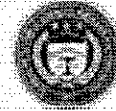
Training Component

- Number of individuals trained. (TPD)
- Number and variety of training iterations completed. (TPD)

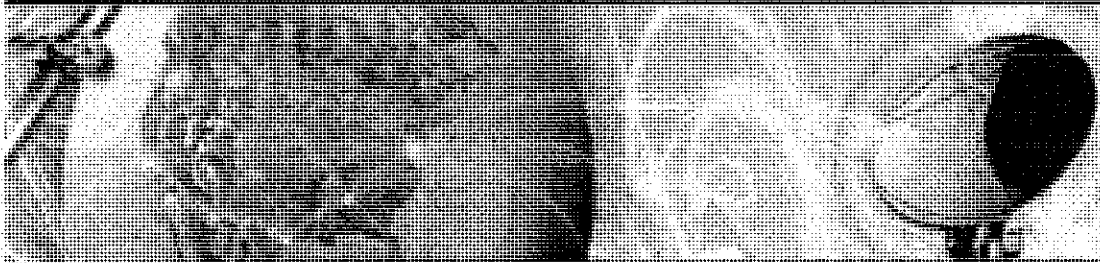
Overall Measures (Within Mexico and U.S. Border areas)

- Change in firearm-related violent crime. (MCO/ FBI-UCR)
- Number of firearm recoveries. (NForce/MCO)
- Change in firearm and controlled substance prices. (EPIC/DEA)

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Office of Strategic Intelligence and Information



ATF
2008 PROJECT GUNRUNNER ASSESSMENT



UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE

7/10/2009

HOCR-ATF A 001519

2008 Project Gunrunner Assessment

EXECUTIVE SUMMARY

This report is an assessment of armaments illegally acquired and trafficked to Mexico in 2008, encompassing the drug trafficking organizations (DTOs), through the examination of the illegal acquisition, transportation, distribution, and recovery of these arms. The primary objective of this assessment is to provide information in support of Southwest border trafficking investigations and/or to operational planning and support initiatives. It was developed by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Southwest Border-Field Intelligence Support Team, El Paso Intelligence Center (EPIC), International Affairs Office, and the Violent Crime Analysis Branch, with assistance from the Field Management Staff and National Tracing Center.

**ANALYTICAL CRITERIA USED TO COMPILE THE STATISTICS
CONTAINED IN THIS REPORT**

Please be advised that a significant number of Mexico traces are currently being entered into the Firearms Tracing System (FTS); therefore, the Mexico recovered and traced data (especially CY 2008) will continue to change.

All of the following statistics have the following selection criteria in common:

- Traces with a recovery country of Mexico were included.
- Traces with a recovery date between January 1, 2008, and December 31, 2008, were selected; the statistics are based on a query of the FTS on April 29, 2009.
- Traces with a recovery date between January 1, 2007, and December 31, 2007, were selected; the statistics are based on a query of the FTS on January 29, 2009.
- Duplicate, Gun Buyback, Firearm Turned-in, and Firearm Not Recovered traces were not included.

In the past 2 years, (b) (3) (P.L. 111-117) firearms have been submitted for tracing resulting from seizure events occurring in Mexico. There was (b) (3) (P.L. 111-117) in the amount of traces submitted to ATF from 2007 to 2008. This was a result of several reasons: the increase in military presence targeting violent crime within Mexico; the increase in Mexican drug trafficking organization procurement and/or violent confrontations; and the Mexican military providing ATF with a CD containing information on (b) (3) (P.L. 111-117) firearms seized in Mexico where no trace was believed to have been conducted. In an overall comparison of the 2007 and 2008 firearms traces, there was a (b) (3) (P.L. 111-117) in the amount of firearms traced to the first purchaser in Texas; however, there was a (b) (3) (P.L. 111-117) in Arizona. There were no significant differences in the average time to crime between 2007 and 2008, as they averaged around (b) (3) (P.L. 111-117). While (b) (3) (P.L. 111-117) firearms traces remained the top traced firearm caliber for both 2007 and 2008, there was a (b) (3) (P.L. 111-117) in 2008 firearms traces. It should be noted that (b) (3) (P.L. 111-117) drug trafficking organization weapon of choice. There was a (b) (3) (P.L. 111-117) traces and a (b) (3) (P.L. 111-117) for 2008. The (b) (3) (P.L. 111-117) traces and (b) (3) (P.L. 111-117) traces might have to do with the increased military action against DTOs and the DTO necessity for higher-capacity firearms. The lack of explosives and munitions traces submitted remained constant for 2007 and 2008. This disparity was based on the amount of devices seized according to open source reporting, Mexican official reporting, and the amount of traces actually being submitted by the Government of Mexico.

2008 Project Gunrunner Assessment

The data presented in this paper should be useful as a baseline in determining areas of concern regarding sources of illegally obtained firearms to Mexico. Furthermore, it highlights areas of concern for firearms procurement by DTOs.

2007 and 2008 FIREARMS TRACES SUBMITTED FROM RECOVERIES IN MEXICO

As of April 29, 2009, the National Tracing Center processed (b) (3) (P.L. 111-117) firearms submitted for tracing that were recovered in Mexico for calendar year 2008. Of the (b) (3) (P.L. 111-117) resulted with purchaser information or (b) (3) (P.L. 111-117) of all submitted traces. Of those (b) (3) (P.L. 111-117) traces, the top 5 acquisition States were (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

resulting with a purchaser). (See figure 1.)



2008 Mexican Gun Purchasers by State

(b) (3) (P.L. 111-117)

Figure 1 - 2008 Mexican Gun Purchasers by State

As of February 2009, the National Tracing Center processed (b) (3) (P.L. 111-117) firearms submitted for tracing that were recovered in Mexico for calendar year 2007. Of the (b) (3) (P.L. 111-117) resulted with purchaser information (b) (3) (P.L. 111-117) percent of all submitted traces. Of those (b) (3) (P.L. 111-117) traces, the top 5 acquisition States were (b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

resulting with a purchaser); (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)
figure 2.)

(See



2007 Mexican Gun Purchasers by State

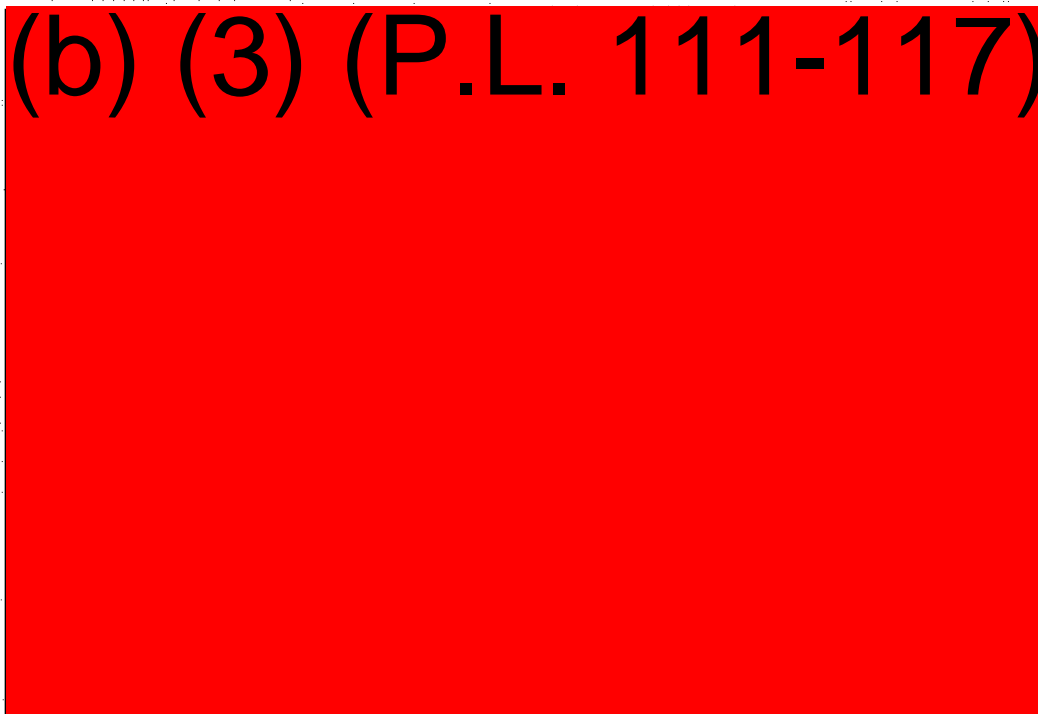


Figure 2 - 2007 Mexican Gun Purchasers by State

In comparison of CY 2007 and 2008, CY 2008 saw (b) (3) (P.L. 111-117) the amount of traces that did not result to a purchaser, which was expected due to the anomaly of the Mexican Government supplying ATF with a disk containing information on more than (b) (3) (P.L. 111-117) firearms seized over an unknown period of time. Another notable change between 2007 and 2008 traces was the percentage in (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) came back with time-to-crime information.¹ The average time to crime for 2008 was (b) (3) (P.L. 111-117). To break down this information even further, guns ranged in time to crime from (b) (3) (P.L. 111-117) firearms came back with a time to crime of less than (b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

(b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) had a time to crime of (b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) came back with time-to-crime information. The average time to crime for 2007 was (b) (3) (P.L. 111-117) years. To break down this information even further, firearms ranged in time to crime from (b) (3) (P.L. 111-117) firearms came back with a time to crime of less than (b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117) came back with a time to crime of less than (b) (3) (P.L. 111-117) firearms came back with a time to crime of less than (b) (3) (P.L. 111-117) firearms came back with a time to crime of less than (b) (3) (P.L. 111-117) had a time to crime of (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)

MEXICAN FIREARM RECOVERIES BY CALIBER, MAKE, AND MODEL

Of the (b) (3) (P.L. 111-117) traces submitted in 2008, the 2008 top firearm caliber was the (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) traces submitted in 2007, the 2007 top firearm caliber was the (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)

source reporting. This could be due to several issues including a lack of interest, lack of manpower and resources, or the lack of training due to the Mexican military's high turnover in their tracing efforts of explosives and munitions.

2008 Project Gunrunner Assessment

2007-2008 TOP CALIBER TYPE

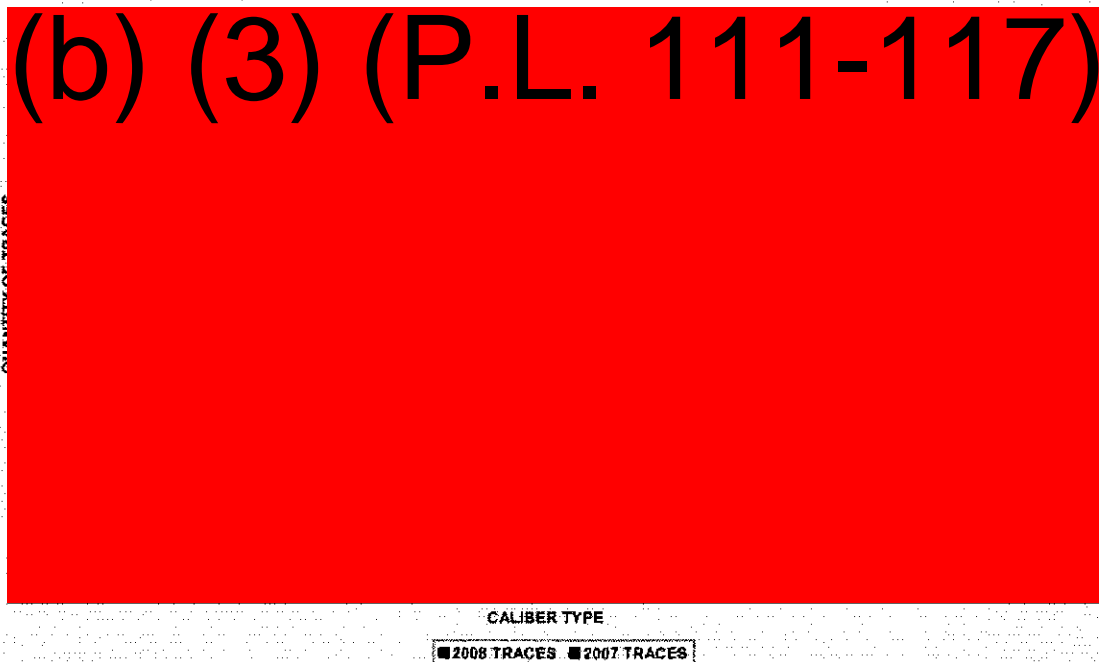


Figure 3 - 2008 Top Caliber Type for firearms traces submitted from Mexico

(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)

Rifles and Assault-Style Weapons

(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)
(b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

2008 MEXICAN FIREARMS SEIZURES EVENTS IN N-FORCE

The Office of Strategic Intelligence and Information (OSII), in coordination with the International Affairs Office and several field divisions, collected and analyzed 775 Mexican weapons seizures events occurring from January 1, 2008, to December 31, 2008. The information contained in the seizure events³ was collected from U.S. and Mexican press reporting, Mexican Government official reports, and U.S. Government agencies. All information pertaining to these seizures were collected, entered, and maintained under the N-Force Southwest Border (SWB) Seizure Event File(s) recorded under case numbers 164020-08 or 09-0001. Each N-Force seizure event contains the following information: open source information about the weapons seizure incident; official Mexican CENAPI reports; information about the weapons seized, weapon purchaser, and detainee; and any supporting documentation in connection with the seizure event.

Seizure events for 2008 are still being collected and analyzed, as information regarding additional seizures is still being received from the Mexican military and other U.S. Government agencies and will be analyzed during future studies.⁴

The top seizure event location for 2008 by State was in **Sonora** with 109 (14%) seizure events. The State of **Michoacán** was next with 96 (12 %) seizure events, followed by **Chihuahua** with 90 (12 %), **Tamaulipas** with 76 (10%), and **Baja California** with 73 (9%), rounding out the top 5.

Since President Calderon has been in office, since late 2006, the Mexican military has been involved in more than 25 major counter-drug operations, with 15 of those occurring in calendar year 2008.⁵ A majority of these military actions have targeted States along the border, such as Baja California, Chihuahua, Sonora, Sinaloa, Coahuila, and Tamaulipas. As such, the aforementioned seizure event locations are not surprising based on their location as high value—prized trafficking routes into the United States that are highly sought after and are often disputed areas by rival cartels. However, Michoacán is the anomaly, with its location as a southwestern coastal State. This anomaly was due to the rise in power of La Familia Michoacán and their battle with the Gulf Cartel for the strategic route of the Federal District. In July 2008, the Mexican military conducted Operation Michoacán, comprised of more than 7,000 military and federal law enforcement personnel. During the 2-month period, they seized 458 firearms and

2008 Project Gunrunner Assessment

105 grenades in 41 events (based on open source reporting), which was a significant increase compared to the previous 2 months where 12 firearms and 2 grenades were seized in 3 events (based on open source reporting). Another Mexican military success story happened on November 6, 2008, in Reynosa, Tamaulipas, where the Mexican Army conducted the largest seizure of illegal weapons in their history, seizing approximately 387 firearms and numerous munitions.

SOUTHWEST BORDER (SWB) FIREARMS TRAFFICKING INVESTIGATIONS

There are 2,105 open Project Gunrunner investigations (Profile Code SWB). OSII opened 1,106 general investigation cases that document the firearms recoveries in Mexico. Figure 4 is a listing of the number of actual and general investigations opened for CY 2007-CY 2008 listed by the Field Divisions and International Affairs Office (IAO).

According to the chart, the Houston Field Division opened the most actual investigations (361). Two of the 16 field divisions reported 300-399: Houston (361) and Phoenix (310). One field division (Los Angeles) reported 100-199, 4 field divisions recorded 2-99, and 9 field divisions reported 1. The International Affairs Office submitted 44 criminal SWB investigations. Various elements of OSII (both at Headquarters and EPIC) opened more than 1,100 general investigations, but did not generate any actual investigations.

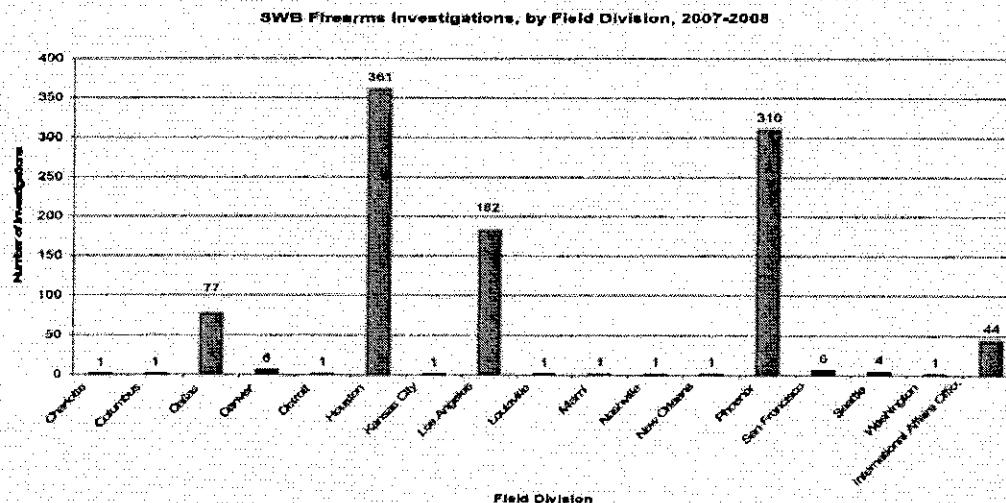


Figure 4 - SWB Firearms Investigations, by Field Division, 2007-2008

At this time period last year, OSII produced and disseminated a Quarterly Firearms Trafficking Report that included SWB investigations for the fourth quarter of 2007. It should be noted that only four of the SWB field divisions (Houston, Dallas, Phoenix, and Los Angeles) and OSII generated at least one SWB investigation during that time frame.

However, 16 months later, that number has increased to 12, and includes field divisions such as Miami and Seattle. OSII believes, as criminal investigations increase along the Southwest

border, the sale of SWB-preferred firearms will expand farther north to cities such as St. Paul and Boston.

2008 MEXICAN ORGANIZED CRIME RELATED GUN SEIZURE EVENTS

The Mexican cartels are multifaceted criminal enterprises that are engaged in narcotics trafficking and various other types of criminal activity. There are scores of Mexican drug trafficking organizations (DTOs), all of which have various degrees of affiliation to a cartel. The cartels and their affiliated DTOs operate under a complex system of compartmentalization. The assessment of the acquisition and trafficking of firearms by the Mexican DTOs is a very challenging task due to the ever changing alliances that make up the structure of each drug cartel.

It is essential to determine the identity of the DTO for each reported seizure event. Armed with this information, ATF would be able to effectively trace the weapons, analyze the data, and provide effective tactical and strategic intelligence that would severely disrupt U.S. commercial-sourced firearms trafficking to Mexico.

To date, the Southwest Border Field Intelligence Support Team has identified 187 seizure events that were linked to specific drug trafficking organizations (DTOs) based on reporting from open source and Mexican Government agencies. The year 2008 was tumultuous due to the violence between the cartels and Government anti-narcotics actions. There were numerous shifts in leadership due to deaths, arrests, takeovers, the changing of alliances, and DTOs independently branching off. The Government of Mexico (GOM) has identified six cartels operating within their country.

One of the largest, the Gulf Cartel, suffered a serious blow when Mexican military forces uncovered one of their stash houses in early November 2008, seizing more than 400 firearms and numerous grenades. For purposes of this study, OSII has grouped the Gulf Cartel and its enforcement squad 'Los Zetas' together. The next group is a breakout group that maintains ties with the Gulf Cartel called the La Familia Michoacán. It maintains its territory in Michoacán and Mexico State. The second and third largest group is the Sinaloa Cartel. The Sinaloa Cartel has two additional factions that will be grouped under the cartel for purposes of this paper: Los Pelones and El Teo. The fourth group, Vicente Carrillo Fuentes Organization (VCFO)/Juarez Cartel, also has a subgroup that will be grouped under this cartel for purposes of this paper: La Linea. Arellano Felix Organization/Tijuana Cartel is the fifth group identified for this paper. This cartel maintains control over Baja California. Finally, Beltran Leyva Organization (BLO) will be the sixth and final group identified for this paper.

2008 Project Gunrunner Assessment

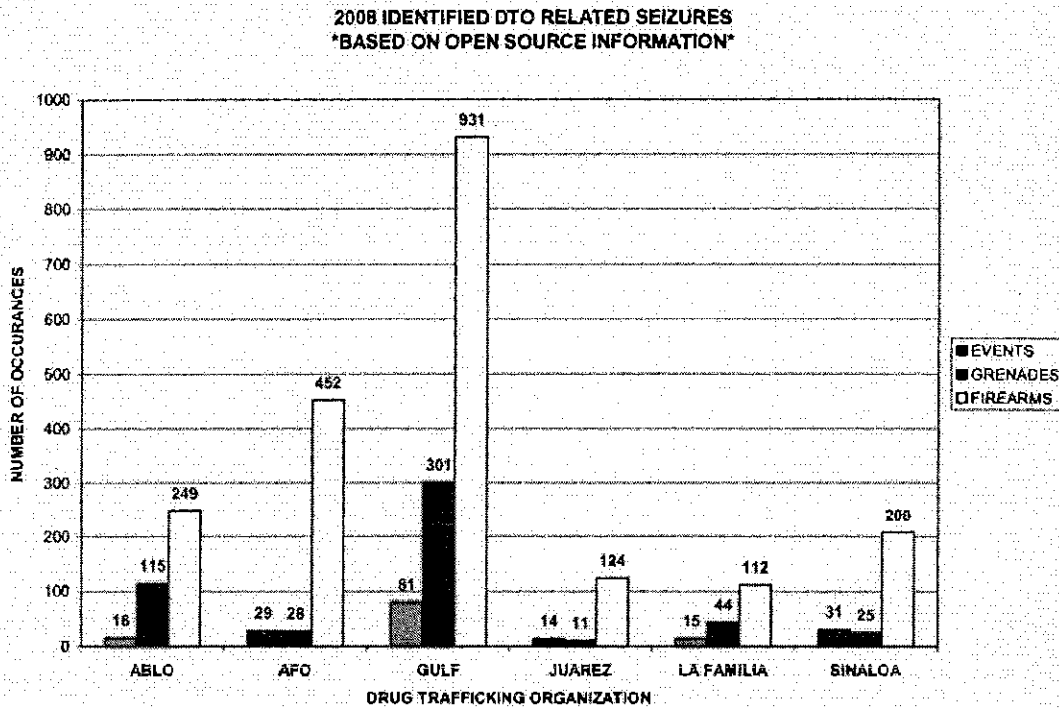


Figure 5 - 2008 Identified DTO Related Seizure Events in Mexico

In 2008, 187 seizure events linked to specific DTOs resulted in the tracing of (b) (3) (P.L. 111-117) Of those (b) (3) (P.L. 111-117) as the top acquisition State for 2008 DTO-related firearms. The rest of the top 5 purchaser States of acquisition include the following: (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) least one traced weapon in 2008.

The highest number of DTO-identified traces by Mexican State in 2008 was (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117)

The average time to crime for all DTO-related firearms was (b) (3) (P.L. 111-117) Interestingly, the difference in the time to crime for all Mexican traces in 2008 was more than (b) (3) (P.L. 111-117) yet the DTO-identified firearm time to crime was less than (b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

The top weapon type for DTO-related traces was (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

traces related to

DTO firearm traces for 2008.

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

SEIZURE EVENTS BY DTO

Gulf – Los Zetas Cartel:

The Gulf Cartel and the Los Zetas maintain control of the Mexican States along the coast of the Gulf of Mexico, some bordering States, and some southern Pacific Coast States. Los Zetas is taking control of the DTOs in Guatemala, which borders the Pacific Coast State of Chiapas. In 2008, Guatemala joined Mexico in announcing that Los Zetas is a major security threat to their nation. Los Zetas has set the bar for all of the cartels and their paramilitary organizations in the area of firearms acquisition, through their use of advanced weaponry, explosives, and military tactics against rival organizations, law enforcement, and the military.

In the past several years, the Mexican Government has been focusing a large portion of their resources in an effort to dismantle the Gulf Cartel. The extradition of Gulf Cartel leader Osiel Cardenas-Guillen on January 20, 2007, caused the Gulf Cartel to undergo a significant organizational restructuring. Prior to his extradition to the United States, Cardenas-Guillen

2008 Project Gunrunner Assessment

ensured that Los Zetas leader Heriberto Lazcano Lazcano was thoroughly entrenched in position over the Gulf Cartel. Osiel Cardenas-Gillen's formation of the Los Zetas as the cartel's paramilitary enforcement arm put them in a unique position. They were the main line of defense against Government enforcement actions and attacks from rival organizations. Furthermore, they are the ones within the cartel that can effectively maintain organizational solidarity and control, which made them the best suited to facilitate the cartel's business. Los Zetas has emerged as the cohesive core of the organization that is peacefully filling the leadership roles of the cartel. At the same time, the Gulf Cartel/Los Zetas have suffered significant losses of personnel, firearms, and explosives in 2007 and 2008 but remains a formidable force to be reckoned within Mexico and Guatemala. Several major seizures from 2006 to 2008 have caused a strong demand for the acquisition of firearms and ammunition through their firearms trafficking cells in the U.S. marketplace. Due to these seizures along with the arrest and prosecution of several acquisition cell members in the United States, they will attempt to supplement their acquisition of firearms by turning to other markets.

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

For purposes of this study, we have grouped the seizure events reported as being linked to the Gulf Cartel and Los Zetas into one data set as follows:

To date, the Gulf Cartel was identified in 81 seizure events in 2008. In those 81 events, 1,280 firearms and 303 grenades were seized according to open source information. The seizure events identified with the Gulf Cartel occurred in 20 different States in Mexico, with 37 percent of them occurring in the State of **Tamaulipas**, based on open source seizure events. Based on tracing information that identified the trace as Gulf Cartel-related, seizures occurred (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

This difference in the identification of seizure States is representative of an intelligence gap when utilizing open source information. **(Please see Appendix B for Map of Mexican Gulf Cartel Related Seizure events.)**

Of the 1,280 firearms seized (b) (3) (P.L. 111-117), were identified relating to those seizures so far. Of the (b) (3) (P.L. 111-117) came back to a purchaser. The average time to crime for Gulf firearms was (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) submitted traces, the top firearm caliber for 2008 for the Gulf Cartel was (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

submitted.

2008 Project Gunrunner Assessment

For 2008, the top traced (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

The top traced (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) firearms traced (b) (3) (P.L. 111-117) were designated as suspect guns and (b) (3) (P.L. 111-117) were listed as being purchased at a gun show.

Significant Seizure Events

There have been several seizure events throughout Mexico linked to the Gulf-Los Zetas Cartel; however, it was the significant amount of firearms recovered on November 6, 2008, in Reynosa, Tamaulipas, and on February 6, 2008, in Miguel Aleman that has provided insight on their firearms acquisition and allowed for a more in-depth analysis. These two seizure events show that the Gulf-Los Zetas Cartel and most likely the other cartels maintain arsenals in the heart of territory they dominate and their main border plazas. Additionally, the February 11, 2007, interdiction of a tractor-trailer in Matamoros, Tamaulipas, revealed their ability to easily move large caches of weapons and equipment. During this seizure event, the following were recovered inside one of three armored vehicles inside the trailer: 18 .223 caliber assault rifles (1 with a grenade launcher); 17 semiautomatic pistols; 19 40mm barrel grenades; more than 8,000 cartridges of various calibers; 259 various caliber magazines; 18 armored vests; 16 magazine belts; and 2 magazine holsters.

From other seizure events, ATF has obtained information as to the amount of firearms and explosives that Los Zeta combatants and assassins are armed with on a daily basis. These arsenals apparently supplement the firearms and explosives that were already issued. The seizures provide a glimpse of their ability to readily provide weapons to new recruits and/or provide additional firepower to confront their adversaries.

The analysis of the firearms data in the Miguel Aleman and Reynosa seizure events lead to several findings. The most significant finding is that the majority of the firearms seized in both events (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117) Second, the firearms recovered in both events reveal that the .223, 7.62, and .308 caliber rifles represent a large portion (49%) of the firearms stockpiled. The Reynosa, Miguel Aleman, and the 29 associated seizure events indicate there is an organized and sophisticated firearm acquisition program that is being utilized by the Gulf Cartel in both Mexico and the United States.

Sinaloa Cartel

The configuration of the Sinaloa Cartel changed significantly in 2008. The Government of Mexico (GOM) increased enforcement actions directed at the Sinaloa Cartel in the past year by

2008 Project Gunrunner Assessment

deploying several thousand troops to Sinaloa State and other areas where they have been involved in violent confrontations. The alliance of organizations known as the Pacific Cartel or the Federation has been shattered by the aggressive actions by Joaquin "El Chapo" Guzman Lorea of the Sinaloa Cartel. As a result, the Sinaloa Cartel has been fighting on several fronts. Joaquin "El Chapo" Guzman Loera is one of the most wanted drug lords in Mexico that has escaped and eluded capture for several years.

In 2008, Guzman Lorea targeted his Federation ally, Vicente Carrillo Fuentes (VCF), the leader of Juarez Cartel, for control of Ciudad Juarez and the State of Chihuahua. This bid for control of Chihuahua and its violence have generated worldwide attention. The Beltran Leyva Organization and the Vicente Carrillo Fuentes Organization occasionally forge temporary alliances with the rival Gulf/Los Zetas Cartel to counter the aggression of Guzman Lorea.

The powerful Beltran Leyva Organization (BLO) within the Federation/Sinaloa Cartel completely severed all associations, and the bloody hostilities peaked in 2008. The deep-rooted animosity began after the Sinaloa Cartel was suspected of betraying the BLO by furnishing information in support of the arrest of Alfredo Beltran Leyva.

The Sinaloa Cartel has been adapting to the enhanced enforcement operations in Mexico and the United States. They have expanded the export of drugs to distributors in the Latin American and European markets so they would not be reliant strictly on the United States.

Currently, the Sinaloa Cartel is maintaining their established U.S. firearms acquisition methodology. The analysis of future Sinaloa Cartel firearms seizure data will determine whether or not the GOM's enhanced enforcement, the expansion to other markets, the loss of alliance partners, and the violent conflicts have significantly impacted or altered their firearms acquisition and/or trafficking capabilities.

To date, the Sinaloa Cartel was identified in 31 seizure events in 2008. In those events, 208 firearms and 26 grenades were seized according to open source information. The seizure events identified with the Sinaloa Cartel occurred in **Sinaloa, Federal District, Baja California, Chiapas, Chihuahua, Durango, Mexico State, Guerrero, Jalisco, Michoacán, Queretaro, and Sonora.** (Please see Appendix C for Map of Mexican Sinaloa Cartel Related Seizure events.)

Of the ^{(b) (3) (P.L.)} firearms seized ^{(b) (3) (P.L. 111-117)}
^{(b) (3) (P.L. 111-117)} The average time to crime
 for Sinaloa Cartel firearms was ^{(b) (3) (P.L. 111-117)}

The purchaser data was broken down by purchaser State of acquisition: ^{(b) (3) (P.L. 111-117)}
^{(b) (3) (P.L. 111-117)}

Of the ^{(b) (3) (P.L.)} submitted traces, the top firearm caliber for 2008 for the Sinaloa Cartel was the ^{(b) (3) (P.L. 111-117)}
^{(b) (3) (P.L. 111-117)}

2008 Project Gunrunner Assessment

For 2008, while there were only (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) firearms traced (b) (3) (P.L. 111-117) and there were no firearms listed as being purchased at a gun show.

Notable seizure events

On January 20, 2008, Mexican Special Forces troops detained Alfredo Beltran Leyva, "El Mochomo," one of the main leaders in the Sinaloa Cartel under El Chapo Guzman, with eight handguns and one AK 47 rifle. Beltran Leyva's job involved directing the transportation of drugs, money laundering, and buying off officials in Sinaloa, Sonora, Chihuahua, Durango, Jalisco, and Nayarit. Leyva also controlled a group of gunmen known as "Los Pelones" in the State of Guerrero and "Los Gueros." Beltran Leyva was one of the few persons with direct access to El Chapo Guzman. (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

Through the investigation, several U.S. purchasers of the subject were identified and subsequently tied to at least four known Mexican DTO-BLO firearms seizures in 2008.

Another of the purchasers in the Beltran Leyva arrest/seizure had an additional gun seized 2 days later in Mexico City, Federal District, Mexico, where the guns seized had links to another DTO organization, BLO. A third purchaser was involved in a possible gunrunning case to Mexico as well, and is a current fugitive based on drug charges. Phoenix Field Division -785040-(b) (7)(A) 785045 (b) (7)(A) 785040-(b) (7)(A) SWB FIST Seizure Event File 164020 (b) (7)(A) 1/20/08 Culiacan, Sinaloa; 1/22/08 Mexico City, D.F.

Arellano Felix Organization (AFO)

The Arellano Felix Organization (AFO) is named after Eduardo Arellano Felix and Francisco Javier Arellano Felix of Tijuana, Baja California. The key cartel leaders have either died off or have been captured by authorities, the last being the Arellano Felix brother, Eduardo, who was captured in October 2008. The two remnants of the organization remaining are locked in vicious battles for control of Tijuana and Mexicali. Fernando Sanchez Arellano, "El Ingeniero," the nephew of the founding brothers, heads one of the factions. Eduardo Teodoro Gracia Semental, El Teo, a former enforcer for the cartel, heads the other faction. Throughout 2008, there have been waves of violence between these two factions over control of the cartel. In October, the

2008 Project Gunrunner Assessment

Sinaloa Cartel provided Gracia Semental support, and more than 100 people were killed in the ensuing hostilities. The Mexican authorities have deployed a large military presence to quell the violence in Tijuana and Mexicali. This, along with the loss of the key cartel leaders, the fighting between the remaining factions, and the Tijuana Cartel's inability to sustain the relationships needed to facilitate the transportation and sale of the drug shipments, leaves them at the brink of annihilation. ATF is working diligently to identify the seizure events involving these factions and collect the firearms data for analysis.

To date, Arellano Felix Organization was identified in 29 seizure events in 2008. In those events, 452 firearms and 28 grenades were seized according to open source information. The seizure events identified with BLO occurred in **Baja California, Chihuahua, Michoacán, and Sonora.** (Please see Appendix D for Map of Mexican AFO Related Seizure events.)

Of the 452 firearms seized, (b) (3) (P.L. 111-117) were identified relating to those seizures so far. Of the (b) (3) (P.L. 111-117) came back to a purchaser. The average time to crime for AFO firearms was (b) (3) (P.L. 111-117)

The purchaser data was broken down by purchaser State of acquisition: (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) submitted traces, the top firearm caliber for (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

For 2008, the top traced (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

The top traced (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) firearms traced (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

Notable seizure events

On April 26, 2008, several gun battles occurred in Tijuana, Baja California, between two rival factions of the Arellano Felix Organization, where at least 13 men were killed, another 5 wounded, and resulted in the seizure of 60 firearms. There were several major cases opened as a result of this seizure.

During an interview with a purchaser of one of the guns seized in this event, the subject confessed that he had been part of a straw purchasing network since 2006, supplying 200 firearms to a convicted felon, an ex-FFL, who was born in Mexico and lived near Los Angeles.

2008 Project Gunrunner Assessment

The purchaser stated he also sold guns at gun shows and through newspaper ads. The purchaser was also connected with three additional AFO seizure events in 2008.

Another purchaser in this seizure event is linked with an ongoing 6(e) case of a possible straw purchasing network of FN pistol and rifles, AKs and AR-type rifles. There are links to 15 additional individuals involved in smuggling firearms for AFO, and there is an ongoing Drug Enforcement Administration (DEA) investigation that ATF has now joined regarding this case.

A purchaser of an FN 5.7mm pistol in this seizure event admitted procuring at least 19 handguns and 5 rifles using a false address and selling them directly to an AFO cartel member. In addition, the subject also stated he sold some firearms to "random" people at gun shows. *Los Angeles Field Division-San Diego Field Office 784040 (b) (7)(A), 784040 (b) (7)(A), Las Vegas Field Office 786020 (b) (7)(A), Seattle Field Division-Yakima Field Office 787075 (b) (7)(A)*

Beltran Leyva Organization (BLO)

The Beltran Leyva family (BLO), from the State of Sinaloa, has been a longstanding drug trafficking organization. BLO's severance from the Sinaloa Cartel was finalized in January 2008 with the arrest of Alfredo Beltran Leyva. His brother, Arturo Beltran Leyva, took over the leadership role and quickly staked out territories in several strategic States. He forged a truce and built a relationship with the Gulf-Los Zetas Cartel, an enemy with whom he had several very deadly clashes. He was able to maintain his previous relationships with the Juarez Cartel and a faction of the Arellano Felix Organization (AFO) in Tijuana. They have elevated to the point that they are one of the most powerful drug trafficking organizations in Mexico.

In 2008, the BLO and Sinaloa Cartel have been involved in numerous violent confrontations throughout Mexico over territories that they had previously shared. Additionally, after Alfredo's arrest, Arturo sent squads of paramilitary trained assassins to kill high-ranking federal officials in Mexico City. He has been credited with the assassination of Acting Federal Police Chief Edgar Millan in May 2008. ATF is working diligently to identify BLO seizure events and collect firearms data for analysis.

To date, Beltran Leyva Organization was identified in 17 seizure events in 2008. In those events, 275 firearms and 115 grenades were seized according to open source information. The seizure events identified with BLO occurred in **Sinaloa, Federal District, Sonora, Guerrero, Jalisco, and Mexico State.** (Please see Appendix E for Map of Mexican BLO Related Seizure events.)

Of the 275 firearms seized, (b) (3) (P.L. 111-117) firearms traces, (b) (3) (P.L. 111-117) firearms traces, (b) (3) (P.L. 111-117) the average time to crime for BLO firearms was (b) (3) (P.L. 111-117)

The purchaser data was broken down by purchaser State of acquisition: (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

Of the (b) (3) (P.L. 111-117) submitted traces, the top firearm caliber for 2008 for BLO was the (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

For 2008, the top traced (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

The top traced (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) firearms traced, (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

La Familia – Michoacán

La Familia, also known as La Familia–Michoacán, emerged from a small covert group of traffickers that were originally part of another DTO in Michoacan. They gradually severed themselves when that organization began to battle the Gulf-Los Zetas. In the beginning they aligned themselves with the Gulf-Los Zetas and formed La Familia. Since that time they have grown into the realm of being a powerful drug organization and have made strong inroads into the State of Mexico and the Federal City. Once La Familia emerged to the point that they were the dominate power, they began to withdraw from their alliance with the Gulf-Los Zetas. ATF is working diligently to identify La Familia seizure events and collect firearms data for analysis.

To date, La Familia–Michoacán was identified in 15 seizure events in 2008. In those events, 112 firearms and 44 grenades were seized according to open source information. The seizure events identified with La Familia occurred in **Michoacán** (9 events) and **Mexico State** (6 events).
(Please see Appendix F for Map of Mexican La Familia Related Seizure events.)

Of the 112 firearms seized, (b) (3) (P.L. 111-117) firearms traces (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117) firearms traces, (b) (3) (P.L. 111-117) The average time to
 crime for La Familia firearms was (b) (3) (P.L. 111-117)

The purchaser data was broken down by purchaser State of acquisition: (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) traces, the top firearm caliber for 2008 for La Familia was the (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

For 2008, the top traced (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

The top traced (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) firearms traced, (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Vicente Carrillo Fuentes Organization/Juarez Cartel

The Vicente Carrillo Fuentes Organization (VCFO), known as the Juarez Cartel, originated from Ciudad Juarez, in the State of Chihuahua. From this city across from El Paso, Texas, the cartel had established itself in the States of Nuevo Leon and Sonora, for years. Prior to 2008, the VCFO had strong ties to the Sinaloa Cartel because of family and organizational ties to the Beltran Leyva family. After BLO severed their ties with the Sinaloa Cartel, VCFO maintained their allegiance to BLO. As a result, Joaquin "El Chapo" Guzman Lorea of the Sinaloa Cartel sent assassin teams into Juarez to take control. VCFO has reached out to the Los Zetas to aid them in this battle. Also, they have turned to a group of current and former police officers from Chihuahua, known as La Linea and the U.S. gang Barrio Azteca to assist them in the battle against the Sinaloa Cartel. The fierce fighting has raged throughout 2008, with thousands being killed. In reaction to the violence, the Mexican military was deployed throughout the city and State, which is having a greater impact on the VCFO.

There have been numerous firearms seized in 2008 in Ciudad Juarez and the State of Chihuahua as a result of enforcement actions. ATF border liaison agents have collected the firearms information but did not obtain information relating the firearms to seizure events and affiliated DTOs. The ATF border liaison agents submitted the traces on hundreds of these firearms. The SWB Field Intelligence Support Team (FIST) and the IAO are working together to ascertain additional information from the Mexican authorities.

To date, the Juarez Cartel was identified in 14 seizure events in 2008. In those events, 124 firearms and 11 grenades were seized according to open source information. The seizure events identified with Juarez Cartel occurred in **Chihuahua** (13 events) and **Jalisco** (1 event). **(Please see Appendix G for Map of Mexican VCFO/Juarez Cartel Related Seizure events.)**

Of the 124 firearms seized, (b) (3) (P.L. 111-117)

so far. Of the (b) (3) (P.L. 111-117) firearms traces, (b) (3) (P.L. 111-117)

for Juarez firearms was (b) (3) (P.L. 111-117)

The average time to crime

The purchaser data was broken down by purchaser State of acquisition: (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

Of the (b) (3) (P.L. 111-117) submitted traces, the top firearm caliber for 2008 for Juarez was the (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

2008 Project Gunrunner Assessment

Of those (b) (3) firearms traces, the top firearms traced for 2008 were the (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

Of the (b) (3) firearms traced, (b) (3) (P.L. 111-117)
 (b) (3) (P.L. 111-117)

BORDER CONCERNS

U.S. Border

Lack of Domestic Seizure Information

As reported in the Department of Homeland Security's November 2008 Intelligence Report: *United States Southbound Weapons Smuggling Assessment*⁸, there was a total of 1,509 reported northbound, southbound, and domestic seizures of individual firearms, ammunition loads, and weapons parts for FY 2007-2008. Of those seizures, only 212 individual firearms and 166 ammunition loads were classified in the (80) southbound firearms-related seizures. Of those 212 firearms, 98 were seized in 13 seizure incidents. While (b) (3) (P.L. 111) firearms were traced so far in Mexico for 2008, only 212 were seized at the border in 2 years. That is only a 1.4-percent success rate (for firearms traced in 2007-2008 so far in Mexico) of catching firearms going across the border into Mexico.

Cross-border firearms trafficking

With the disproportionate amount of firearms being seized in Mexico and the amount of domestic seizures, one could wonder how the guns are really getting into Mexico.

According to DHS's 2008 *Southbound Weapons Assessment*, "primary firearms trafficking routes appear to follow high-speed interstate highways south from U.S. acquisition cities through land POEs [point of entries] in San Diego, California; Nogales, Arizona; El Paso, Laredo, Roma, Rio Grande City, McAllen and Brownsville, Texas POEs to destination states within Mexico."⁹

Because there is no definite indicator of how weapons get across the border, SWB FIST examined 2008 firearms traces and compared them to the location of seizure in Mexico. In 2008,

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117) The Inter-American Highway runs from Laredo, Texas, through the southern part of Mexico to Oaxaca. Another example of this is in (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117)

More in-depth analysis will need to be conducted in order to postulate further, but on a cursory glance, it seems that a majority of the weapons are traveling short distances from purchaser to seizure.

Success at the U.S. Border

2008 Project Gunrunner Assessment

(b) (7)(A) a U.S. citizen was detained at Border Port Number III in Nogales, Sonora, Mexico, in his motor home. (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

Mexico City 906030 (b) (7)(A) and Seattle

Field Division-Yakima Field Office 787075 (b) (7)(A)

Guatemalan/Belize Border

Guatemalan President Alvaro Colom recently stated that the Sinaloa Cartel and the Gulf Cartel have an impressive presence in Guatemala. Guatemala is the last country geographically positioned on the land route for drug trafficking between Colombia and Mexico. The Sinaloa Cartel has had a longstanding presence in Guatemala, which became evident after the Sinaloa's most notorious fugitive was captured in Guatemala in 1993, then sent back to Mexico, where he escaped from prison in 2001. After his escape, there have been rumors that occasionally he utilizes safe houses in Guatemala to evade capture. The Gulf Cartel's presence was apparent by the fact that Los Zetas have for years recruited scores of elite Guatemalan Special Forces soldiers known as "Kabiles," who were infamous for their brutality during the country's 1960-96 civil war.¹⁰

Investigators from the Guatemalan Government Ministry and the U.S. State Department report that weapons enter the country from three sources, with the United States supplying most of the weapons and the remainder via Honduras and Nicaragua. According to the Government Ministry, Guatemalan police seized 4,562 non-registered firearms and detained 2,307 individuals for illegally bearing firearms in 2008.¹¹

In 2008 the Los Zetas went on the offensive to further dominate the drug trafficking routes in Guatemala, especially in the northern portion of the country, which has led to several violent

2008 Project Gunrunner Assessment

confrontations resulting in the death of numerous DTO combatants. One major seizure event occurred on March 24, 2008, in Rio Hondo, Zacapa, Guatemala, during a shootout between two opposing groups linked to the Gulf Cartel/Zetas at a bathing resort. Eleven persons were killed, 3 were wounded, 6 were detained, and more than 40 firearms were seized. Three of the purchasers from this event resulted in other firearms recoveries in seven Mexican seizure events, in 2008 and the first 2 months of 2009. The analysis of the purchaser information from firearms recovered in known Gulf-Los Zetas seizure events in Mexico is an essential component in determining the DTO affiliation from weapons recovered during Guatemalan seizure events.

While ATF and the Government of Guatemala currently do not have procedures in place to trace firearms and munitions recovered during seizure events, they did sign an eTrace Memorandum of Understanding in mid December 2008 in Washington, DC, along with the other six Central American countries. (*Contact eTrace Program Manager for more details.*) In addition, ATF International Affairs Office has a Central America Regional Affairs coordinator slated to be in the region as of August 2009.

Guatemala is a major source of explosives to the region. (*Intelligence Community reporting exists on this topic, but at a classified level.*) Because of this, members of the Mexico Country Office and an ATF explosives enforcement officer (EEO) have traveled to Guatemala to examine, photograph, and trace firearms and explosives seized by Guatemalan authorities and to establish contacts with Guatemalan authorities to obtain the necessary information related to each seizure event (recovery location, firearms/explosives information, possessor with DOB, associate(s) with DOB(s), etc.).

Due to the firearms trafficking nexus between Mexico, Guatemala, and several other Central American countries, the Southwest Border FIST, in coordination with EPIC and International Affairs Office, will be conducting further research into Guatemalan and other Central American weapons seizure events. The coordination effort results will be collected, discussed, and analyzed in future reporting.

MEXICAN CARTELS AND TRANSNATIONAL GANGS

The acquisition and trafficking of firearms by each Mexican drug trafficking organization (DTO) is conducted covertly and strictly controlled by each individual organization. Each organization has a leader(s) that is responsible for procuring firearms, equipment, and any other weapons. Currently, DTOs prefer to use their own operatives to facilitate their firearms acquisition and transportation. DTOs generally do not rely on transnational gangs in the acquisition and transportation of firearms because it compromises their covert operations. Due to the notorious violence on the part of these transnational gangs, heightened enforcement produces such a high risk of detection that it precludes them from being utilized effectively by the DTOs.

However, DTOs have utilized transnational prison gangs that operate along both sides of the border. Occasionally they are called upon to supplement defensive and enforcement actions for that DTO, primarily in Mexico. However, it is possible that with the continued aggressive recovery of firearms by Mexican authorities and vigorous enforcement actions in the United States combating the illegal acquisition, DTO traditional acquisition methods will become

 2008 Project Gunrunner Assessment

further strained, resulting in DTOs turning to their affiliated gangs. These gangs could supplement the DTOs by recruiting and supervising straw purchasers in areas they dominate throughout the United States.

ATF vigilantly scrutinizes DTO firearms acquisition cells for any participation or association on the part of a gang member. In addition, there has been reporting that DTO and independent camps in Central America are provided instruction in military assault and assassination techniques. ATF has been monitoring these reports to ascertain if or to what extent that transnational gang members are being trained by the DTOs, recruited into the organization, or trained in independent camps to perform assassinations or other contract duties for the DTOs; however, ATF has not received any information indicating that any individuals trained at these facilities will be deployed to the United States.¹²

INTERDICTION

U.S. Law Enforcement Firearms Trafficking

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

Mexico City Country Office 906030 (b) (7)(A)

A 2-year investigation came to an end in January 2009 when a U.S. Border Patrol agent turned himself in to U.S. authorities for accepting bribes in exchange for allowing contraband to pass through his patrol area. According to court records, the agent accepted \$39,000 in bribes.

After a 1.5-year investigation, a former DEA agent in Texas was sentenced to 37 months in Federal prison for his role in dealing firearms without a license. The former DEA agent admitted that he and others conspired to obtain dozens of pistols and rifles from licensed firearms dealers by providing false information on ATF forms concerning the actual purchaser. Some, if not all, of the firearms are believed to have been transported to Mexico. *Houston Field Division-San Antonio Field Office 782060-08-0071*

(b) (7)(A)

(b) (7)(A)

(b) (7)(A) *Houston Field Division-McAllen Field Office 782055* (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

2008 Project Gunrunner Assessment

(b) (7)(A) The investigation is ongoing, and several other leads are pending. *Dallas Field Division—El Paso Field Office 781035-*(b) (7)(A)

ISSUES OF CONCERN, INTELLIGENCE GAPS, AND OPERATIONAL CONSIDERATIONS

Gun Shows

A previous section, "Success at the U.S. Border," illustrates a prime example of the intelligence gap gun shows represent. Of the 162 firearms seized, (b) (3) (P.L. 111-117) (b) (3) (P.L. 111-117) Based on the statement from the subject, a majority, if not all, of the firearms were purchased in cash from private-party sellers at gun shows. While the initial purchase of the firearm took place (b) (3) (P.L. 111-117) ago, it may have been purchased by the subject just days before the seizure event in Mexico.

Another example of this gap is from a recent U.S. Customs and Border Protection (CBP) seizure event at the port of entry in Laredo, Texas, where CBP discovered a cache of 25 .22 caliber rifles secreted in the gas tank of a passenger truck. The driver was hired by a subject who was known to ATF as a purchaser of firearms from another ATF subject of interest, who was an unlicensed "dealer" at gun shows. According to the unlicensed dealer, he had dropped off 25 rifles to the subject approximately 2 weeks before the seizure at the border. Of the 25 rifles seized, (b) (3) (P.L. 111-117) firearms were traced. Of these (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117) A search warrant on the unlicensed dealer revealed that he had purchased firearms online and used his Curio & Relics license to avoid completion of the ATF 4473 form. Additionally, more than 1,000 firearms were found in his home with price tags affixed to them. *Dallas Field Division—Tulsa Field Office 781065-08-0091*

While this secondary market problem is not something new, it is still a sizeable intelligence gap in relation to Mexican gun seizures; it is exacerbated by the lack of domestic seizure information. Without either piece of information, it is extremely difficult to determine with any specificity where these weapons are being acquired, how long it takes the firearm to get across the border (i.e. 2 days or 2 years), and what routes are being utilized.

Lack of Domestic Seizure Information

As previously stated, the lack of domestic seizure information presents a huge intelligence gap in addressing the issue of gun trafficking into Mexico.

ATF can minimize this gap by increasing communication, collaboration, and training efforts with U.S. law enforcement agencies (i.e ICE/CBP, DEA, fusion centers, and local police departments) to capture this information in a more timely and efficient manner. ATF also needs to fully exploit witness/suspect interviews and post-arrest statements to fully answer the collection requirements common to all Project Gunrunner investigations.

2008 Project Gunrunner Assessment

As stated above, this intelligence gap also leads us to an additional intelligence gap, as to how firearms and munitions actually cross the border.

Lack of DTO Information

Another large intelligence gap is due to the fact that most Mexican seizure information is based on open sources; information about drug trafficking organization involvement is haphazard.

As ATF's communication/collaboration grows with the Mexican Government by receiving official seizure reporting and working with other U.S. law enforcement agencies in Mexico and the United States, this intelligence gap will shrink.

CONCLUSION

ATF, in close collaboration with its domestic and international law enforcement partners, has a significant role in halting the border violence along the Southwest border by denying the cartels the firearms, ammunition, and explosives that are essential for them to maintain power and control. ATF has undertaken this task by implementing Project Gunrunner and by realigning and devoting additional, specific intelligence resources as of October 2008. As was seen in 2007 and 2008, Project Gunrunner is a huge undertaking, and while the process is not perfect, the groundwork has been laid. We have seen results of this effort already, in looking at the first 4 months of 2009, where there was a 150-percent increase in the amount of seizure events documented in N-Force over the same time period in 2008. This increase can be attributed to several factors, such as better cooperation between the Mexican Government and ATF, a more streamlined approach within ATF entities, and possibly the Mexican military making advances in the fight against the cartels. OSII expects the amount of seizure events to increase even further, when ATF adds additional personnel to the U.S Embassy and consulates throughout Mexico in FY 2010 and 2011.

The data presented in this paper should be useful as a baseline in determining areas of concern in terms of sources of illegally obtained firearms entering Mexico. Furthermore, it highlights areas of concern for firearms procurement by DTOs. Finally, OSII anticipates that this annual document will provide strategic and operational intelligence that will lead to larger, cross-division firearms trafficking investigations. Field Division input is therefore solicited to ensure that OSII is providing the data needed to address the issue of firearms trafficking at a local and regional level. OSII points of contact are Intelligence Operations Specialist (b) (7)(C) who can be reached at (202) 648-(b) (7)(C) Intelligence Research Specialist (b) (7)(C) who can be reached at (202) 648-(b) (7)(C) and Intelligence Research Specialist (b) (7)(C) who can be reached at (202) 648-8582.

Page 26 of 33 UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE 7/10/2009

Drug Trafficking Organization (DTO)
Seizure Events by State
Calendar Year 2008

State	# of Seizures
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)
(b) (7)(E)	(b) (7)(E)

Appendix

2008 Project Gummner Assessment

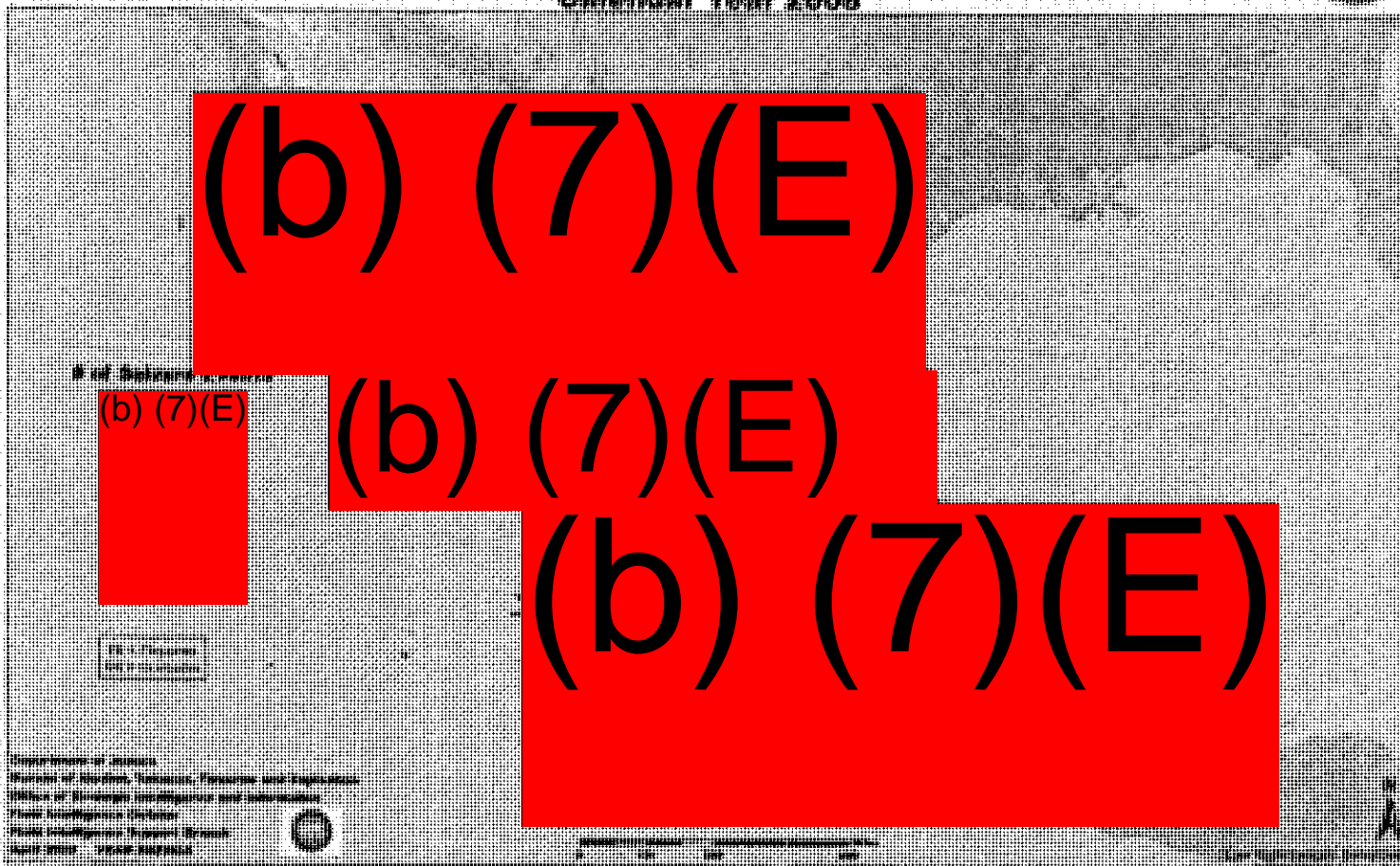
Appendix A – Drug Trafficking Organization Seizure events by State

Los Zetas-Gulf Cartel
Seizure Events by State
Calendar Year 2008

2008 Project Gunrunner Assessment

Appendix B – Los Zetas-Gulf Cartel Seizure Events by State

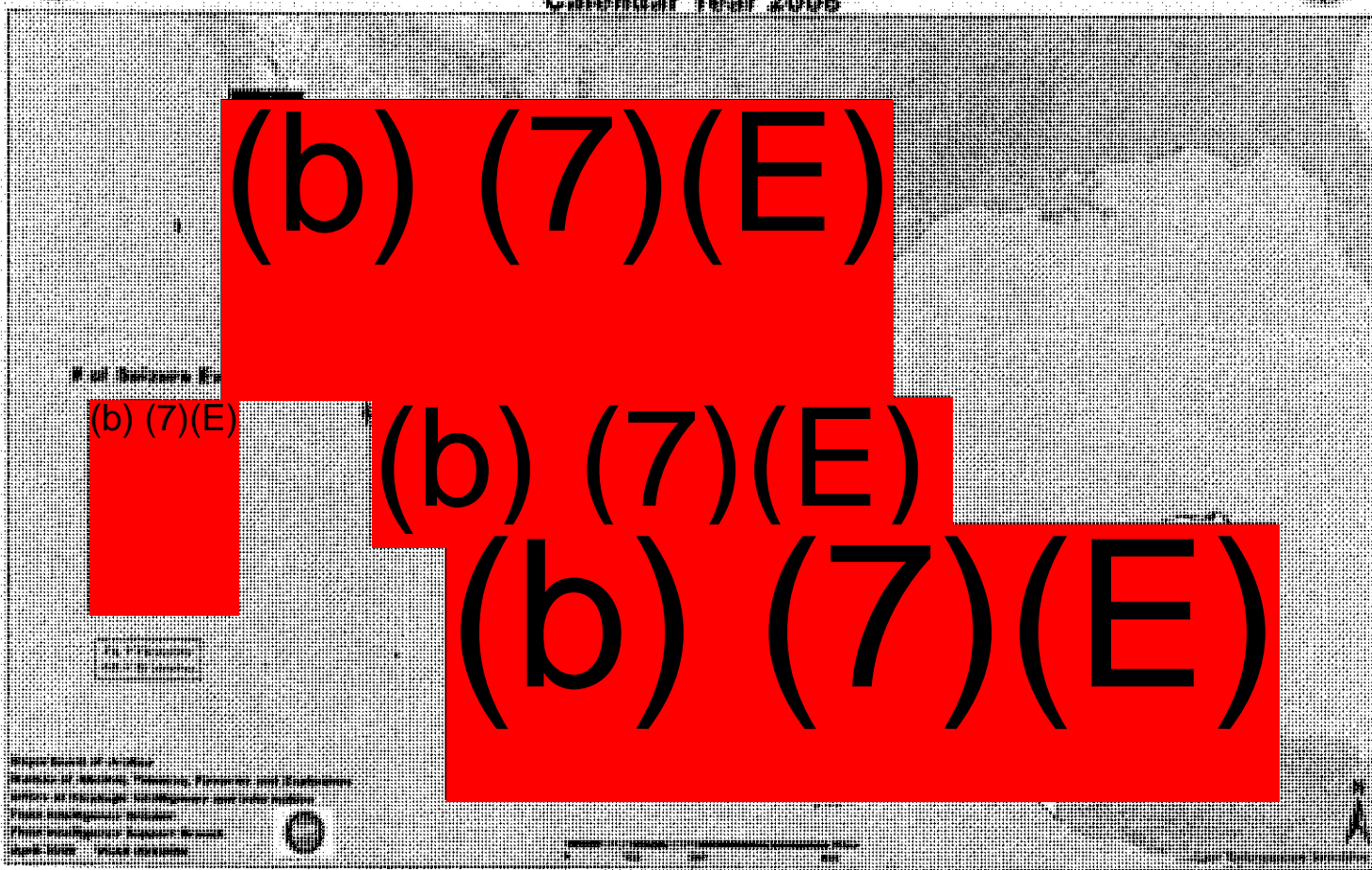
Pacific-Sinaloa Cartel Seizure Events by State Calendar Year 2008



Appendix C – Pacific-Sinaloa Cartel Seizure Events by State

Page 29 of 33 UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE 7/10/2009

**Arellano Felix Cartel
Seizure Events by State
Calendar Year 2008**



(Faint text, likely a legend or key for the chart, including terms like 'Number of Seizure Events', 'Number of Seizures by State', and 'Number of Seizures by State and Country').

2008 Project Gunrunner Assessment

Appendix D – Arellano Felix Cartel Seizure Events by State

**Beltrán Leyva Cartel
Seizure Events by State
Calendar Year 2008**

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

2008 Project Gunrunner Assessment

Appendix E – Beltrán Leyva Cartel Seizure Events by State

**La Familia Cartel
Seizure Events by State
Calendar Year 2008**

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

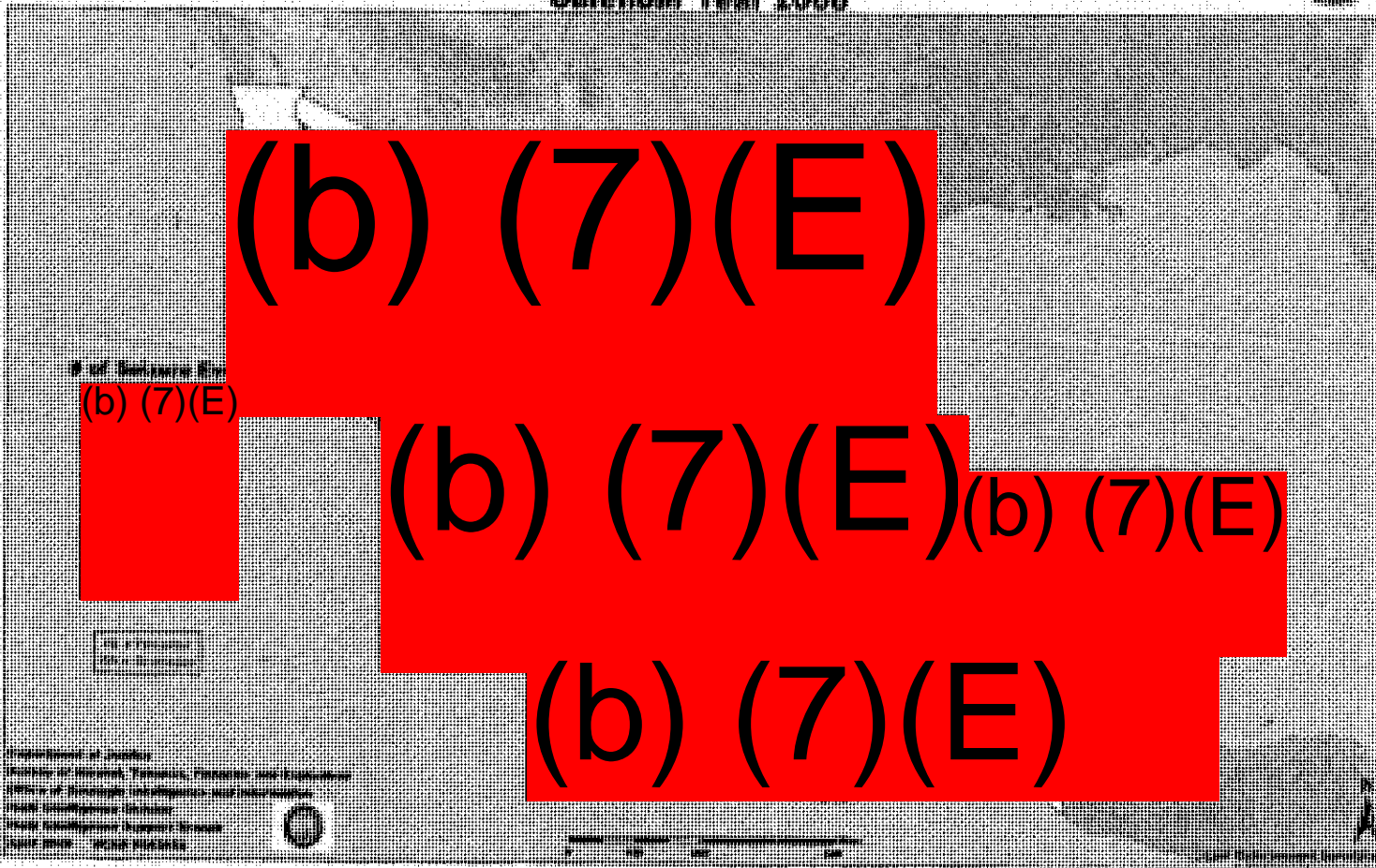
(b) (7)(E)

(b) (7)(E)

Department of Justice
Federal Bureau of Investigation
Attorney General

Appendix F – La Familia Seizure Events by State

**Carillo Fuentes-Juarez Cartel
Seizure Events by State
Calendar Year 2008**



Appendix G – Carillo Fuentes-Juarez Cartel Seizure Events by State

2008 Project Gunrunner Assessment

Endnotes

¹ The reason for the difference between the number of traces with purchaser information and time to crime information is because some traces submitted did not include an exact date of seizure, making the time to crime information unable to be calculated.

² Destructive device—The term "destructive device" means any type of weapon by whatever name known which will, or which may be readily converted to, expel a projectile by the action of an explosive or other propellant, the barrel or barrels of which have a bore of more than one-half inch in diameter, except a shotgun or shotgun shell which the Secretary or his delegate finds is generally recognized as particularly suitable for sporting purposes; such as a USAS-12; Striker 12; and Streetsweeper Shotgun.

³ Seizure events for 2008 are still being collected, and a significant number of Mexico traces are still being entered into the Firearms Tracing System (FTS); therefore, the Mexico seizure and traced data will continue to change. Firearm Trace Statistics in this report are based on two queries of the FTS – 1/01/08-6/1/08 query was from January 29, 2009, and 6/1/08-12/31/08 query was from February 26, 2009.

⁴ Because the SWB team's main acquisition of seizure events is from open sources, the data is not all encompassing. This causes several issues; first, the details surrounding the seizure event itself can range from the very generic to the very detailed depending on the sources used; second, the details surrounding the firearm seized does not always include serialization, make, model, importer data, or the quantity of firearms seized in the event; third, information pertains to the criminal organization, drug cartel, or persons involved. The Office of Strategic Intelligence and Information (OSII) SWB team is working intently with the International Affairs Office to obtain more official reporting from the Mexican authorities to bridge this information gap.

⁵ Document from NGIC.

⁶ There was no comparison to 2007 traces, as SWB FIST did not start collecting and analyzing open source information in relation to DTOs until late 2007.

⁷ The XM-15 total came from several manufacturers: (b) (3) (P.L. 111-117)

⁸ Intelligence Report: United States Southbound Weapons Smuggling Assessment, November 4, 2008, ICE-00187-09, U.S. Department of Homeland Security.

⁹ Intelligence Report: United States Southbound Weapons Smuggling Assessment, November 4, 2008, ICE-00187-09, U.S. Department of Homeland Security.

¹⁰ *Reuters*: Guatemala straining to cope with Mexican drug gangsters.

¹¹ Guatemala City-Prensa Libre.com

¹² Tegucigalpa *La Tribuna Online-Honduras training camps & Guat raids – DEA and open source information.*

ATF O 3250.1A

42. Procedures.

Formatted: Bullets and Numbering

- (1) Financial institutions routinely prepare letters of credit; consequently, the special agent should ask the selected financial institution to prepare a letter of credit in the bank's own format. It is to ATF's benefit for the financial institution to issue the letter without a deposit of money into an account. This is not an unusual banking practice when a customer has a substantial credit record. The letter of credit should contain conditions that will preclude the withdrawal of any funds. Consequently, the bank will not disburse funds; therefore, no financial risk will be taken.
- (2) The investigation may dictate that ATF deposit money into the account. This situation should be communicated to the Chief, SOD, with the original request to use a letter of credit.
- (3) The final authority to use a letter of credit is the Chief, SOD. That decision will be made after examining the letter of credit and conferring with the Office of Chief Counsel and the Resource Management Branch, Financial Management Division.
- (4) The Office of Chief Counsel will advise the Chief, SOD, of the obligations ATF will incur with each letter of credit.
- (5) The SAC, Resource Management Branch, will advise the Chief, SOD, if ATF cannot meet the obligations incurred by the letter.
- (6) When an approved letter of credit has been used and is no longer needed, the SAC will notify the Chief, SOD. The Chief, SOD, will then notify the SAC, Resource Management Branch.

42. UNDERCOVER MERCHANDISE.

- a. Policy. It is ATF policy to use undercover merchandise as an investigative technique only after special agents have explored all possible alternatives and determined that using undercover merchandise is essential to the success of the investigation.
- b. Undercover Merchandise. Undercover merchandise is any tangible item purchased using agent cashier funds or acquired through other means for the purpose of sale, trade, or display in furtherance of an ATF investigation. This includes ATF property or other merchandise (e.g., Title II firearms, explosives, flashrolls, narcotics)

ATF O 3250.1A

that may be exhibited to a person and in which the proprietary interest does not change. Special agents shall exercise adequate controls and security in the use of all undercover merchandise.

- c. Acquisition. Before purchasing any undercover merchandise, the requesting SAC should contact another field division or the appropriate Headquarters division chief for assistance in determining if merchandise currently available in inventory would meet the needs of the division. If the merchandise needed is explosives, inert explosives, or inert explosive devices, the SAC shall contact the Chief, Explosives Technology Branch, to determine what items are available.

- (1) Agent Cashier Funds. Funds to purchase undercover merchandise will be obtained in the manner prescribed in ATF O 3251.1.
- (2) Approved Expenditures. In accordance with ATF O 3251.1, the expenditure of agent cashier funds is limited to specified purposes stated on ATF F 3251.3. Therefore, if undercover merchandise is to be purchased, funds must be specifically requested for that purpose.
- (3) Reporting Procedures.
 - (a) Purchase of Undercover Merchandise. Purchase of undercover merchandise will be reported on ATF F 3251.2A, Report of Expenditures (for Investigative Purposes), and will include the date of purchase, identity of the seller, a detailed description and identification of items, and the amount of expenditure. Special agents will obtain and attach all paid receipts, invoices, etc., to ATF F 3251.2A.
 - (b) Sale/Trade of Undercover Merchandise. Sale/trade of undercover merchandise shall be recorded on ATF F 3120.2. The report shall include the date of the sale/trade; identity of the purchaser (suspect), if known (otherwise, nickname and/or description); detailed description, identification, and value of the items sold/traded; identity of the seller (in the case of informants, the assigned informant control number shall be used); and the amount of the sale and balance, if any, of unsold/untraded merchandise. In the case of a trade, the property acquired from the trade shall be completely described.

ATF O 3250.1A

- 1 Cash Proceeds From the Sale of Undercover Merchandise. The proceeds of the sale of undercover merchandise are recovered funds and must be deposited in the General Fund of the Treasury when the investigation is closed. Special agents shall transmit these proceeds, through the field division office, to the Headquarters agent cashier with ATF F 3251.2. (Refer to ATF O 3251.1, subparagraph 13F.) The funds will be returned using a money order or cashier's check, made payable to the Bureau of Alcohol, Tobacco and Firearms. Because the proceeds will be deposited to the General Fund of the Treasury, the payee will not be the designated agent cashier.
- 2 Retention for Evidence of Proceeds and/or Property From Sale of Undercover Merchandise. In instances where proceeds or property from the sale of undercover merchandise is retained as evidence, the retention shall be reported as contained in ATF O 3400.1A, Property Taken Into Bureau Custody. In these instances, ATF F 3400.16, Property Inventory/Forfeited Property Appraisal Report, shall be attached to ATF F 3120.2. If evidence is released by the court for ATF disposition or it is determined that the funds or property is not needed as evidence, it will be disposed of according to ATF O 3400.1A.
 - (c) Retention of Undercover Merchandise as Evidence. Any undercover merchandise that becomes evidence in criminal investigations shall be documented and maintained according to ATF O 3400.1A.
- (4) Required Receipts. The special agent obtaining the agent cashier funds shall obtain a signed receipt in all instances when the custody of the undercover merchandise is transferred to an informant, police officer, or special agent. The informant may sign an assumed name, provided the receipt contains the informant control number. ATF F 3251.1 (exhibit 6) shall be used. Receipts shall be attached to ATF F 3251.2A.
- (5) Other. Acquisition of undercover merchandise from a local, State, or Federal agency, such as food stamps, tools, televisions, etc., for purposes of resale or trade by means other than through

ATF O 3250.1A

expending agent cashier funds must receive the SAC's prior approval. The authorized receipt of this type of undercover merchandise shall be documented on ATF F 3120.2, listing merchandise received and from whom it was received. The sale/trade of undercover merchandise acquired in this manner shall be documented as stated herein.

d. Prohibited Merchandise.

- (1) The following items shall not be used as undercover merchandise: property subject to forfeiture proceedings, detained or retained property, evidentiary property, and property being processed as abandoned. Only property to which ATF or another agency has legal title shall be used as undercover merchandise.

- (2) (b) (7)(E)
(b) (7)(E)
(b) (7)(E)
(b) (7)(E)
(b) (7)(E)
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(b) (7)(E)
(b) (7)(E)

- (3) No tangible property shall be used as a prop unless prior SAC approval is received. When items such as television sets, videocassette recorders, or other merchandise are used, the SAC may grant approval. The SAC should document the approval and notify special agents by memorandum. Verbal approval may be granted in emergency situations. The props must satisfy the requirement of this chapter.

ATF O 3250.1A
4/2/2003 - Change 2

- (4) The SAC may approve the following items as undercover merchandise: firearms, ammunition, explosives or explosive devices (including inert or dummy items), alcoholic beverages, tobacco products, counterfeit currency, or counterfeit official documents. If the field division does not have such props available in its inventory, then the field division may request the assistance of the appropriate Headquarters division chief.

- * (5) If a specialized undercover prop is required from the Firearms Technology Branch, the SAC will issue a memorandum to the Chief, Firearms Programs Division, to request the prop from the Firearms Technology Branch's inventory. Likewise, requests for props from the Explosives Technology Branch will be submitted to the Chief, Arson and Explosives Programs Division. The SAC will be responsible for authorizing the use of the prop in the investigation prior to submitting a request to the appropriate Headquarters division. Certification and maintenance of all firearms undercover props and display weapons are the responsibility of the Firearms Technology Branch. *

(6) (b) (7)(E)
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(7) (b) (7)(E)
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(b) (7)(E)

ATF O 3250.1A

(b) (7)(E)
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(a) Special agents shall forward requests to the SAC as described in subparagraph 42d(2). The SAC will review the request to ensure compliance with the requirements set forth in subparagraph 42d(7), above.

(b) (b) (7)(E)
two instances where the appropriate DAD(FO) will be the authorizing official:

- 1 (b) (7)(E)
(b) (7)(E)
(b) (7)(E)

(b) (7)(E)
(b) (7)(E) Requests for such use shall document all other investigative techniques previously attempted.

- 2 (b) (7)(E)

(c) (b) (7)(E)
(b) (7)(E)
(b) (7)(E)

ATF O 3250.1A

- (8) Only in extremely sensitive or complex investigations will approval be considered to consummate the sale of "prohibited merchandise" and allow the subject to leave for future contacts, arrests, or probable cause for search warrants. In these cases, the appropriate DAD(FO)'s approval is required. A memorandum or TECS message requesting approval will be sent to Headquarters. In emergency situations, the DAD(FO) may grant verbal approval without a memorandum or TECS message. After receiving verbal approval, the SAC will submit a memorandum or TECS message within 24 hours or the next business day confirming the approval and providing the information described in subparagraph 42d(2).
- (9) In any case where prohibited merchandise is used as a prop, especially where narcotics are used, special agents should attempt to contact representatives of other Federal, State, and local law enforcement agencies who may have ongoing undercover operations in the same area. Every effort should be made beforehand to avoid the possibility of special agents exhibiting prohibited merchandise to an undercover member of another law enforcement agency. This is particularly sensitive in the case of narcotics since Federal, State, city, and county law enforcement officers aggressively pursue these investigations. These contacts may be made discreetly without compromising the case at hand.
- (10) Safeguards must be established to protect the safety of the undercover special agents(s) and the general public at the location where the reverse operation will occur, to include safeguards to protect against a "rip-off" by the subject. Every effort should be made to remove the undercover special agents(s) from the location of a proposed buy/bust before the arresting agents' arrival to ensure the safety of the undercover special agents(s).
- e. Refund/Merchandise Transfer Procedures. Special agents shall attempt to return any unneeded merchandise to the original vendor and obtain a refund. If possible, merchandise acquired from local, State, or Federal agencies will be returned and documented by memorandum. Receipts obtained for returned merchandise shall be maintained in the investigative file.
- (1) Refunds. Cash refunds shall be returned to the agent cashier fund.

ATF O. 3250.1A
Change 2 - 4/2/2003

- (2) Transfers. Undercover merchandise for which refunds cannot be obtained may be used in another investigation or the merchandise may be transferred to another office within the same field division for use provided such transfer is cost effective. Whenever undercover merchandise is transferred, the losing office shall obtain a signed receipt (ATF F 3400.23, Receipt for Property and Other Items (exhibit 10)) from the acquiring office. This receipt will be maintained in the investigative file. (Note: Property description on ATF F 3400.23 shall specify the item(s) as "undercover merchandise," a category of property that does not require attaching ATF F 3400.16.)
- (3) Disposition. When undercover merchandise is no longer needed in a field division, the field division tactical operations officer will retain the merchandise for 1 year. The receipt from the field office to the tactical operations officer will require an ATF F 3400.23, which will show that all unused undercover merchandise has been closed out of the investigative case file and transferred to the division for maintenance. The field division should advise the Technical Operations Branch and the UCB of the availability of the merchandise. Any storage costs incurred will be paid by the field division in possession of the merchandise. If after 1 year there have been no requests to use the merchandise, the SAC may authorize its disposition.
- * f. Annual Review of Undercover Merchandise. By the end of each fiscal year, each field division's firearms instructor coordinator (FIC) will conduct an annual review of undercover props and display weapons maintained by his or her respective field division and field offices. The review may be conducted during the Property and Fleet Management Section's annual inventory of all ATF-owned firearms, which is completed during the period May through July. During the review, the FIC should examine any firearm(s) that appear(s) to be damaged or not functioning properly. The FIC will forward the questionable firearm(s) to the Chief, Firearms Technology Branch, for recertification or removal from ATF's inventory, using proper procedures. During this review, the FIC will also ensure that the undercover props and display weapons in the field division and field offices have been certified by the Firearms Technology Branch. *

ATF O 3310.4B

2/8/89

Includes chgs. 1-18

FIREARMS ENFORCEMENT PROGRAM

FOREWORD

To: All Law Enforcement Personnel

1. **PURPOSE.** This order provides guidelines for the implementation of the Bureau's Firearms Enforcement Program under the Gun Control Act of 1968 (GCA), as amended, and the National Firearms Act (NFA), as amended
2. **CANCELLATION.** ATF O 3310.4A, Firearms Enforcement Program, dated March 25, 1981; ATF O 7520.1, Procedures for Tracing Firearms, dated August 2, 1976; ATF O 3310.5B, Guidelines Regarding Federal Firearms Licensee Investigations and Investigations at Gun Shows and Flea Markets, dated July 18, 1985; ATF O 7500.1, Firearms Technology Branch Procedures, dated May 16, 1977; ATF O 7540.2, Classification of Belgian FN Light Automatic Carbine (CAL), Caliber 5.56mm (.223), dated June 24, 1982; and ATF O 7540.1A, Classification of Belgian FN Light Semiautomatic Rifle (FAL), Caliber 7.62mm, dated October 29, 1979, are canceled.

Stephen E. Higgins
Director

referral of information to the Chief, Firearms Enforcement Division who will subsequently disseminate this information to the Chief, Firearms and Explosives Regulatory Division.

146. **PROJECT LEAD SECURITY.** Project LEAD is the exclusive property of ATF. Distribution of Project E-LEAD software outside of ATF is strictly prohibited. All offices are encouraged to work with and share information/investigative leads with other Federal, State, and local law enforcement agencies; however, Project LEAD software and data extract disks are the property of ATF and cannot be released outside the agency. When Project LEAD disks are not in use, the RAC/GS or Project LEAD coordinator shall ensure all disks are stored in a locked file. Computers with Project LEAD information shall not be left on while unattended for any period of time. Information concerning private individuals is contained in Project LEAD, and this information must be protected against unwarranted dissemination.
147. **COORDINATION OF PROJECT LEAD INFORMATION WITH REGULATORY ENFORCEMENT.** Project LEAD primarily focuses on recurring trends and patterns that may indicate illegal firearms trafficking activity by unlicensed individuals, however, should any CE operator of Project LEAD discover information concerning licensed firearms dealers that may have value to RE's inspection efforts, this information should be forwarded to the area RE FTC via ATF F 5000.21 as soon as possible. This information may be useful to RE when used in conjunction with more detailed FFL information available through a QMF run.
148. **"WEAPONS TRANSFERS"**
- a. **Considerations.** During the course of illegal firearms trafficking investigations, special agents may become aware of, observe, or encounter situations where an individual(s) will take delivery of firearms, or transfer firearm(s) to others. In these instances, the special agent may exercise the following options:
- (1) In cases where probable cause exists to believe a violation of law has occurred and the special agent determines there is a need to intervene in the weapons transfer (e.g., the recipient of the firearms is a known felon; it is known the firearms will be used in crime of violence), the special agent shall do so but should place concerns for public safety and the safety of the involved special agents as the primary determining factor in exercising this option.
 - (2) In other cases, immediate intervention may not be needed or desirable, and the special agent may choose to allow the transfer of firearms to take place in order to further an investigation and allow for the identification of additional coconspirators who would have continued to operate and

illegally traffic firearms in the future, potentially producing more armed crime.

- b. Alternative Intervention Methods. In the event it is determined by the special agent that a weapons transfer should not take place, the special agent may consider alternative methods of intervention other than arrest and/or search warrants that will prevent the culmination of the weapons transfer but allow the investigation to continue undetected. These alternative methods are considered to be a course of action that must be approved by the RAC/GS or SAC as previously noted. These alternative interventions may include, but are not limited to:
- (1) A traffic stop (supported by probable cause to search or supported by a traffic violation allowing for plain view observations) by a State or local marked law enforcement vehicle that would culminate in the discovery and retention of the firearms. This would prevent the weapons transfer from fully occurring and may in turn produce new investigative leads. Should the occupants of the vehicle be new/unknown participants in the organization under investigation, they may be fully identified which in turn will yield additional information for followup investigation. Should the occupants of the vehicle be known participants in the investigation, requesting telephone tolls for these individuals (or if a Penn Register/T-III interception order is in use) for the period shortly after the traffic stop may show calls and yield identifying information relating to the intended receivers of the firearms.
 - (2) If the firearms are being shipped out of the United States via a common carrier via checked luggage or freight, the firearms may be seized/or recovered by the special agents, in coordination with the U.S. Customs Service under border search authority, without detection by the traffickers. This would prevent the weapons transfer from fully occurring and may in turn produce new investigative leads. The investigation may then continue with the traffickers led to believe the shipment of firearms was stolen in transit. Requesting telephone tolls for these individuals (or if a Pen Register/T-III interception order is in use) for the period shortly after the recovery of the firearms may show calls and yield identifying information relating to the intended receivers of the firearms.
 - (3) If the firearms are being shipped via the U.S. mail, coordination with the U.S. postal inspectors will assist the special agents in recovery of the firearms without detection

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- (4) If the special agent chooses to arrest the individual(s) with the firearm(s), the possibility exists that a debriefing of this individual will yield other members of the organization, or the individual(s) will agree to participate in a controlled delivery of the firearm(s) to the original intended receivers.

149. **FEDERAL FIREARMS LICENSEES (FFLS).** This paragraph sets forth policy and procedures for obtaining licensee warrants and conducting criminal investigations of licensed persons, their agents or employees, and business entities engaged in the firearms business.

- a. In passing the GCA, as amended, Congress declared that the purpose of the act was to provide support to Federal, State, and local law enforcement officials in their fight against crime and violence while not placing undue Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms for lawful activity.
- b. Most persons licensed to engage in the firearms business are pursuing their interests for lawful purposes. It is the policy of ATF to initiate criminal investigations of licensees only when there is reason to believe that they are engaged in criminal activity such as dealing in stolen/contraband firearms or ammunition, knowingly supplying firearms to criminals, terrorists, gang offenders, or juveniles, or engaged in such willful and flagrant violations that it can be reasonably assumed that the firearms will find their way into the hands of criminals, terrorists, gang offenders, or juveniles.
 - (1) The GCA provides misdemeanor penalties for licensees who make false statements or representations with respect to information required in their records (18 U.S.C. § 922(m)). The successful use of misdemeanor charges enhances licensee denials or revocations. In cases of flagrant and willful violations of recordkeeping requirements that can be shown to pose a genuine threat to the public safety, the licensee should be recommended for felony prosecution under 18 U.S.C. § 922(b)(5) and/or 18 U.S.C. § 1001.

ATF O 3310.4B

2/8/89

Includes chgs. 1-18

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PROJECT GUNRUNNER

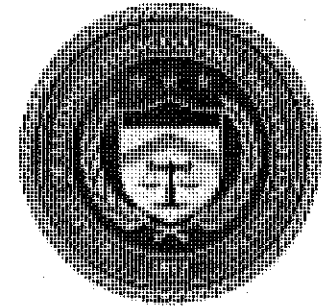
Southwest Border Initiative



Bureau of Alcohol, Tobacco, Firearms & Explosives

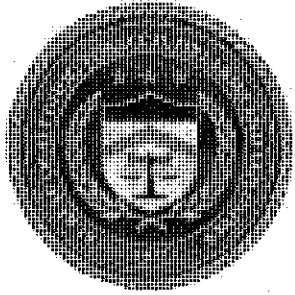


Project Gunrunner



What is Project Gunrunner???

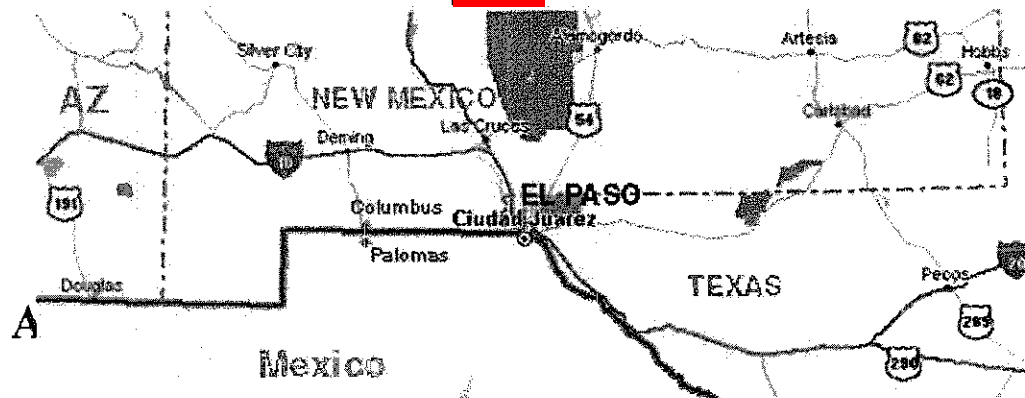
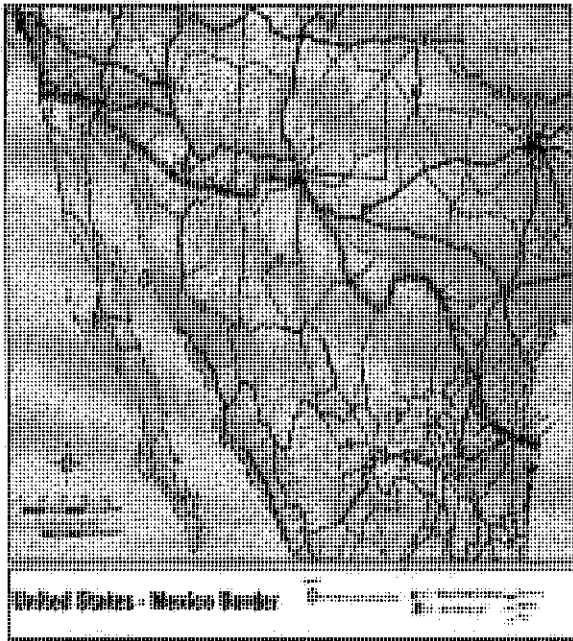
- U.S. Department of Justice (DOJ) implemented the Southwest Border Initiative in order to meet and defeat the growing threat of violence along the U.S. and Mexican Border.
- ATF's part in the Southwest Border Initiative is called Project Gunrunner.

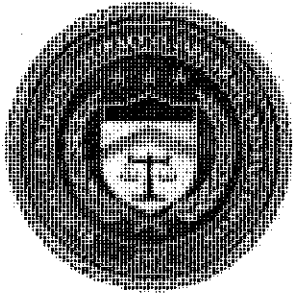


Project Gunrunner

Phoenix Field Division Border Office Staffing

- For Arizona and New Mexico
- Phoenix (b) (7)(E) Agents (b) (7)(E) IOIs)
- Tucson (b) (7)(E) Agents)
- Yuma (b) (7)(E) Agents)
- Las Cruces (b) (7)(E) Agents)

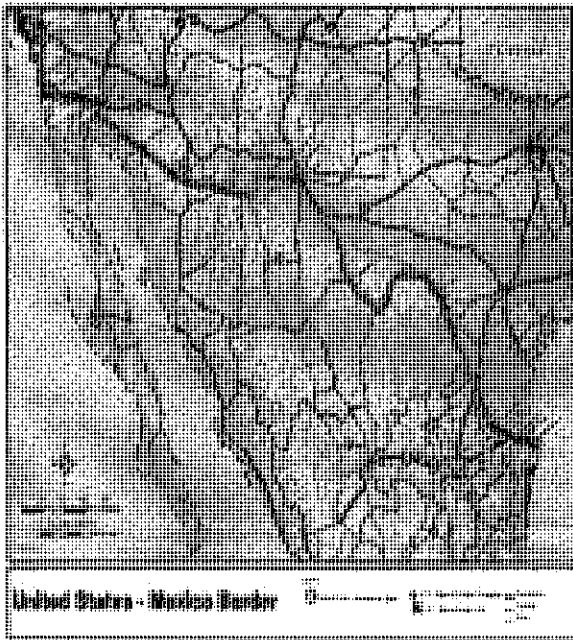


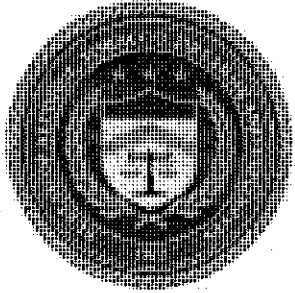


Project Gunrunner

Houston Field Division Border Office Staffing

- Laredo (b) (7)(E) Agents)
- Houston (b) (7)(E) Agents (b) (7)(E) IOI)
- San Antonio (b) (7)(E) Agents, (b) (7)(E) IOIs)
- McAllen (b) (7)(E) agents, (b) (7)(E) IOIs)

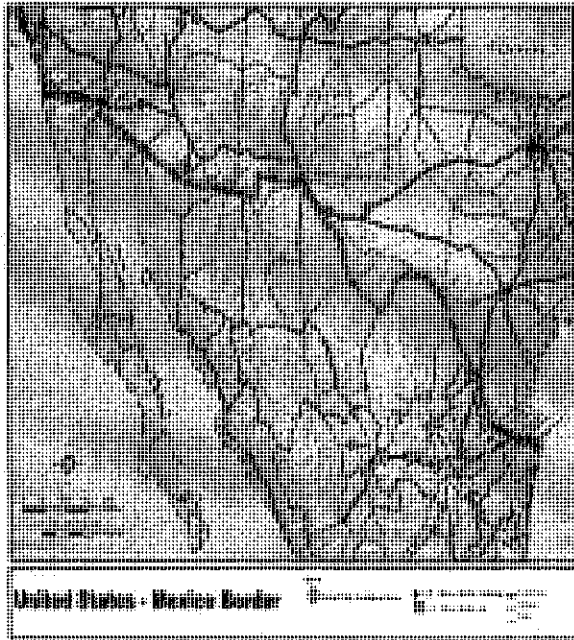


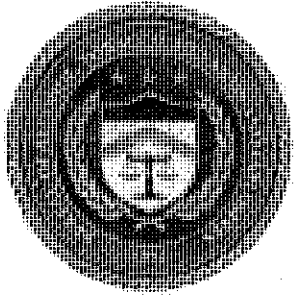


Project Gunrunner

Los Angeles Field Division Border Office Staffing

- San Diego (b) (7)(E) Agents (b) (7)(E) (OI)
- Los Angeles (b) (7)(E) Agents)

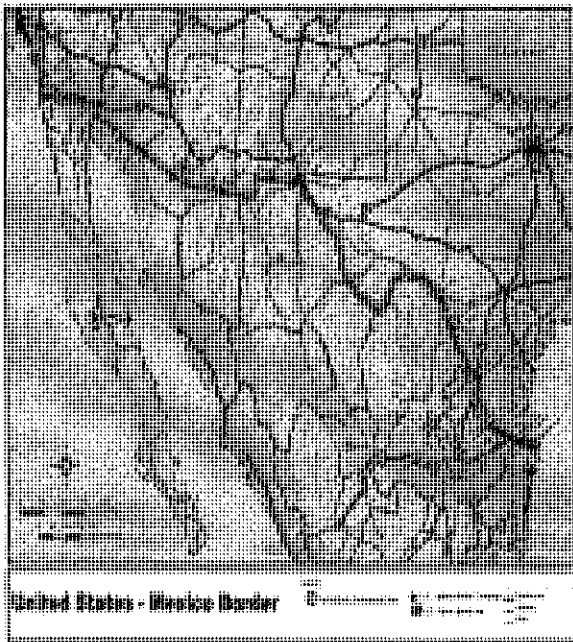


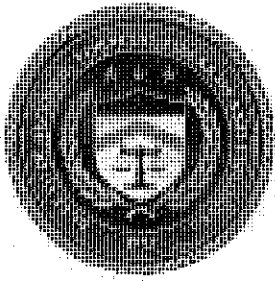


Project Gunrunner

Dallas Field Division Border Office Staffing

- Dallas (b) (7)(E) Agents)
- Lubbock (b) (7)(E) Agents, (b) (7)(E) IOIs)
- El Paso (b) (7)(E) Agents, (b) (7)(E) IOIs)



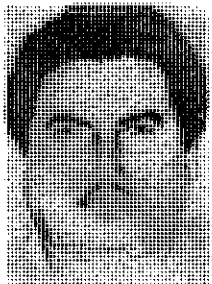


Project Gunrunner

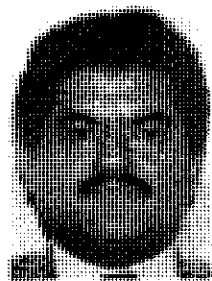
Threat Overview

The Mexican Drug Cartels use firearms – “weapons of choice” - to protect their leadership, loads and territory

The Sinaloa Cartel
AKA: The Golden Triangle Alliance
The Federation



**VICENTE
CARILLO
FUENTES**



**JUAN JOSE
“ELAZUL”
ESPARRAGOZA
MORENO**



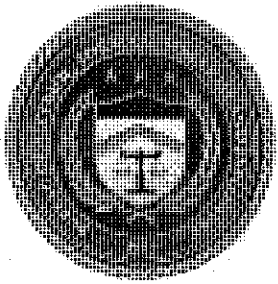
**ISMAEL
“EL MAYO”
ZAMBADA
GARCIA**



**IGNACIO
CORONEL
VILLARREAL**



**JOAQUIN
“EL CHAPO”
GUZMAN**



Project Gunrunner

Threat Overview Con't.

U.S. and Mexico are being affected by the war being fought between each of the various Drug Cartels and the Mexican government for control of the Borders. ATF covering 2000 miles of US/Mexico border.

NARCO-BATTLEFRONTS



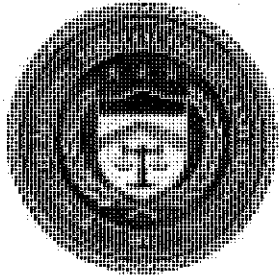
Arellano Felix Organization

Sinaloa Cartel

Juarez Cartel

Gulf Cartel

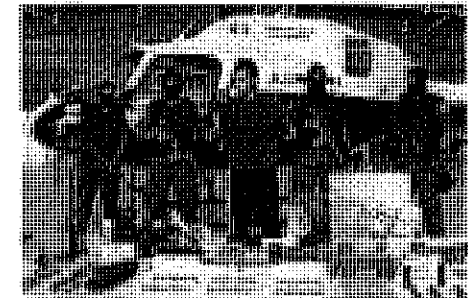
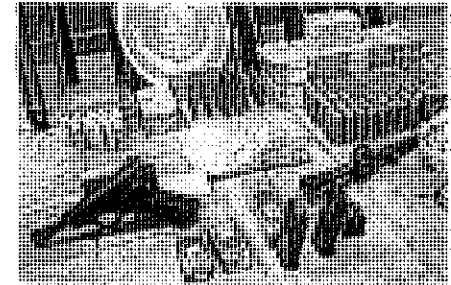
Nuevo Laredo Corridor
Golden Triangle
Tijuana and Baja California

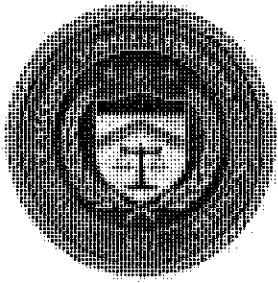


Project Gunrunner

Alarming Trends

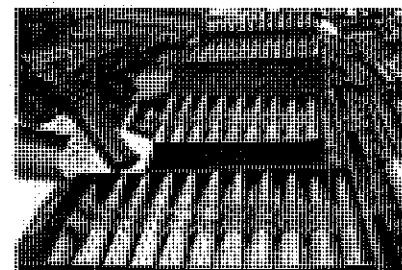
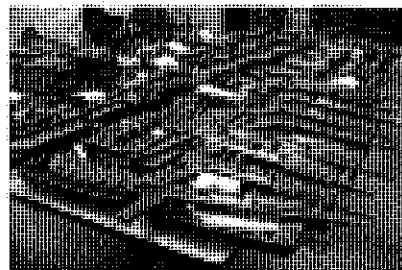
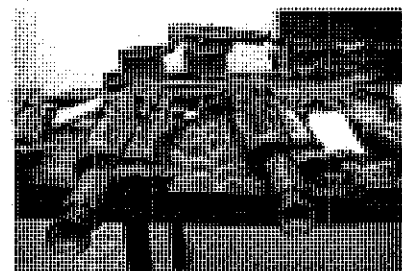
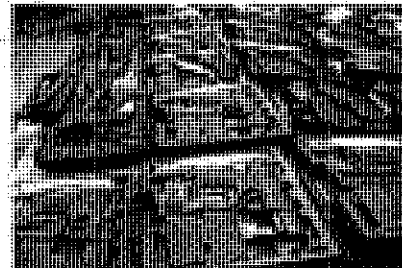
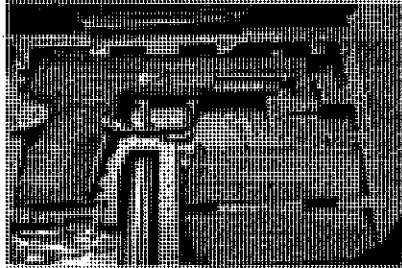
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- **Increased Violence North & South of the Border due to on-going drug cartel turf battles and illegal immigrant trafficking**
- **In the first two weeks of December, 2007 ATF agents in the Phoenix FD seized 111 firearms destined to Mexico, 98% of which were "weapons of choice".**
 - **Also seized was 9000 Rounds of Ammunition of which, 8000 rounds were 7.62mm ammunition (AK-47) and 400 rounds of .50 caliber ammunition .**
- **It was determined that these firearms were obtained through traditional sources of supply in the Phoenix area such as: Gun Shows, Straw Purchases and FFL's**





Project Gunrunner

Gun Show Seizure



HOCR-ATF A 000253

Southwest Border Initiative "Weapons of Choice"

- **Primary New Weapons of Choice**

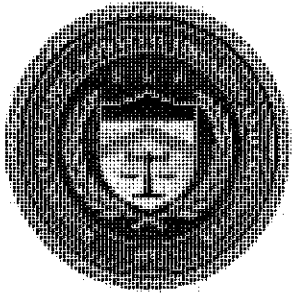
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- **Additional New Weapons of Choice**

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- (b) (7)(E) [redacted]

- **Secondary Market Inspection Weapons of Choice**

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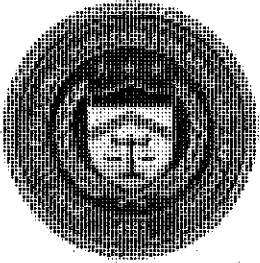


Project Gunrunner

December 1-2, 2007
Phoenix Gun Show



- The Phoenix Gun Show operation culminated in the arrest of 16 people, the recovery of 16 “weapons of choice” rifles, 19 handguns, \$13,000 in cash, a 2007 Ford F-150 King Ranch 4 door, 60 high-capacity magazines for AK-47 clones, and nearly 10,000 rounds in ammunition.
- A dozen undocumented aliens who were patrons of the gun show were taken into custody and a large amount of criminal intelligence was gathered, including intelligence on firearms trafficking into Mexico supporting Southwest Border Initiatives.



Project Gunrunner

Recent Phoenix Firearms Trafficking Investigation

Total number of firearms purchased from January 2006 thru January 2007: (b) (3) (P.L. 111-117)

Firearms trafficked to Mexico included the following:

- (b) (3) (P.L. 111-117) Colt .38 Supers
- (b) (3) (P.L. 111-117) AK-47 style rifles
- (b) (3) (P.L. 111-117) Beretta 9mm pistols
- (b) (3) (P.L. 111-117) Bushmaster .223 rifles

Total number of firearms recoveries:

- (b) (3) (P.L. 111-117) recovered firearms
- (b) (3) (P.L. 111-117) recovered in Mexico with a time to crime (b) (3) (P.L. 111-117) (all Bushmaster .223)
- (b) (3) (P.L. 111-117) recovered in Phoenix, AZ
- (b) (3) (P.L. 111-117) recovered in Tucson
- (b) (3) (P.L. 111-117) recovered in Peoria

Firearms Seized by ATF: 10 firearms seized along with approx. 32,000 U.S Currency on 3/16/2007

Total number of firearms purchased from January 2006 thru January 2007: (b) (3) (P.L. 111-117)

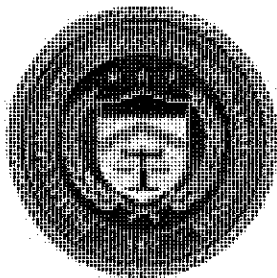
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- (b) (3) (P.L. 111-117) AK style rifles
- (b) (3) (P.L. 111-117) Beretta 9mm
- (b) (3) (P.L. 111-117) Bushmaster .223 rifles
- (b) (3) (P.L. 111-117) Glock 9mm
- (b) (3) (P.L. 111-117) FN Herstal 5.7

Total number of firearm recoveries: (b) (3) (P.L. 111-117) Recovered in Mexico, Time to Crime (b) (3) (P.L. 111-117)

Firearms Seized by ATF: (31) firearms recovered on 11/26/2007

HOCR-ATF A 000256



Project Gunrunner

December 17, 2007

YUMA SEIZURE

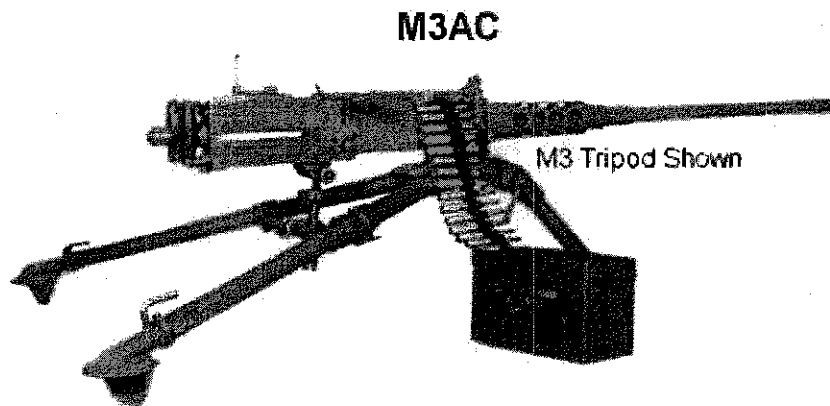
Recovery of 42 Firearms pursuant to Southwest Border Initiative

While conducting an investigation at the Phoenix Gun Show, agents from the Phoenix I Field Office were advised of a suspicious purchase of 2 AK-47 type, semi-automatic pistols by a male subject and also left a \$5,000.00 deposit for 10 additional firearms. Surveillance resulted in the observation of 9 firearms being loaded into a vehicle and eventually transported to a storage facility in Yuma, AZ.

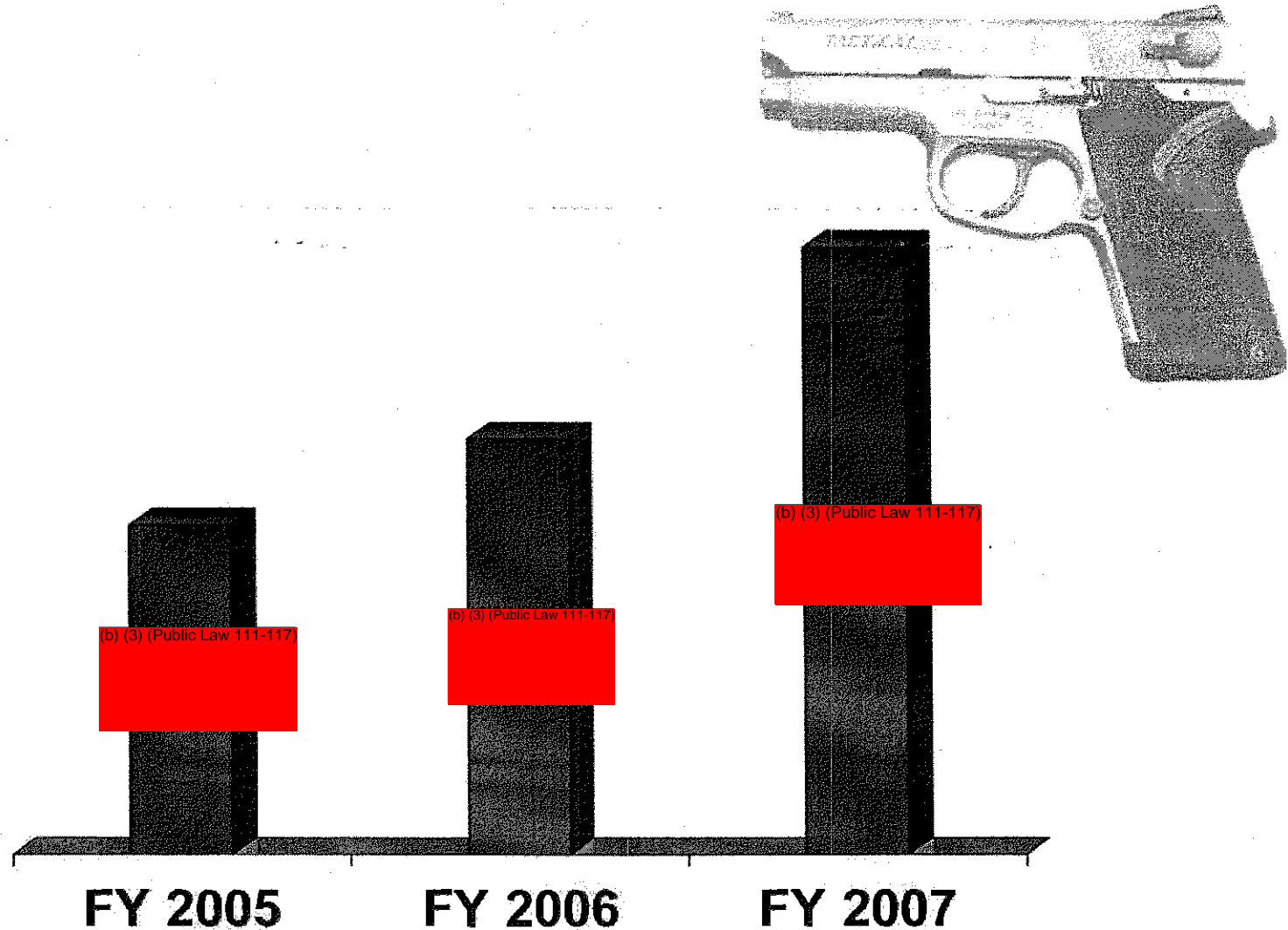
Surveillance and consented search of the storage locker resulted in the seizure of :

(12) FN Five Seven 5.56mm pistols; (1) .22 caliber Browning pistol; (2) 9mm Beretta pistols; (3) 9mm Glock pistols; (1) 9mm Smith & Wesson pistol; (12) AK-47 type assault rifles; and (9) AK-47 type pistols. Also recovered was a large cache of ammunition, which included .50 caliber rifle ammunition.

A follow-up investigation to the Yuma Seizure has revealed that this is one of the firearms successfully smuggled into Mexico.

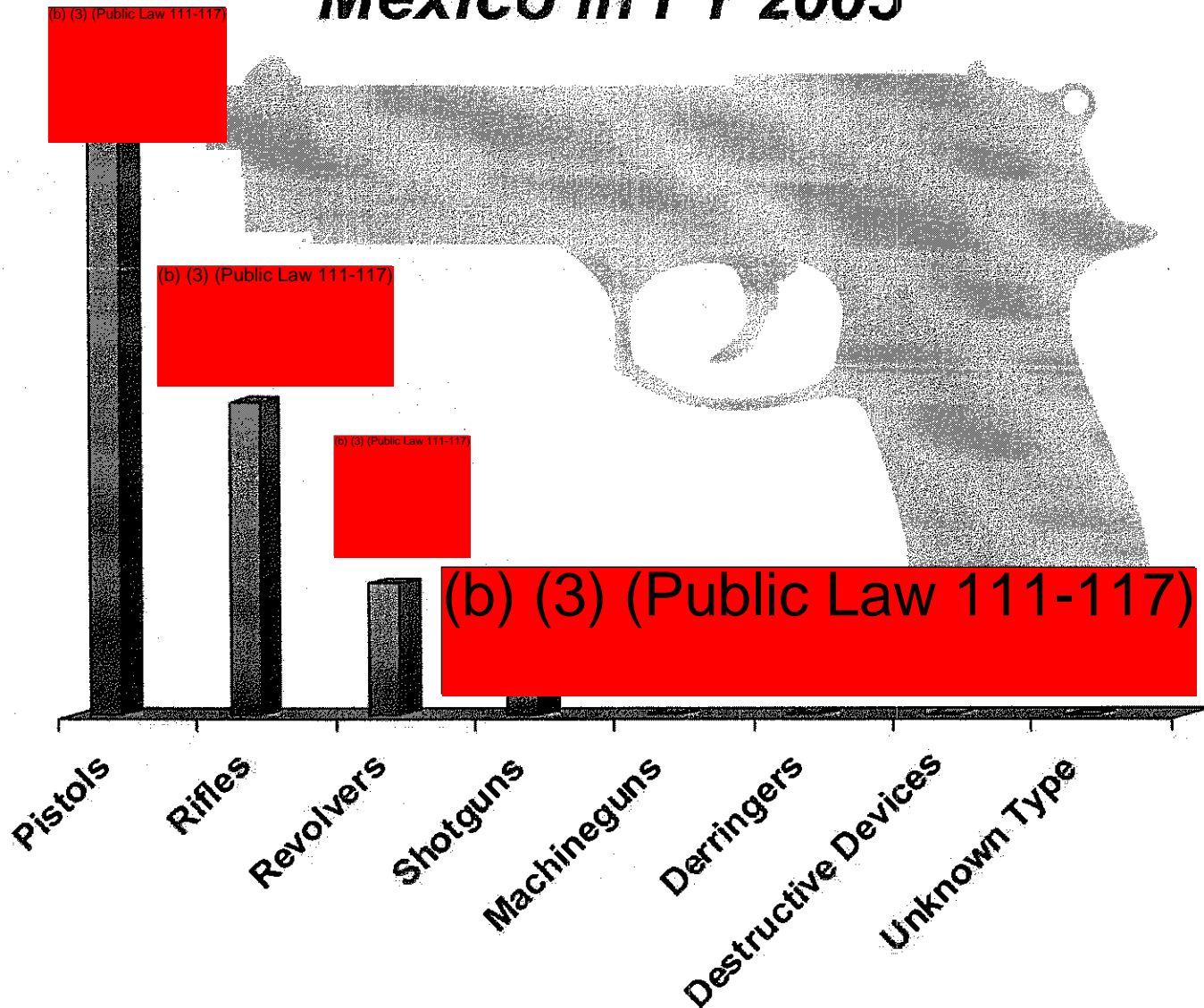


Total Number of Firearms Submitted for Tracing by Mexico by Fiscal Year



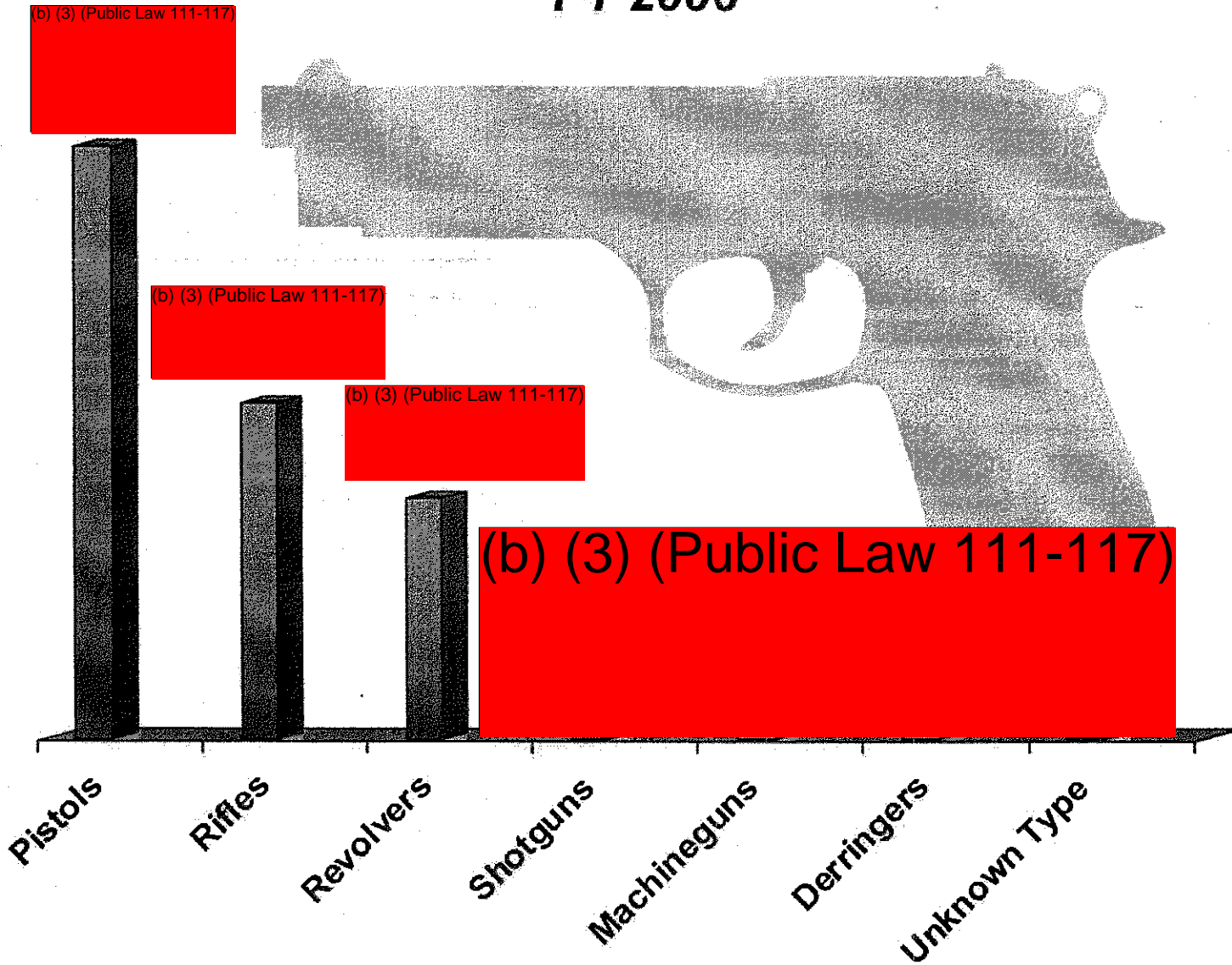
HOGR-ATF A 000258

Traced Firearms by type Recovered in Mexico in FY 2005



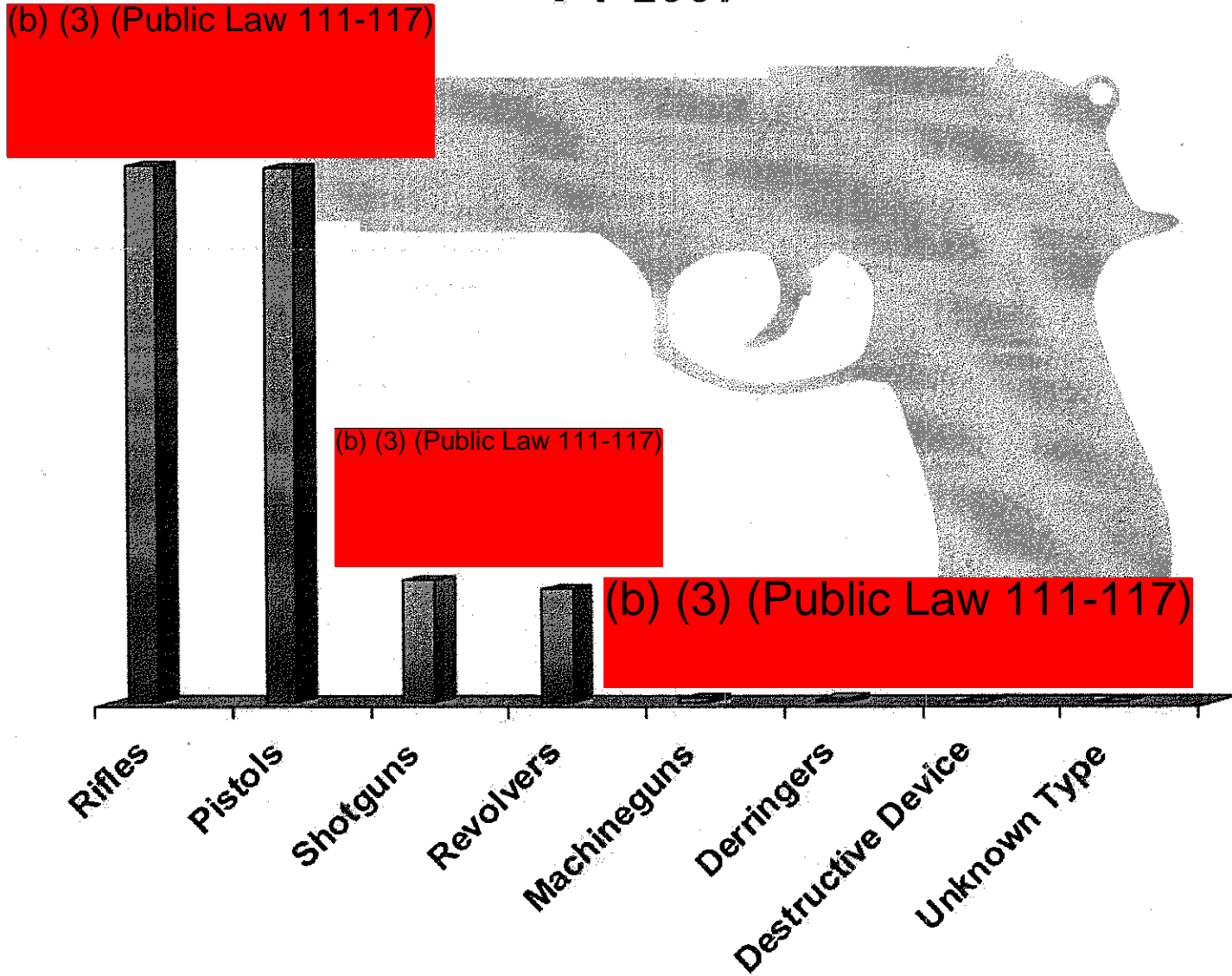
HOCR-ATF A 000259

Most Common Firearms Traced by Mexico FY 2006



HOGR-ATF A 000260

Firearms Submitted for Tracing by Mexico FY 2007



HOGR-ATF A 000262

Top 15 Source States for Firearms Recovered in Mexico

(b) (3) (Public Law 111-117)



**NOTE: (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)**

HOCR-ATF A 000263

Top 15 Source States for Firearms Recovered in Mexico

(b) (3) (Public Law 111-117)



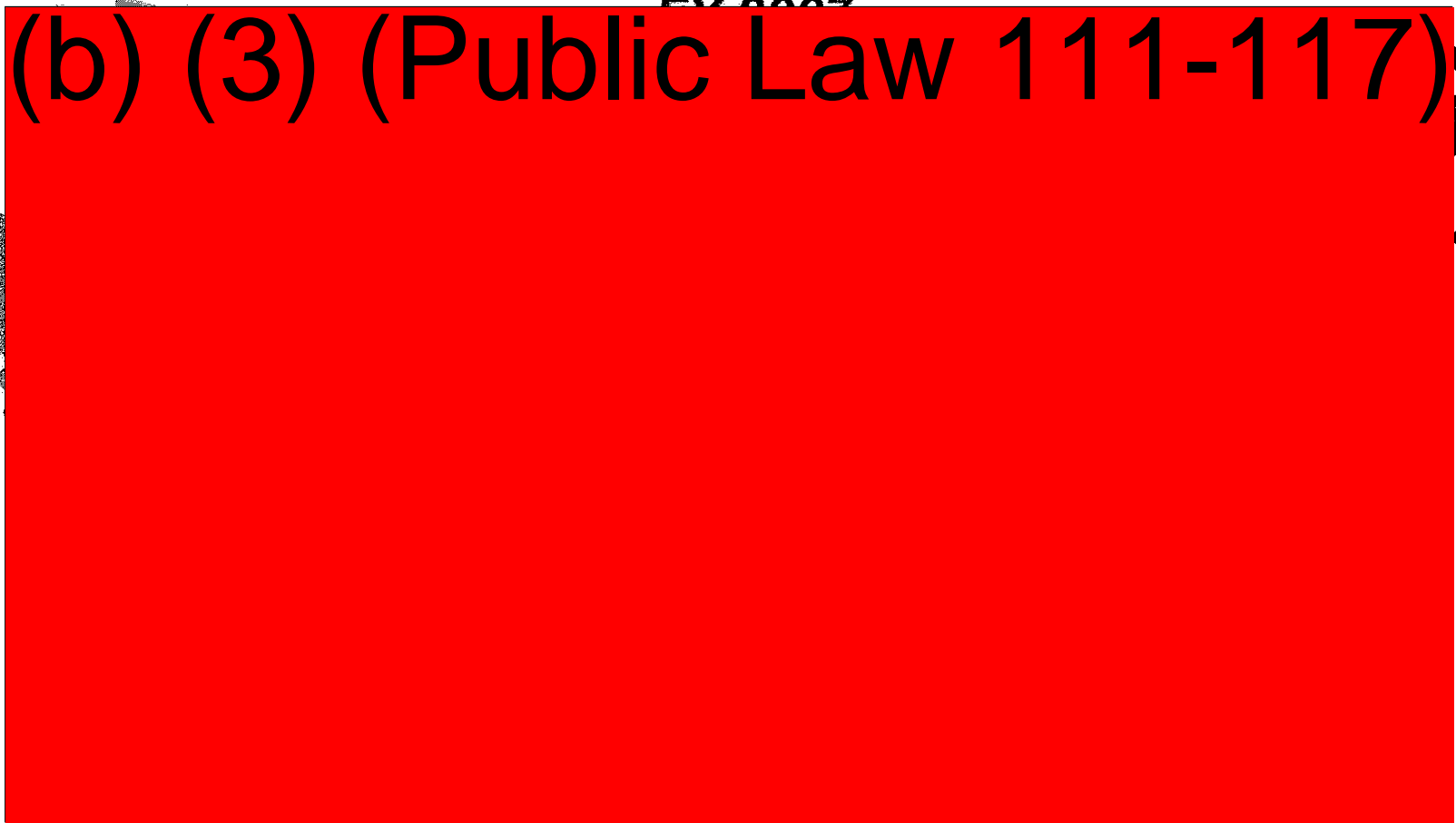
HOGR-ATF A 000264

NOTE: (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)

Top 15 Source States for Firearms Recovered in Mexico

FY 2007

(b) (3) (Public Law 111-117)

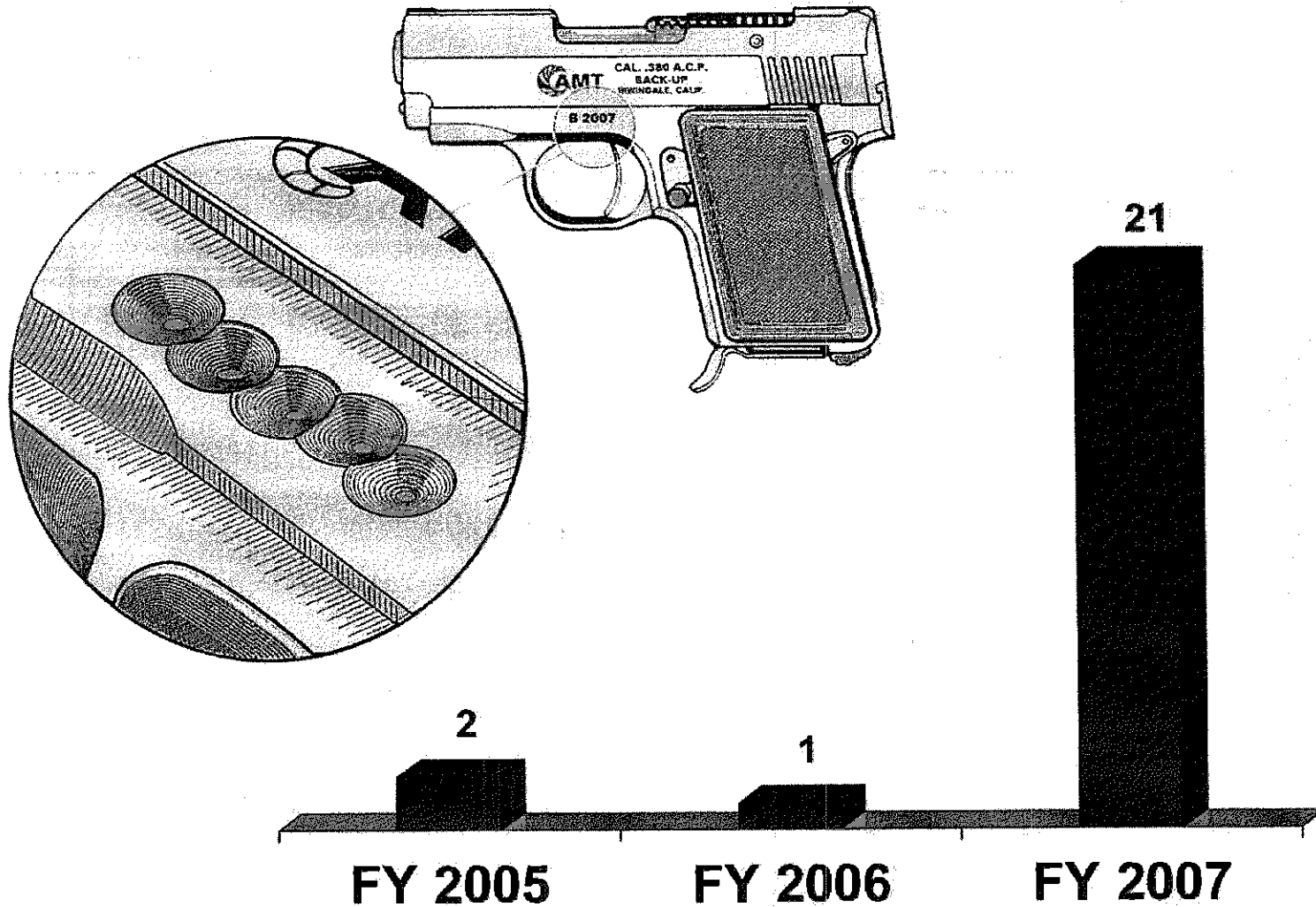


NOTE: (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Firearms with Obliterated Serial Numbers Recovered in Mexico by Fiscal Year



HOGR-ATF A 000266

Analytical Criteria Used to Compile the Enclosed Statistics

● **Total Number of Firearms Recovered and Traced**

- Includes traces with a recovery country of Mexico.
- Includes Guns Recovered and Traced Between 10/1/2004 – 9/30/2007, or if the recovery date was blank, the trace entry date was between 10/1/2004 – 9/30/2007.
- Duplicate traces, Firearms Not Recovered, Gun Buy Back and Firearms Turned In are not included in this figure.

● **Firearm Types Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.

● **Top Source States for Firearms Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.
- Traces must identify a purchaser and the state in which the final dealer is located.

● **Firearms with Obliterated Serial Numbers Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.
- Traces must contain the "Obliterated Serial Number" indicator to be included.

Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of Strategic Intelligence and Information

PROJECT GUNRUNNER

Southwest Border Initiative

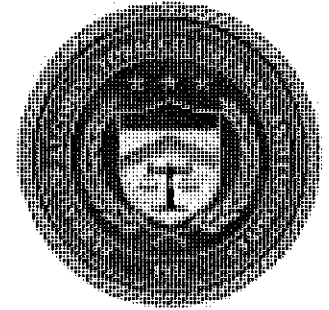
Phoenix Field Division



Bureau of Alcohol, Tobacco, Firearms & Explosives



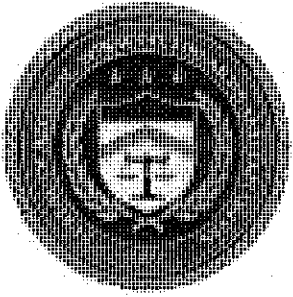
Project Gunrunner



What is Project Gunrunner???

- U.S. Department of Justice (DOJ) implemented the Southwest Border Initiative in order to meet and defeat the growing threat of violence and lawlessness inflicted by the Mexican Drug Cartels on both sides of the U.S. and Mexican Border.
- ATF's part in the Southwest Border Initiative is called Project Gunrunner.

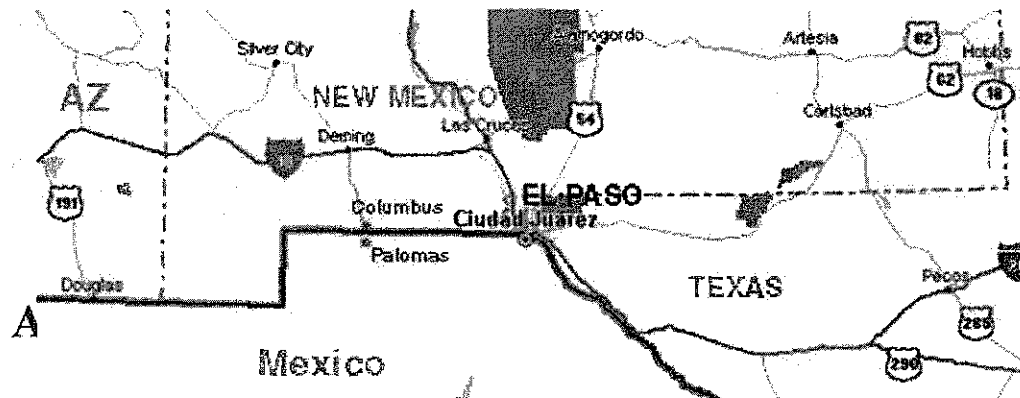
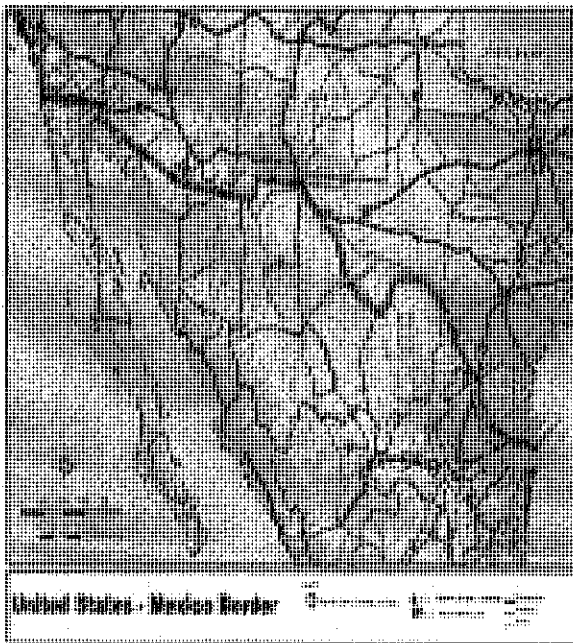
ATF Phoenix Field Division

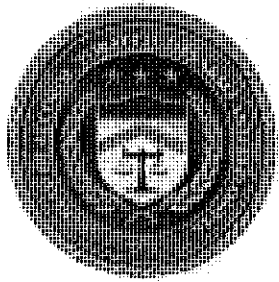


Project Gunrunner

Phoenix Field Division Border Office Staffing

- For Arizona and New Mexico
 - (552 of Border)
- Tucson I Field Office (b) (7)(E) Agents)
- Yuma Satellite Office (b) (7)(E) Agents)
- Las Cruces Field Office (b) (7)(E) Agents)



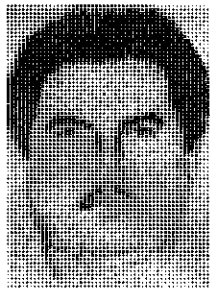


Project Gunrunner

Threat Overview

The Mexican Drug Cartels use firearms – “weapons of choice” - to protect their leadership, loads and territory

The Sinaloa Cartel
AKA: The Golden Triangle Alliance
The Federation



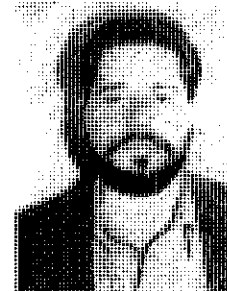
**VICENTE
CARILLO
FUENTES**



**JUAN JOSE
“EL AZUL”
ESPARRAGOZA
MORENO**



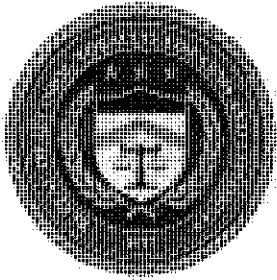
**ISMAEL
“EL MAYO”
ZAMBADA
GARCIA**



**IGNACIO
CORONEL
VILLARREAL**



**JOAQUIN
“EL CHAPO”
GUZMAN**



Project Gunrunner

Threat Overview Con't.

Arizona and New Mexico are being affected by the war being fought between each of the various Drug Cartels and the Mexican government for control of the Borders. Phoenix Field Division covering 550 miles of US/Mexico border.

NARCO-BATTLEFRONTS



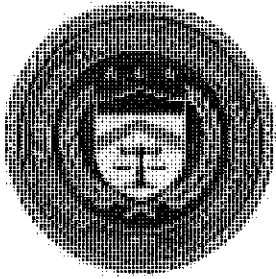
Arellano Felix Organization

Sinaloa Cartel

Juarez Cartel

Gulf Cartel

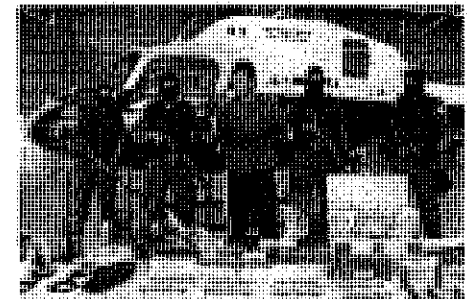
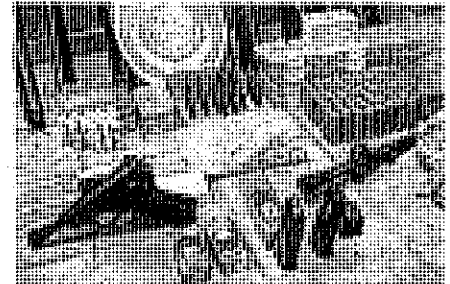
Nuevo Laredo Corridor
Golden Triangle
Tijuana and Baja California

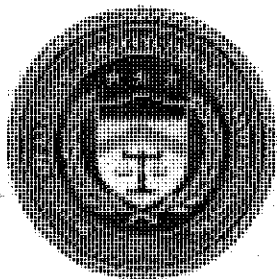


Project Gunrunner

Alarming Trends

- **Increased trafficking of high powered firearms and ammunition "Weapons of Choice"**
- **Increased Violence North & South of the Border due to on-going drug cartel turf battles and illegal immigrant trafficking**
- **In the first two weeks of December, 2007 ATF agents in the Phoenix FD seized 111 firearms destined to Mexico, 98% of which were "weapons of choice".**
 - **Also seized was 9000 Rounds of Ammunition of which, 8000 rounds were 7.62mm ammunition (AK-47) and 400 rounds of .50 caliber ammunition .**
- **It was determined that these firearms were obtained through traditional sources of supply in the Phoenix area such as: Gun Shows, Straw Purchases and FFL's**

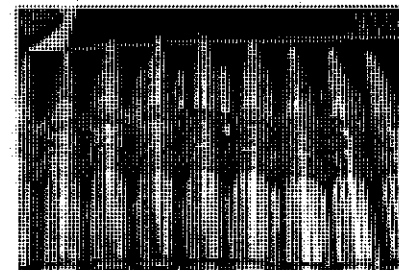
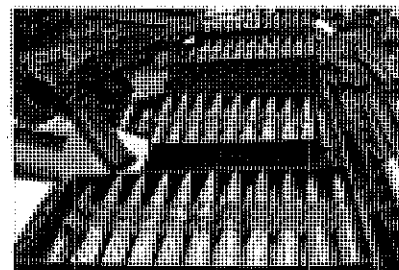
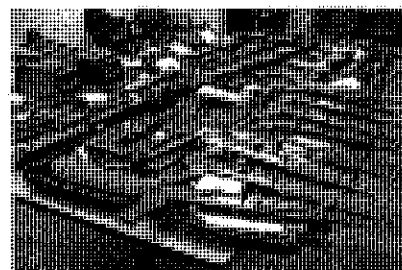
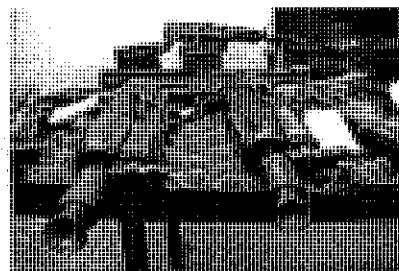
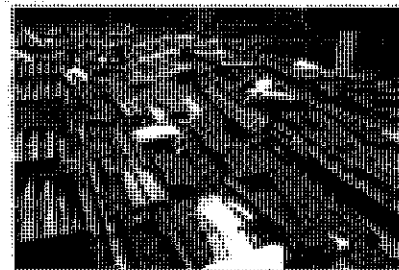
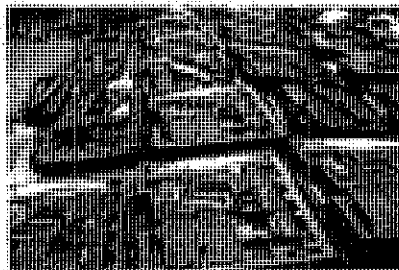
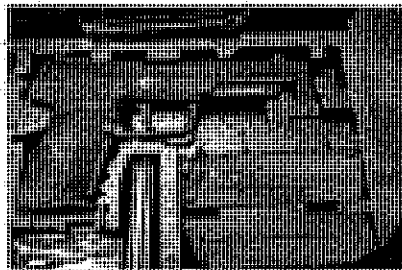




Project Gunrunner

Phoenix Field Division Perspective

The following slides outline seizures for the time period of
December 1 - December 17, 2007



HOCR-ATF A 000275

Southwest Border Initiative "Weapons of Choice"

- **Primary New Weapons of Choice**

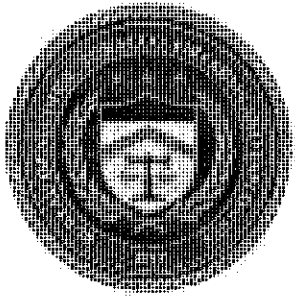
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- **Additional New Weapons of Choice**

- (b) (7)(E) [redacted] (b) (7)(E) [redacted]
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- **Secondary Market Inspection Weapons of Choice**

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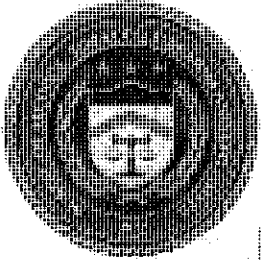


Project Gunrunner

December 1-2, 2007
Phoenix Gun Show



- The Phoenix Gun Show operation culminated in the arrest of 16 people, the recovery of 16 “weapons of choice” rifles, 19 handguns, \$13,000 in cash, a 2007 Ford F-150 King Ranch 4 door, 60 high-capacity magazines for AK-47 clones, and nearly 10,000 rounds in ammunition.
- A dozen undocumented aliens who were patrons of the gun show were taken into custody and a large amount of criminal intelligence was gathered, including intelligence on firearms trafficking into Mexico supporting Southwest Border Initiatives.



Project Gunrunner

Recent Phoenix Firearms Trafficking Investigation

Total number of firearms purchased from January 2006 thru January 2007: 138 firearms

Firearms trafficked to Mexico included the following:

- (44) Colt .38 Supers
- (7) AK-47 style rifles
- (19) Beretta 9mm pistols
- (31) Bushmaster .223 rifles

Total number of firearms recoveries:

- (22) recovered firearms
- (16) recovered in Mexico with a time to crime: (b) (3) (P.L. 111-117) all Bushmaster .223)
- (4) recovered in Phoenix, AZ
- (1) recovered in Tucson
- (1) recovered in Peoria

Firearms Seized by ATF: 10 firearms seized along with approx. 32,000 U.S Currency on 3/16/2007

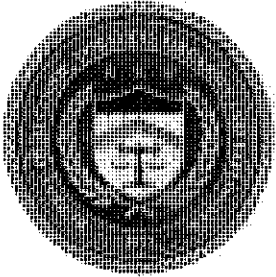
Total number of firearms purchased from January 2006 thru January 2007: 336 firearms

Firearms trafficked to Mexico included the following:

- (33) Colt .38 Supers
- (145) AK style rifles
- (63) Beretta 9mm
- (14) Bushmaster .223 rifles
- (49) Glock 9mm
- (4) FN Herstal 5.7

Total number of firearm recoveries: (4) Recovered in Mexico, Time to Crime (b) (3) (P.L. 111-117)

Firearms Seized by ATF: (31) firearms recovered on 11/26/2007



Project Gunrunner

December 17, 2007

YUMA SEIZURE

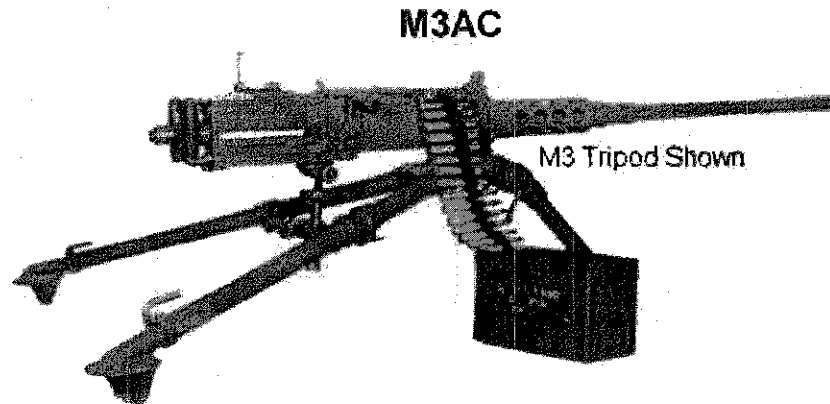
Recovery of 42 Firearms pursuant to Southwest Border Initiative

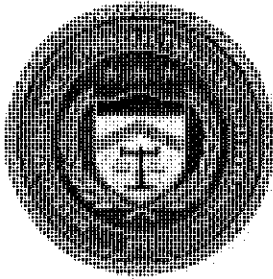
While conducting an investigation at the Phoenix Gun Show, agents from the Phoenix I Field Office were advised of a suspicious purchase of 2 AK-47 type, semi-automatic pistols by a male subject and also left a \$5,000.00 deposit for 10 additional firearms. Surveillance resulted in the observation of 9 firearms being loaded into a vehicle and eventually transported to a storage facility in Yuma, AZ.

Surveillance and consented search of the storage locker resulted in the seizure of :

(12) FN Five Seven 5.56mm pistols; (1) .22 caliber Browning pistol; (2) 9mm Beretta pistols; (3) 9mm Glock pistols; (1) 9mm Smith & Wesson pistol; (12) AK-47 type assault rifles; and (9) AK-47 type pistols. Also recovered was a large cache of ammunition, which included .50 caliber rifle ammunition.

A follow-up investigation to the Yuma Seizure has revealed that this is one of the firearms successfully smuggled into Mexico.





Project Gunrunner

January 1, 2007 – December 15, 2007
AZ Firearms Recovered and Traced in Mexico

Top Recovered Firearms

Manufacturer, Caliber & Type # of Traces

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Time-to-Crime # of Traces

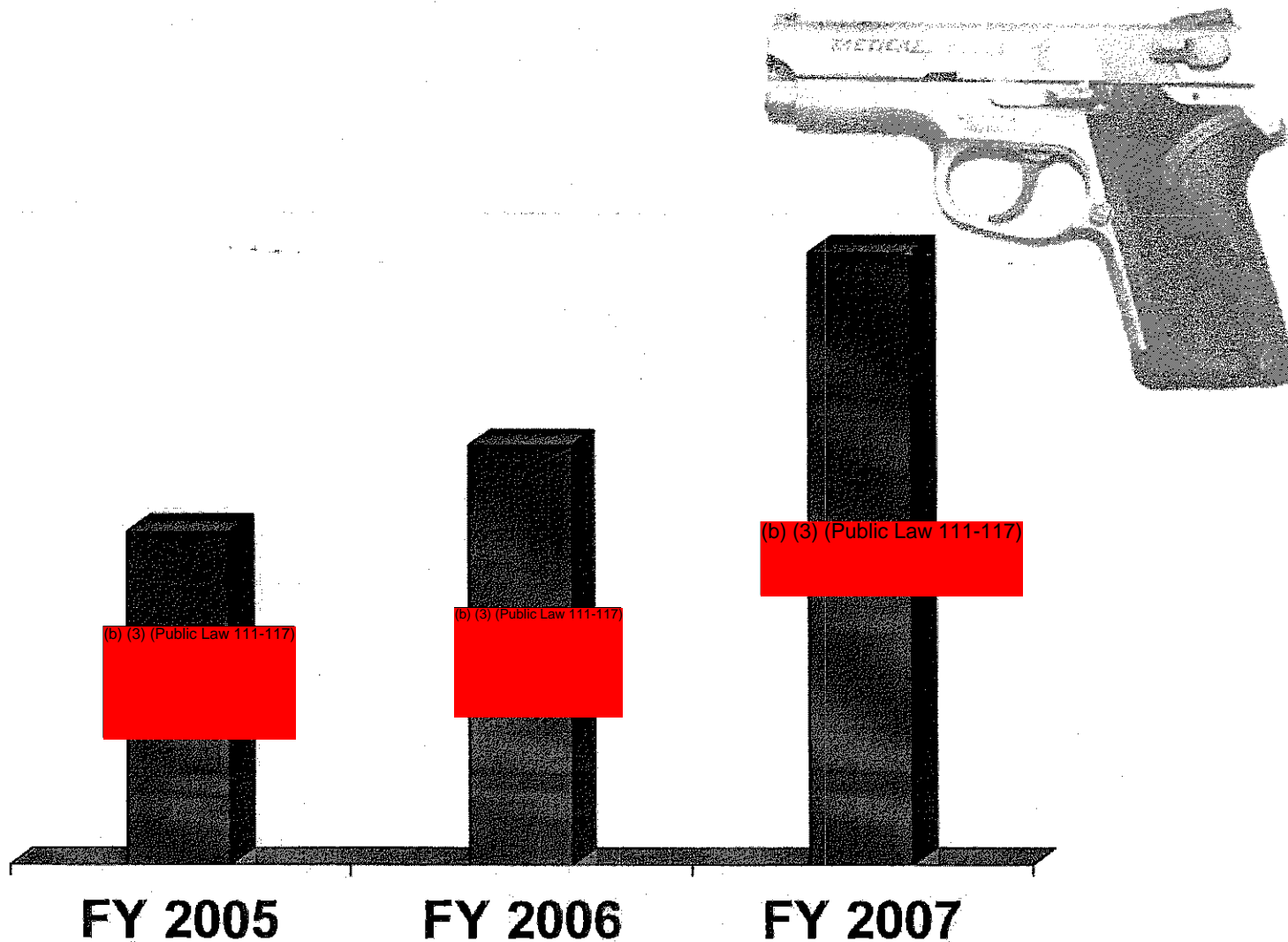
(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

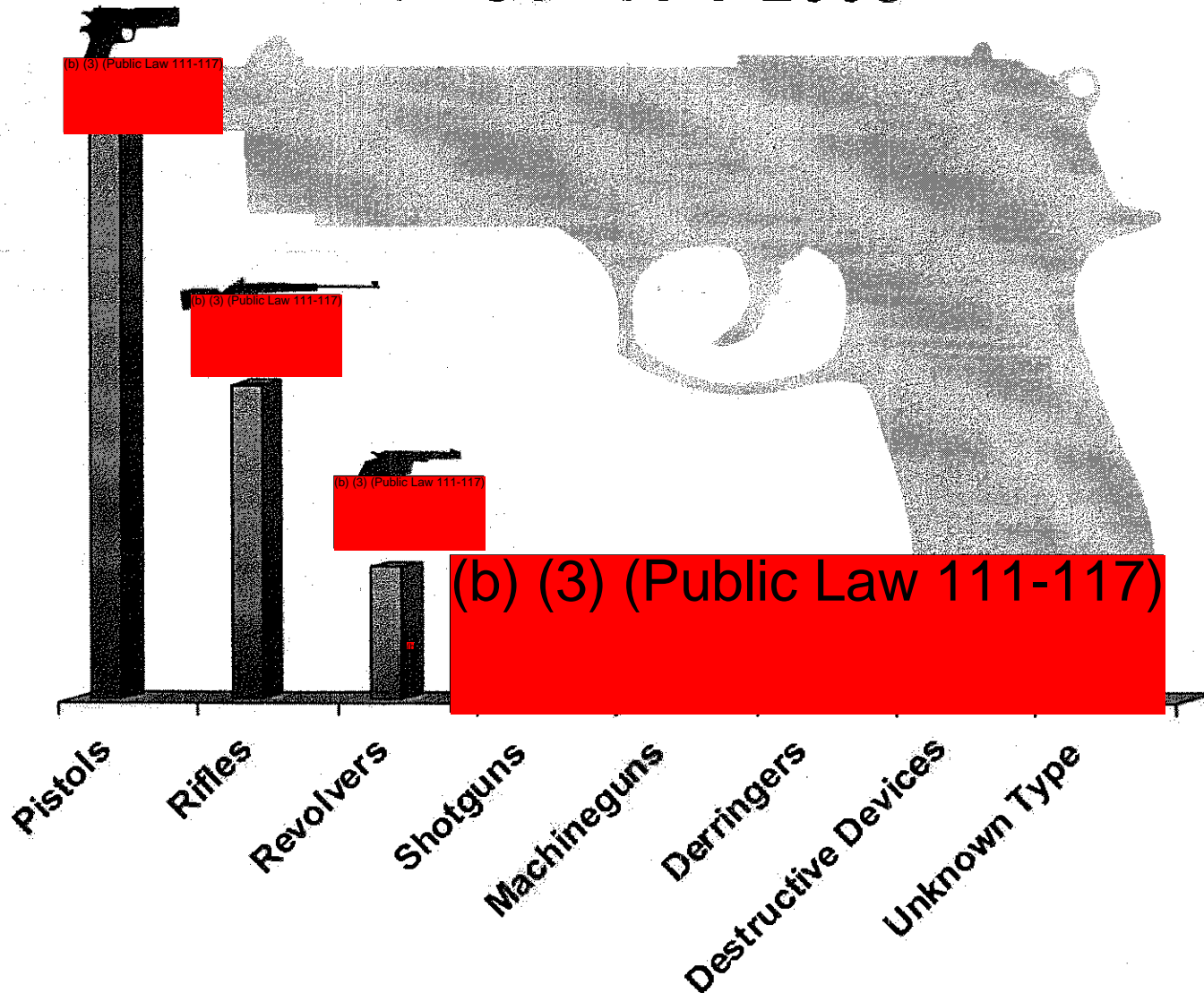
(b) (3) (Public Law 111-117)

Total Number of Firearms Submitted for Tracing by Mexico by Fiscal Year



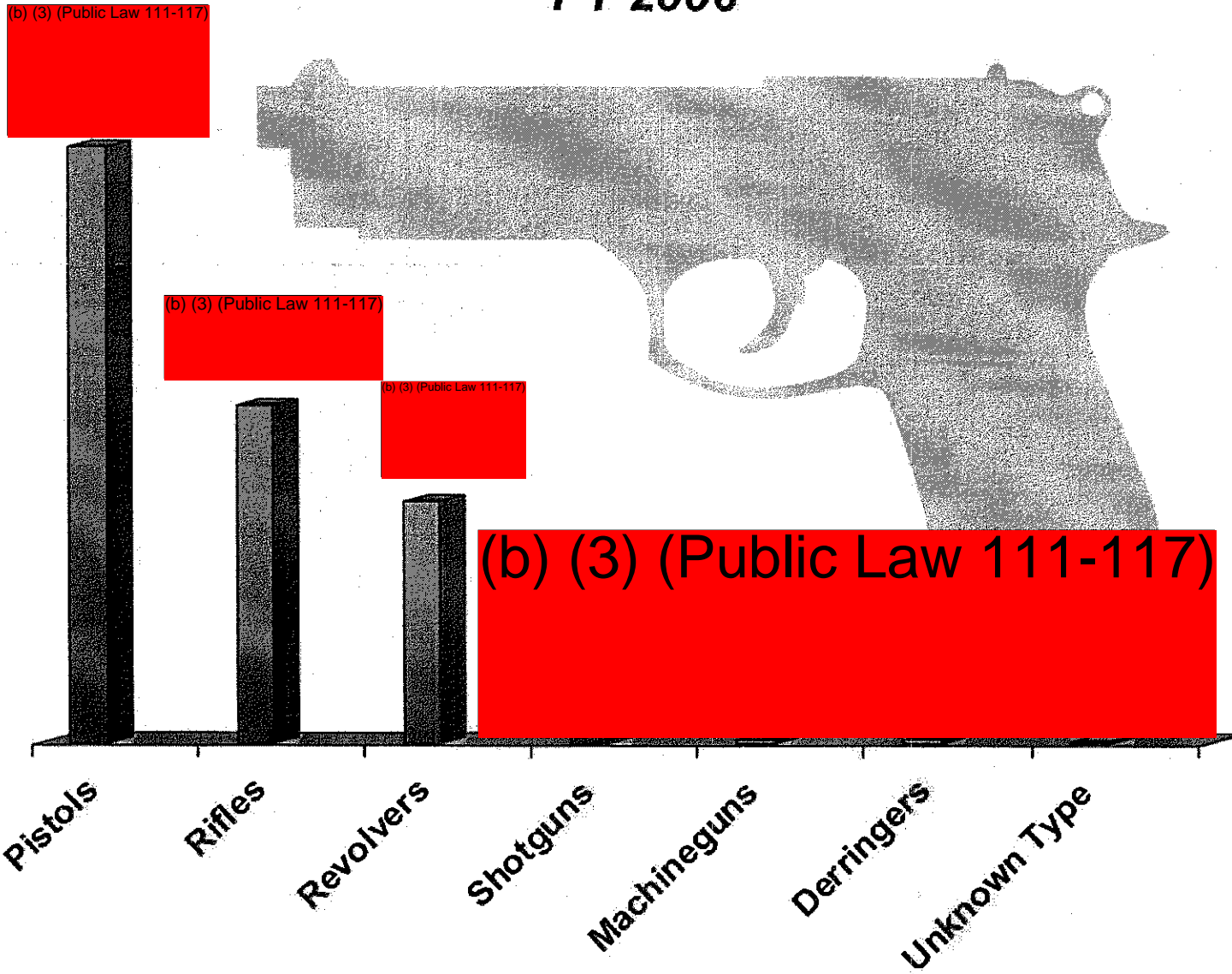
HOGR-ATF A 000281

Traced Firearms by type Recovered in Mexico in FY 2005



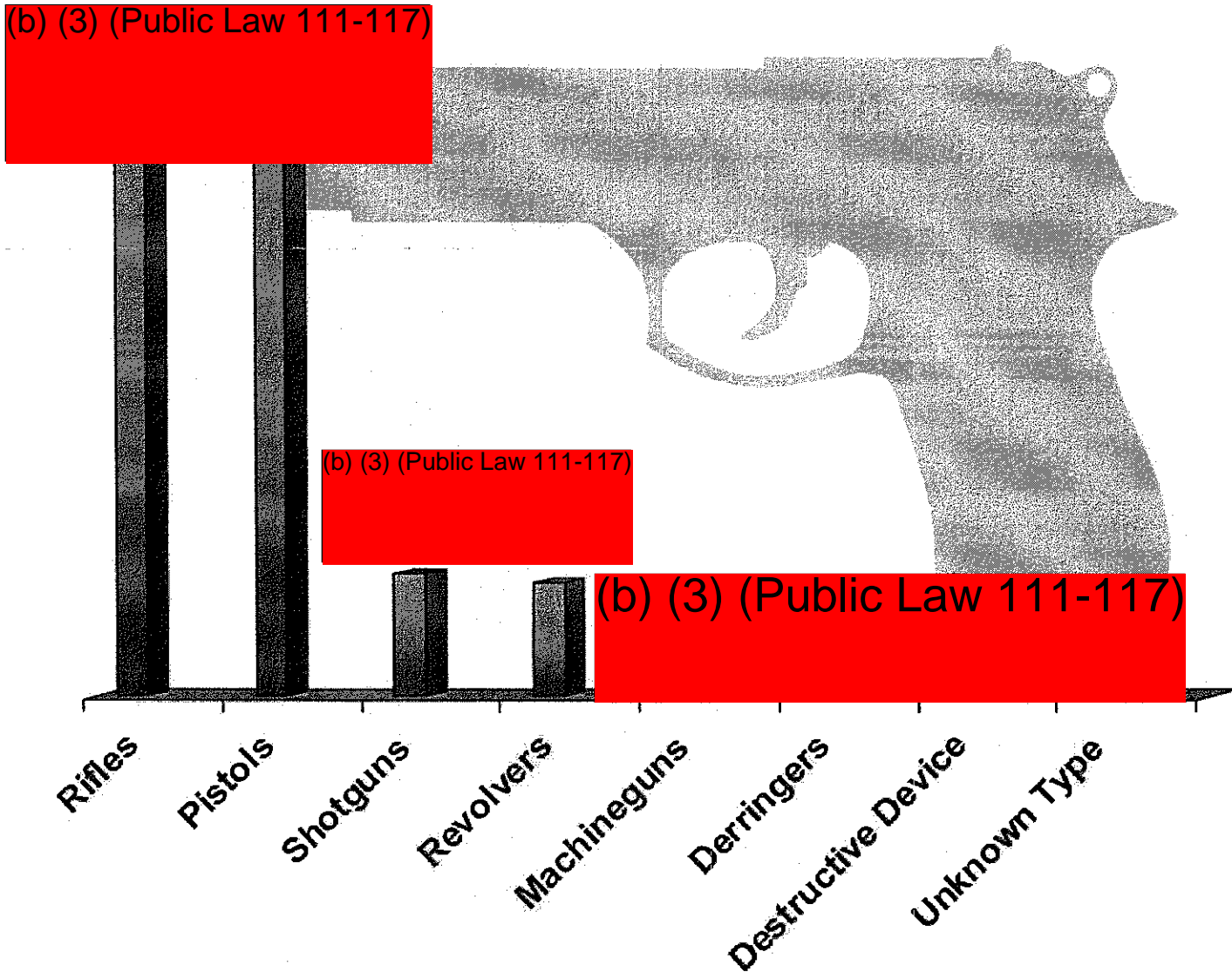
HOCR-ATF A 000282

Most Common Firearms Traced by Mexico FY 2006



HOGR-ATF A 000283

Firearms Submitted for Tracing by Mexico FY 2007



HOGR-ATF A 000284

Top 15 Source States for Firearms Recovered in Mexico

(b) (3) (Public Law 111-117)



HOGR-ATF A 000285

**NOTE: (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)**

Top 15 Source States for Firearms Recovered in Mexico

FY 2006

(b) (3) (Public Law 111-117)



HOCR-ATF A 000286

NOTE: (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)

Top 15 Source States for Firearms Recovered in Mexico

FY 2007

(b) (3) (Public Law 111-117)

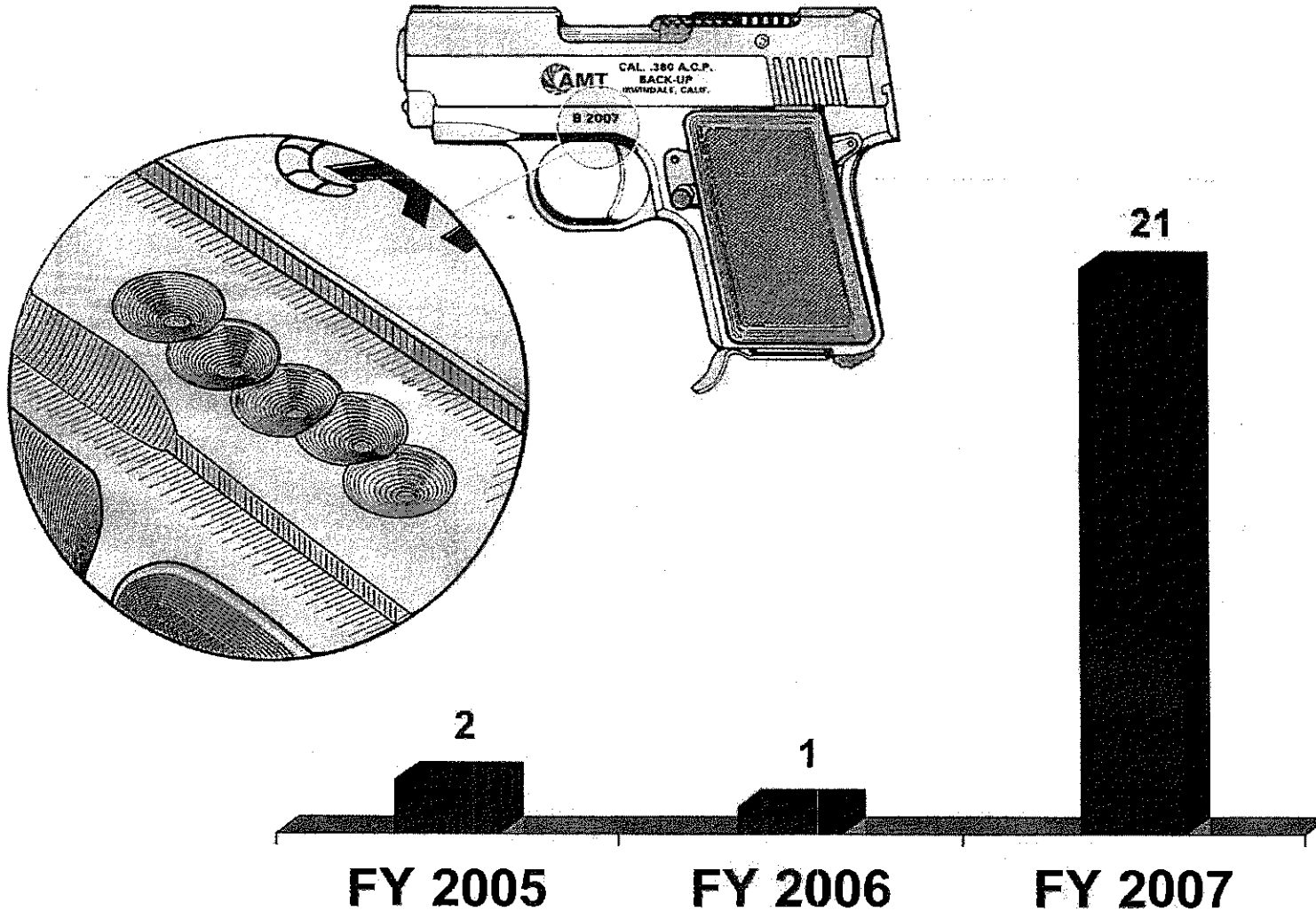


NOTE: (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Firearms with Obliterated Serial Numbers Recovered in Mexico by Fiscal Year



HOCR-ATF A 000288

Analytical Criteria Used to Compile the Enclosed Statistics

● **Total Number of Firearms Recovered and Traced**

- Includes traces with a recovery country of Mexico.
- Includes Guns Recovered and Traced Between 10/1/2004 – 9/30/2007, or if the recovery date was blank, the trace entry date was between 10/1/2004 – 9/30/2007.
- Duplicate traces, Firearms Not Recovered, Gun Buy Back and Firearms Turned In are not included in this figure.

● **Firearm Types Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.

● **Top Source States for Firearms Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.
- Traces must identify a purchaser and the state in which the final dealer is located.

● **Firearms with Obliterated Serial Numbers Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.
- Traces must contain the "Obliterated Serial Number" indicator to be included.

Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of Strategic Intelligence and Information

From: Carroll, Carson W.
To: (b) (7)(C)
Subject: Power Point
Attachments: Gunrunner 2008 power- point 1-29-08.ppt

PROJECT GUNRUNNER

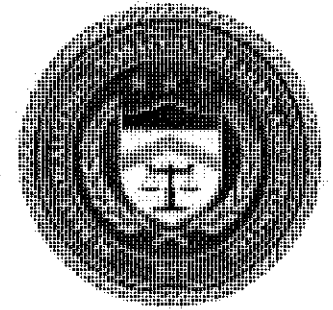
Southwest Border Initiative



Bureau of Alcohol, Tobacco, Firearms & Explosives

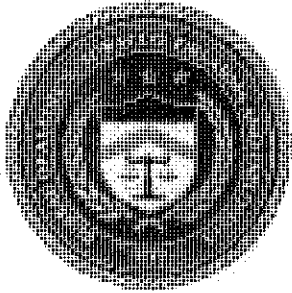


Project Gunrunner



What is Project Gunrunner???

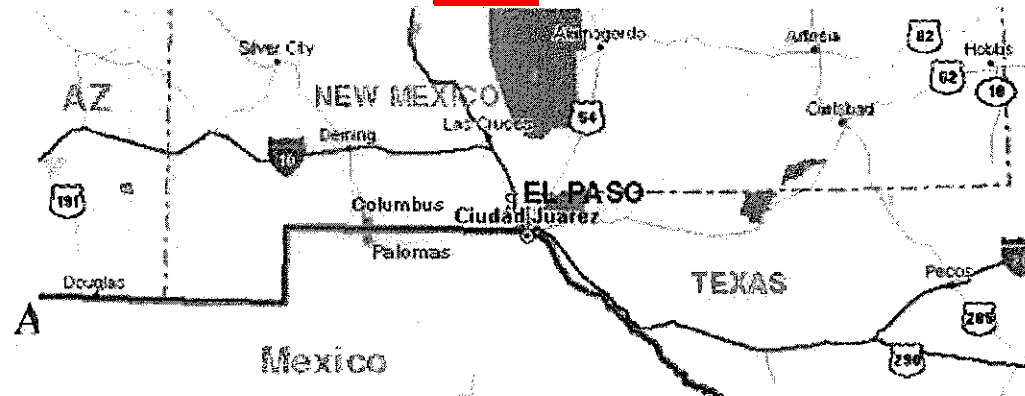
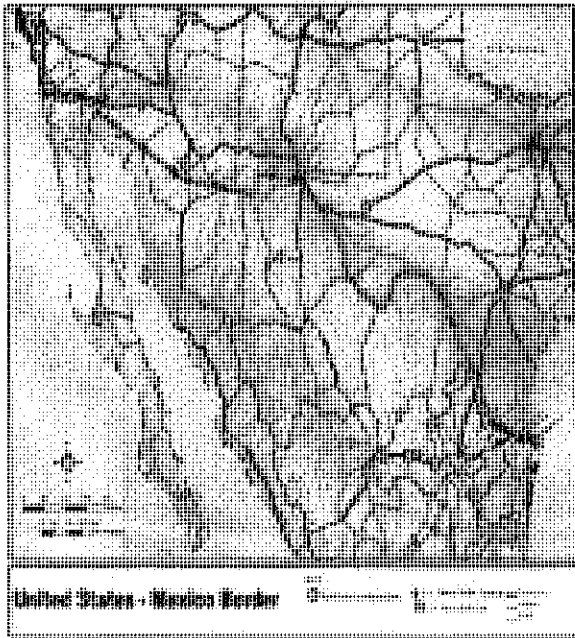
- U.S. Department of Justice (DOJ) implemented the Southwest Border Initiative in order to meet and defeat the growing threat of violence along the U.S. and Mexican Border.
- ATF's part in the Southwest Border Initiative is called Project Gunrunner.

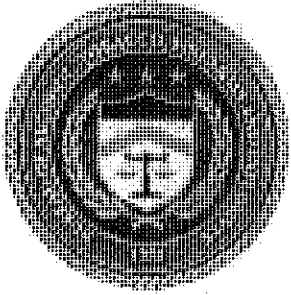


Project Gunrunner

Phoenix Field Division Border Office Staffing

- For Arizona and New Mexico
- Phoenix (b) (7)(E) Agents, (b) (7)(E) IOIs)
- Tucson (b) (7)(E) Agents)
- Yuma (b) (7)(E) Agents)
- Las Cruces (b) (7)(E) Agents)

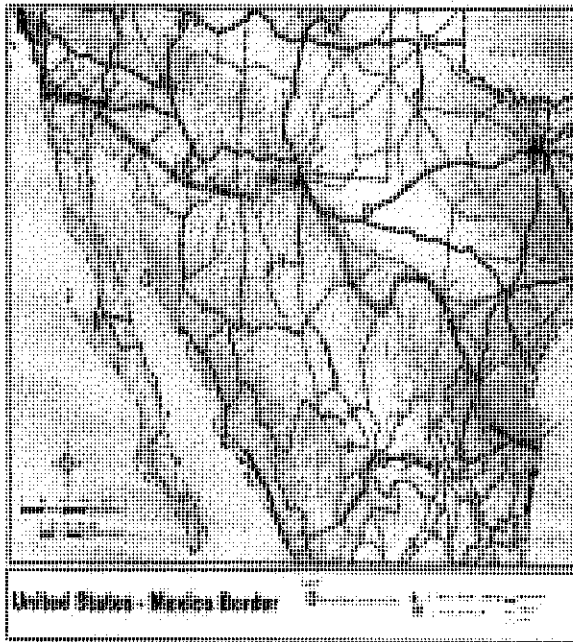


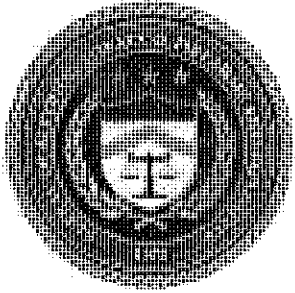


Project Gunrunner

Houston Field Division Border Office Staffing

- Laredo (b) (7)(E) Agents)
- Houston (b) (7)(E) Agents, (b) (7)(E) IOI)
- San Antonio (b) (7)(E) Agents, (b) (7)(E) IOIs)
- McAllen (b) (7)(E) agents, (b) (7)(E) IOIs)

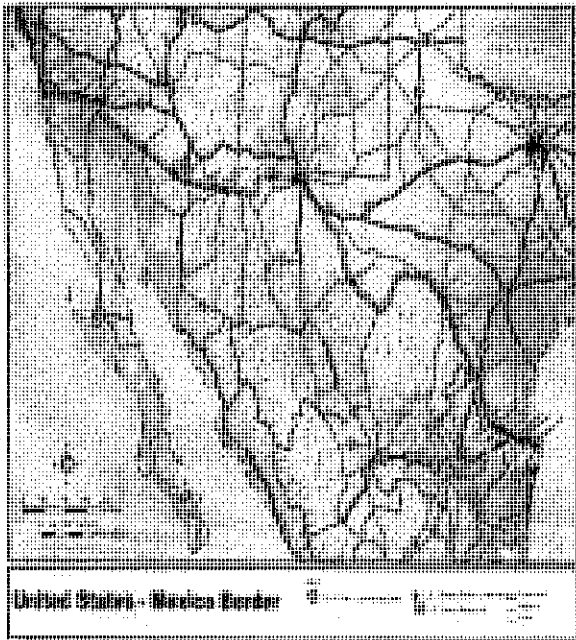


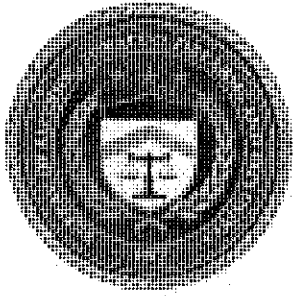


Project Gunrunner

Los Angeles Field Division Border Office Staffing

- San Diego (b) (7)(E) Agents, (b) (7)(E) IOI)
- Los Angeles (b) (7)(E) Agents)

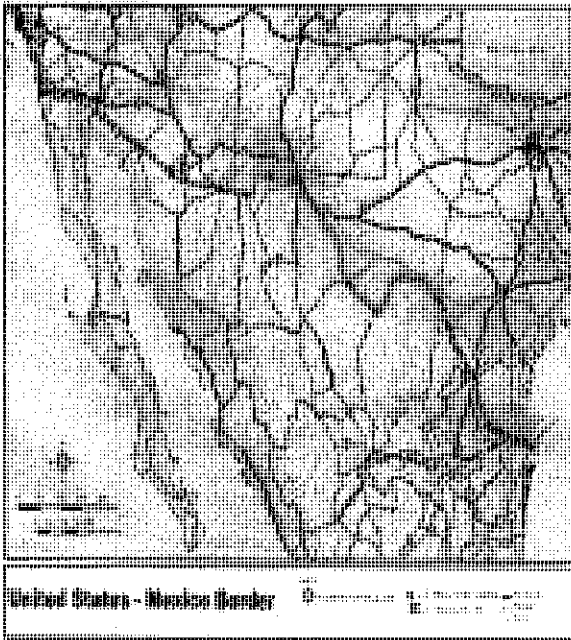


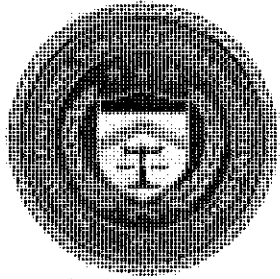


Project Gunrunner

Dallas Field Division Border Office Staffing

- Dallas (b) (7)(E) Agents)
- Lubbock (b) (7)(E) Agents, (b) (7)(E) IOIs)
- El Paso (b) (7)(E) Agents, (b) (7)(E) IOIs)



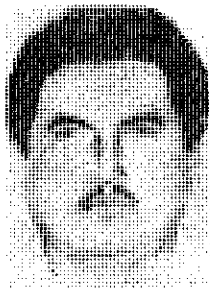


Project Gunrunner

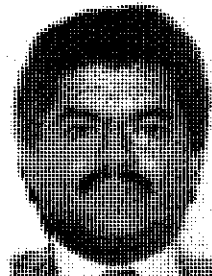
Threat Overview

The Mexican Drug Cartels use firearms – “weapons of choice” - to protect their leadership, loads and territory

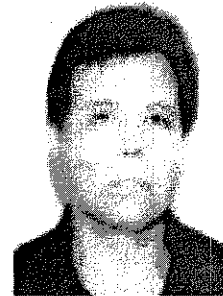
The Sinaloa Cartel
AKA: The Golden Triangle Alliance
The Federation



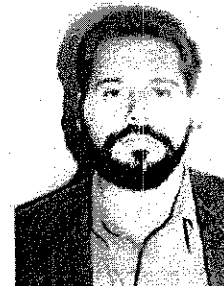
**VICENTE
CARILLO
FUENTES**



**JUAN JOSE
“EL AZUL”
ESPARRAGOZA
MORENO**



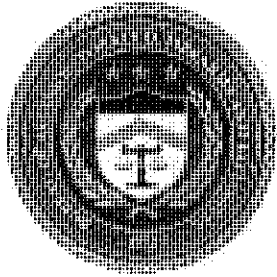
**ISMAEL
“EL MAYO”
ZAMBADA
GARCIA**



**IGNACIO
CORONEL
VILLARREAL**



**JOAQUIN
“EL CHAPO”
GUZMAN**

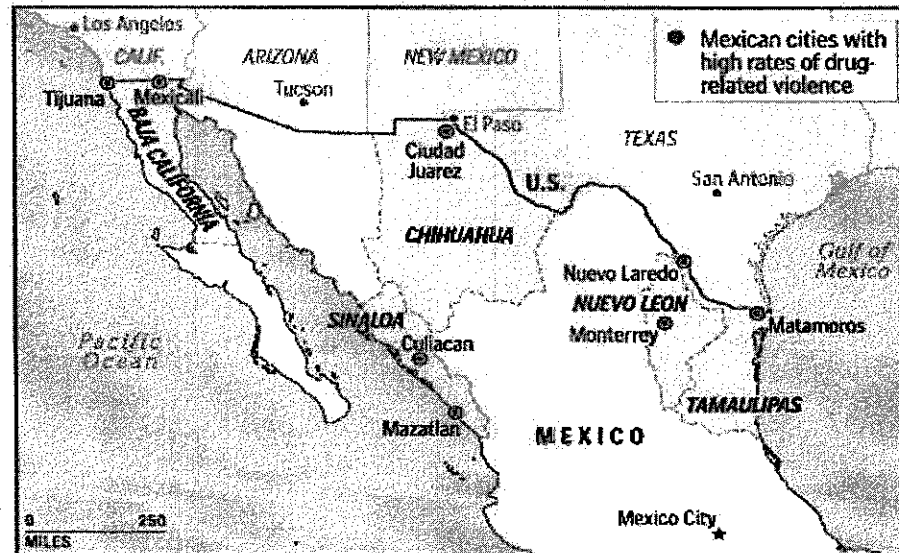


Project Gunrunner

Threat Overview Con't.

U.S. and Mexico are being affected by the war being fought between each of the various Drug Cartels and the Mexican government for control of the Borders. ATF covering 2000 miles of US/Mexico border.

NARCO-BATTLEFRONTS



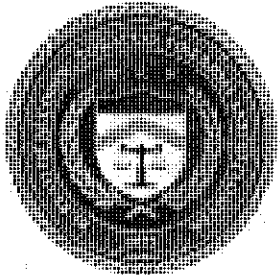
Arellano Felix Organization

Sinaloa Cartel

Juarez Cartel

Gulf Cartel

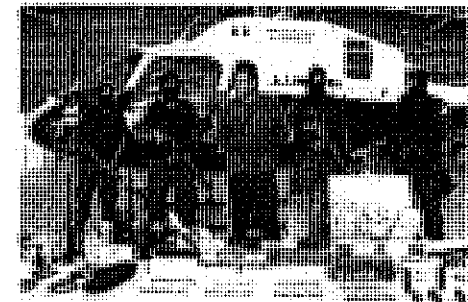
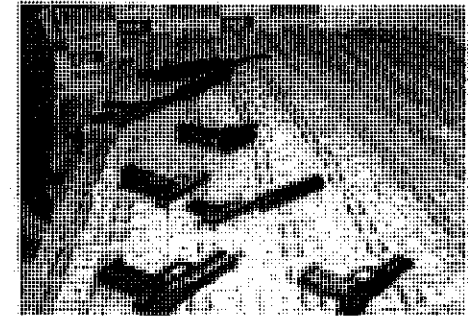
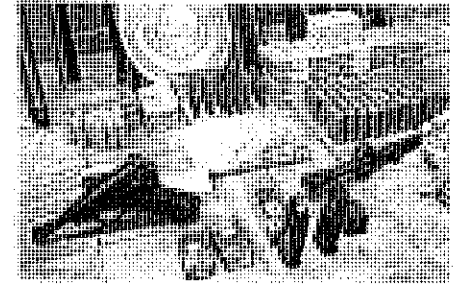
Nuevo Laredo Corridor
Golden Triangle
Tijuana and Baja California

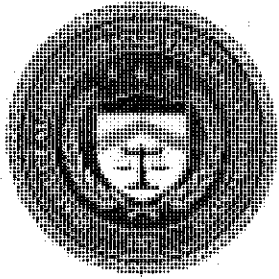


Project Gunrunner

Alarming Trends

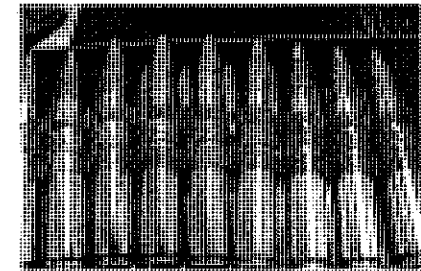
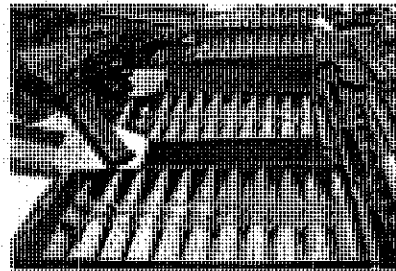
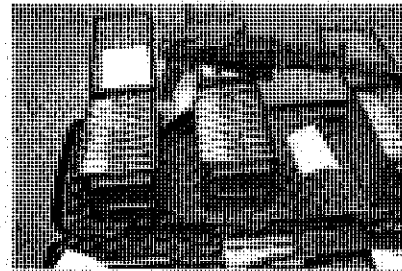
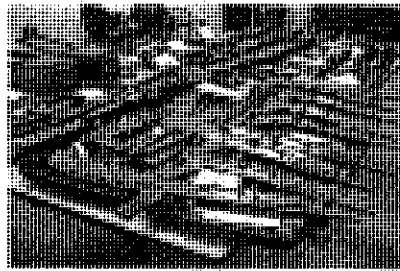
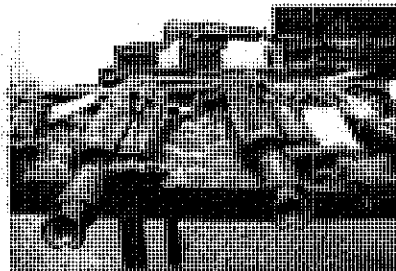
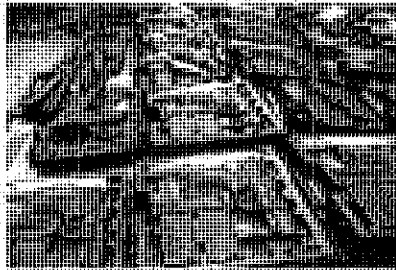
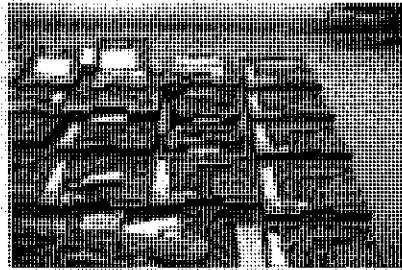
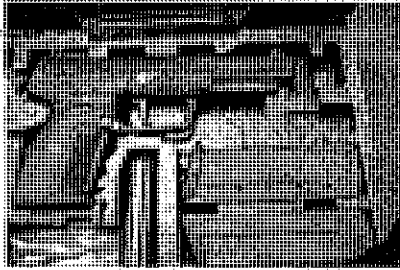
- **Increased trafficking of high powered firearms and ammunition "Weapons of Choice"**
- **Increased Violence North & South of the Border due to on-going drug cartel turf battles and illegal immigrant trafficking**
- **In the first two weeks of December, 2007 ATF agents in the Phoenix FD seized 111 firearms destined to Mexico, 98% of which were "weapons of choice".**
 - **Also seized was 9000 Rounds of Ammunition of which, 8000 rounds were 7.62mm ammunition (AK-47) and 400 rounds of .50 caliber ammunition .**
- **It was determined that these firearms were obtained through traditional sources of supply in the Phoenix area such as: Gun Shows, Straw Purchases and FFL's**





Project Gunrunner

Gun Show Seizure



HOCR-ATF A 000314

Southwest Border Initiative "Weapons of Choice"

- **Primary New Weapons of Choice**

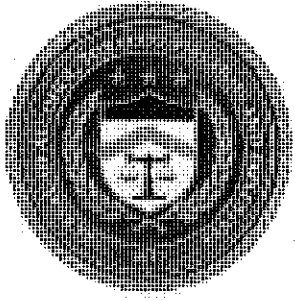
- (b) (7)(E) [redacted] (b) (7)(E)
- (b) (7)(E) [redacted]
- (b) (7)(E) [redacted]
- (b) (7)(E) [redacted] (b) (7)(E)

- **Additional New Weapons of Choice**

- (b) (7)(E) [redacted] (b) (7)(E)
- (b) (7)(E) [redacted]
- (b) (7)(E) [redacted]

- **Secondary Market Inspection Weapons of Choice**

- (b) (7)(E) [redacted] (b) (7)(E)
- (b) (7)(E) [redacted]
- (b) (7)(E) [redacted] (b) (7)(E)
- (b) (7)(E) [redacted]
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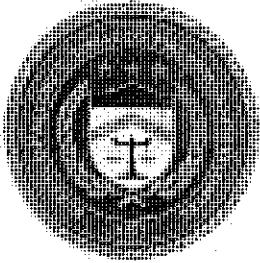


Project Gunrunner

December 1-2, 2007
Phoenix Gun Show



- The Phoenix Gun Show operation culminated in the arrest of 16 people, the recovery of 16 “weapons of choice” rifles, 19 handguns, \$13,000 in cash, a 2007 Ford F-150 King Ranch 4 door, 60 high-capacity magazines for AK-47 clones, and nearly 10,000 rounds in ammunition.
- A dozen undocumented aliens who were patrons of the gun show were taken into custody and a large amount of criminal intelligence was gathered, including intelligence on firearms trafficking into Mexico supporting Southwest Border Initiatives.



Project Gunrunner

Recent Phoenix Firearms Trafficking Investigation

Total number of firearms purchased from January 2006 thru January 2007: 138 firearms

Firearms trafficked to Mexico included the following:

- (44) Colt .38 Supers
- (7) AK-47 style rifles
- (19) Beretta 9mm pistols
- (31) Bushmaster .223 rifles

Total number of firearms recoveries:

- (22) recovered firearms
- (16) recovered in Mexico with a time to crime as (b) (3) (P.L. 111-117) (all Bushmaster .223)
- (4) recovered in Phoenix, AZ
- (1) recovered in Tucson
- (1) recovered in Peoria

Firearms Seized by ATF: 10 firearms seized along with approx. 32,000 U.S. Currency on 3/16/2007

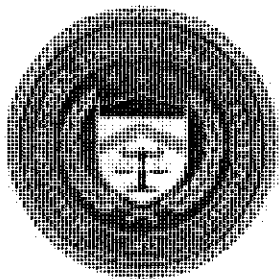
Total number of firearms purchased from January 2006 thru January 2007: 336 firearms

Firearms trafficked to Mexico included the following:

- (33) Colt .38 Supers
- (145) AK style rifles
- (63) Beretta 9mm
- (14) Bushmaster .223 rifles
- (49) Glock 9mm
- (4) FN Herstal 5.7

Total number of firearm recoveries: (4) Recovered in Mexico, Time to Crime (b) (3) (P.L. 111-117)

Firearms Seized by ATF: (31) firearms recovered on 11/26/2007



Project Gunrunner

December 17, 2007

YUMA SEIZURE

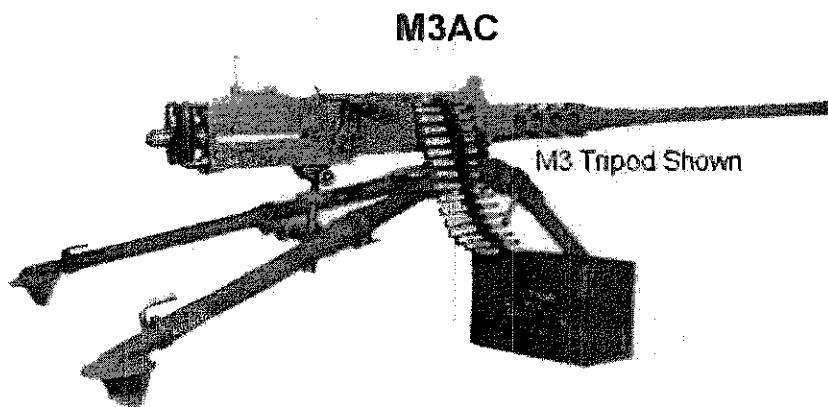
Recovery of 42 Firearms pursuant to Southwest Border Initiative

While conducting an investigation at the Phoenix Gun Show, agents from the Phoenix I Field Office were advised of a suspicious purchase of 2 AK-47 type, semi-automatic pistols by a male subject and also left a \$5,000.00 deposit for 10 additional firearms. Surveillance resulted in the observation of 9 firearms being loaded into a vehicle and eventually transported to a storage facility in Yuma, AZ.

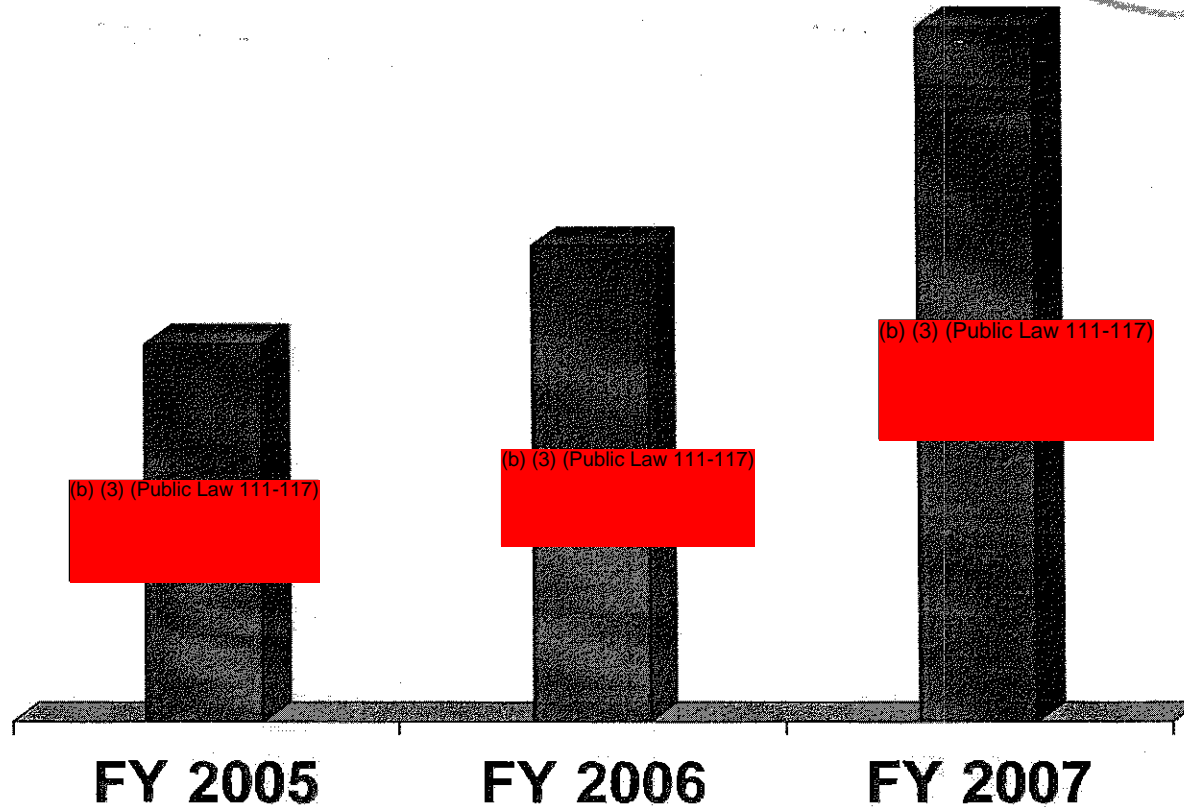
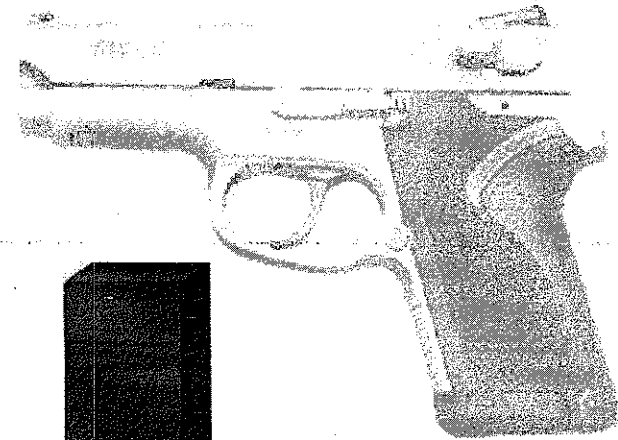
Surveillance and consented search of the storage locker resulted in the seizure of :

(12) FN Five Seven 5.56mm pistols; (1) .22 caliber Browning pistol; (2) 9mm Beretta pistols; (3) 9mm Glock pistols; (1) 9mm Smith & Wesson pistol; (12) AK-47 type assault rifles; and (9) AK-47 type pistols. Also recovered was a large cache of ammunition, which included .50 caliber rifle ammunition.

A follow-up investigation to the Yuma Seizure has revealed that this is one of the firearms successfully smuggled into Mexico.

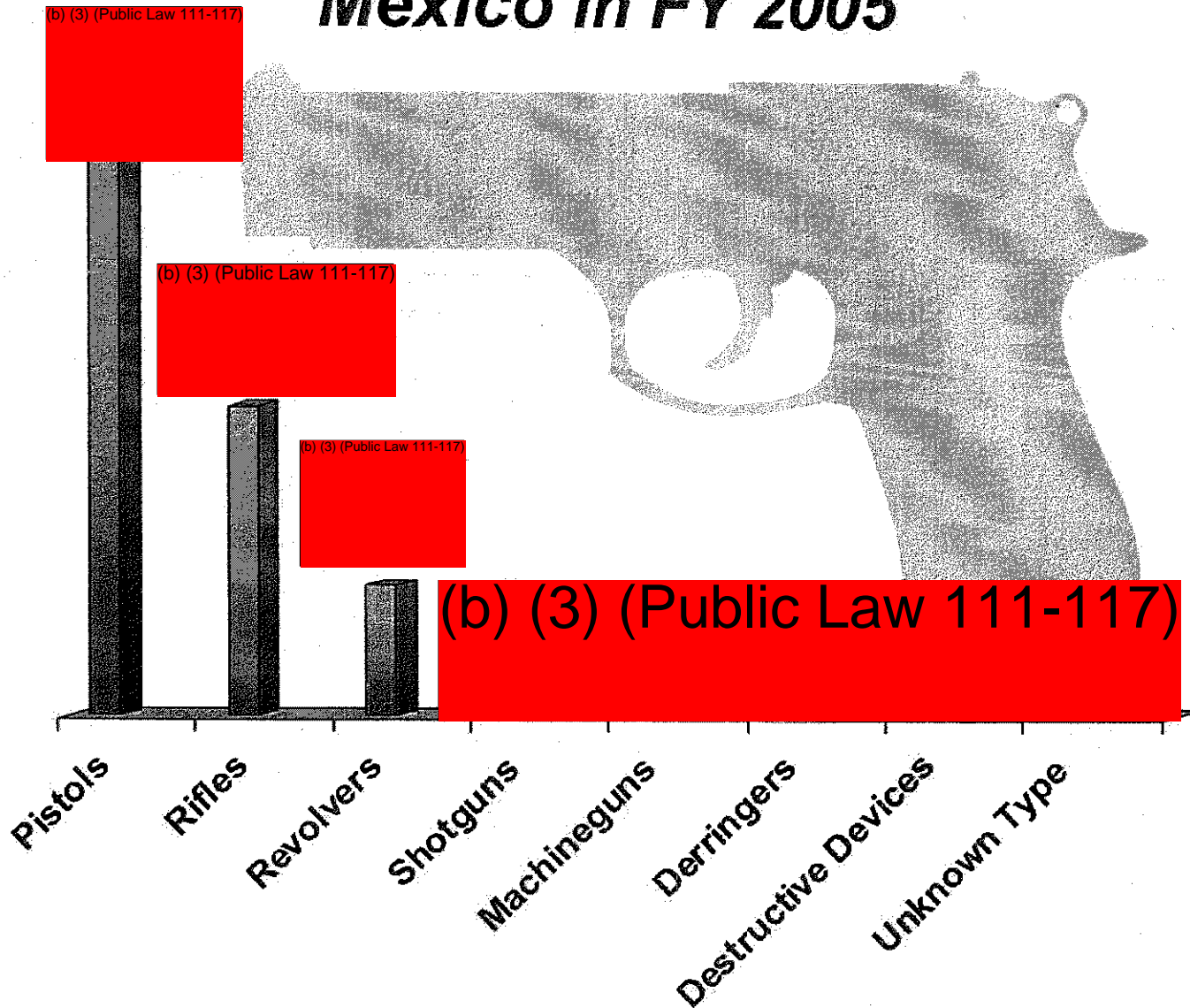


Total Number of Firearms Submitted for Tracing by Mexico by Fiscal Year



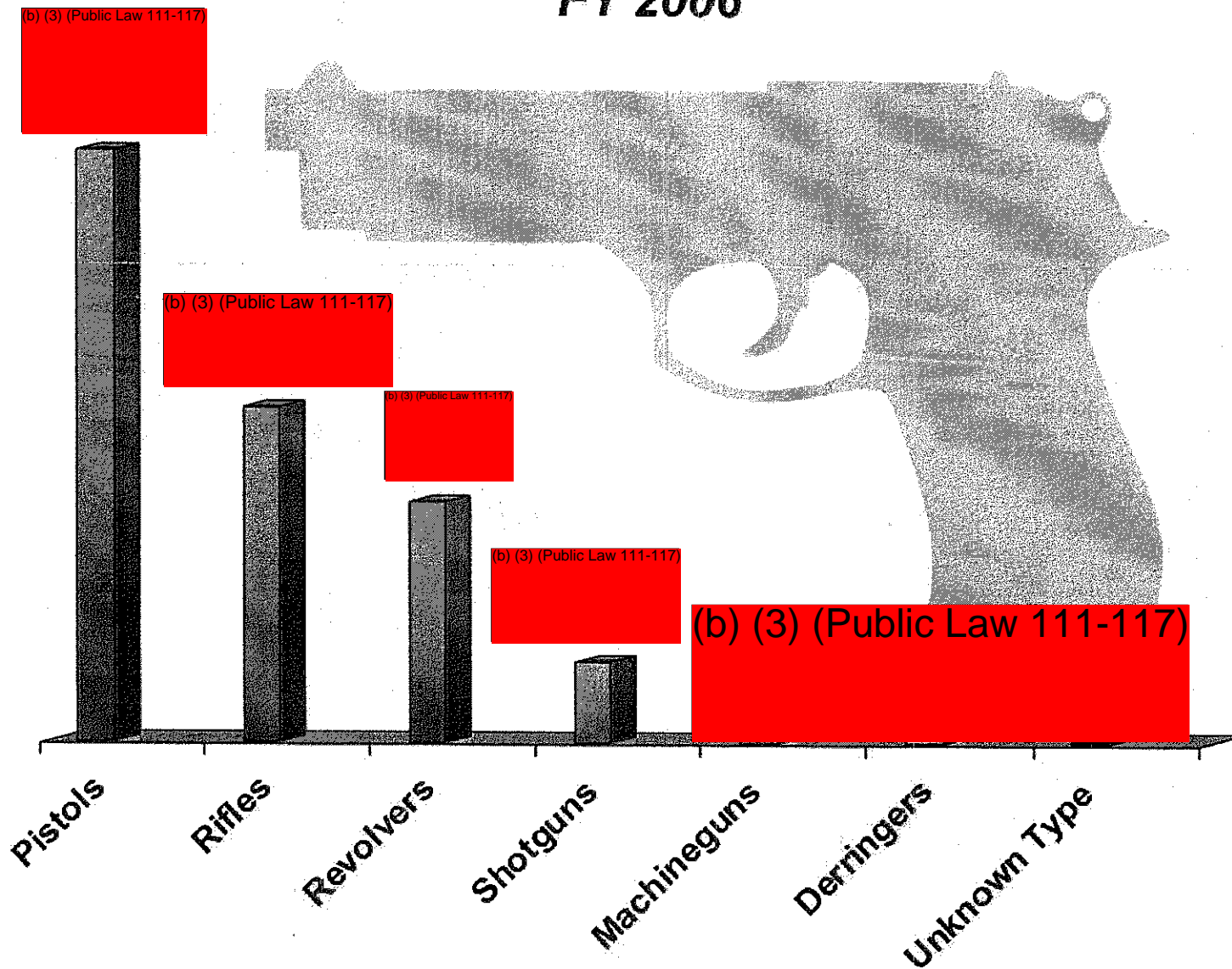
HOGR-ATF A 000319

Traced Firearms by type Recovered in Mexico in FY 2005



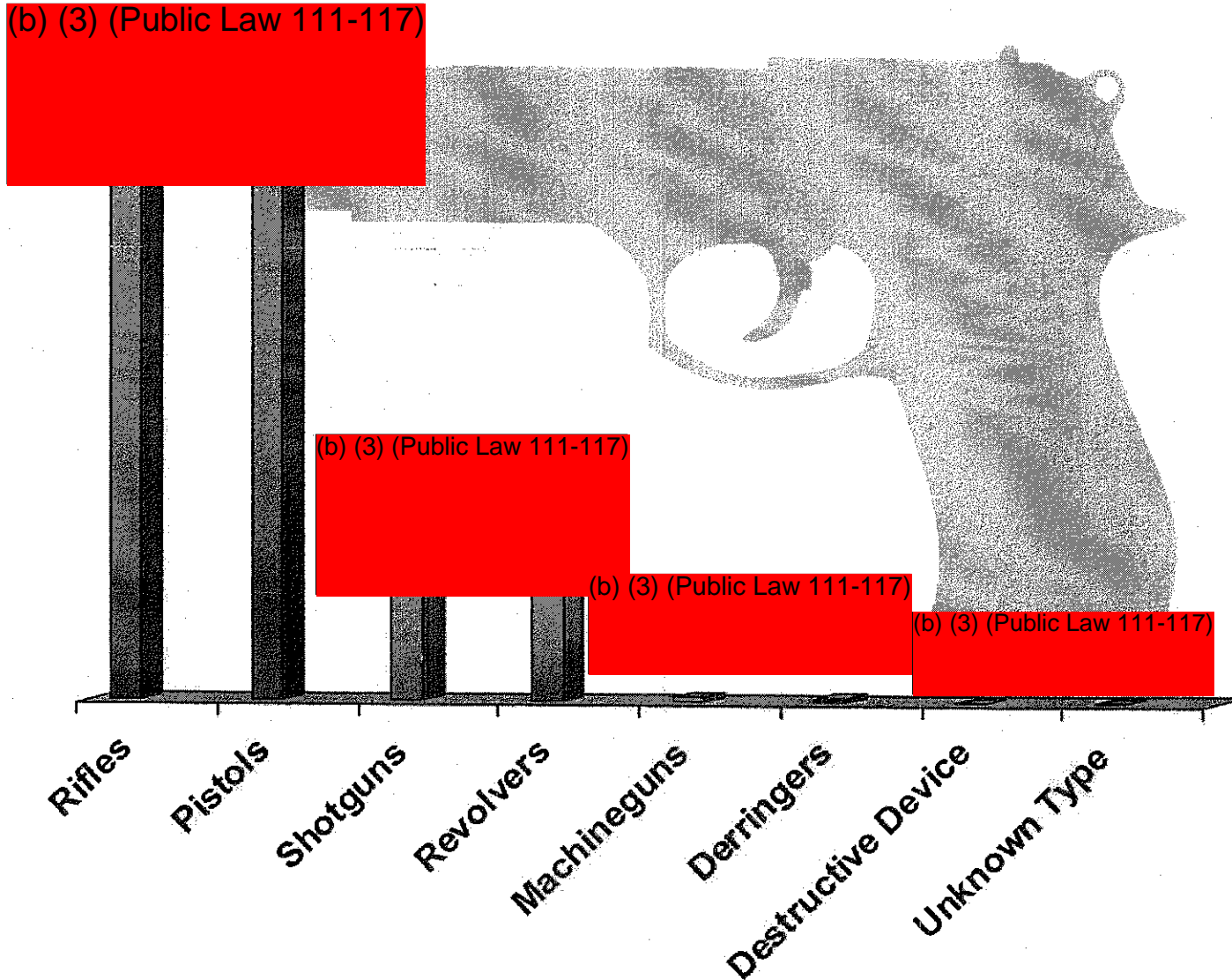
HOCR-ATF A 000320

Most Common Firearms Traced by Mexico FY 2006



HOGR-ATF A 000321

Firearms Submitted for Tracing by Mexico FY 2007



HOGR-ATF A 000322

Top 15 Source States for Firearms Recovered in Mexico

(b) (3) (Public Law 111-117)



HOCR-ATF A 000323

NOTE: (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)

Top 15 Source States for Firearms Recovered in Mexico

(b) (3) (Public Law 111-117)



HOCR-ATF A 000324

NOTE: (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117)

Top 15 Source States for Firearms Recovered in Mexico

(b) (3) (Public Law 111-117)



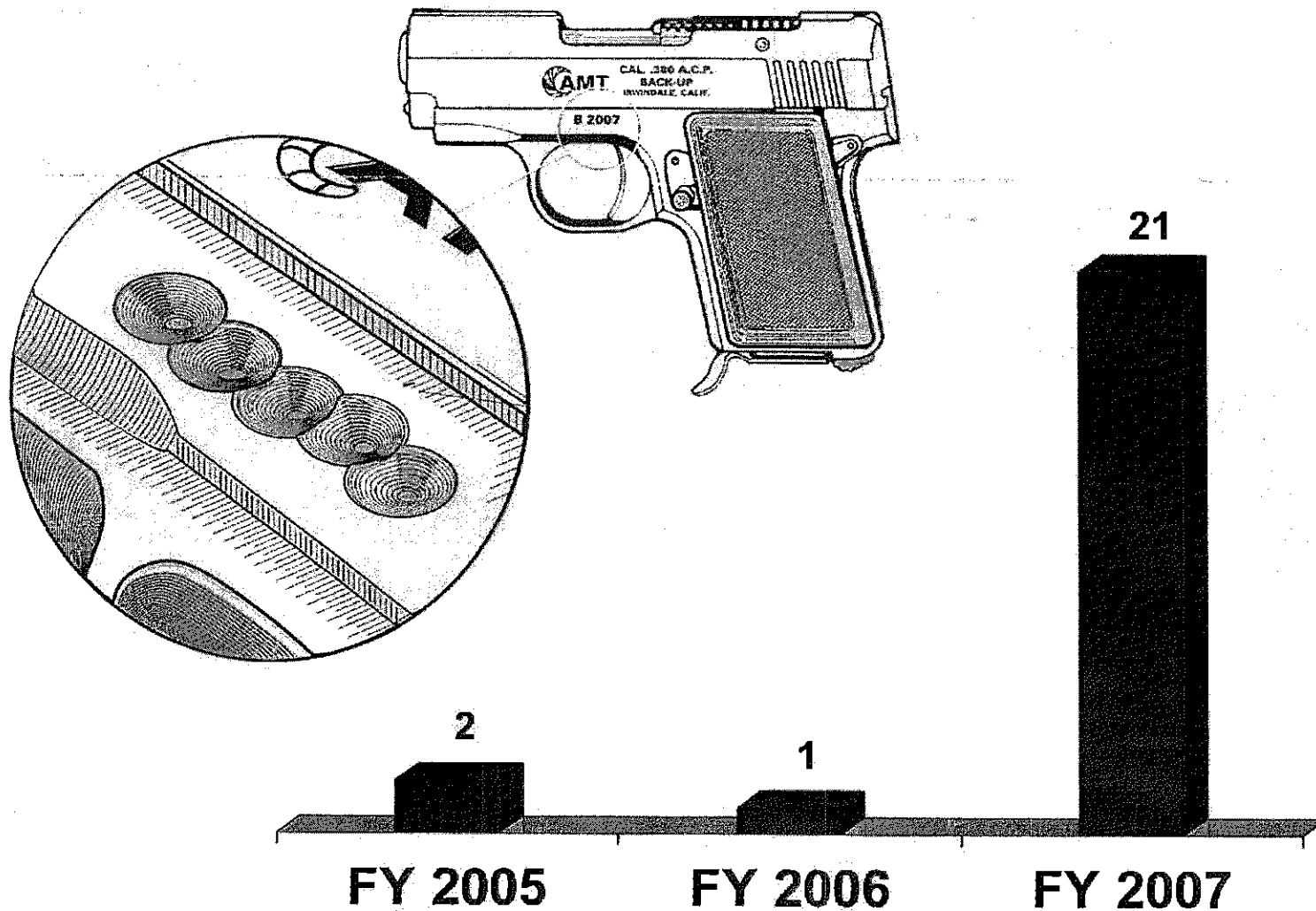
HOCR-ATF A 000325

NOTE: (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Firearms with Obliterated Serial Numbers Recovered in Mexico by Fiscal Year



HOGR-ATF A 000326

Analytical Criteria Used to Compile the Enclosed Statistics

● **Total Number of Firearms Recovered and Traced**

- Includes traces with a recovery country of Mexico.
- Includes Guns Recovered and Traced Between 10/1/2004 – 9/30/2007, or if the recovery date was blank, the trace entry date was between 10/1/2004 – 9/30/2007.
- Duplicate traces, Firearms Not Recovered, Gun Buy Back and Firearms Turned In are not included in this figure.

● **Firearm Types Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.

● **Top Source States for Firearms Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.
- Traces must identify a purchaser and the state in which the final dealer is located.

● **Firearms with Obliterated Serial Numbers Recovered in Mexico**

- Includes same criteria as Total Number of Firearms Recovered and Traced.
- Traces must contain the "Obliterated Serial Number" indicator to be included.

Bureau of Alcohol, Tobacco, Firearms and Explosives, Office of Strategic Intelligence and Information

Bureau of Alcohol, Tobacco, Firearms and Explosives

ATF

Director's Remarks

Public Affairs Division - Washington, DC



Remarks of Deputy Director Melson
at the
GRIT Close Out Press Conference
Phoenix, Arizona
Friday, September 17, 2010

- Good Morning, I am very pleased to be here today to discuss with you the results of our second Gun Runner Impact Team initiative and announce the formation of

seven (7) new Project
Gunrunner firearms
trafficking groups.

- Nothing is more important to ATF and to those who reside along the Southwest Border than stemming violence that has plagued this region during the past several years.

- As a result of drug trafficking organizations and their thirst for money and power, lives are being lost to violent crime every day on both sides of the U.S.-Mexico border. ATF, along with our Mexican counterparts, embraces the urgent need to cut off the

supply routes of illegal firearms traveling south into Mexico.

- The Administration has looked to ATF to find solutions to shut down the firearms trafficking organizations and reduce the related violence. ATF has unique expertise in

investigating gun trafficking, and unparalleled ability to develop intelligence and leads concerning the illegal commerce in firearms and explosives.

- ATF developed *Project Gunrunner* in 2005 as our comprehensive strategy to

deny firearms to the drug trafficking organizations that bring violence to Mexico and our cities.

- With congressional and ATF funding we have been able to establish Gunrunner groups. Gun trafficking to Mexico and other countries is a nation-

wide problem, one which ATF is attacking strategically as well as tactically.

- As a result of the 2010 emergency supplemental appropriation for border security, ATF received \$37.5 million. With this funding, **I am announcing**

today the formation of seven (7) additional Gunrunner groups dedicated to the comprehensive and strategic disruption of firearms trafficking into Mexico. These groups will be placed along traditional and newly-discovered

firearms trafficking routes
and hubs:

- Sierra Vista, Ariz.
- Brownsville, Texas
- Dallas
- Las Vegas
- Oklahoma City
- Atlanta
- Miami

- With this increased footprint, ATF will be in a better position to stop the illegal flow of firearms from a national perspective and protect our citizens from the related violence.
- Some of the supplemental funding will also provide

upgrades to our National Tracing Center – the focus of ATF’s eTrace activity.

- The eTrace system, which is central to ATF’s gun trafficking campaign, provides for the electronic exchange of information of crime gun incident-related data in a secure web-based environment.

- The electronic tracing of seized illegal firearms by ATF and the entire law enforcement community provide **valuable** leads to disrupt trafficking patterns and jail those responsible for violent crimes here in Arizona and around the country.

- In 2009, ATF developed Spanish eTrace, a Spanish language version deployed to Mexico and other Central American countries to expedite the tracing request process and retrieval of trace results that prove crucial to solving trafficking cases.

- In 2009 a Gun Runner Impact Team (GRIT) - a surge of ATF personnel for a finite time period - was deployed to south Texas with great success.
- Today, we also announce the results of ATF's second, high impact GRIT initiative, focused in Arizona and New Mexico. The GRITs are the tactical portion of our

comprehensive strategy to attack gun trafficking.

- For 97 days, more than 80 ATF personnel were stationed in Phoenix, Tucson and Albuquerque from May 1st to August 6th. They used a combination of traditional and innovative violent crime-fighting techniques,

coupled with ATF
regulatory authority to
identify firearms
traffickers.

- As a result of these techniques, ATF seized almost 1,300 firearms and over 71,000 rounds of ammunition; initiated 174 new federal criminal cases;

and referred 66 defendants,
thus far, for prosecution.

And we expect that
number to rise.

- During this time, ATF
Industry Operations
Investigators (IOIs)
completed over 800
Federal Firearms Licensee
(FFL) inspections that

initiated over 160 referrals to law enforcement or to other state and local agencies for further investigation.

- Through review of FFL records and inventories, ATF reduced the number of unaccounted for firearms from over 3,000

to just over 300. This is important because unaccounted for inventories diminish the effectiveness of eTrace.

- This operation underscores the importance of FFL records being maintained properly. These inspections **DO** detect and

prevent the diversion of
firearms to illegal sources.

- I also want to recognize
the gun dealers and the
firearms industry for their
cooperation with ATF in
areas of inspections,
intelligence, and
community service
announcements warning of

the seriousness of being a straw purchaser. Our common goal of deterring crime and keeping guns out of criminal's hands makes the partnership between ATF, the dealers, and the firearms industry an important component of making sure that every law abiding citizen can

exercise their right to purchase and possess firearms.

- During our GRIT in the Phoenix Division, ATF agents collaborated extensively with local and state law enforcement and many task force officers directly contributed to the

initiative. More than a dozen law enforcement agencies assisted ATF with tactical support, enforcement activities, suspect interviews, and referrals. For all those involved, please accept our thanks.

- I want to thank ATF's Phoenix Field Division and all the ATF men and women from across the country who participated in Phoenix GRIT. Special Agent in Charge Bill Newell and his team provided the leadership required to keep America safe from illegal firearms

and drug trafficking organizations.

- ATF's commitment to reducing violent crime and stemming the flow of firearms across the southwest border is shared with our law enforcement partners in Mexico.

- Since 2009, ATF has tripled its personnel in Mexico, to include opening five additional offices in U.S. consulates.

- We are there to support the GOM with intelligence, eTrace, training and our forensic science expertise.

It is an unfortunate fact that the tools of the trade used by cartels in Mexico are expanding to the more frequent use of improvised explosive devices and vehicle borne improvised explosive devices. ATF has a highly developed and sophisticated expertise in explosives

identification and post blast investigations.

- In the last couple years, ATF, along with Government of Mexico personnel, formed the Combined Explosives Investigation Team whereby a joint response to explosives scenes and

recoveries in Mexico is conducted in order to identify the explosive material, collect evidence and conduct a post blast investigation, when necessary.

- ATF continues to provide Government of Mexico personnel training in the

explosives detection canine
field, crisis negotiation and
post blast investigation.

- I want to commend the
Government of Mexico,
President Calderon, AG
Chavez Chavez and our
law enforcement
counterparts across the
border for their bravery

and thank them for their help and strong desire to end this violence that is affecting both our countries.

- ATF appreciates the hard work and cooperation of our federal law enforcement partners: DEA, FBI, ICE, CBP and

of course, the assistance of
U.S. Attorney Dennis
Burke and his office....

Bureau of Alcohol, Tobacco, Firearms and Explosives

ATF**News Release**

Public Affairs Division - Washington, DC



FY-10-22

Contact: Public Affairs Division
(202) 648-8500

For Immediate Release

Sept. 17, 2010
www.atf.gov**ATF ANNOUNCES 7 NEW GUNRUNNER GROUPS AND
PHOENIX GUN RUNNER IMPACT TEAMS' SUCCESSES**

PHOENIX – Deputy Director Kenneth E. Melson of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) today announced the formation of seven new Project Gunrunner firearms trafficking groups during a news conference in which he and Dennis K. Burke, United States Attorney, District of Arizona, announced the results of ATF's Gun Runner Impact Team (GRIT) initiative, a nearly 100-day deployment of ATF resources to the Phoenix Field Division to disrupt illegal firearms trafficking by Mexican drug trafficking organizations.

As a result of the 2010 emergency supplemental appropriation for border security, ATF received \$37.5 million for Project Gunrunner, ATF's comprehensive firearms trafficking strategy to disrupt the illegal flow of firearms into Mexico. With this funding, ATF will establish and place firearms trafficking groups along traditional and newly-discovered firearms trafficking routes and hubs in Atlanta; Dallas; Brownsville, Texas; Las Vegas; Miami; Oklahoma City; and Sierra Vista, Ariz.

"Lives are being lost to violent crime every day on both sides of the U.S. and Mexico border," said Melson. "Through Project Gunrunner and its GRIT initiative, ATF is shutting down the supply routes of firearms traffickers along the border and further inland."

The GRIT initiative brought more than 80 experienced ATF personnel from around the country to Arizona and New Mexico. GRIT special agents initiated 174 firearms trafficking-related criminal investigations and seized approximately 1,300 illegally-trafficked firearms and 71,000 rounds of ammunition, along with drugs and currency. ATF's industry operations investigators conducted more than 800 federal firearms licensee compliance inspections.

"We are fighting on a crucial front here today to reduce violence in our own communities, and to disrupt and dismantle the southbound supply of weapons to the cartels," said Burke. "We will not be a gun locker for the cartels, who have made murder and mayhem their modus operandi. We will not tolerate violent criminals and others who illegally possess, purchase or sell firearms."

Burke announced that 96 defendants have been arrested, charged, convicted or sentenced since June 2010 on gun-related charges. The majority of defendants include violent felons, drug traffickers who use weapons, and those trafficking firearms to

HOCR ATF 000562

Mexico. Cases involved more than 370 guns – many of them AK-47 style rifles and other “weapons of choice” of drug cartels – and hundreds of thousands of rounds of ammunition smuggled into or destined for Mexico. Some of the guns seized in the investigation, including a .50 caliber weapon, were recovered at crime scenes in Mexico.

Recent examples of firearms prosecutions in the District of Arizona:

U.S. v. Arizmendiz et al.

In July and August, two leaders of a firearms trafficking conspiracy that supplied at least 112 firearms – mostly AK-47 style – to the Sinaloa Cartel, were sentenced. Alejandro Medrano, 23, and Hernan Ramos, 22, both of Mesa, Ariz., were sentenced to 46 and 50 months in prison, respectively, for leading a conspiracy involving 10 defendants who straw purchased firearms from gun dealers in Phoenix and Tucson, Ariz., in order to supply them to a member of the Sinaloa Cartel known as “Rambo.”

U.S. v. Gaeda et al.

On June 3, following an ATF investigation involving more than 250,000 rounds of ammunition, ATF agents arrested Emmanuel Casquez, Elias Vasquez, and Charice Gaeda for unlawfully exporting ammunition to Mexico. Agents had learned the three were purchasing vast quantities of ammunition and searched a vehicle headed for the border port at Nogales and recovered 9,500 rounds of ammunition; a search of a residence ensued and an additional 27,000 rounds of ammunition were recovered.

U.S. v. Ibarra et al.

In July, a 20-count indictment announced charging 10 straw purchasers, recruited by then 17-year-old Francisco Ibarra, to buy at least 25 firearms. ATF believes the firearms were trafficked into Mexico.

For more information on ATF and Project Gunrunner, please go to the ATF website, www.atf.gov.

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Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC 20226

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MEMORANDUM TO: All Assistant Directors
All Field Operations Personnel

FROM: Assistant Director
(Field Operations)

SUBJECT: Project Gunrunner – A Cartel Focused Strategy

This serves to inform you that the Office of Field Operations, in partnership with other directorates, including the Office of Strategic Intelligence and Information (OSII), has developed the attached document, *Project Gunrunner – A Cartel Focused Strategy (September 2010)*, to reflect our increased national emphasis on firearms trafficking enforcement related to the Southwest Border, as well as the importance of identifying and prioritizing those trafficking investigations in which a nexus to Mexican Drug Trafficking Organizations (DTOs) and cartels may be established.

ATF has a long and successful history of combating firearms-related violent crime. Key to this success has been our ability to effectively regulate the firearms industry and identify and investigate the illegal diversion of firearms from lawful commerce. Perhaps at no time in our history has the investigation of firearms trafficking schemes and networks been more important to public safety, and increasingly to national security, than now.

In response to the increased trafficking of firearms from the United States to Mexico, ATF developed Project Gunrunner, a firearms trafficking and border violence reduction strategy designed to deny drug trafficking organizations access to U.S. firearms. Initially implemented in our four primary Southwest border field divisions, Project Gunrunner has evolved into a national strategy as we have seen Mexican cartels reach further into the interior of the United States to acquire firearms in support of their lucrative drug trafficking operations.

While our multi-faceted strategy continues to include the inspection of licensed gun dealers and the investigation of straw purchasers and illegal traffickers, our revised approach places greater emphasis on investigations that target specific cartels and the persons responsible for organizing and directing firearms trafficking operations in the United States. We have come to understand that we can best impact firearms trafficking to Mexico and Southwest border violence by linking our investigations to drug trafficking organizations and when possible, to specific Mexican

All Assistant Directors
All Field Operations Personnel

-2-

cartels. Our efforts will also be enhanced through increased coordination with our Federal counterparts.

This approach requires conducting our border-related firearms and explosives investigations in a more creative and comprehensive manner by fully incorporating our agency's unique regulatory, investigative, and analytical capabilities and resources, as well as those available from other law enforcement agencies, particularly DEA. At the heart of our increased emphasis on cartel focused investigations is greater use of the Organized Crime Drug Enforcement Task Force (OCDETF) program and intelligence capabilities available from the El Paso Intelligence Center (EPIC) and the DEA Special Operations Division. Recent changes to OCDETF policy encourage the use of OCDETF in firearms trafficking cases provided there is a nexus to high value drug trafficking targets.

Properly implemented, this revised strategy will improve data collection, analysis, and exploitation of information; employ a greater array of investigative resources, including greater utilization of the OCDETF program; improve sharing and leveraging of information available from other law enforcement agencies; improve investigative coordination and information sharing with the Government of Mexico; and place greater emphasis on multi-defendant conspiratorial cases that focus on persons who organize, direct, and finance cartel-related firearms and explosives trafficking operations.

This revised strategy acknowledges and incorporates an investigative approach already implemented by several ATF field divisions and reiterates the primary responsibility of the field special agents in charge for implementation of the strategy. This document recognizes that Project Gunrunner is both an ATF strategy and a component of a larger U.S. Government counternarcotics strategy. Our success is contingent on the effective use of our regulatory, investigative, technical, intelligence, training, liaison, and public/industry outreach capabilities. However, the success of Gunrunner is also dependent on our ability to secure prosecution and sentences appropriate to the criminal conduct. Recognizing the nuances of current Federal firearms statutes and related sentencing guidelines, it is imperative that comprehensive, complex criminal investigations that link firearms trafficking organizations to drug trafficking activities and organizations be conducted in order to leverage the prosecutorial advantages afforded by a wider array of criminal and civil statutes.

Effective strategies set clear goals and performance measures. The ATF 2010-2016 Strategic Plan lists Interdiction and Prevention of Firearms Trafficking and the Advancement of Firearms Trafficking Intelligence Capabilities as Strategic Goals in our efforts to reduce the risk to public safety caused by firearms trafficking. Several performance indicators are also listed as a means of measuring our performance toward achieving our strategic goals. While performance indicators reflect a level of ATF efficiency and effectiveness, our overall value as a law enforcement agency will be reflected by our ability to reduce the frequency of gun

All Assistant Directors
All Field Operations Personnel

-3-

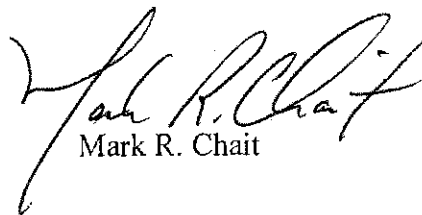
trafficking to Mexico by disrupting and dismantling the firearms trafficking organizations that provide firearms to targeted drug trafficking organizations.

Vital to our ability to track and report our progress is the timely and accurate reporting of information in our case management system (e.g., N-Force and N-Spect). The Cartel Strategy document and the attachments to this memorandum provide guidance on coding investigative activity in N-Force and N-Spect. Recent enhancements to N-Force allow us to document investigations involving Mexican cartels in the same manner as U.S. street gangs and outlaw motorcycle organizations. All special agents and industry operations investigators, but particularly those currently involved in Southwest border firearms trafficking and cartel related investigations and inspections, should be familiar with these procedures.

In addition, all special agents are encouraged to identify Southwest border firearms trafficking suspects in TECS, including case agent contact information, in order to gain intelligence information concerning border crossings, etc.

As a reminder, the June 25, 2009 memorandum entitled, "National Firearms Trafficking Enforcement Implementation Plan," pages 4 and 5, provided guidance and requirements regarding the proper documentation and supervisory review of all firearms trafficking investigations in N-Force. Field division management must ensure that these requirements are met on a continuing basis.

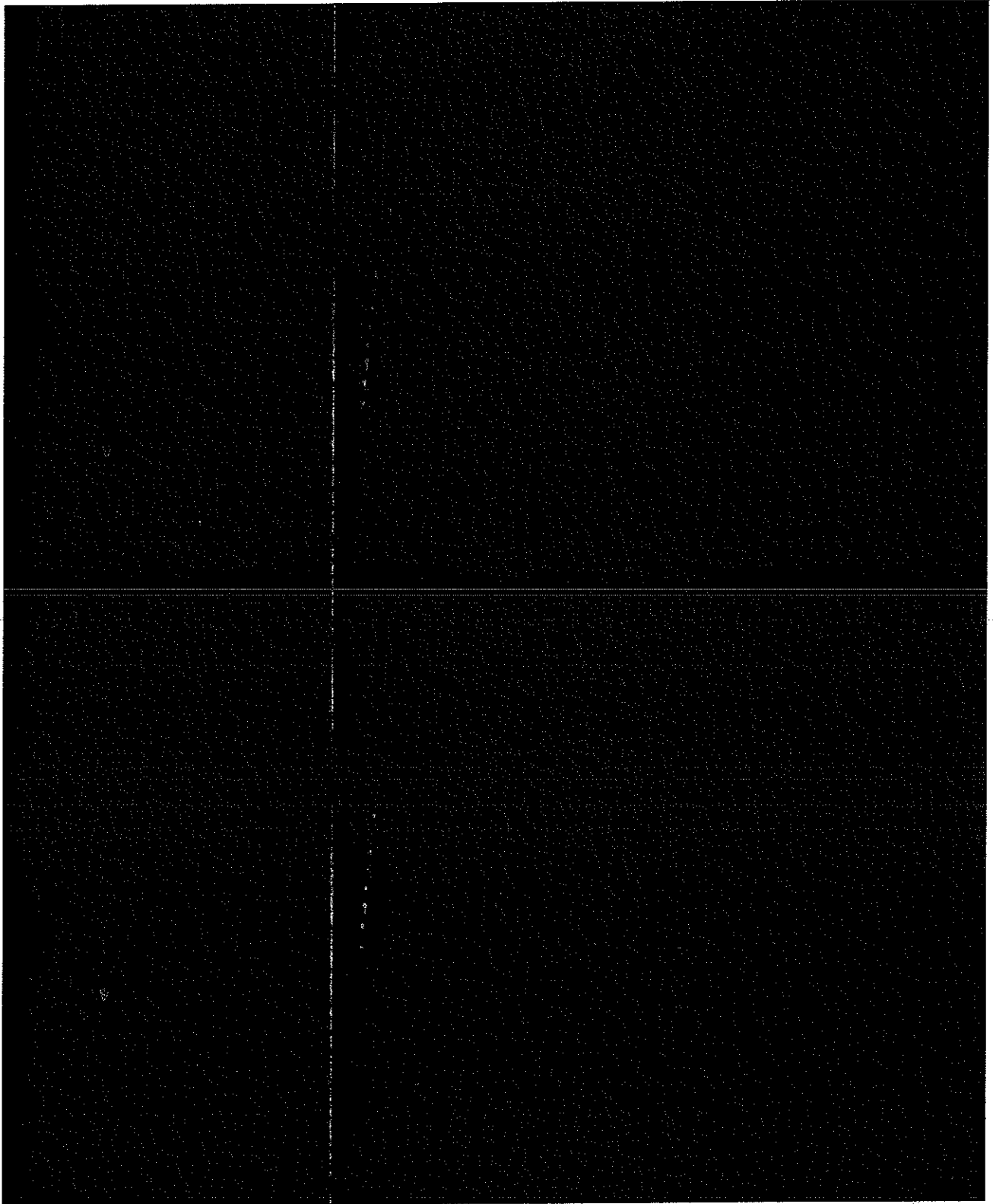
Please review the *Project Gunrunner - A Cartel Focused Strategy* document to ensure complete understanding of our revised priorities. Please address any questions about this material to the attention of Special Agent (b) (7)(C) ATF's Southwest Border National Coordinator at (202) (b) (7)(C) or (b) (7)(C) Chief, Firearms Operations Division at (202) (b) (7)(C)



Mark R. Chait

Attachments

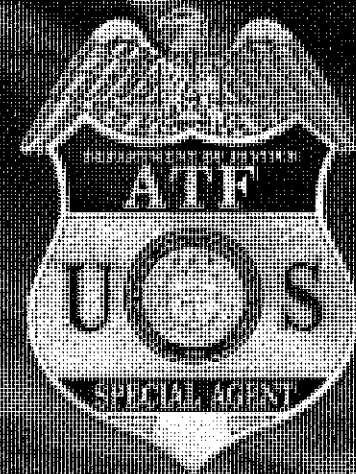
N-FORCE AND N-SPECT: CODING SOUTHWEST BORDER ACTIVITIES



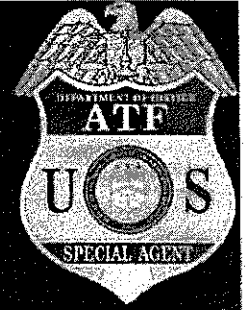
ATF's Project Gunrunner

&

OCDETF



Bureau of Alcohol, Tobacco, Firearms & Explosives
SAC Bill Newell
(702) 776-5400



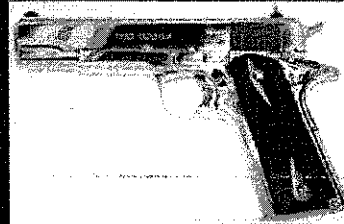
Today's Topics

- ATF's "Project Gunrunner"
- Current Gunrunner Trends (2008-Present)
- Firearms Trafficking by and for Mexican DTOs
- Nexus between Narcotics and F/As trafficking
- ATF's Efforts to Combat Firearms Trafficking
- Key role that OCDETF and Strike Forces can have in combating F/As Trafficking by DTOs

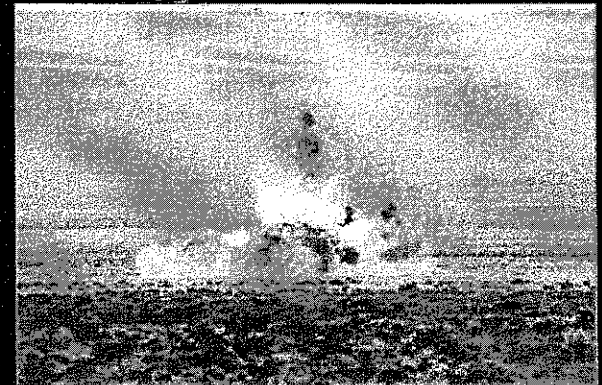
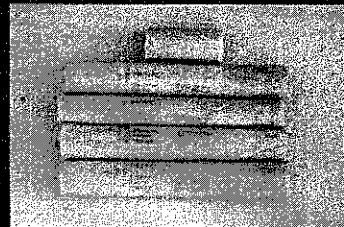
ATF's Mission

ATF enforces U.S. laws and regulations relating to:

- **FIREARMS**



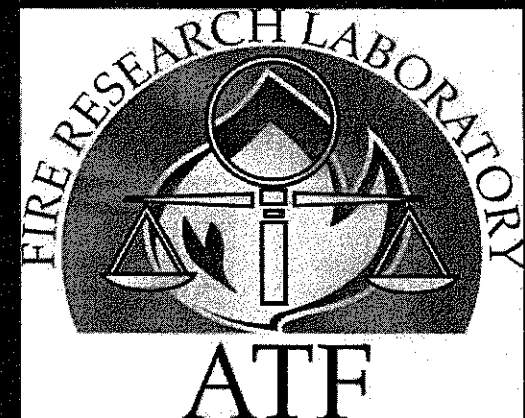
- **EXPLOSIVES**



- **ARSON**

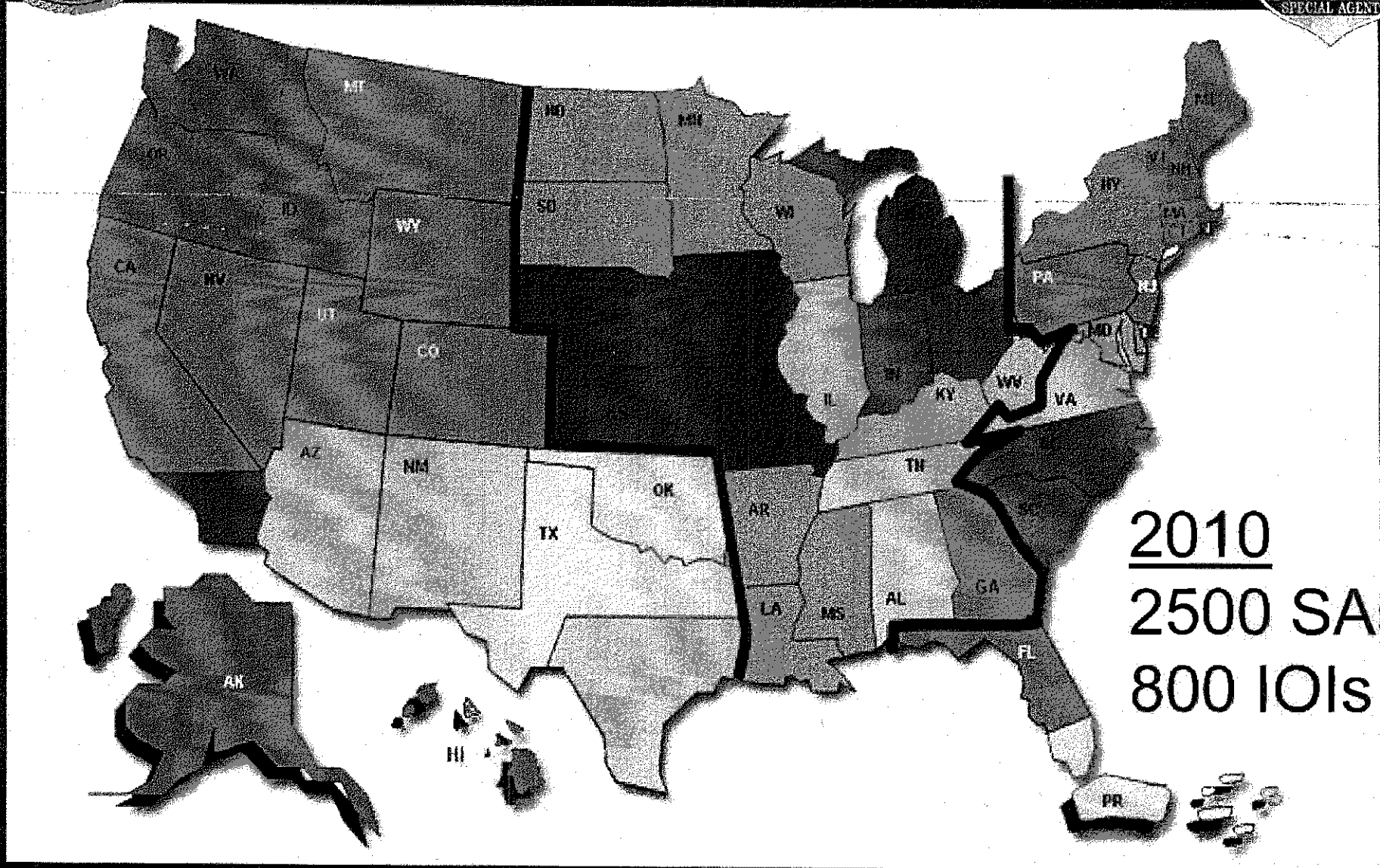
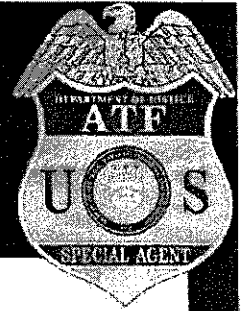
- **TOBACCO TRAFFICKING**

- **ALCOHOL TRAFFICKING**

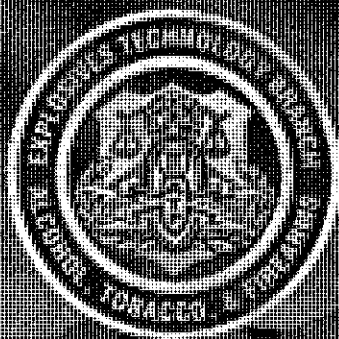
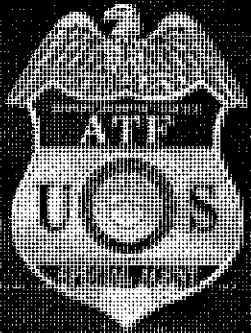




ATF Field Divisions (25)



ATF's Firearms Trafficking Efforts



- ATF's Primary Mission is F/As Trafficking and F/As related Violent Crime
- ATF's proactive approach:
 - Multifaceted Strategy
 - Criminal and Regulatory Enf.
 - Partnership with Industry
- Firearms Tracing (e-Trace)
 - Gang & DTO specific firearms
 - Connect Source(s) to Gangs & DTOs
- Multi-agency investigations

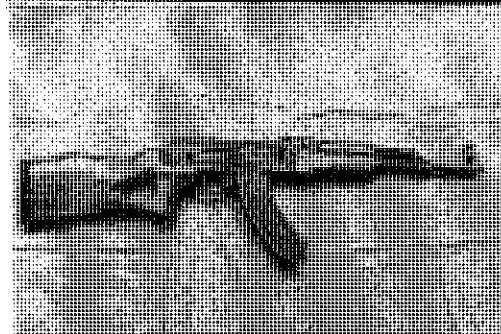
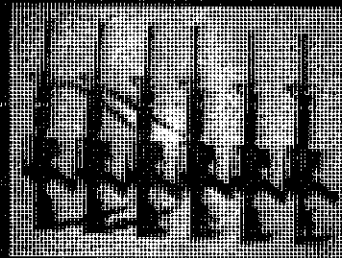
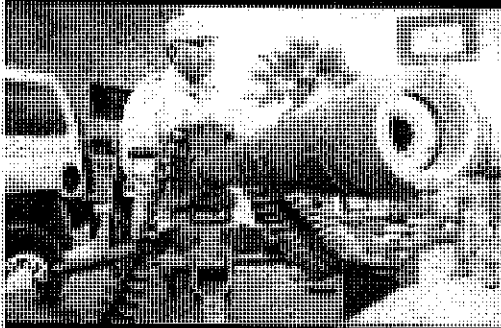
Firearms Trafficking

- Taking F/As from legal to illegal markets
- How violent criminals get their tools of the trade
- **BY** and **FOR** Gangs & DTOs
- Can be **Intrastate, Interstate and International**
- **By unlicensed persons:** Straw Purchasers, Traffickers, Dealing Firearms w/o a FFL, etc.
- **By Licensed firearms dealers:** Falsifying Records, Aiding and Abetting Straws, Conspiracy
- Eliminating the illegal **SOURCE** is the **KEY!!**
- Tracing Crime Guns is **CRITICAL** (eTrace)

Firearms Trafficking Indicators

ATF looks for patterns, including:

- **Time to Crime (< 3 yrs)**
- **Weapons of Choice**
- **Multiple Sales**
- **Multiple Recoveries**
 - assoc w/ same buyer
 - assoc w/ same address
- **Age and Sex of buyer**
- **Cash only transactions**
- **Obliterated Serial #s**

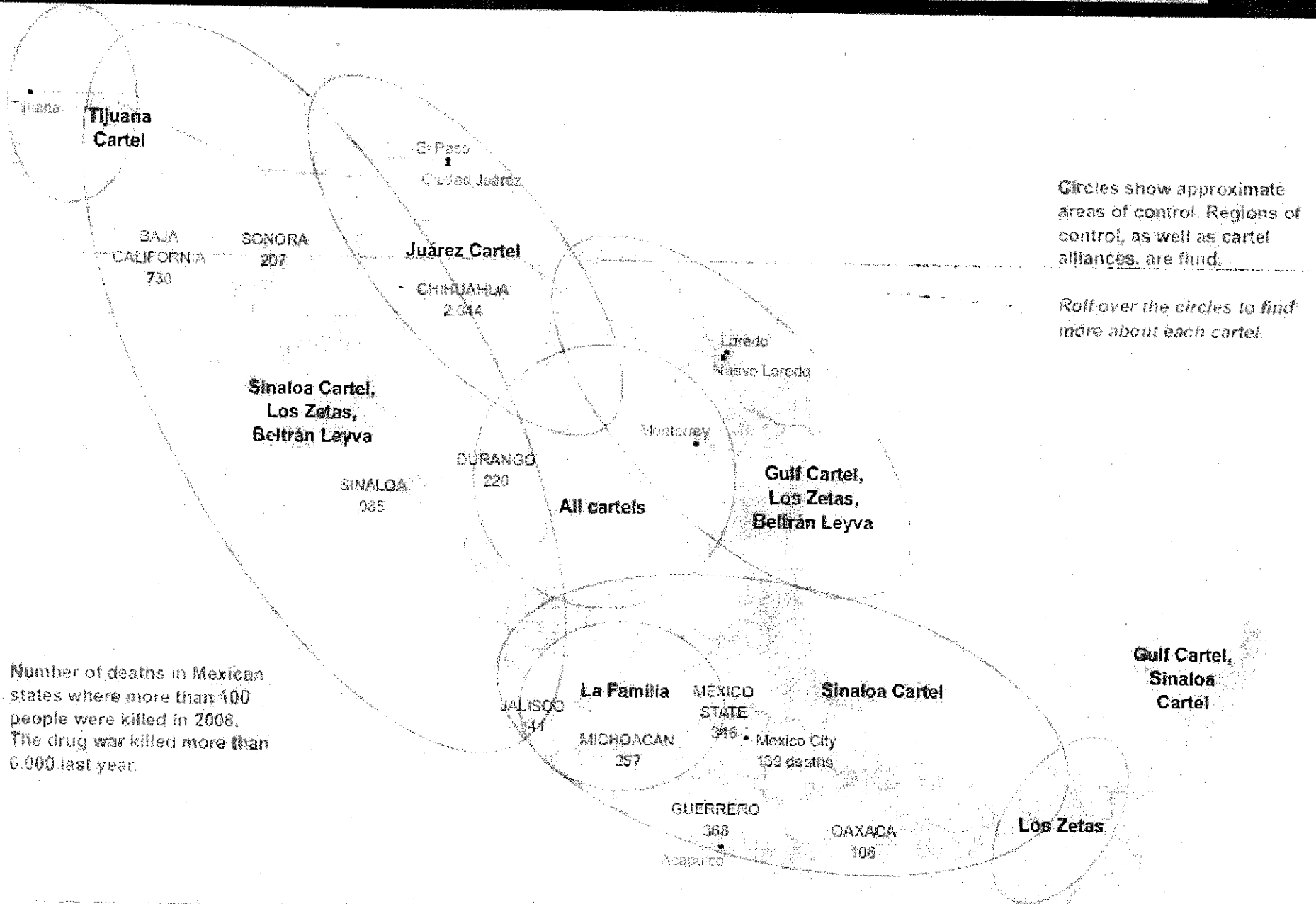


Federal Firearms Laws

ATF derives its firearms enforcement authority from the following Federal firearms laws & regs:

- Gun Control Act (1968) – Expanded licensing and records keeping authority. Created “Prohibited Persons” violations (Felons, Illegal Aliens, etc.)
- National Firearms Act (1934) – Imposed tax on transfer of certain types of firearms and destructive devices. (Machineguns, Silencers, Pipe Bombs, etc)
- Title 28 United States Code § 599A – Moved ATF from Treasury to DOJ and delegates to ATF through the AG the responsibility to investigate criminal and regulatory violations of the Federal firearms, explosives, arson, alcohol, and tobacco smuggling laws; and any other function related to the investigation of violent crime or domestic terrorism that is delegated to ATF by the Attorney General.
- Regulation of Federal Firearms Licensees (FFLs) - The regulation of the firearms industry is within the sole purview of ATF.

Mexican DTOs Area of Influence



Mexican DTOs Area of Influence

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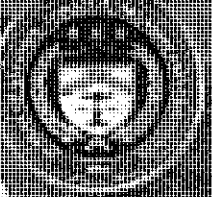
Source: National Drug Intelligence Center Field Intelligence Officer interviews of local law enforcement agencies and Organized Crime Drug Enforcement Task Force reporting from August 2003 through December 2009.

LAW ENFORCEMENT SENSITIVE

FIREARMS TRAFFICKING

SOUTHWEST BORDER ENFORCEMENT COORDINATING CENTER

2007-2008



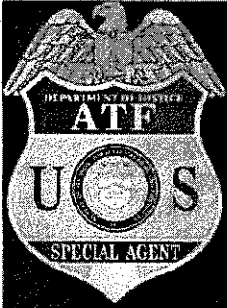
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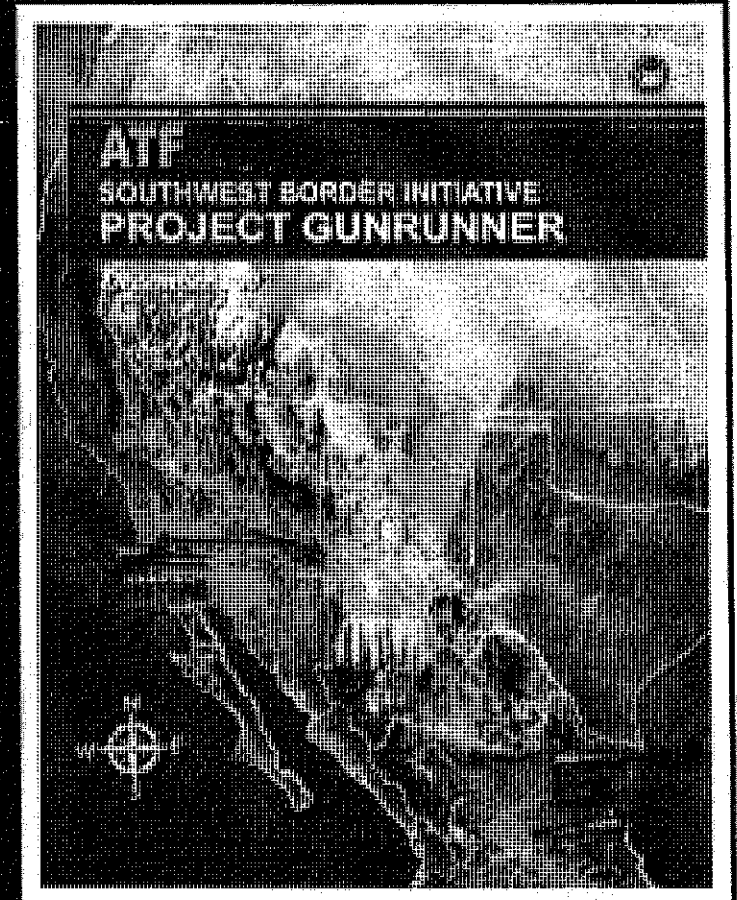
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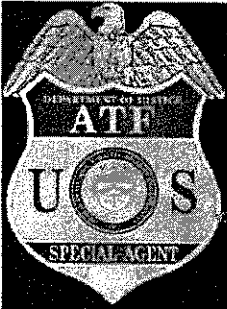


Project Gunrunner Four Main Objectives:



- Identify and Investigate those responsible for F/As trafficking along the SWB border & to Mexico
- Coordinate with U.S. and Mexican LE in firearms and violent crime cases
- Train U.S. and Mexican LE to identify F/As traffickers & provide outreach education to FFLs
- Trace all firearms to identify trends, traffickers, patterns, and networks

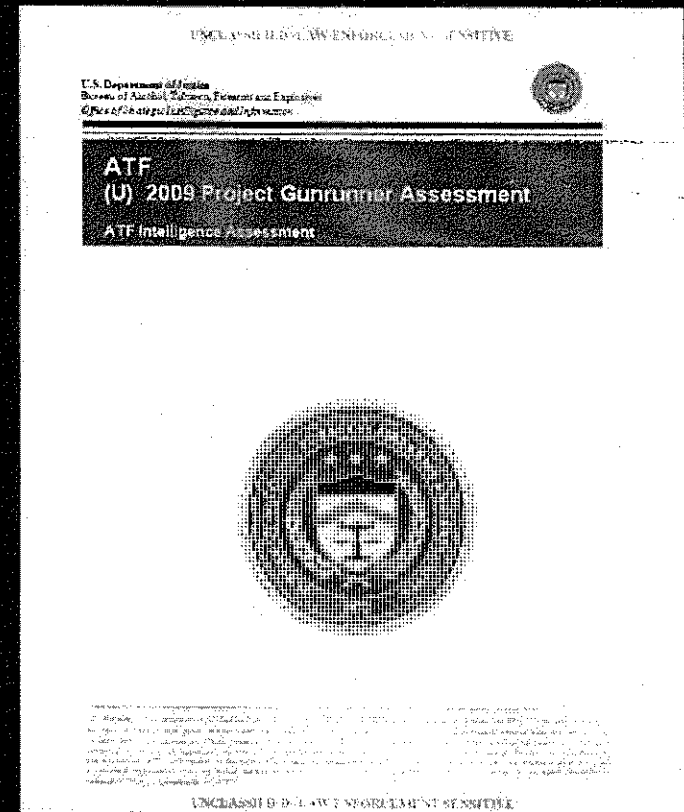




Project Gunrunner DTO Specific Patterns



- Use of ATF data, tools and resources to identify firearms trafficking **BY** and **FOR** Mexican DTOs
- Use of this data to focus those investigations with a direct nexus to Mexican DTOs
- Work closely with U.S. and Mexican Federal partners to further establish links and disrupt trafficking patterns





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Battle continuing against gun sales

By **BOB DUKE**

Herald-Post Washington Bureau

WASHINGTON — The U.S. Bureau of Alcohol, Tobacco and Firearms (BATF) is waging a relentless campaign to halt the sale of American weapons to terrorists, bandits and guerrillas in Mexico, a bureau official said yesterday.

BATF Director Rex D. Davis told the Senate investigation subcommittee that the drive was initiated in December, 1972, following complaints from the Mexican attorney general.

"WE TOOK THIS action because we were receiving information that guns were illegally moving into Mexico and because some information indicated that they were being traded for narcotics which would be brought into this country," he said.

The subcommittee, headed by Sen. Sam Nunn, D-Ga., is investigating action being taken by federal law enforcement agencies to prevent the exchange of U.S. weapons for Mexican heroin, cocaine and marijuana.

Today, subcommittee members were to meet behind closed doors to hear testimony from Michael J. Williams, alias Michael J. Decker, a former DEA informant from Albuquerque.

WILLIAMS, 28, FACES state charges of murder and bank robbery in Albuquerque. He is accused of slaying Albert Montoya in Albuquerque last Oct. 2, and of robbing the Sandia Plaza branch of the First National Bank in Albuquerque last Thursday. He surrendered to Albuquerque police several hours after the robbery.

Owen Malone, the subcommittee's assistant counsel, said Williams would not be available for questioning by reporters.

"This is a very sensitive matter," Malone said.

IN HIS TESTIMONY, Davis said the BATF actually began looking into the sale of American weapons to Mexican nationals as early as July, 1971.

At the time, agents investigated

(Continued on Page A-7)

Mexican gun trade is crackdown target

Continued
from Page 1

several firearms dealers in Texas, including four of the largest dealers in El Paso, who he refused to name.

The investigating involved both legal and illegal purchases of guns by Mexican nationals.

OF THE FOUR EL PASO dealers, one had sold more than 7,000 firearms in a year, Davis said. The investigating showed that 90 per cent of the weapons sold in El Paso eventually were exported to Mexico.

"In another investigation over 95 per cent of the sales were to Mexican nationals, and in another it was found that all of the sales were to Mexicans," Davis said.

He said the 1968 Gun Control Act provides the BATF with statutory power to conduct an enforcement program to cope with illegal international gun-running activities originating in the United States.

FIREARMS ILLEGALLY EXPORTED from this country usually are illicitly acquired in the United

States in violation of the act, Davis said.

"By exercising our right of inspection under the federal laws and regulations, we can verify the accuracy and authenticity of the acquisition and disposition of firearms by the license dealers..." he said.

Davis said there are four ways in which guns are obtained for movement into Mexico:

- The licensed dealer, acting in collusion with a Mexican resident, deliberately falsified his firearms records to either show that he did not acquire the firearms, or that they were sold to U.S. citizens.

- A U.S. citizen is induced by means of collusion between the dealer and the Mexican resident to use his name on the dealer's records as the party to whom the firearms were sold but with actual delivery of the guns being made to the Mexican resident who also pays for the weapons.

- A U.S. citizen legally acquires the firearms from a licensed dealer in his own name, but resells them to a Mexican resident.

- A Mexican national uses false

identification to establish his eligibility to buy a gun.

BATF'S PRIMARY RESPONSIBILITY is in controlling the illegal disposition, acquisition or possession of guns in this country, Davis said.

He said the illicit export of American firearms actually is under the jurisdiction of the U.S. State Department. However, the department has asked the U.S. Customs Service to enforce the law in its behalf.

"It is our contention that the major approach to solving the guns-to-Mexico problem is to identify sources in the United States and close them, along with the interdiction of the firearms already acquired before they reach the border," Davis said.

Earlier yesterday, Drug Enforcement Administration (DEA) Director Peter Bensinger warned that the exchange of American weapons for Mexican drugs is a growing problem which requires the combined efforts to the DEA, BATF, Customs Service and Department of Defense.

BENSINGER QUOTED MEXICAN authorities as saying that

U.S. weapons had been used by terrorists, bandits and guerrillas in clashes with Mexican police. The weapons range from stolen Army M-16 rifles and rocket launchers to common handguns and light machineguns, he said.

Meanwhile, Customs Service Commissioner Vernon D. Acree said his agency had been aware of the smuggling of American weapons into Mexico, but is uncertain of the seriousness of the problem.

"As to the magnitude of guns and narcotics, our records show very little evidence of such activity," Acree said.

The investigations subcommittee is under the Senate Government Operations Committee.

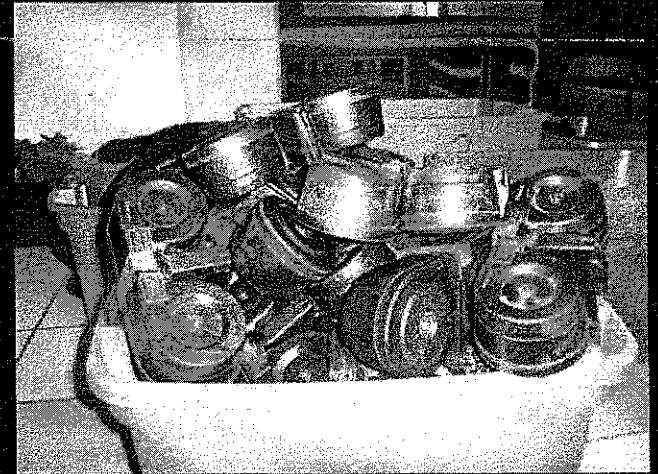
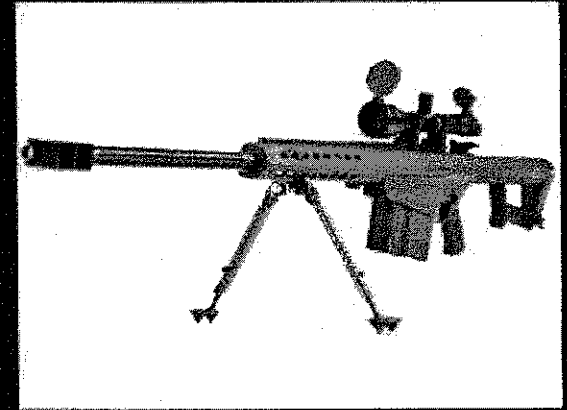
Sen. Lloyd Bentsen, D-Tex., intends to reintroduce a bill requiring military installations to exercise tighter security over military weapons.

Do you know? ...

Measurements of the moon's atmosphere indicate that air pressure there is less than one one-hundred-billionth of that on earth.

Current Trends

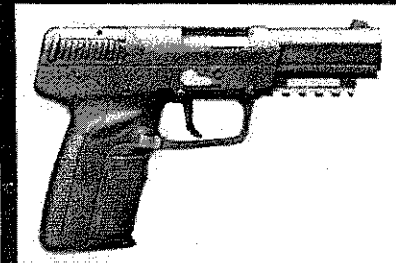
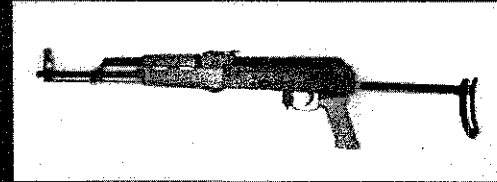
- *Weapons of Choice* traffic increase
- Shorter “Time-To-Crime”
- Increased interest in .50 caliber rifles
- Structuring of Multiple Purchases
- Increased serial number obliterations
- Drum magazines (50-100 rounds)
- Increased use of military ordnance
- Use of alternate trafficking routes
- Price increase in f/as and ammo
- Tactical equipment purchasing
- Car bombs a new tactic



Current "Weapons of Choice"

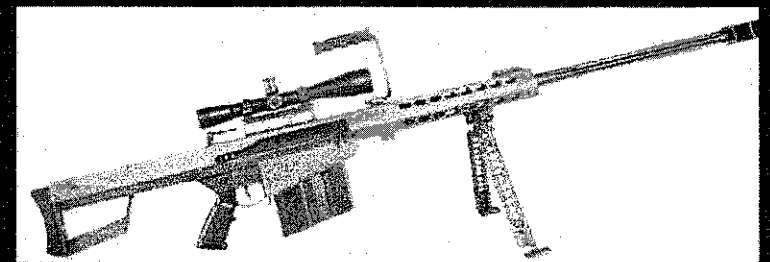
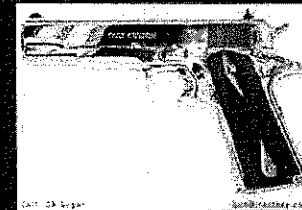
Primary Weapons of Choice

- .223 caliber rifles
- 7.62 x 39mm caliber rifles
- 5.7 x 28mm caliber pistols and rifles
- .50 caliber rifles
- 9mm and .40 caliber pistols
- .38 Super caliber pistols

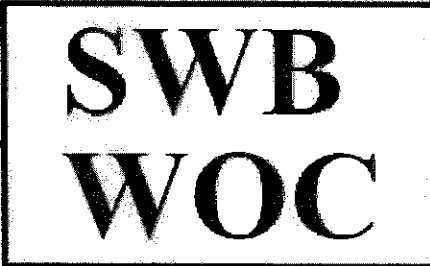


Secondary Market Weapons of Choice

- .223 caliber rifles
- 7.62 x 39mm caliber rifles
- .50 caliber rifles
- 9mm and .40 caliber pistols
- .45 caliber pistols



U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
National Tracing Center Division



ATF SOUTHWEST BORDER INITIATIVE PROJECT GUNRUNNER WEAPONS OF CHOICE

Firearms Markings

Licensed Manufacturer

Marking Requirements

Licensed Importer

Marking Requirements

Pistols

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

Model 1911 Type Pistols

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

.38 Super Pistols

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

Long Guns

AK47 Type Rifles

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

AR-15 Type Rifles

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

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(b) (7)(E)

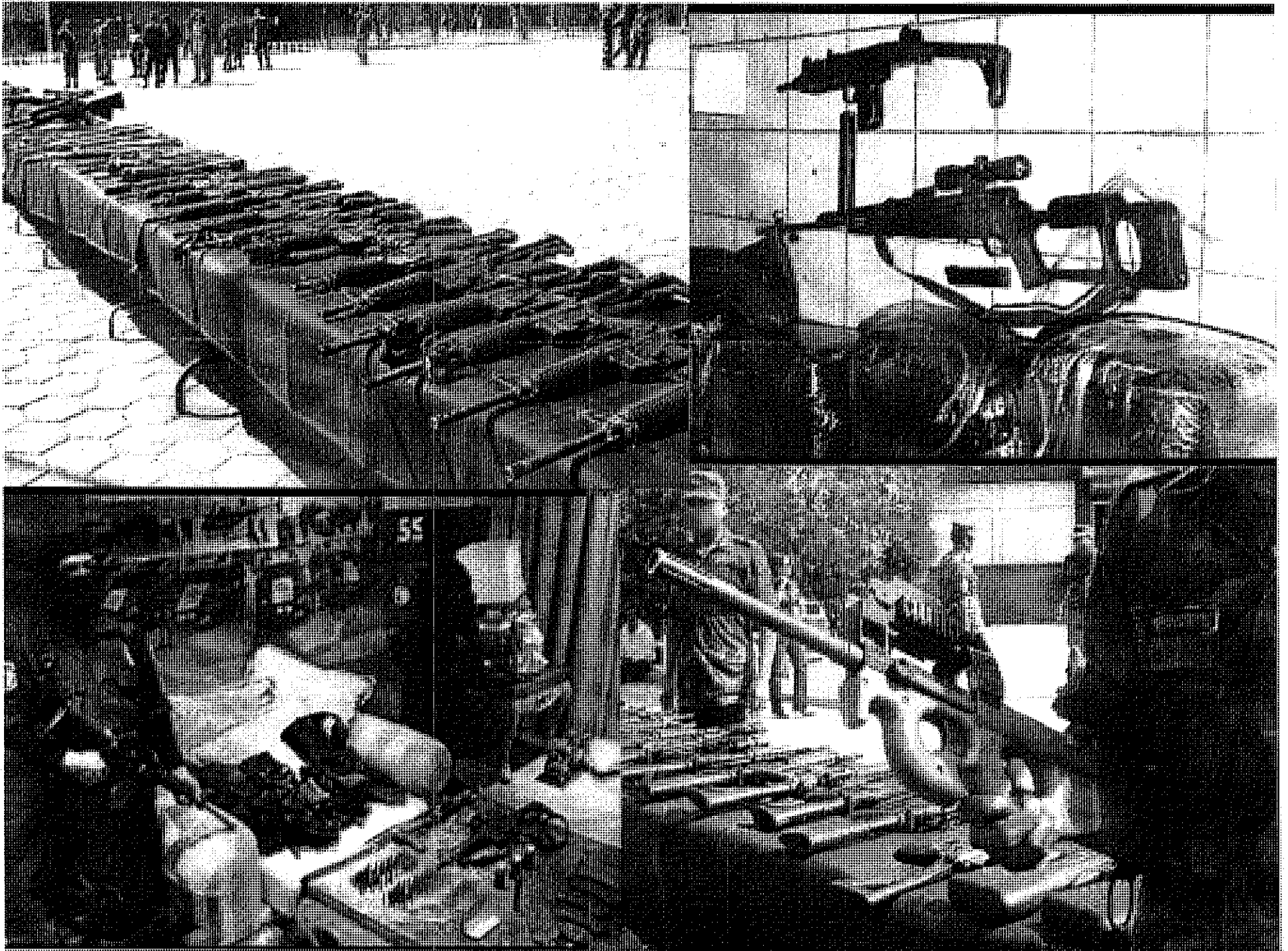
(b) (7)(E)

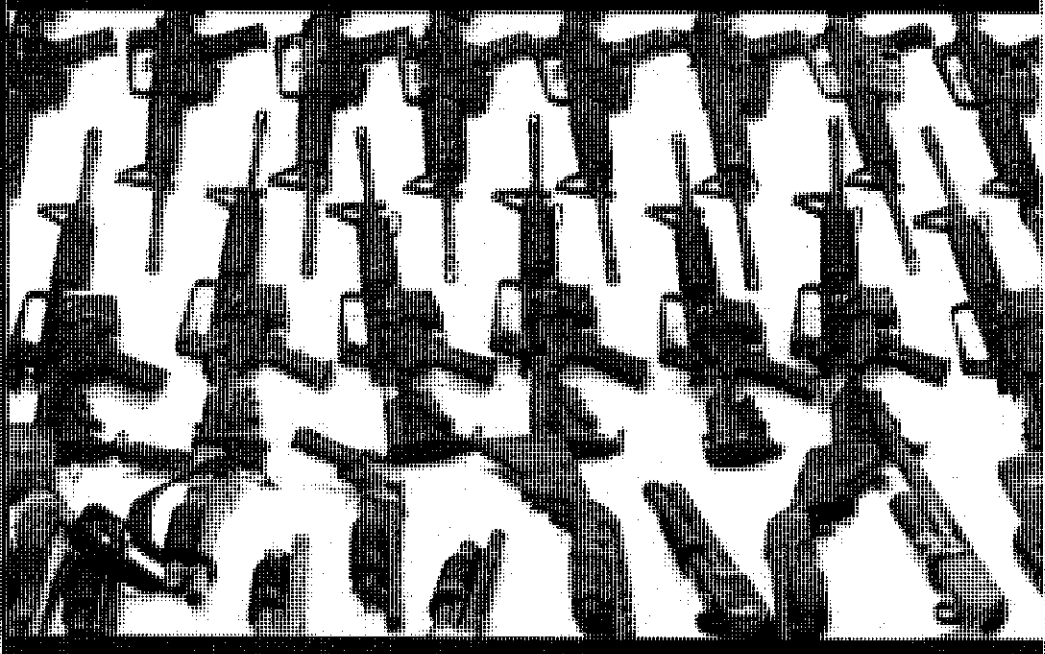
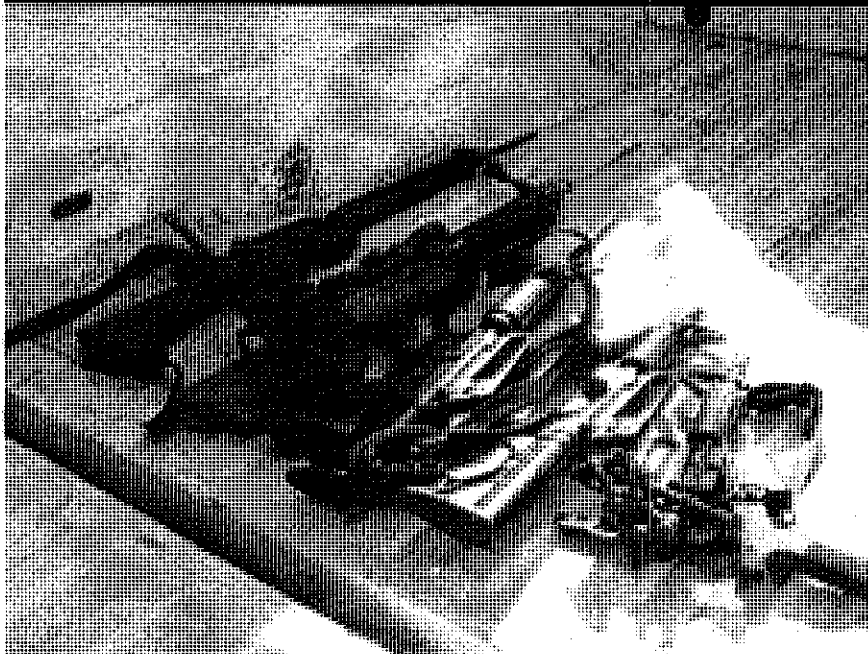
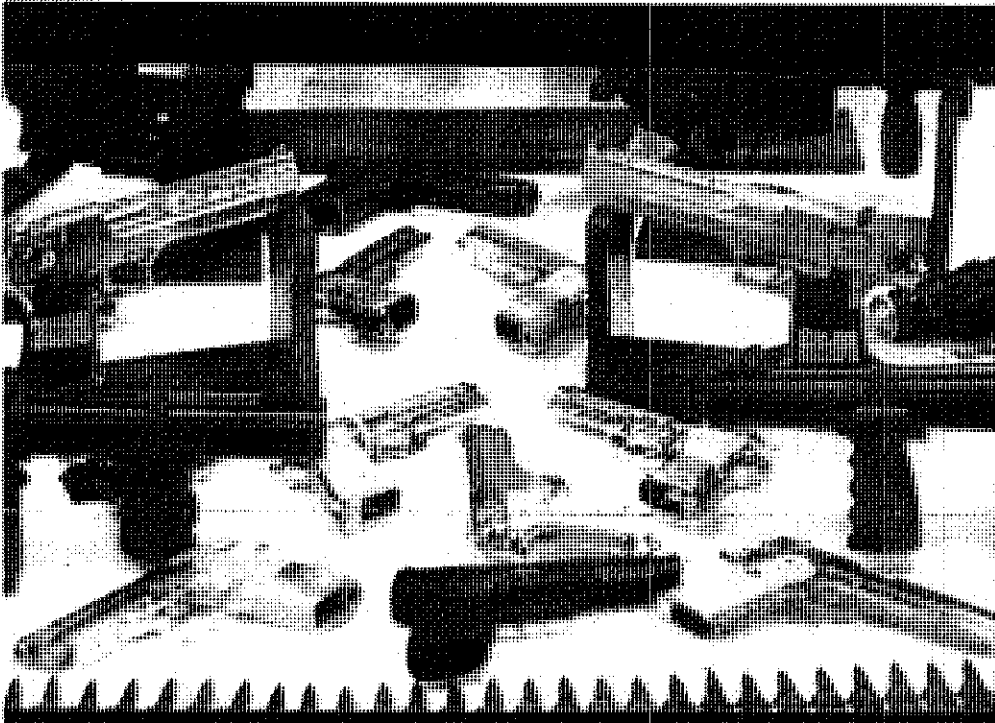
(b) (7)(E)

LAW ENFORCEMENT USE ONLY

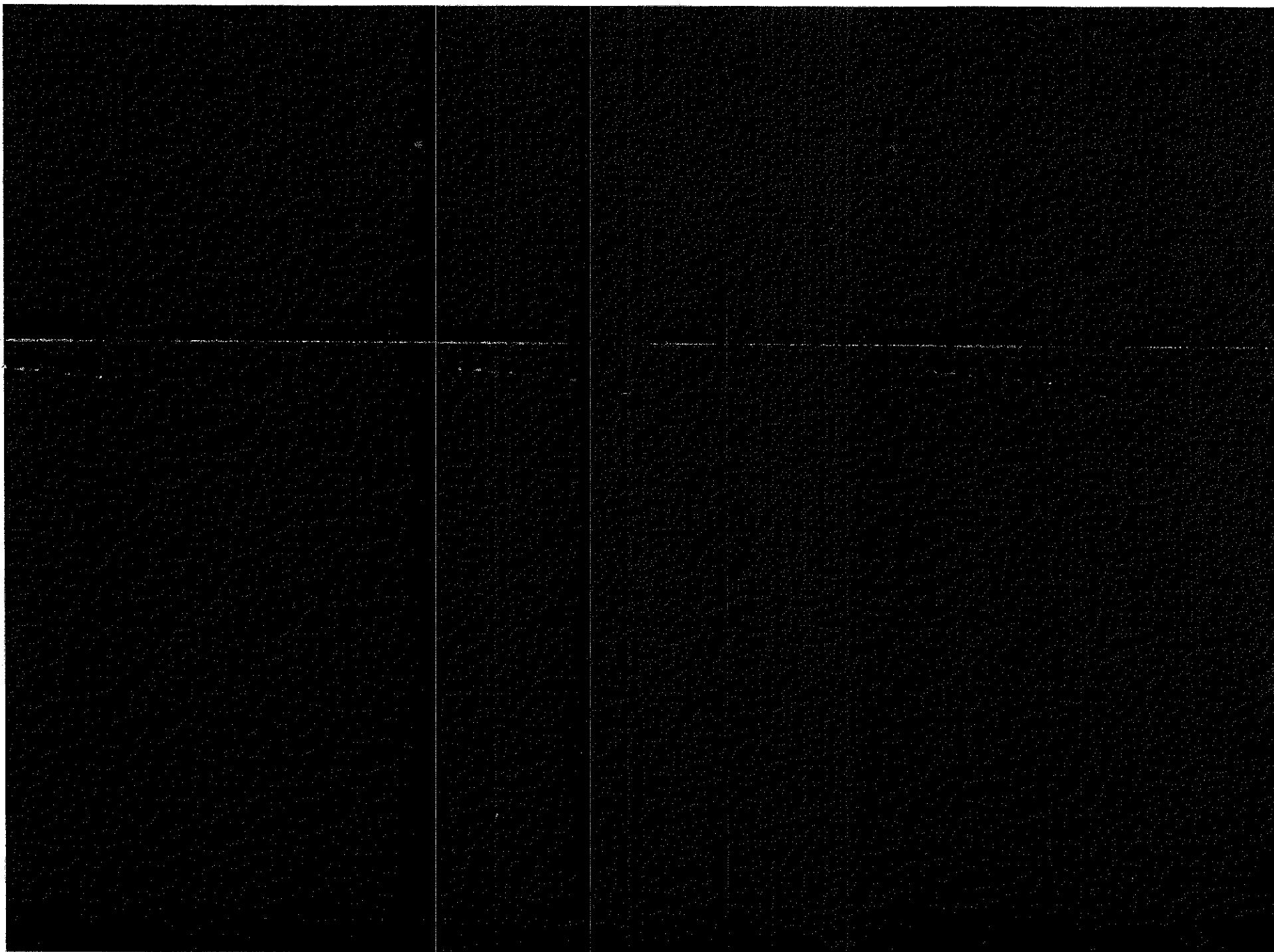
Recent Mexican Firearm Seizures











And it's not just Mexico – Tucson Seizure



(b) (7)(E)

- 12 RomArm AK-47 type rifles
- 5 Handguns
- 1 Cobray CM-11 9mm pistol
- 40 empty AK-47 boxes
 - Only 1 matched box info
 - Immediate ATF Suspect Gun Database "hits"
- Large # of 75 round mags

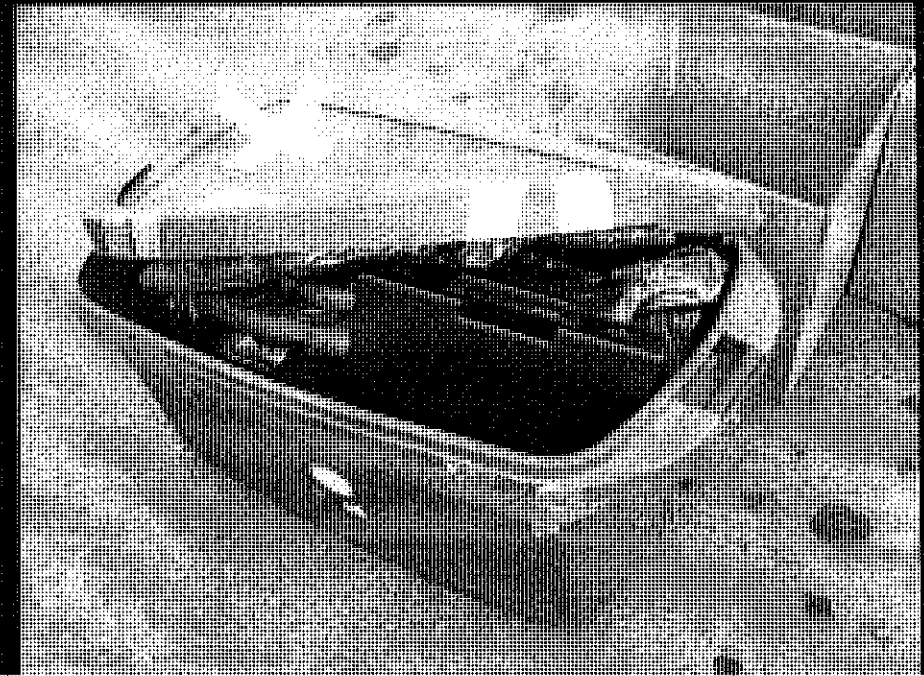
(b) (7)(E)

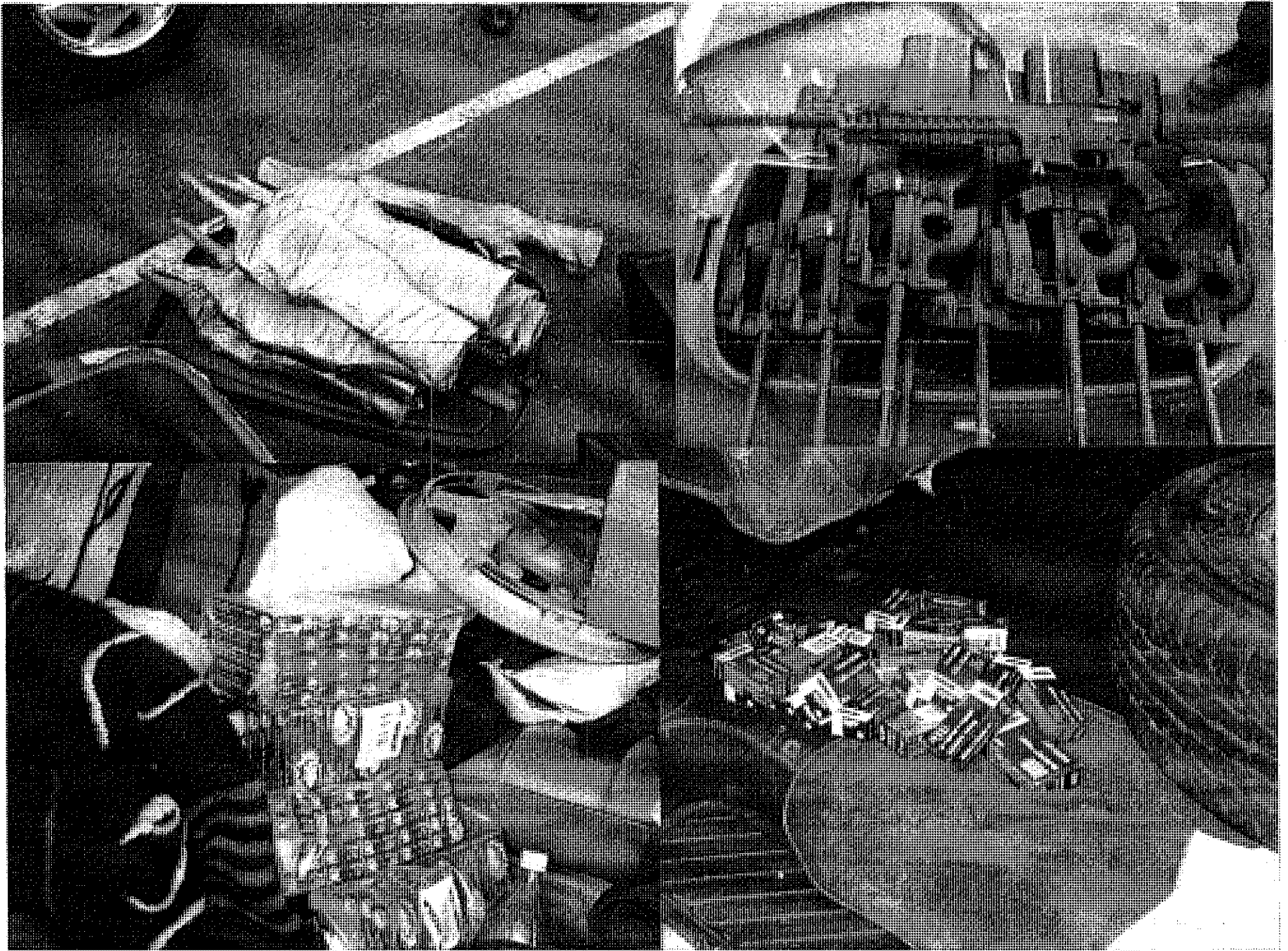


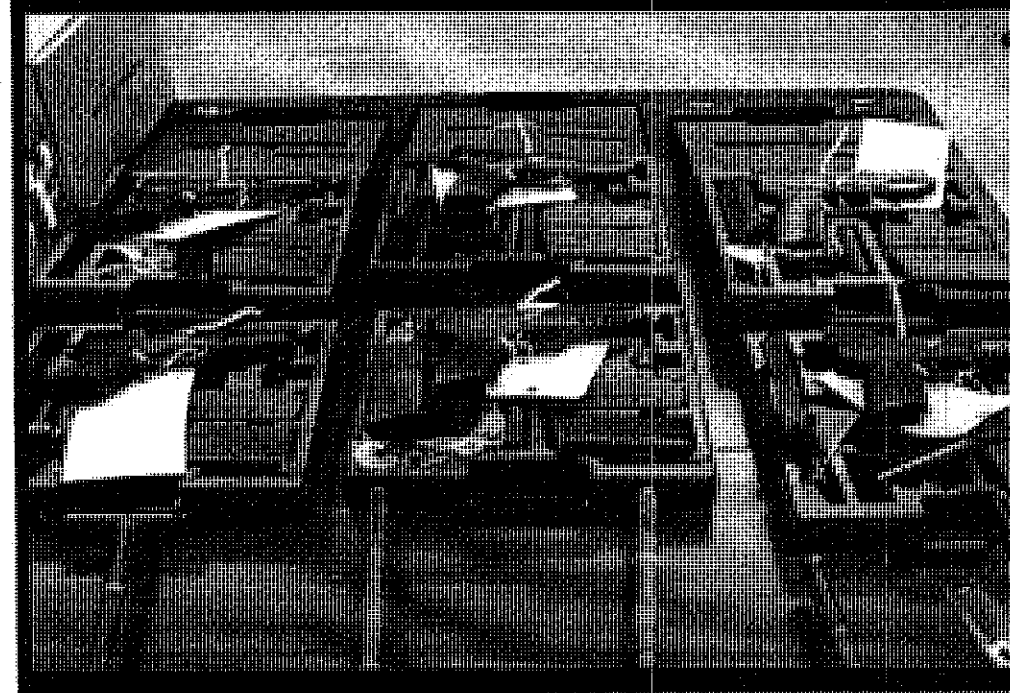
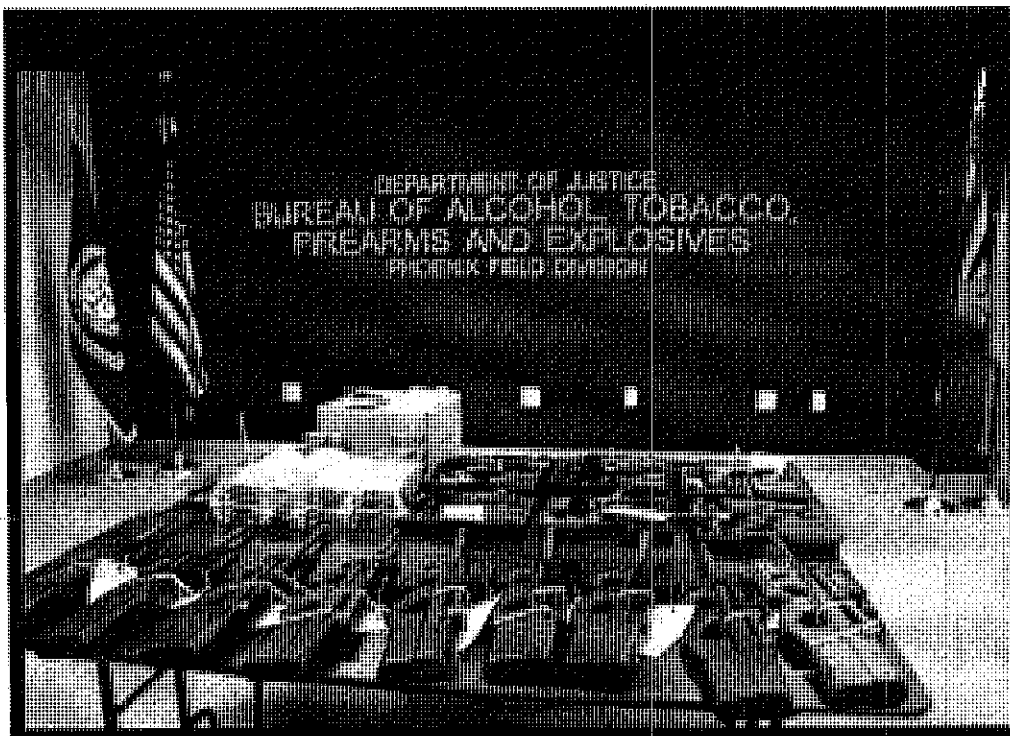


ATF - Phoenix

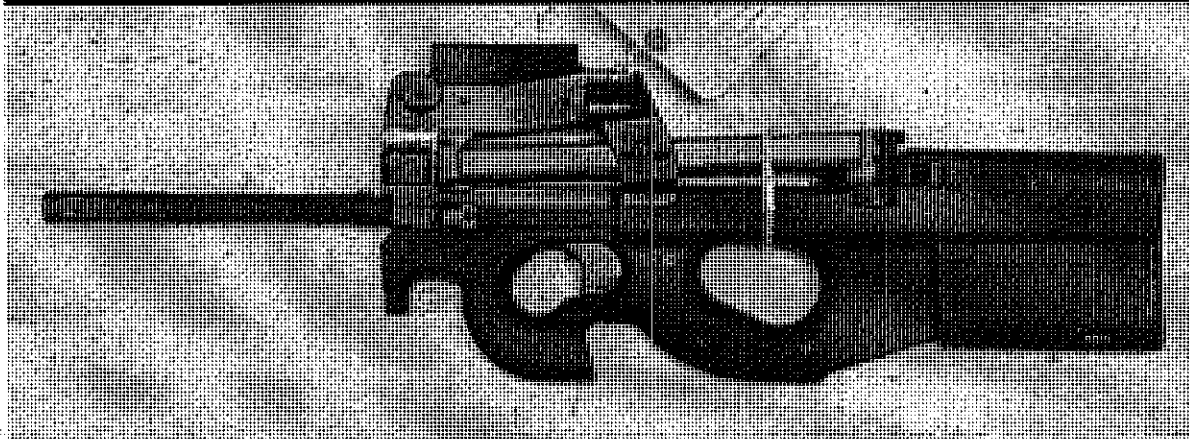
- 8 - FN PS90 5.7x28mm rifles
- 6 - FN 5.7x28mm pistols
 - (All FAs had obliterated S/Ns)
- 1 - Barrett 6.8mm rifle
- 23K rds of 5.7x28mm ammo







Fabrique Nacional (FN) Pistolas y Fusiles 5.7x28mm

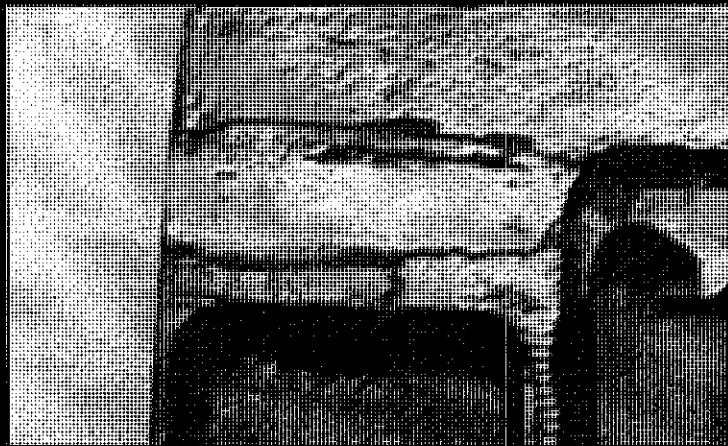


5.7x28mm
SS197SR Sporting Cartridge
High Performance Ammunition
40 gr. Hornady V-Max™ Bullet
50 Cartridges
Product No. 10900017

FNH USA

Obliterated Serial Numbers

Guns with obliterated serial numbers should be routinely traced by law enforcement. There is a **STRONG** possibility of raising at least a partial serial number in most cases. Obliterated serial numbers are the single strongest indicator of firearms trafficking!

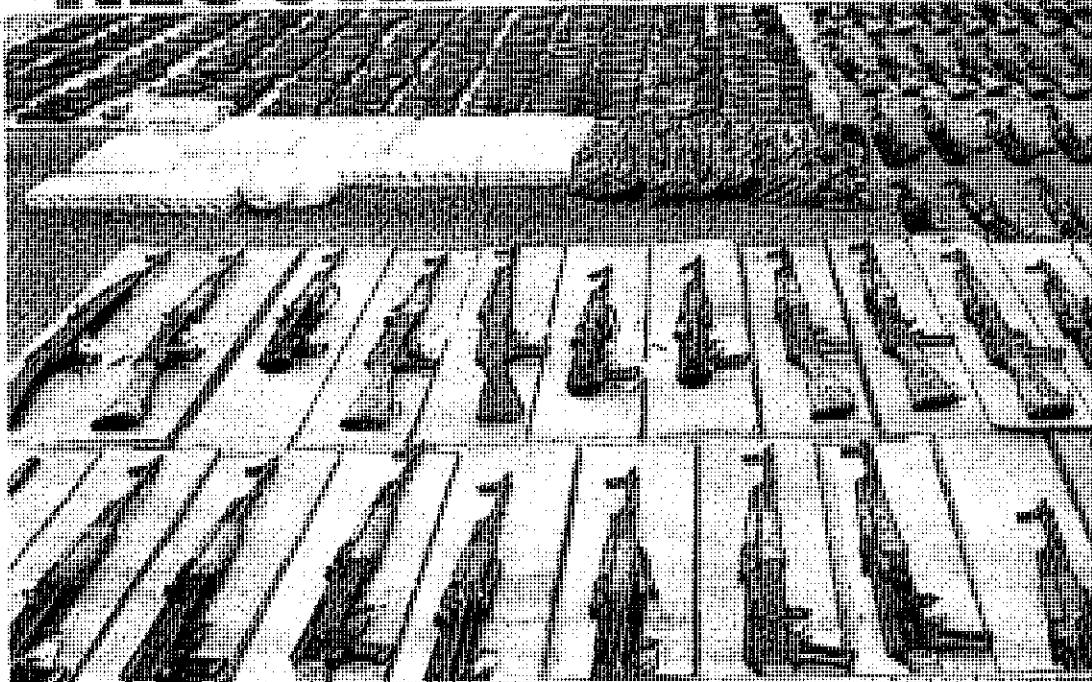


**Laredo, Texas
May 30, 2010**

(Links to active Phoenix
OCDETF Strike Force case)



RECORD GUN BUST



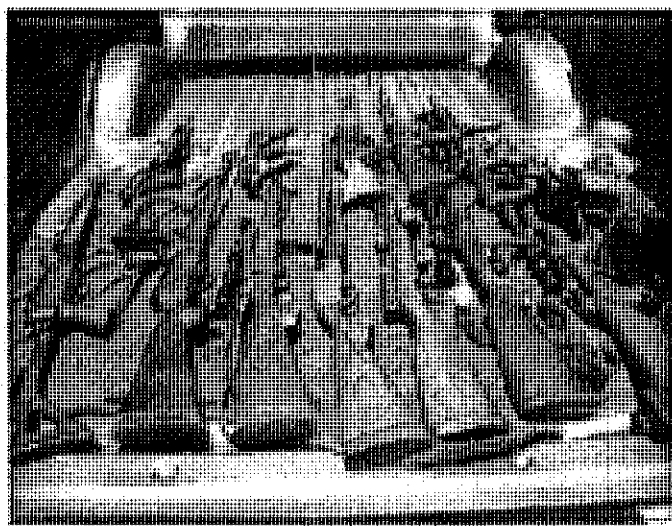
- 147 Romanian WASR
GP 10/63 AK-47 rifles
- 263 magazines
- 10,000 rounds of ammo

(b) (7)(E)

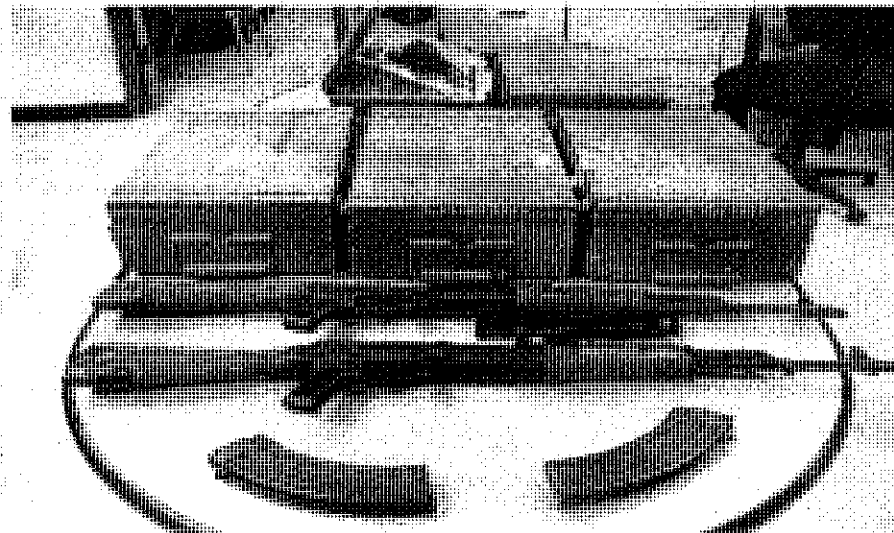
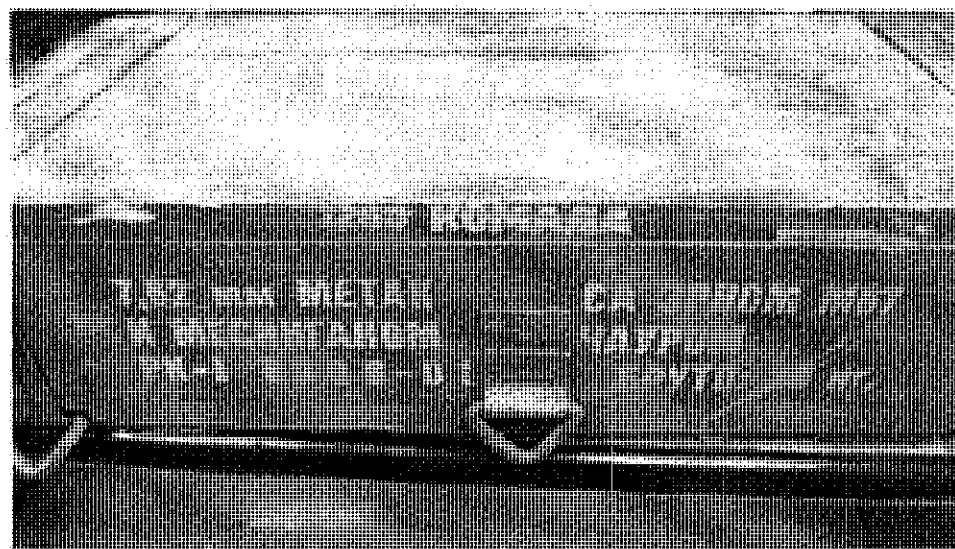
(b) (7)(E)



May 20, 2010 - La Pryor, Texas



June 15, 2010 - Eagle Pass, Texas

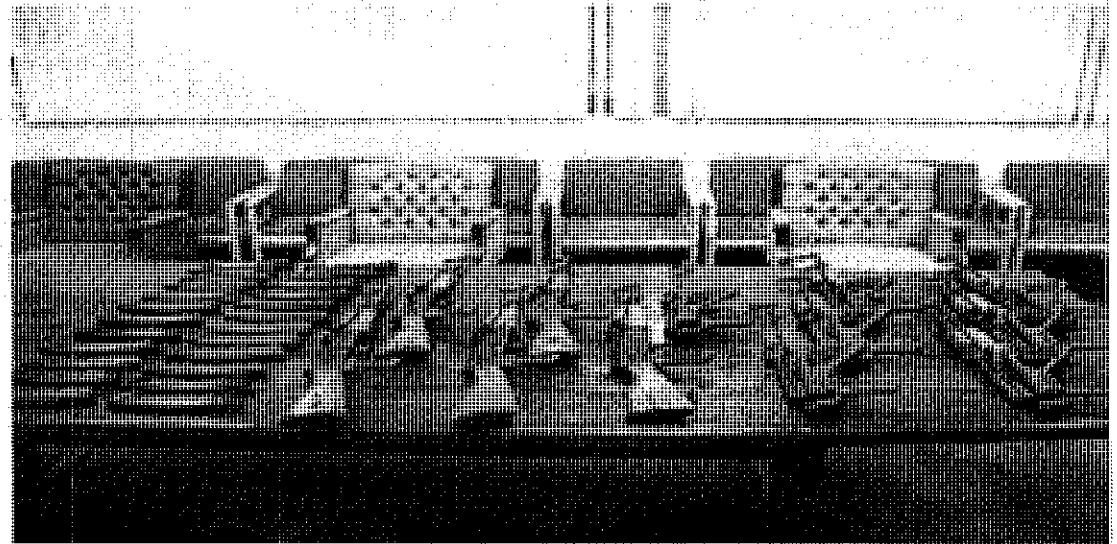


July 06, 2010-Pharr, Texas

(b) (7)(E)



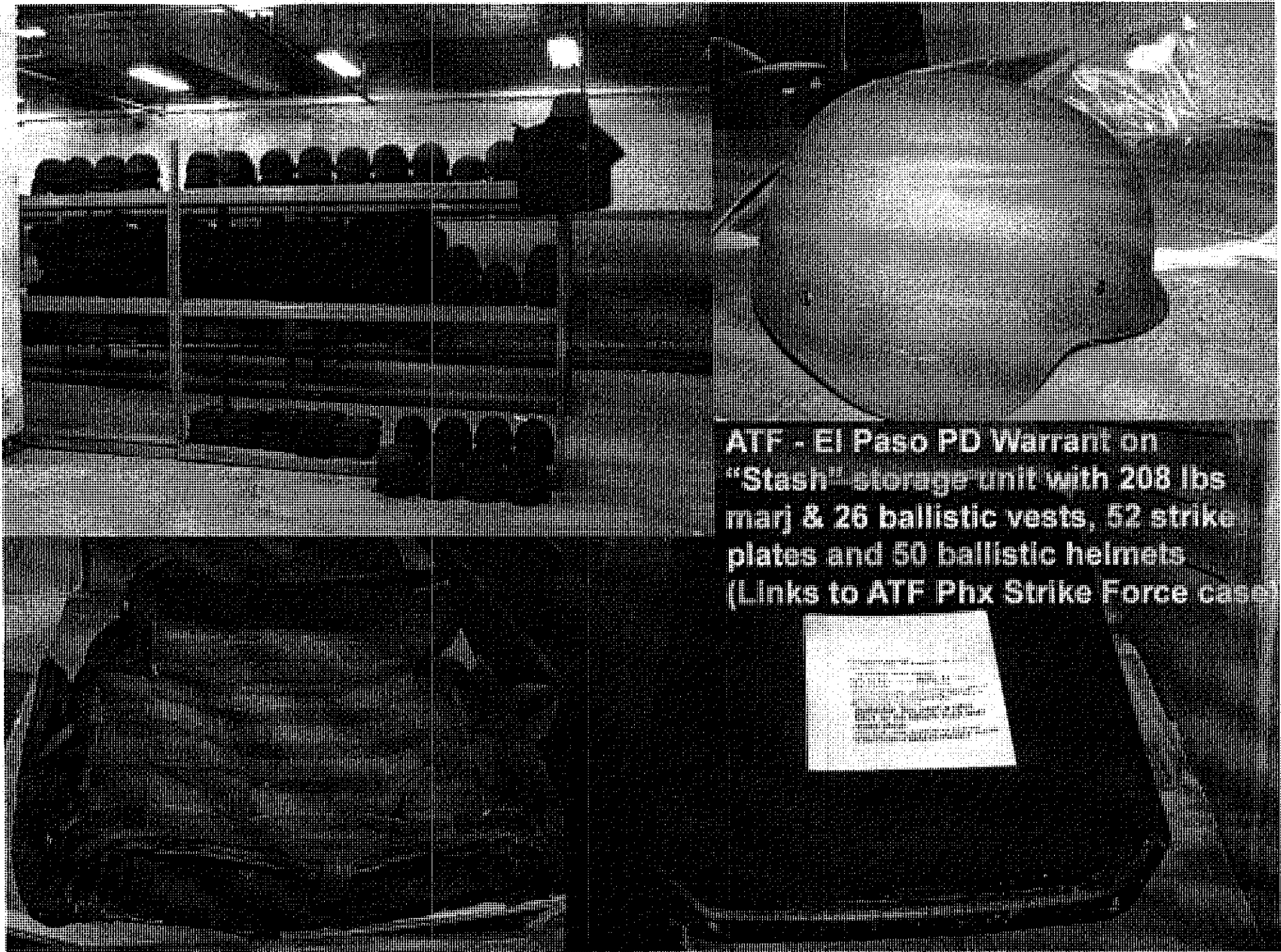
(b) (7)(E)



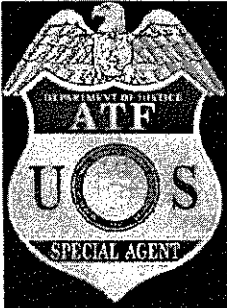
August 08, 2010-Lukeville, AZ

Pinal County, AZ
Sheriff's Office cameras
March, 2010
11:14pm

(b) (7)(E)(b) (7)(E)



ATF - El Paso PD Warrant on "Stash" storage unit with 208 lbs marj & 26 ballistic vests, 52 strike plates and 50 ballistic helmets (Links to ATF Phx Strike Force case)

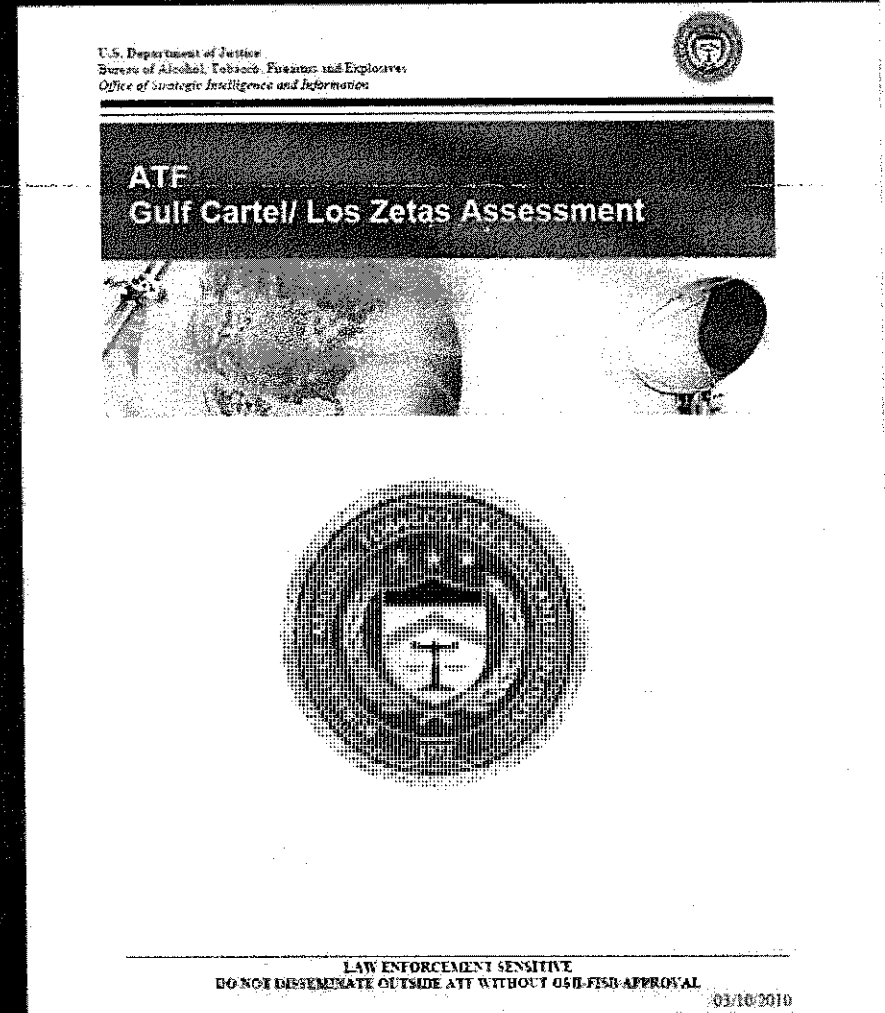


DTO Specific Patterns

“ZETAS”



- '98-'00 Gulf Cartel led by Osiel Cardenas Guillen recruited former GAFES members
- Role of enforcers for Gulf DTO
- Rank based on original #
- Known for violence/viciousness
- '08-'09 ZETAs branched out
- Link with Guatemala Kaibiles
- Grenade seizures



ZETAs in the U.S.

LAW ENFORCEMENT SENSITIVE

(b) (7) (E)

(b) (7) (E)

(b) (7) (E)

Source: National Drug Intelligence Center
Field Intelligence Officer Interviews of local
law enforcement agencies and Organized
Crime Drug Enforcement Task Force reporting
from August 2008 through December 2009.

(b) (7) (E)

LAW ENFORCEMENT SENSITIVE

HOCR ATF - 000152

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

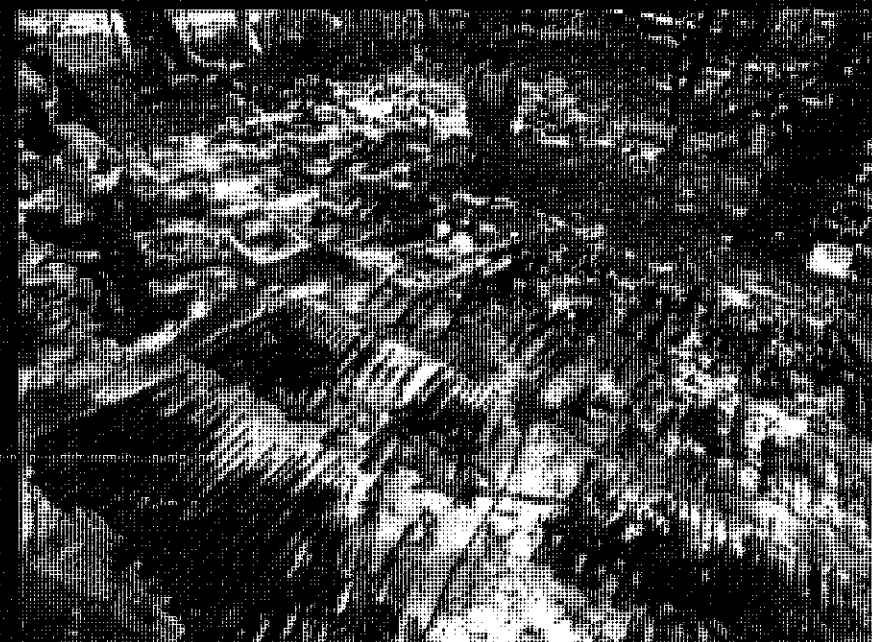
May 11, 2010 Higuerras, Nuevo Leon

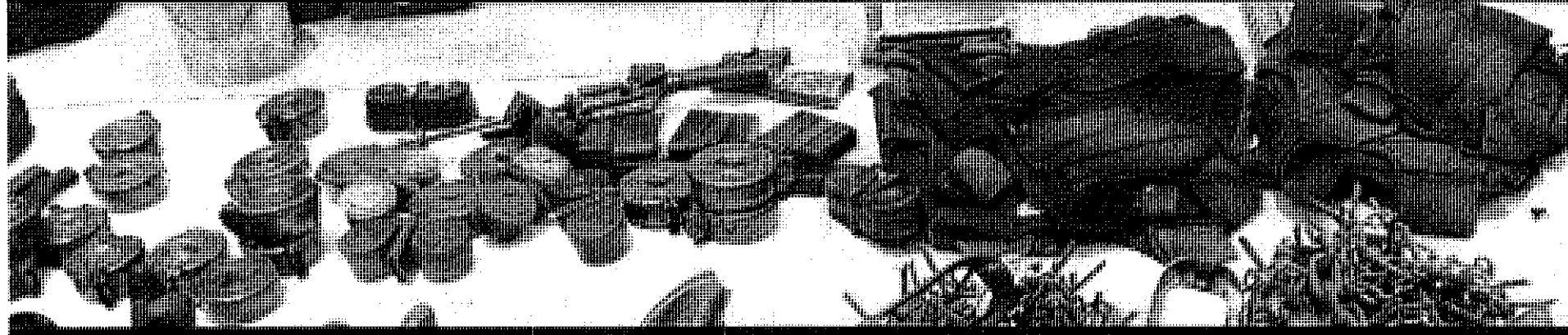
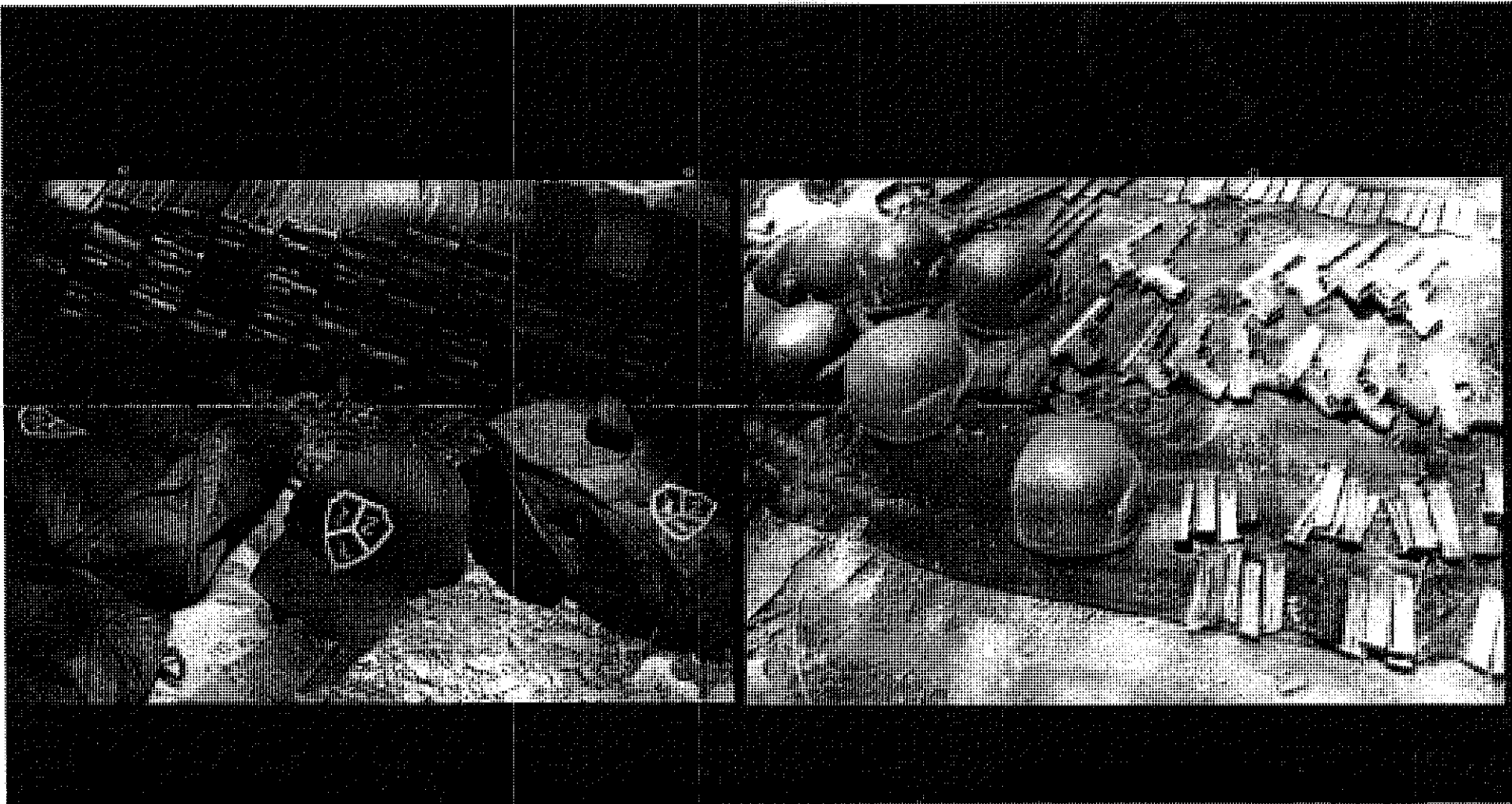
- ZETA training camp
- 124 7.62 and .223 Rifles
- 2 Barrett .50 cal
- 15 Handguns
- 77 40mm Rifle grenades
- 32 Hand grenades
- 3 RPG launcher tubes
- 2 RPG HEAT rockets
- 3 M-72 LAWs
- 1,375 rifle mags
- 5,643 rounds of ammunition
- 15 SUVs (6 armored)
- 10 homemade tire spike strips
- 72 bullet proof vests

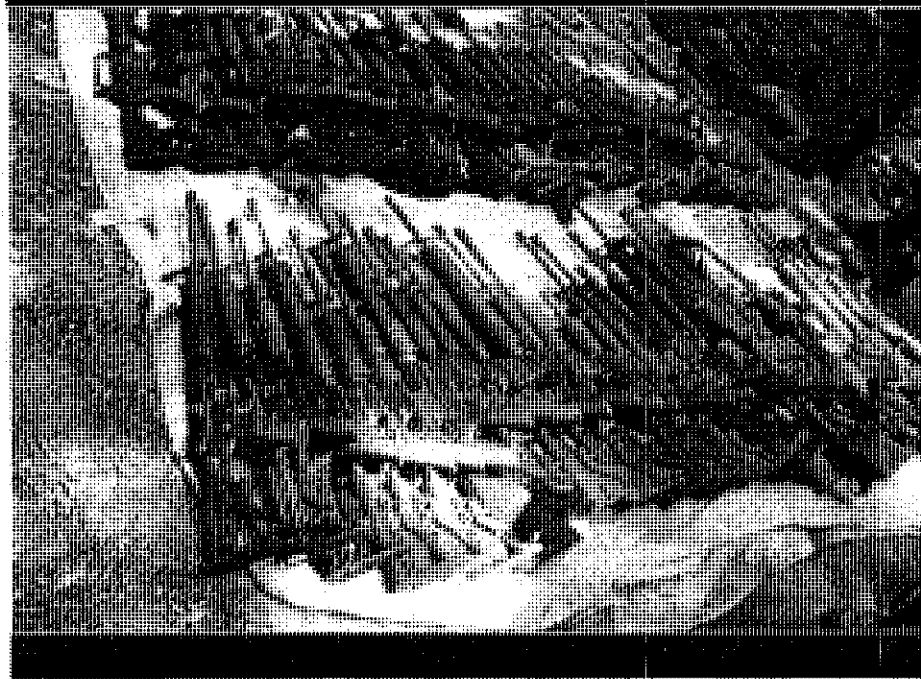


ZETA Camp







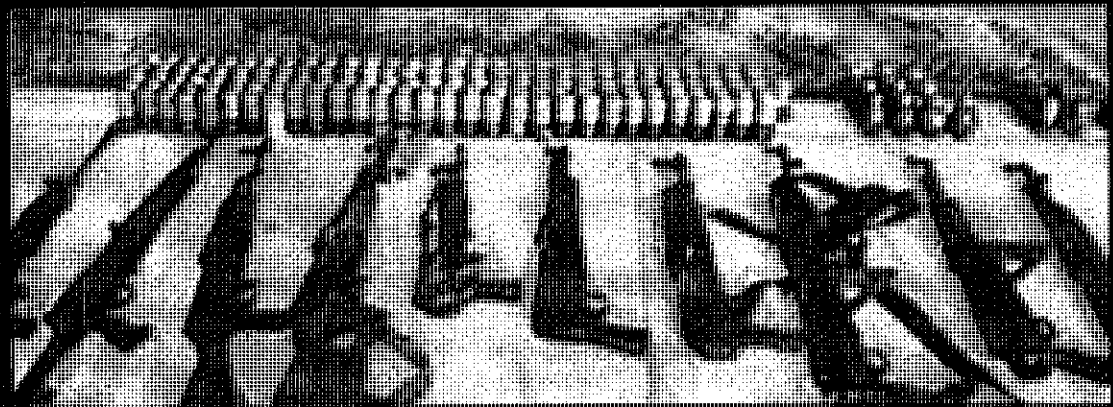
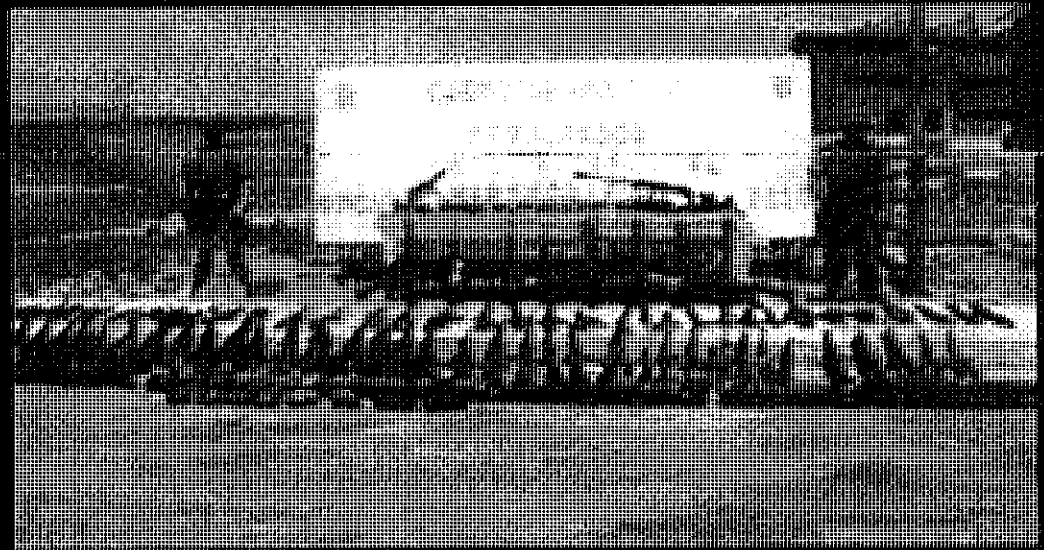


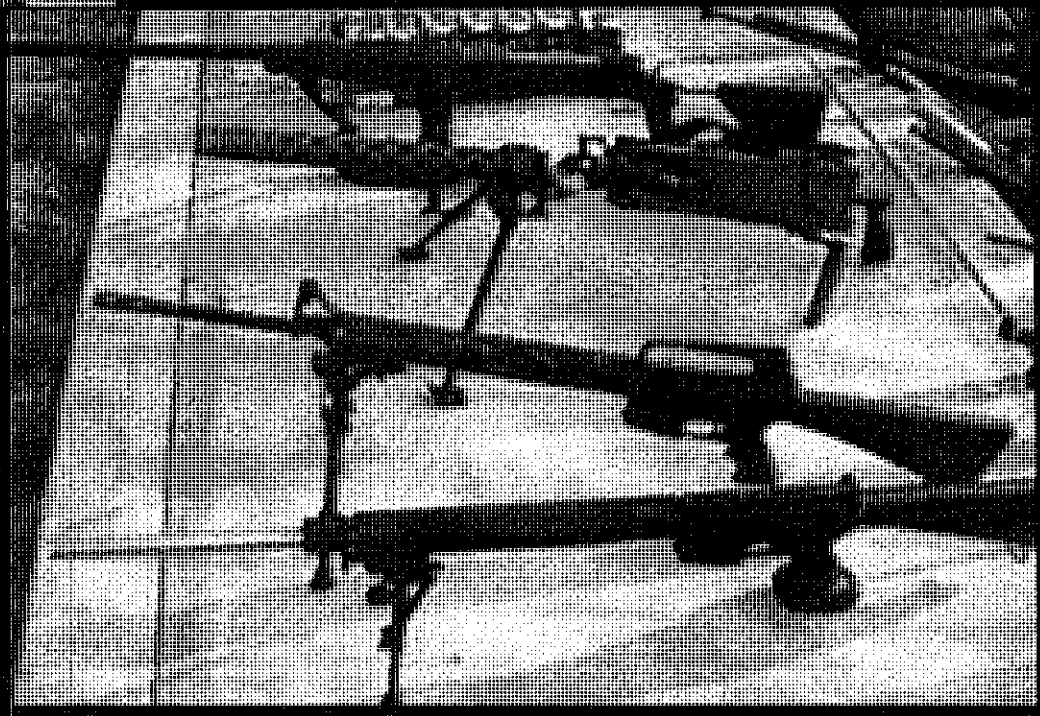
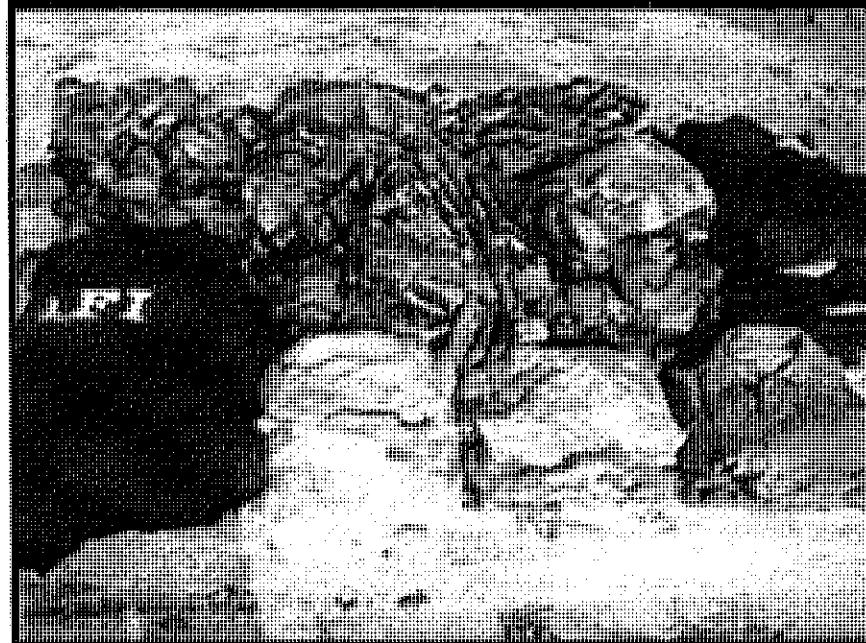
Military Ordnance Higueras, NL Seizure



June 2, 2010 Matamoros, Tamps.

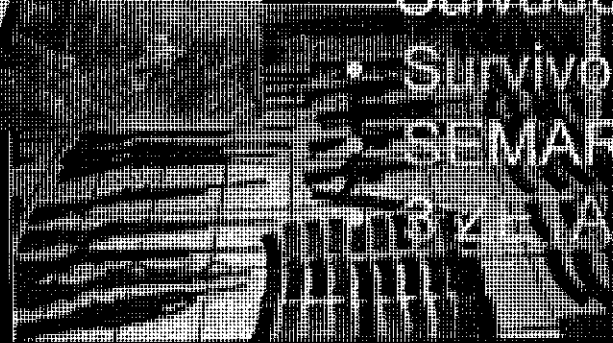
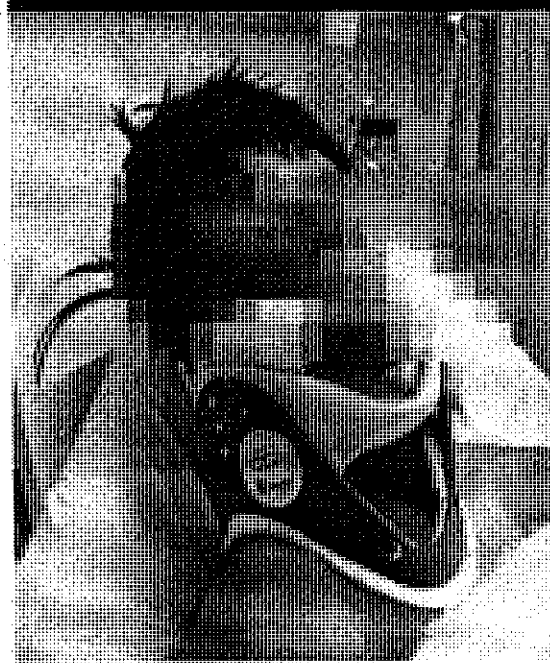
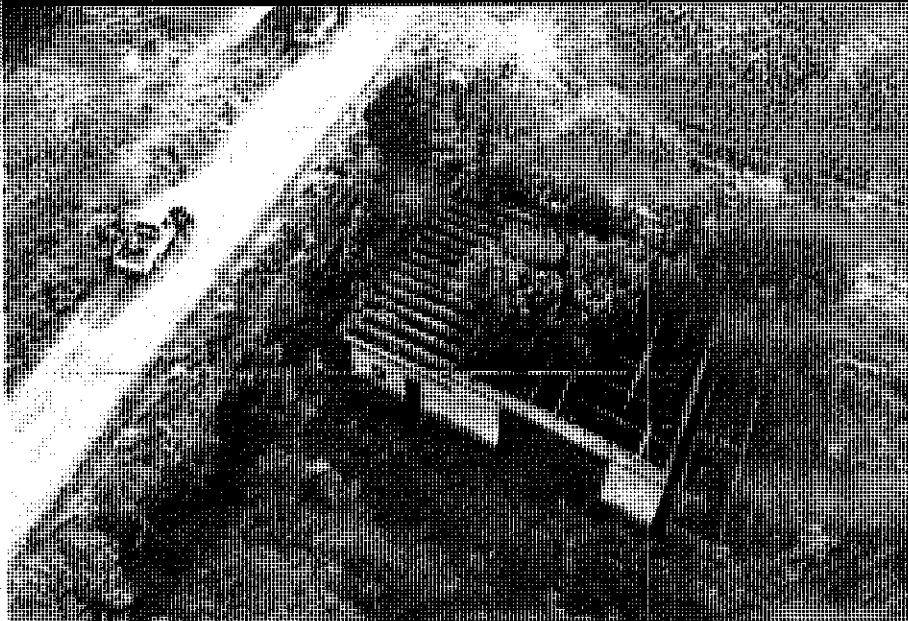
- Mexican Army op – Weapons Stash house
- 92 Rifles (AKs & AR-15 type)
- 12 Handguns
- 151 - 40mm Rifle Grenades
- 5 – 40mm Launchers
- 18 Hand Grenades
- 23 CS Grenades
- 580 Magazines
- Large # of Ammo
- 264 Elec Blasting Caps
- Large quantity of BDUs





San Fernando, Tamaulipas

08/25/2010



- ZETA extortion & recruitment attempt
- 72 killed (14 women)
- From Brazil, Ecuador, El Salvador, and Honduras
- Survivor faked death
- SEMAR responded
- 3 ZETAs & 1 SEMAR killed

Gulf DTO in the U.S.

LAW ENFORCEMENT SENSITIVE

(b) (7) (E)

(b) (7) (E)

(b) (7) (E)

(b) (7) (E)

(b) (7) (E)

Source: National Drug Intelligence Center
Field Intelligence Officer interviews of local
law enforcement agencies and Organized
Crimes Drug Enforcement Task Force reporting
from August 2008 through December 2009.

LAW ENFORCEMENT SENSITIVE

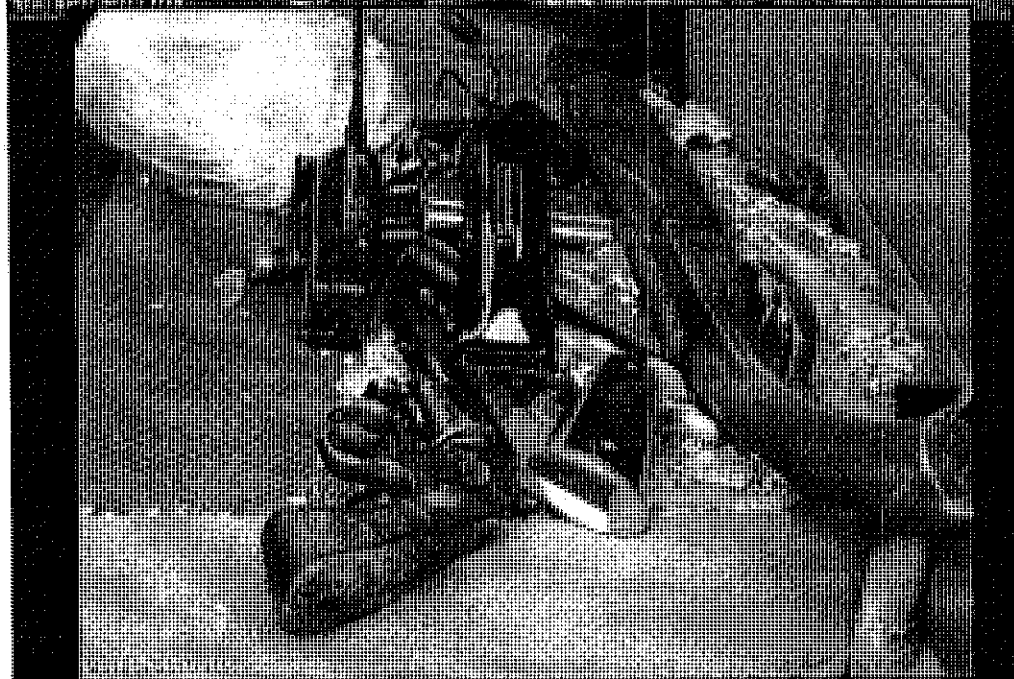
HOCR ATF - 000163



Gulf Cartel

2/26/2010

- Shootout with Mex Army
- 9 firearms
- 96 magazines
- 2,326
- 28 40mm rifle grenades
- 1 hand grenade



GULF CARTEL

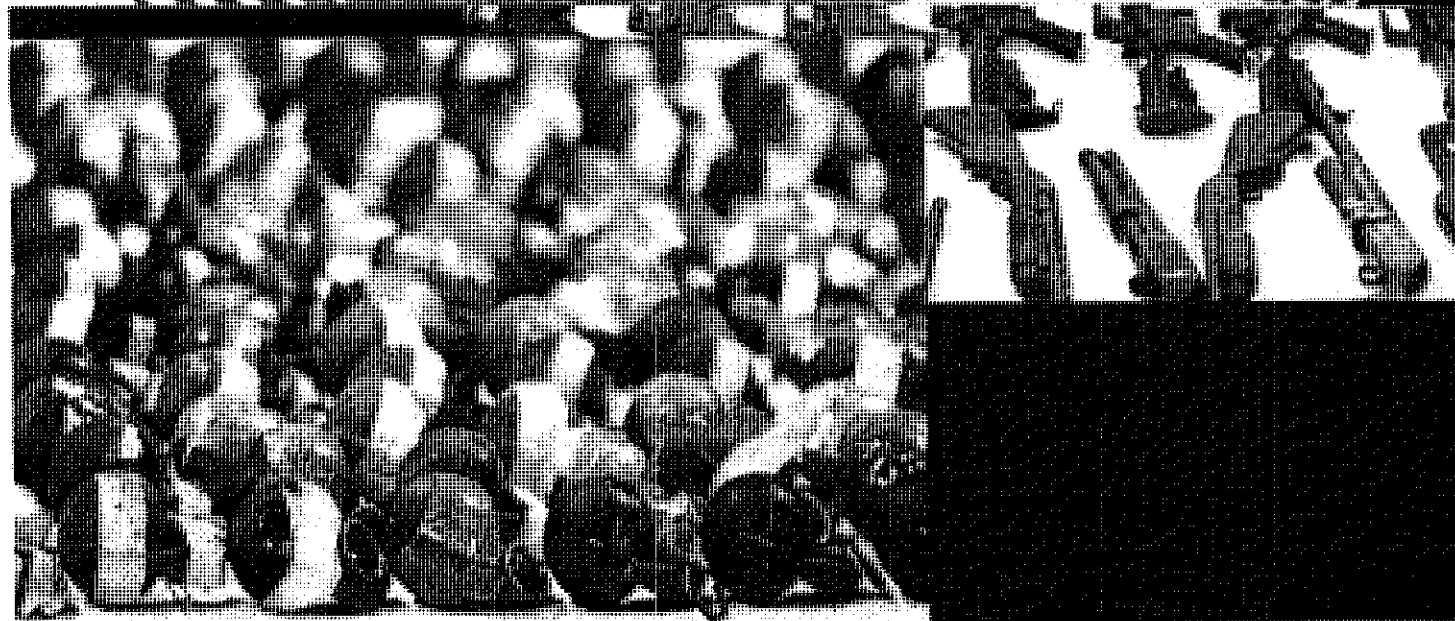
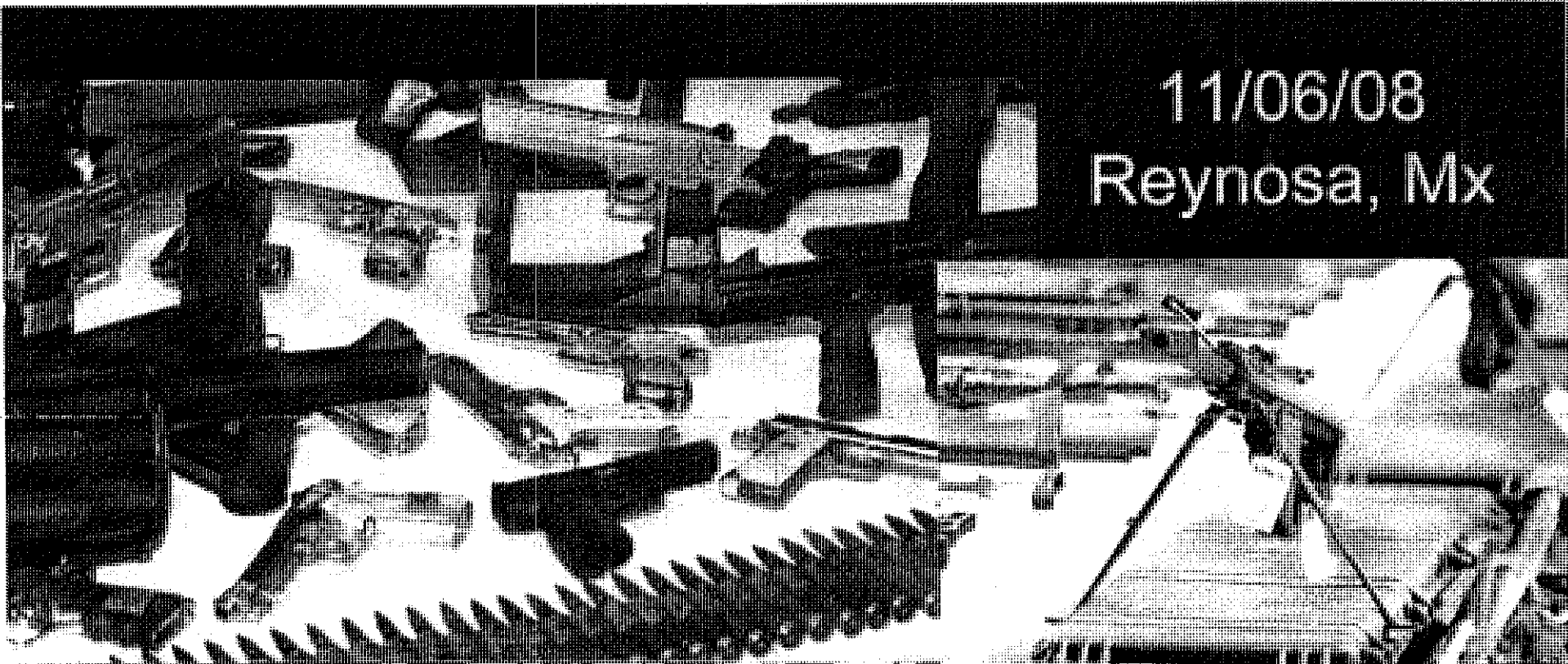
(11/06/08)
Reynosa,
Mexico

Mexican Army Seizure

- 305 Rifles
- 119 Handguns
- 500,000 rds of ammo
- 165 hand grenades



11/06/08
Reynosa, Mx



(b) (7)(C)

(b) (7)(C)

Beltran Leyva DTO

(b) (7)(C)

(b) (7)(C)

ABL DTO in the U.S.

LAW ENFORCEMENT SENSITIVE

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

Source: National Drug Intelligence Center
Field Intelligence Officer Interviews of Local
Law Enforcement Agencies and Organized
Crime Drug Enforcement Task Force reporting
from August 2001 through December 2001.

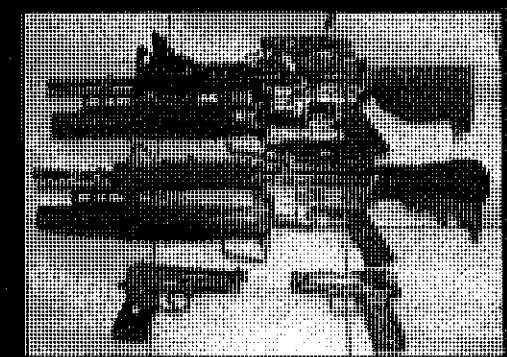
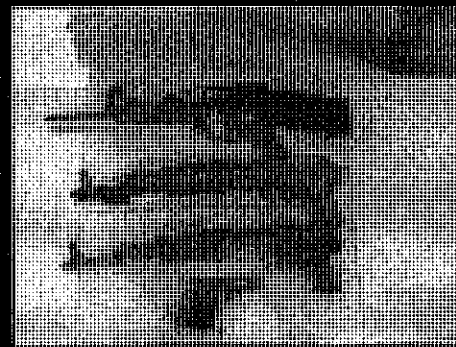
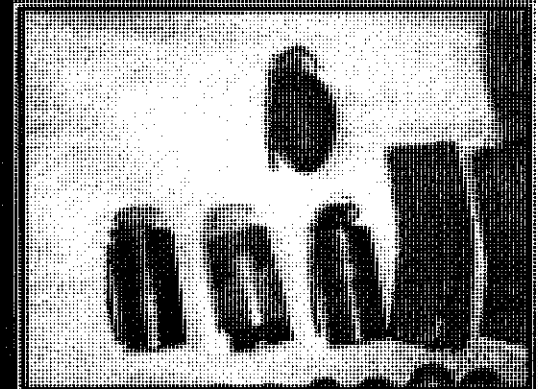
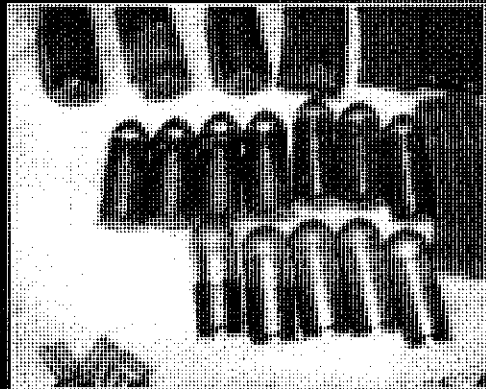
LAW ENFORCEMENT SENSITIVE

December 16/17, 2009 – Cuernavaca Marcos Arturo Beltran Leyva Shoot-Out



- Mexican Navy operation
- ABL DTO – Arturo and 6 of his bodyguards killed
- Seized near him was:
 - 5 rifles
 - 3 pistols
 - 3 hand grenades
 - 12 40mm grenades
 - 584 rounds of .223
 - 44 rounds of 9mm

(b) (7) (C)





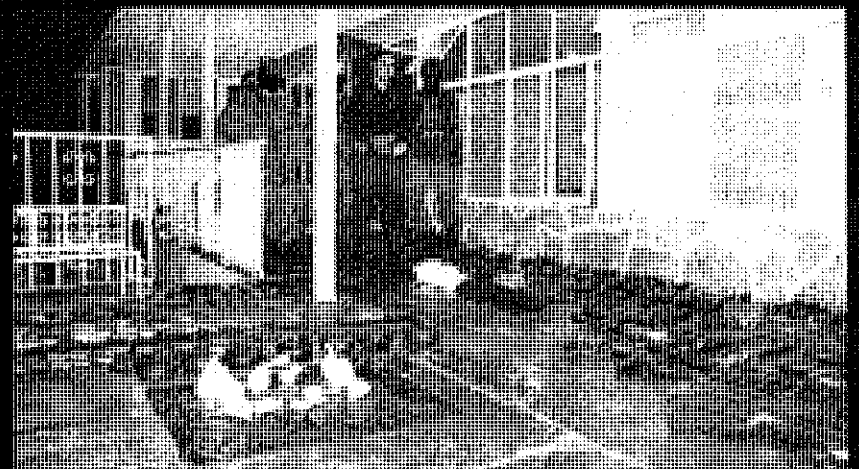
December 11, 2009
Cuernavaca, Morelos, Mexico

- SEMAR op (Mexican Marines)
- Christmas party – ABL
bros in attendance – escaped
- 11 ABL associates arrested
- 3 killed
- 16 Rifles
- 4 Handguns
- 74 Magazines
- Approx 1700 rounds of ammo
- ATF firearms traces so far
reveal that 14 come from AZ
and 3 from TX.

December 19, 2009

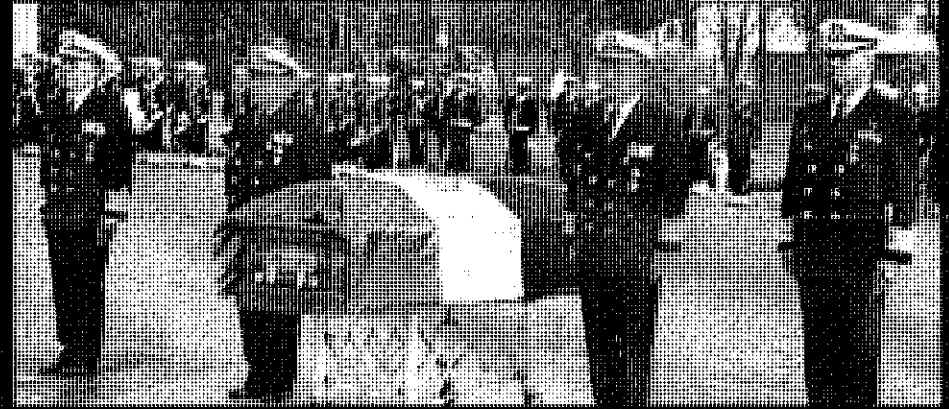
Cuernavaca, Morelos, Mexico

- SEMAR op (Mexican Marines)
- ABL "stash house"
- 41 Rifles
- 4 Handguns
- 223 Magazines (Large # drums)
- Approx 6700 rounds of ammo
- 7 Silencers, 18 portable radios, scopes, GPSs, etc.
- Armored SUV



12/22/2009 Tabasco, Mexico
ABL Hit on Family of Mexican Marine Killed in ABL Op

- 3rd Petty Officer
Melquisedet A. Cordova
- His Mother, Brother, Sister
and Aunt were killed in their
home just after midnight.
- Were followed home from
the Marine's funeral
- More than two dozen bullet
casings found at home



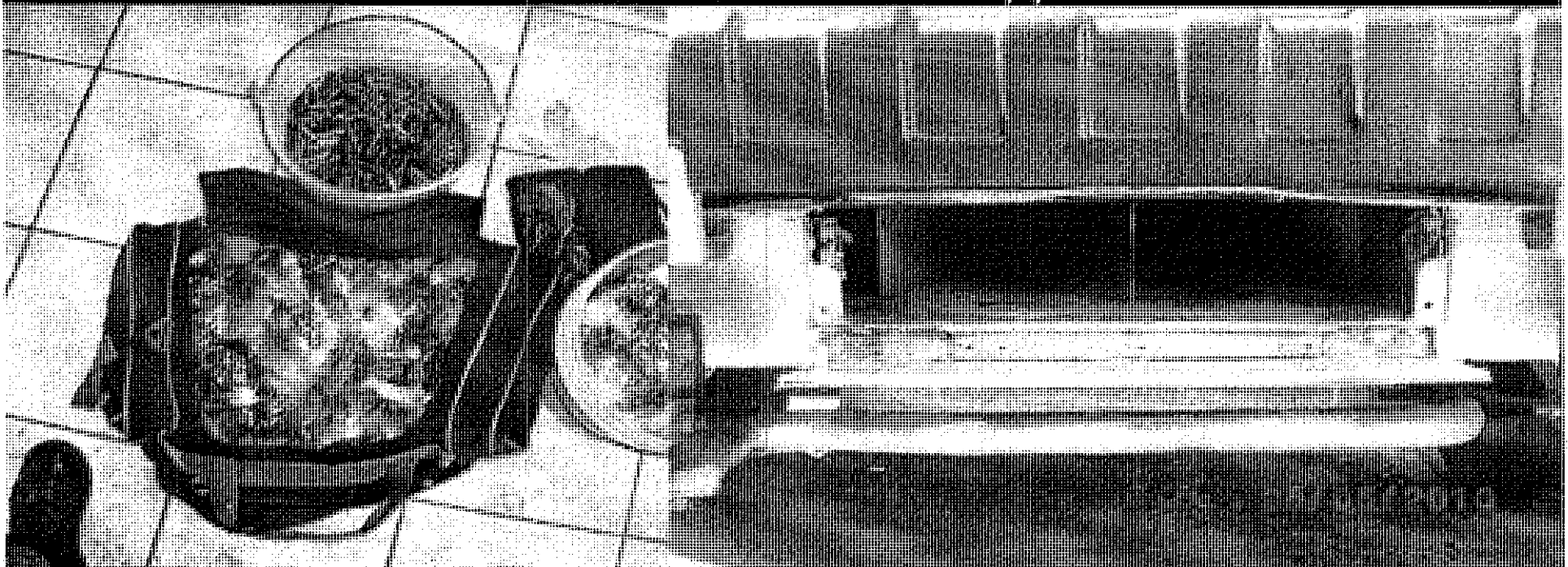
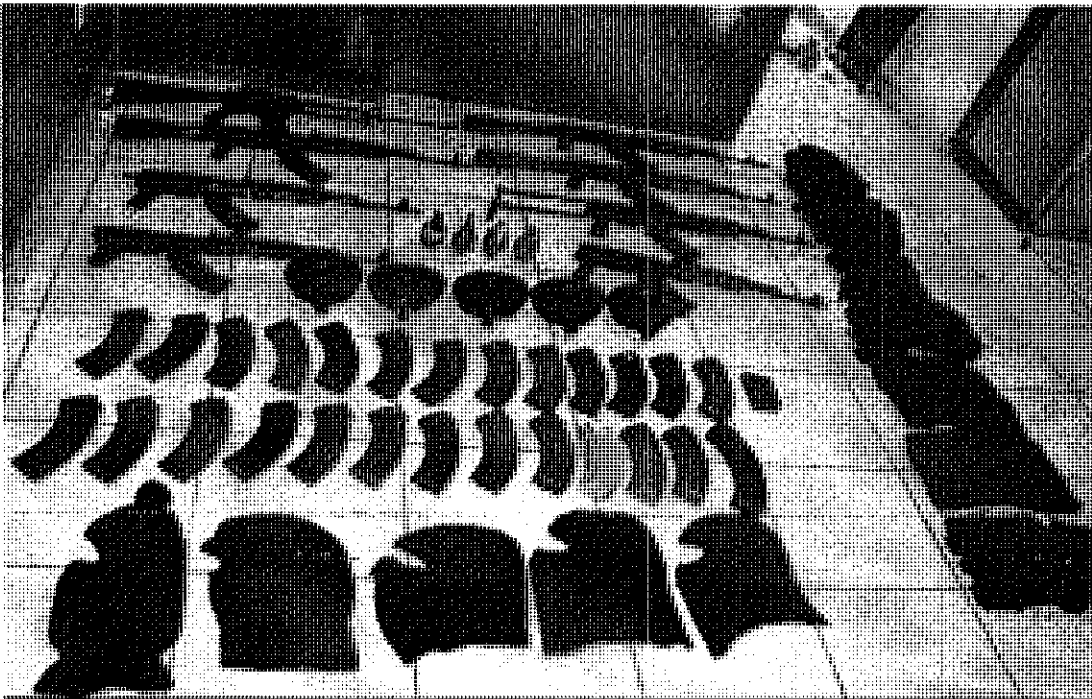
12/24/2009
Tabasco, Mexico
Four Zetas Arrested for Murder of Fallen Marine's Family



May 25, 2010

Culiacan, Sinaloa

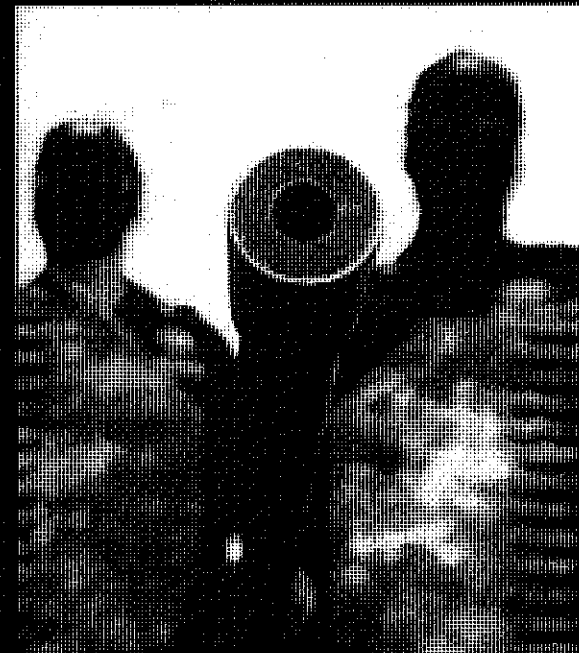
- SEMAR op (Mexican Marines)
- ABL "stash house"
- 41 Rifles
- 4 Handguns
- 223 Magazines
- Approx 6700



April, 2009 Santa Ana, Sonora



April, 2009 Santa Ana, Sonora

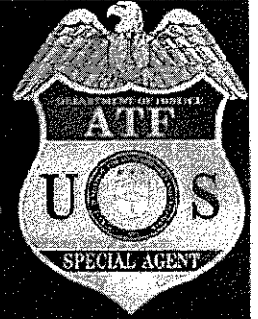


April, 2009 Santa Ana, Sonora





Project Gunrunner

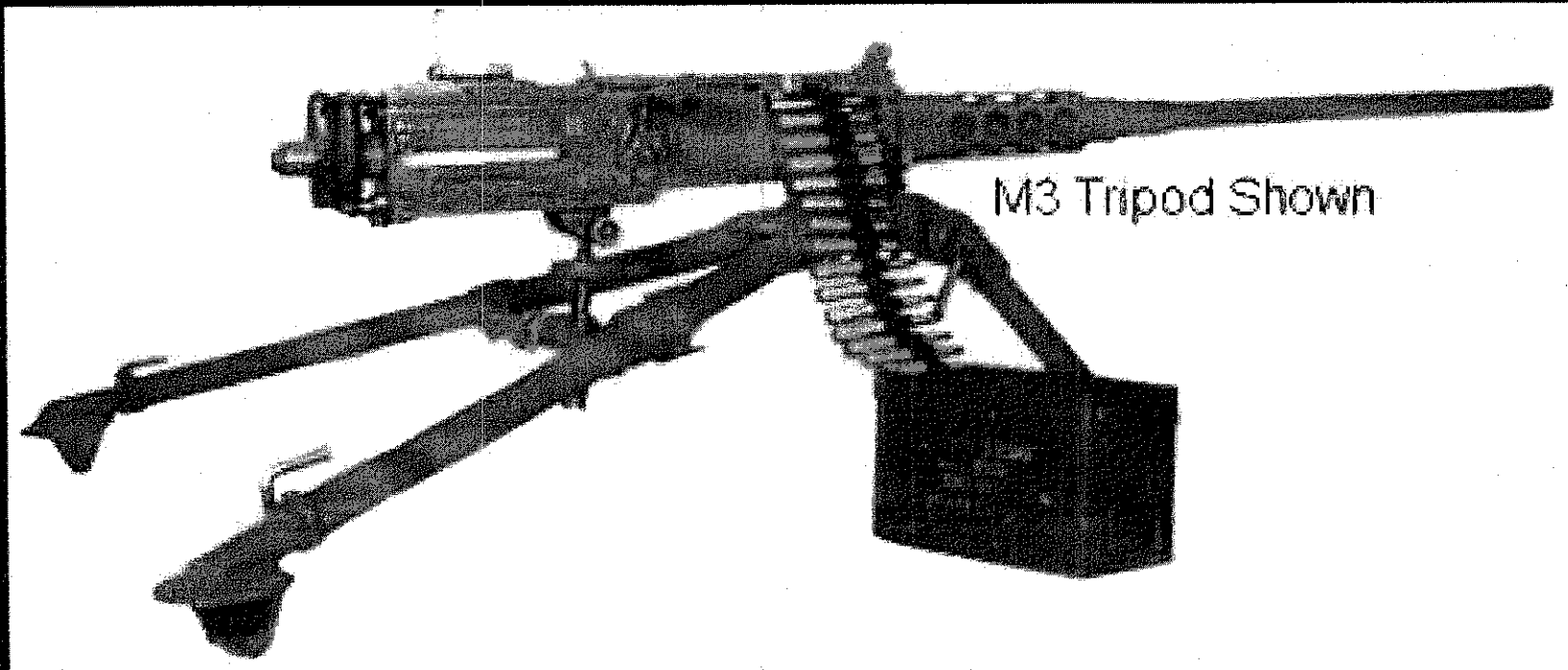


Manuf: TNW Firearms, Inc.

Model: M3HB (Approx. \$7,000 - \$8,000)

Caliber: .50

Considered a rifle under U.S. law

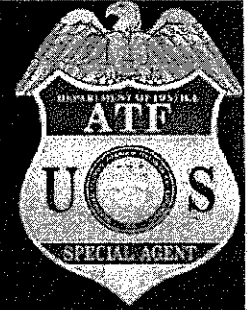


April, 2009 Santa Ana, Sonora





Project Gunrunner

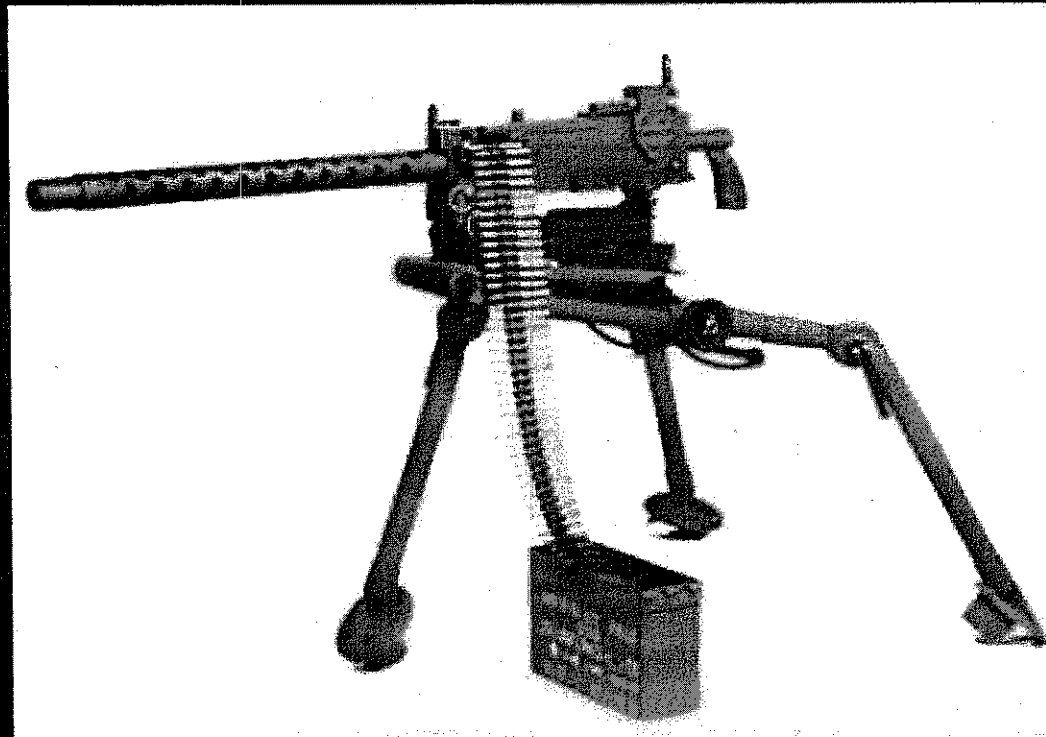


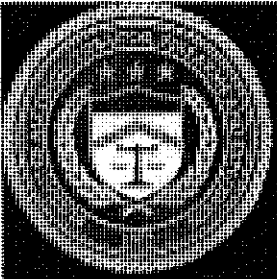
Manuf: TNW Firearms, Inc.

Model: 1919 A4 (Approx. \$2,500 - \$3,000)

Caliber: .30-06 and .308

Considered a rifle under U.S. law

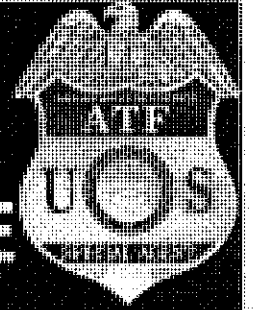




Project Gunrunner

ATF YUMA SEIZURE

(42 Firearms)



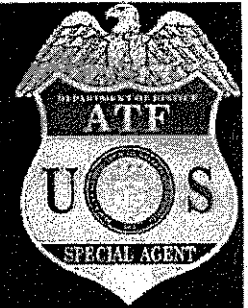
Suspicious "WOC" purchase led to search of storage facility in Yuma. Seized were: 12 - FN 5.7mm pistols; 2 - 9mm Beretta pistols; 3 - 9mm Glocks; 3 - 9mm S&W pistol; 12 - AK-47 type rifles; and 9 - AK-47 type pistols. Also recovered was a large cache of ammo, including 500 rounds of .50 caliber ammo, ready for use by belt-fed firearm - but no .50 Cal gun.





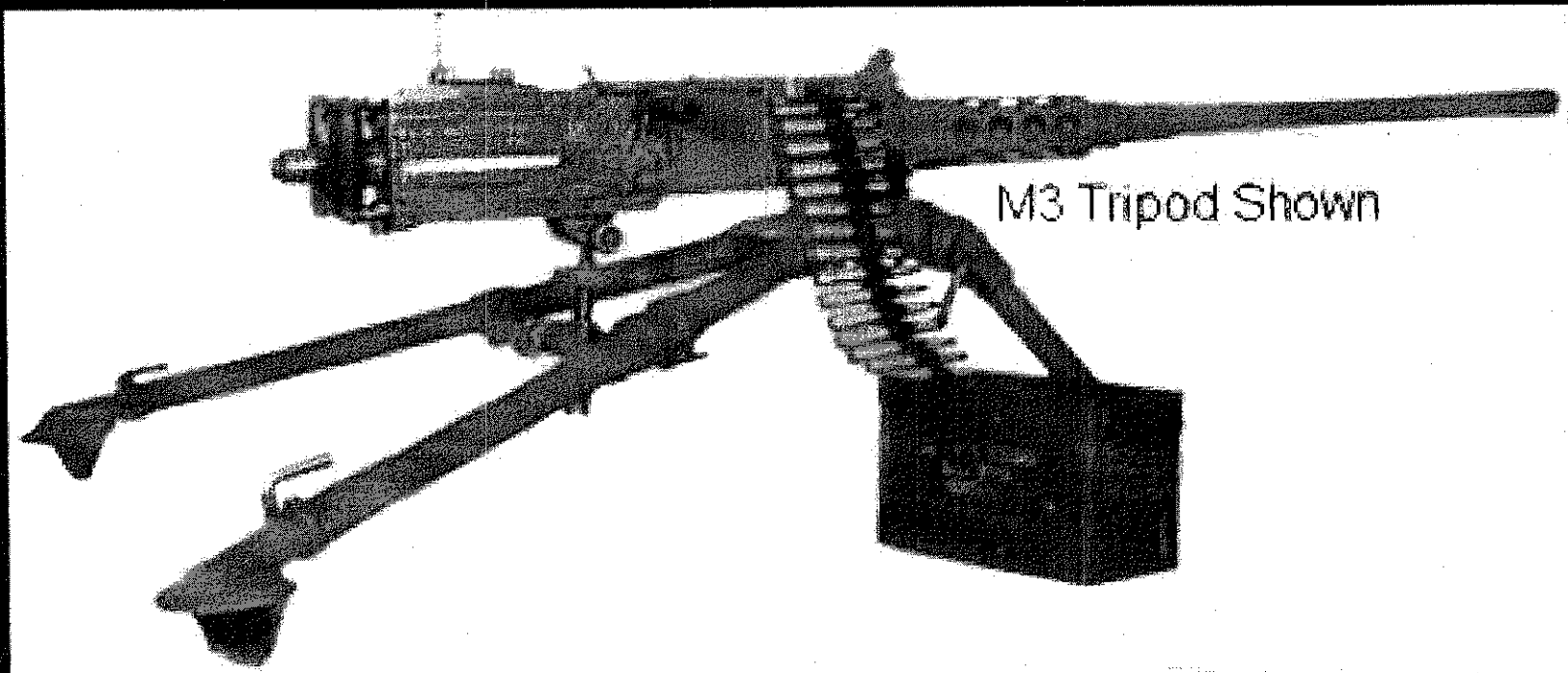
Project Gunrunner

YUMA SEIZURE

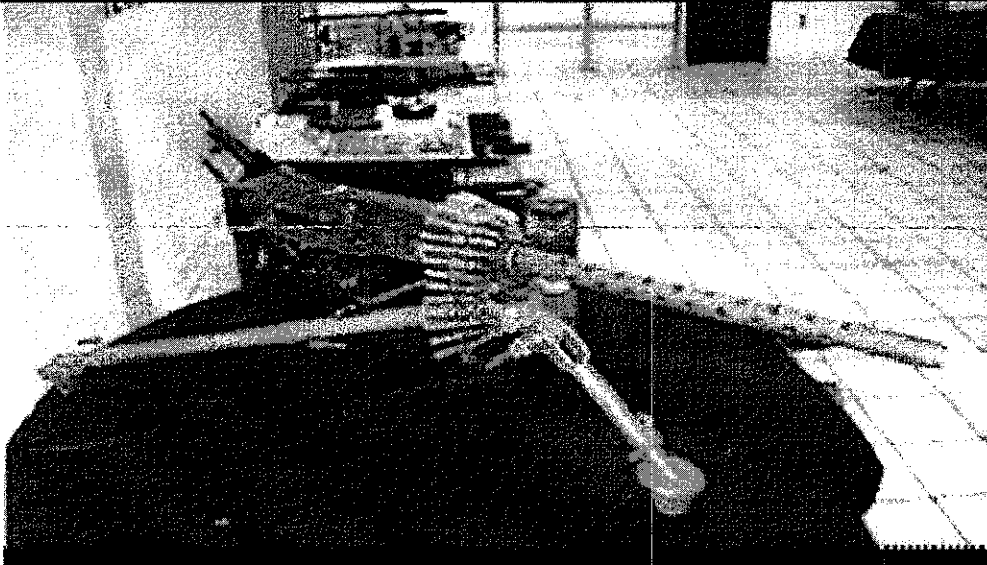


A follow-up investigation to this seizure revealed that this particular firearm was purchased at an FFL in Kingman, Arizona a month previous and successfully smuggled into Mexico.

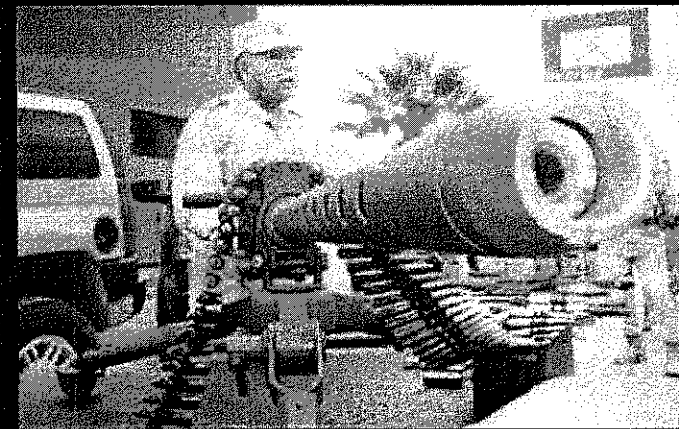
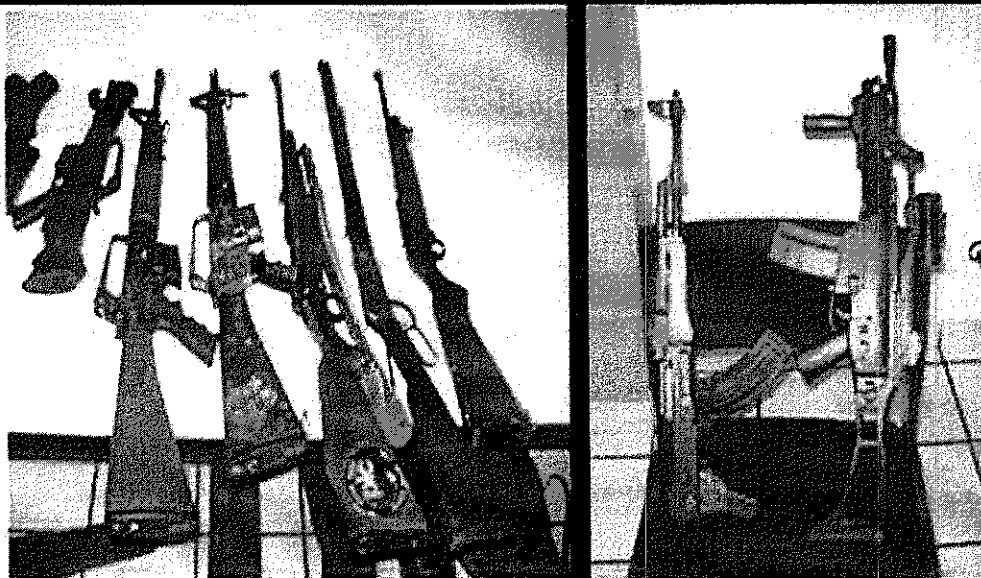
TNW Firearms Inc., Model M3AC, .50 caliber rifle

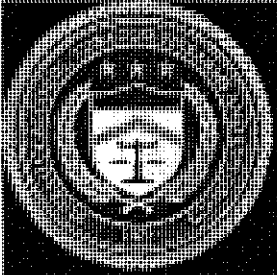


Jan., 2008 - Caborca, Sonora Seizure



- Mexican Army operation
- Beltran-Leyva DTO
- Sinaloa Cartel
- Seized was:
 - 1 .50 caliber rifle (Traced to FFL in Tucson, AZ)
 - 12 Rifles (“WOC”)
 - Significant # of ammo

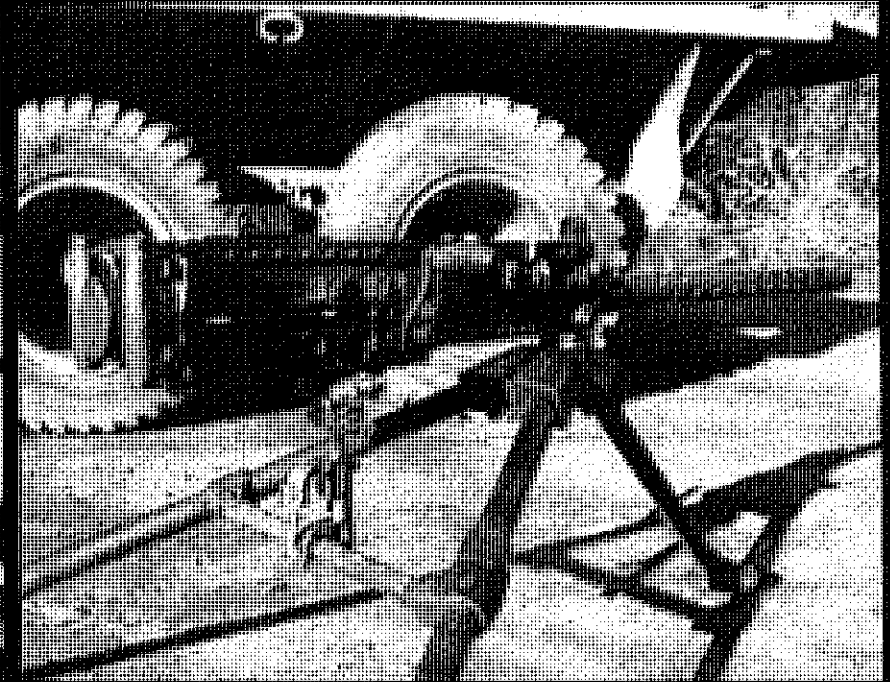
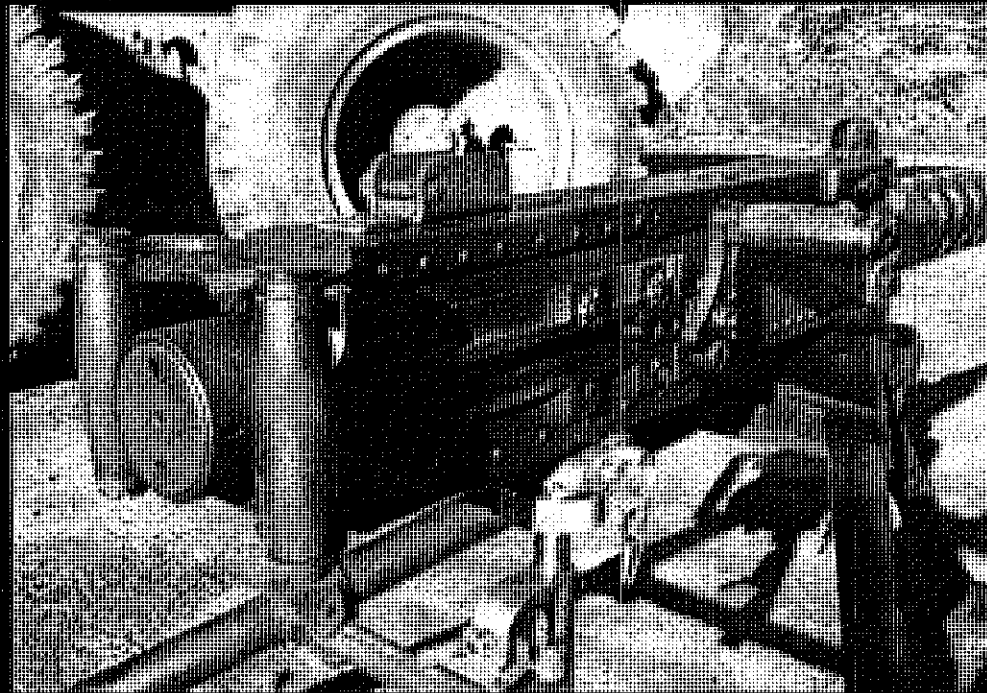




Project Gunrunner



Manuf: TNW Firearms, Inc.
Model: M3AC (Approx. \$7,000 - \$8,000)
Caliber: .50 (12.7 x 99mm)



Sinaloa DTO in the U.S.

LAW ENFORCEMENT SENSITIVE

(b) (7) (E)

(b) (7) (E)

(b) (7) (E)

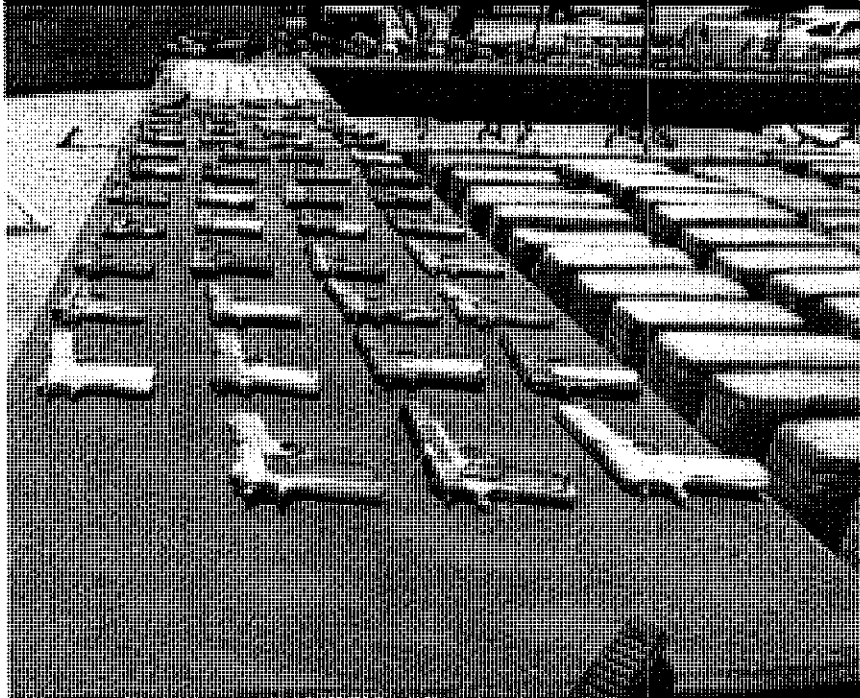
(b) (7) (E)

Source: Mexican Drug Intelligence Center
Field and Special Operations Division of local
law enforcement agencies and Organized
Crime Drug Enforcement Task Force reporting
from August 2008 through December 2009.

LAW ENFORCEMENT SENSITIVE

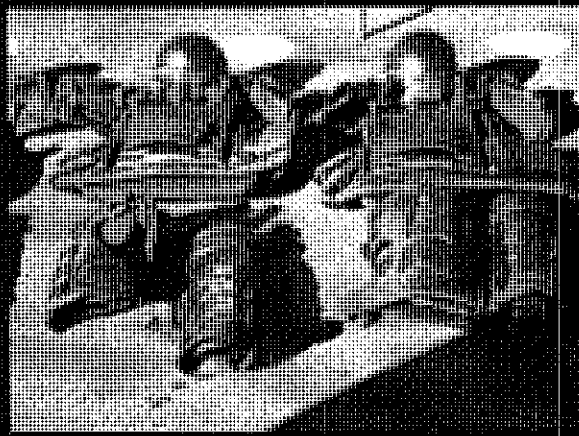
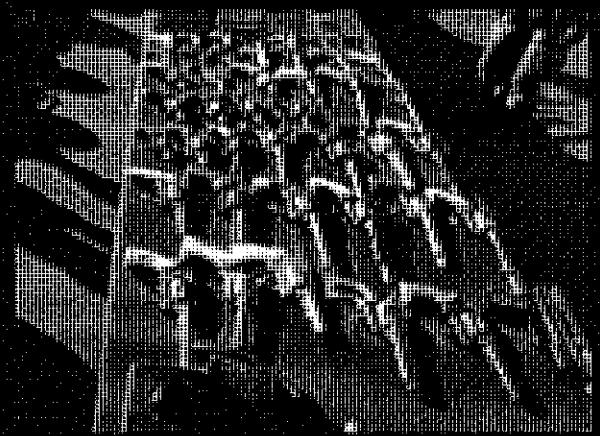
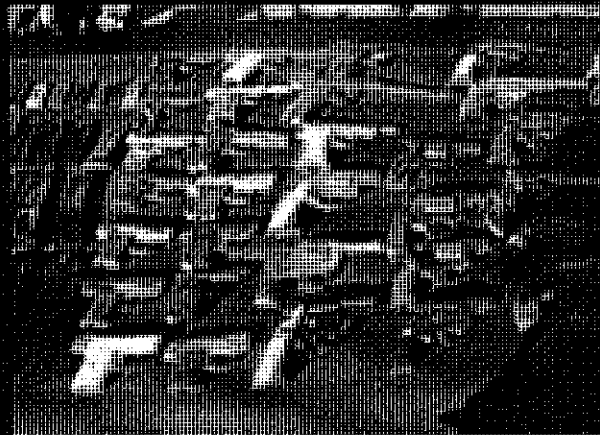
July 12, 2010
Culiacan, Sinaloa

- Mexican Army op
- 84 Rifles & 57 Handguns
- 7,889 Rounds of Ammo
- 195 of magazines
- 8 Grenades
- Police tactical equipment



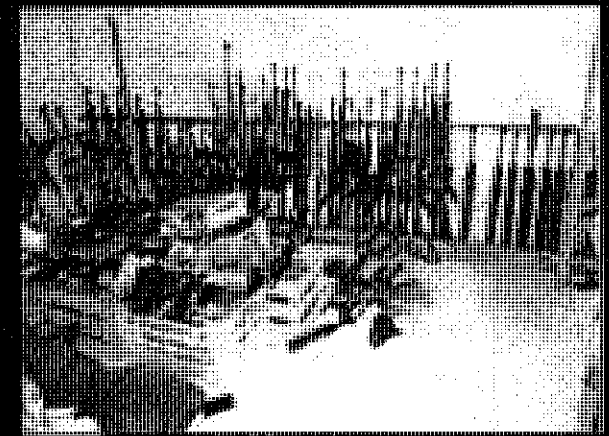
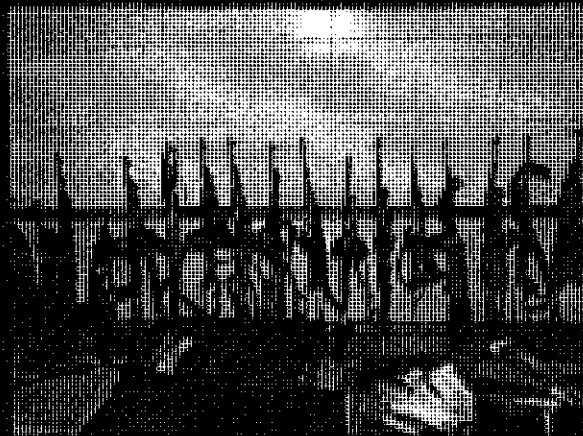
February 26, 2010 Zacatecas

- Mexican Army op
- 28 Rifles
- 43 Handguns
- 7,203 Rounds of Ammo
- Large # of magazines
- Police tactical equipment



February 26, 2010 Culliacan, Sinaloa

- Mexican Army op
- 76 Rifles
- 34 Handguns
- 16,120 Rounds of Ammo
- 723 Magazines
- Police tactical equipment
- 20 Silencers

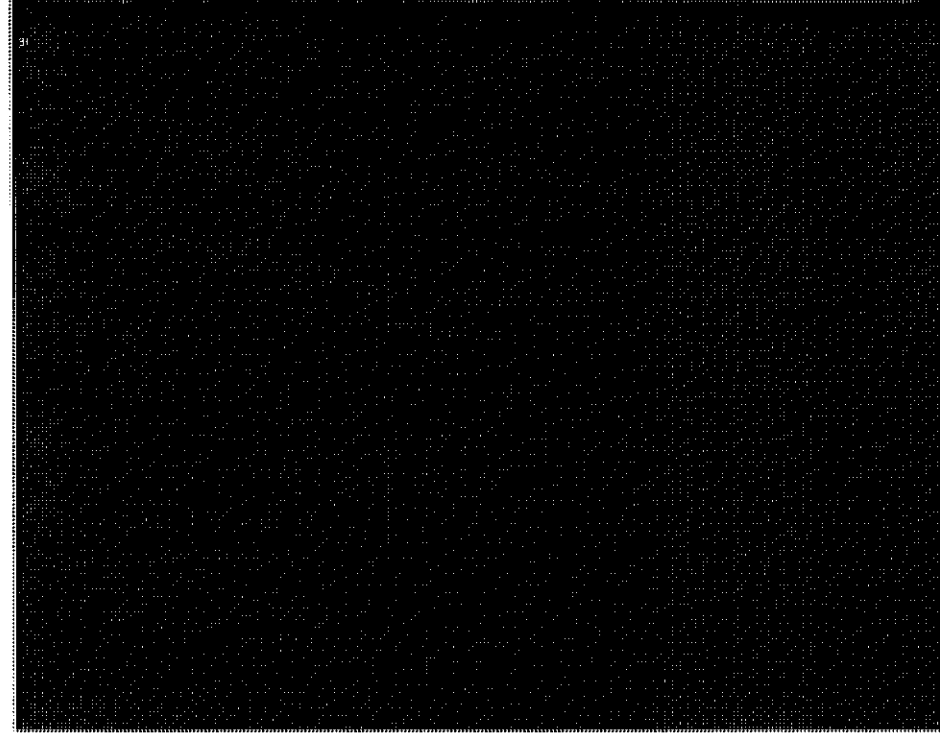
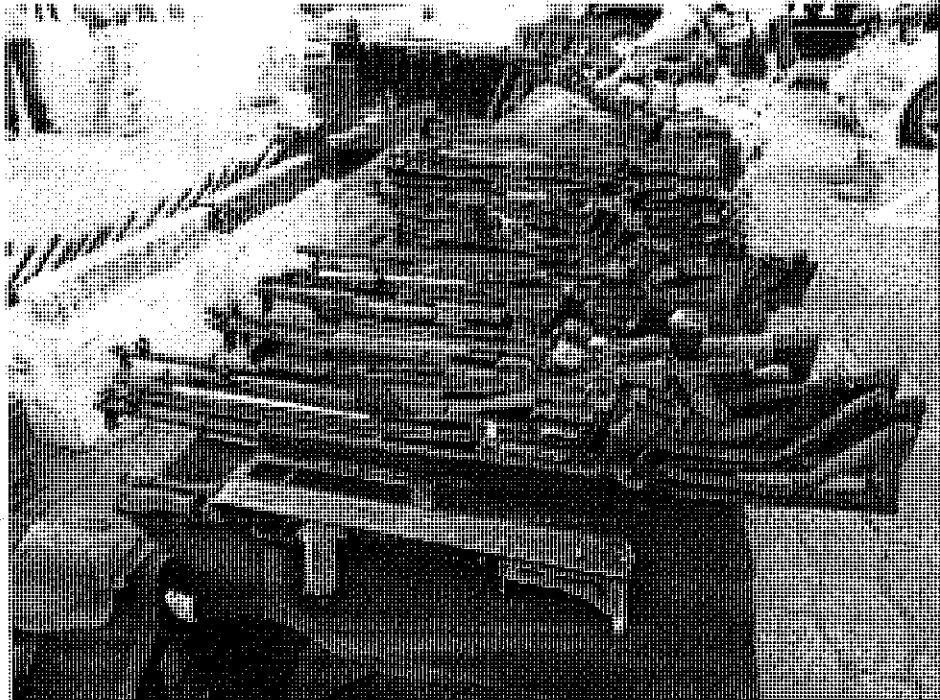




February 25, 2010
Near Navojoa, Sonora

- Mex Army op
- Stash house
- 73 rifles, mainly AKs & ARs, 22 with obliterated serial numbers
- Ammo - 72,240 rounds
- 341 magazines
- Large # of AFI and Mexican police uniforms

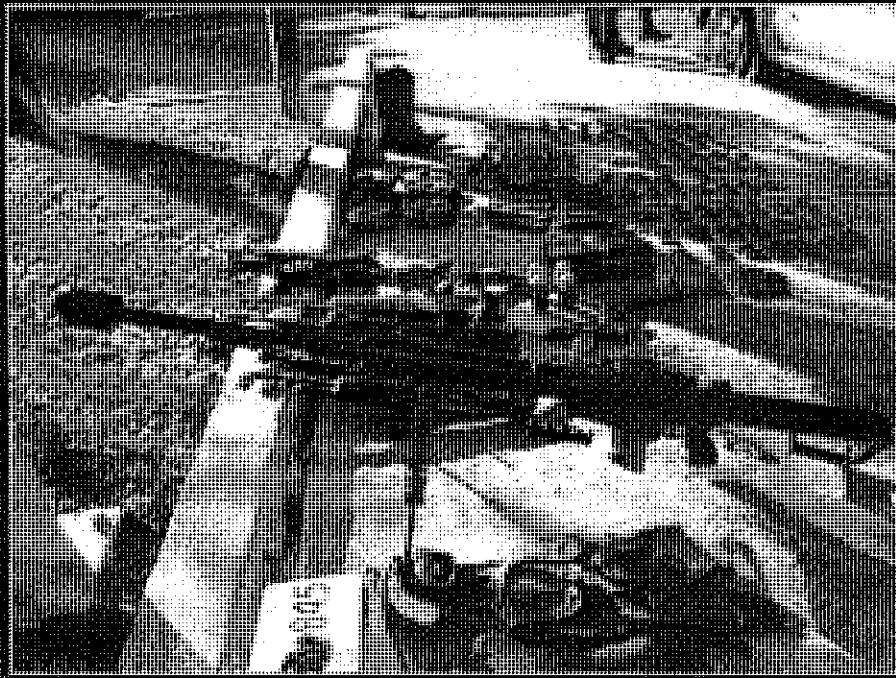
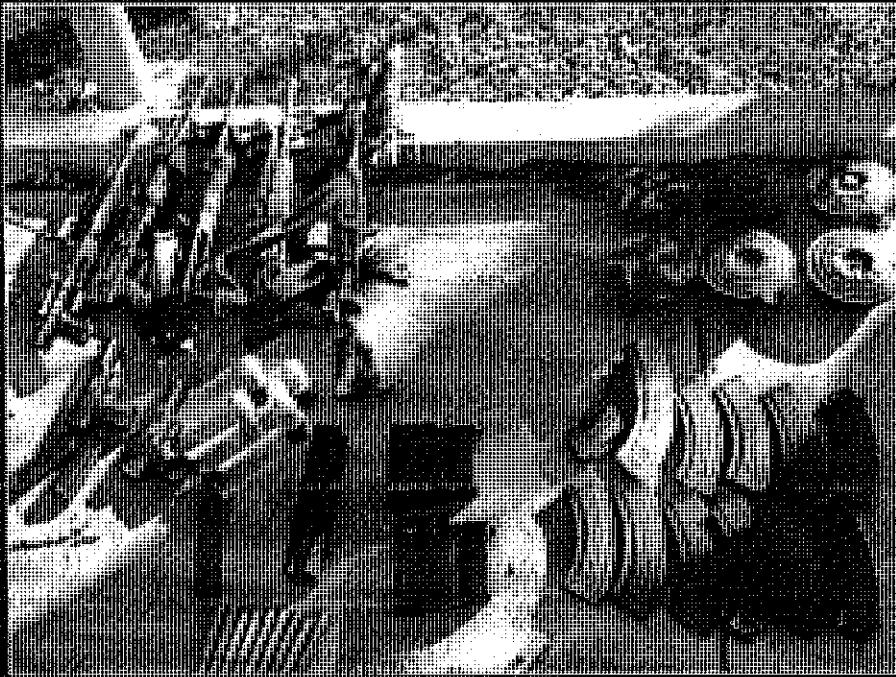




February 24, 2010

Culiacan, Sinaloa

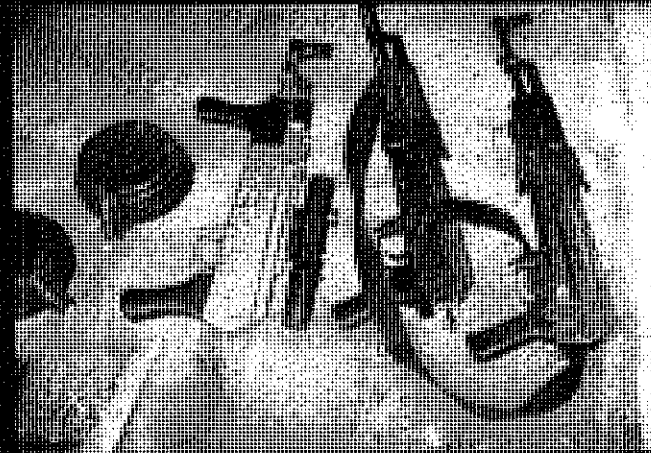
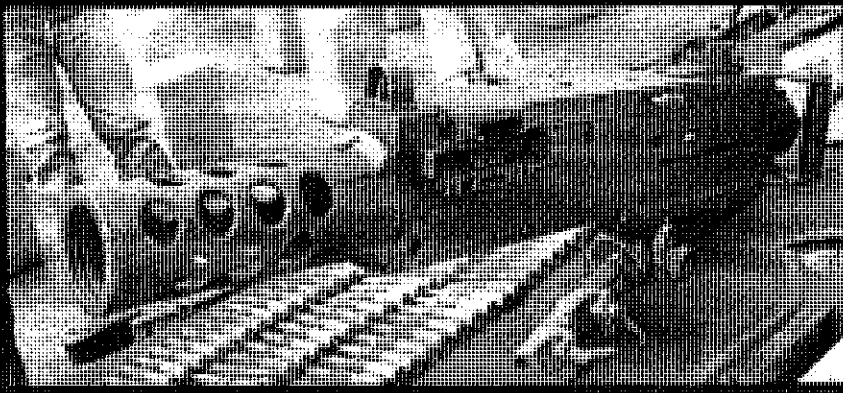
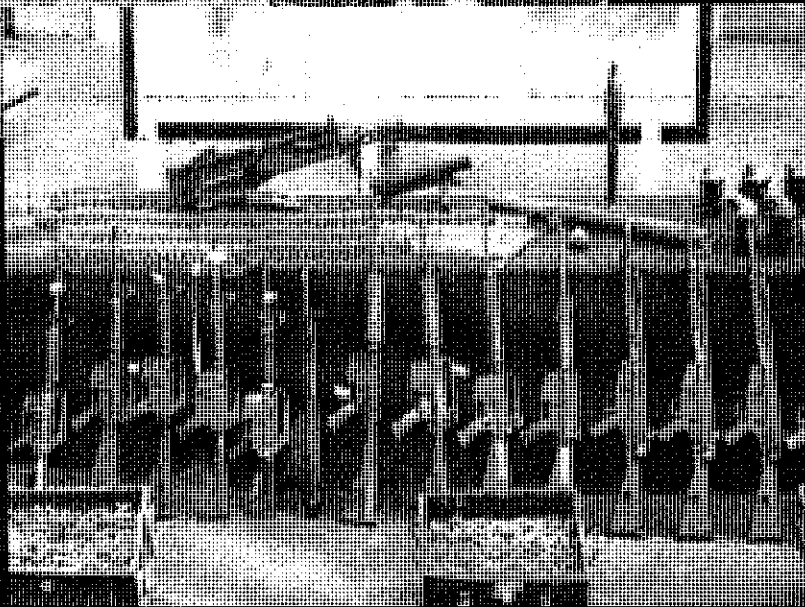
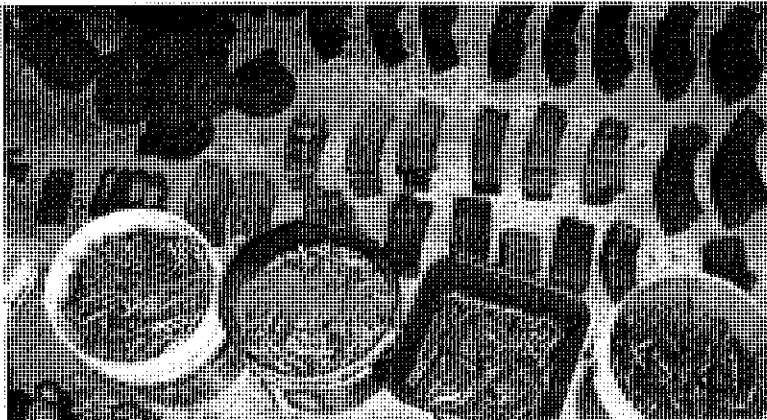
- Mex Army op
- Car chase and shoot out
- 4 arrests
- 6 rifles – incl .50 cal
- 3 handguns
- 4 – 40mm rifle grenades
- 24 mags & 984 rounds ammo
- Tactical gear

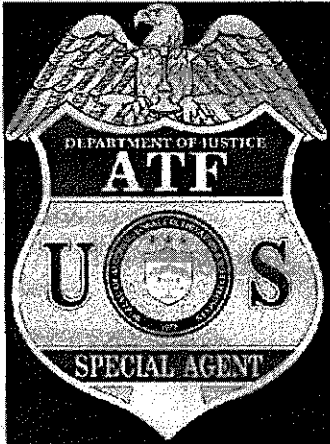


February 2, 2010

Near Culiacan, Sinaloa

- Mex Army op
- Stash house
- 52 rifles (Mainly AKs & ARs)
- 1 TNW .50 caliber rifle
- 1 handgun
- 1 M72 66mm
- Over 100 magazines
- Approx 7,000 mds of ammo
- 13 ballistic vests, BDUs, etc
- 920 kilos of marijuana seed





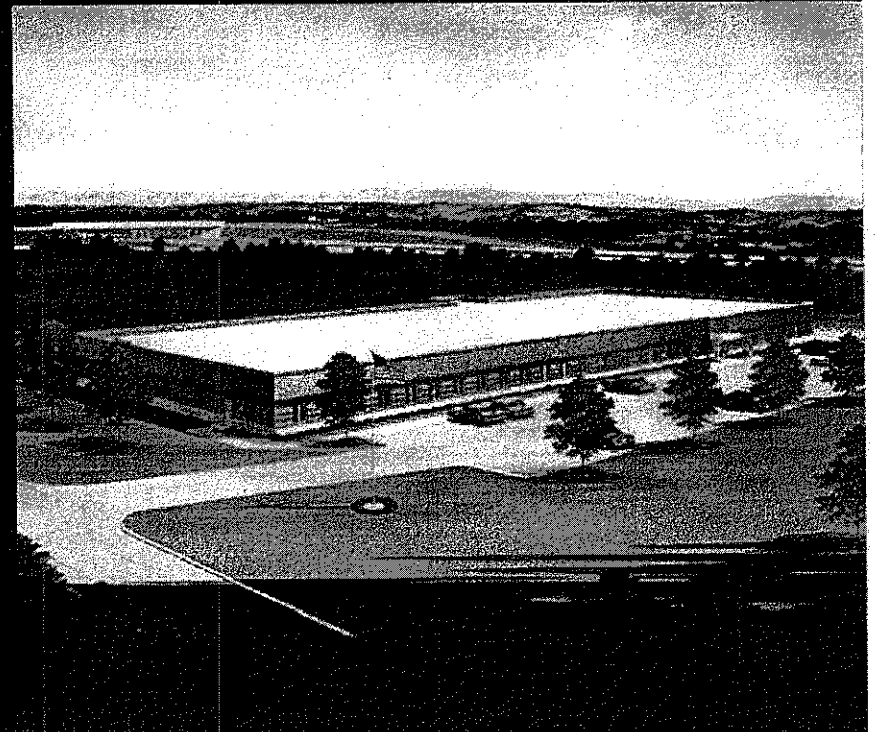
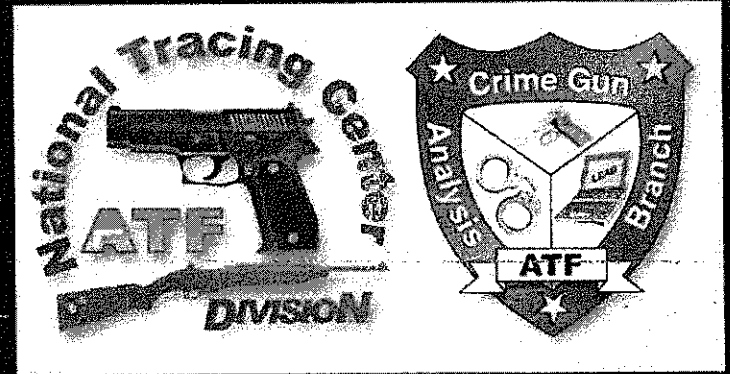
(b) (7)(E)

**Where Did
These Crime Guns
Come From ?**

eTrace

ATF NATIONAL TRACING CENTER

- Key source of intel/info in F/As traff investigations
- Traces U.S.-sourced Crime Guns (US Manuf or Imports)
- Traces approx 400k guns a year for LE worldwide
- Violent Crime Analysis Branch
- Suspect Gun Database
- E-Trace

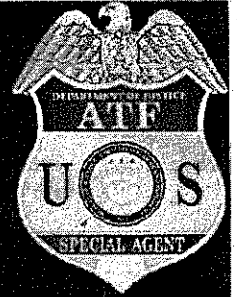


eTrace



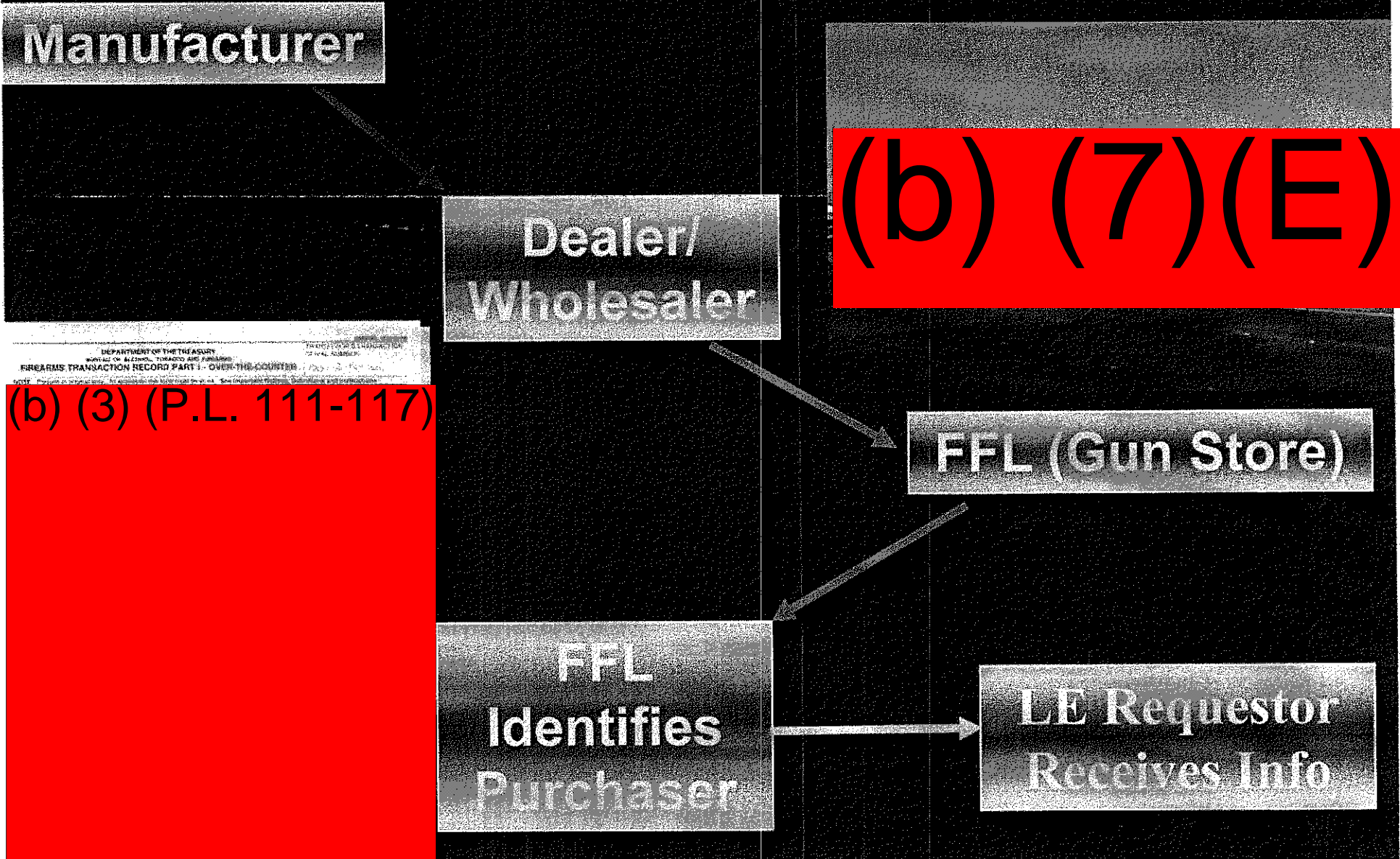
Marking Requirements

Gun Control Act of 1968

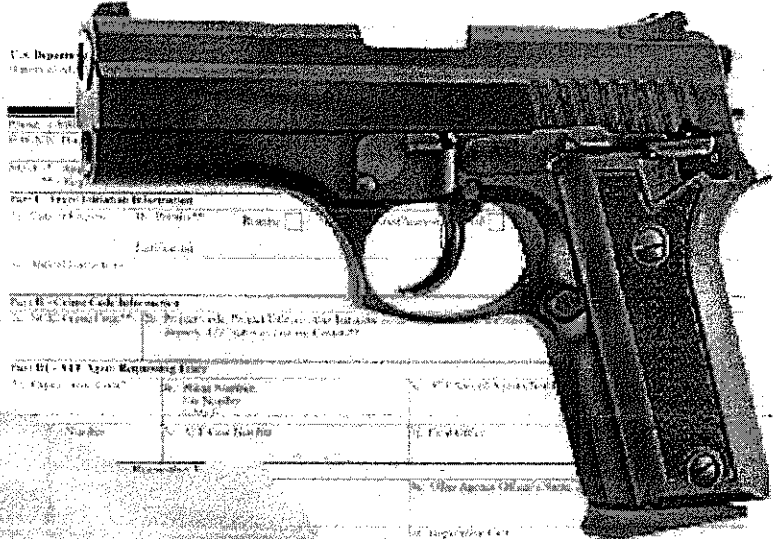


- **Licensed Manufacturer (18 USC 923(i))**
 - SERIAL NUMBER
 - NAME of the MANUFACTURER
 - CITY & STATE of the MANUFACTURER
 - MODEL
 - CALIBER or GAUGE
- **Licensed Importer (All of the Above plus)**
 - NAME of IMPORTER
 - CITY & STATE of the IMPORTER

Firearms Trace Process



VCAB #104162



Mexico

**Department of Justice
Bureau of Alcohol, Tobacco,
Firearms and Explosives**

**Office of Strategic Intelligence and Information
Violent Crime Intelligence Division
Violent Crime Analysis Branch
Data Source: Firearms Tracing System**

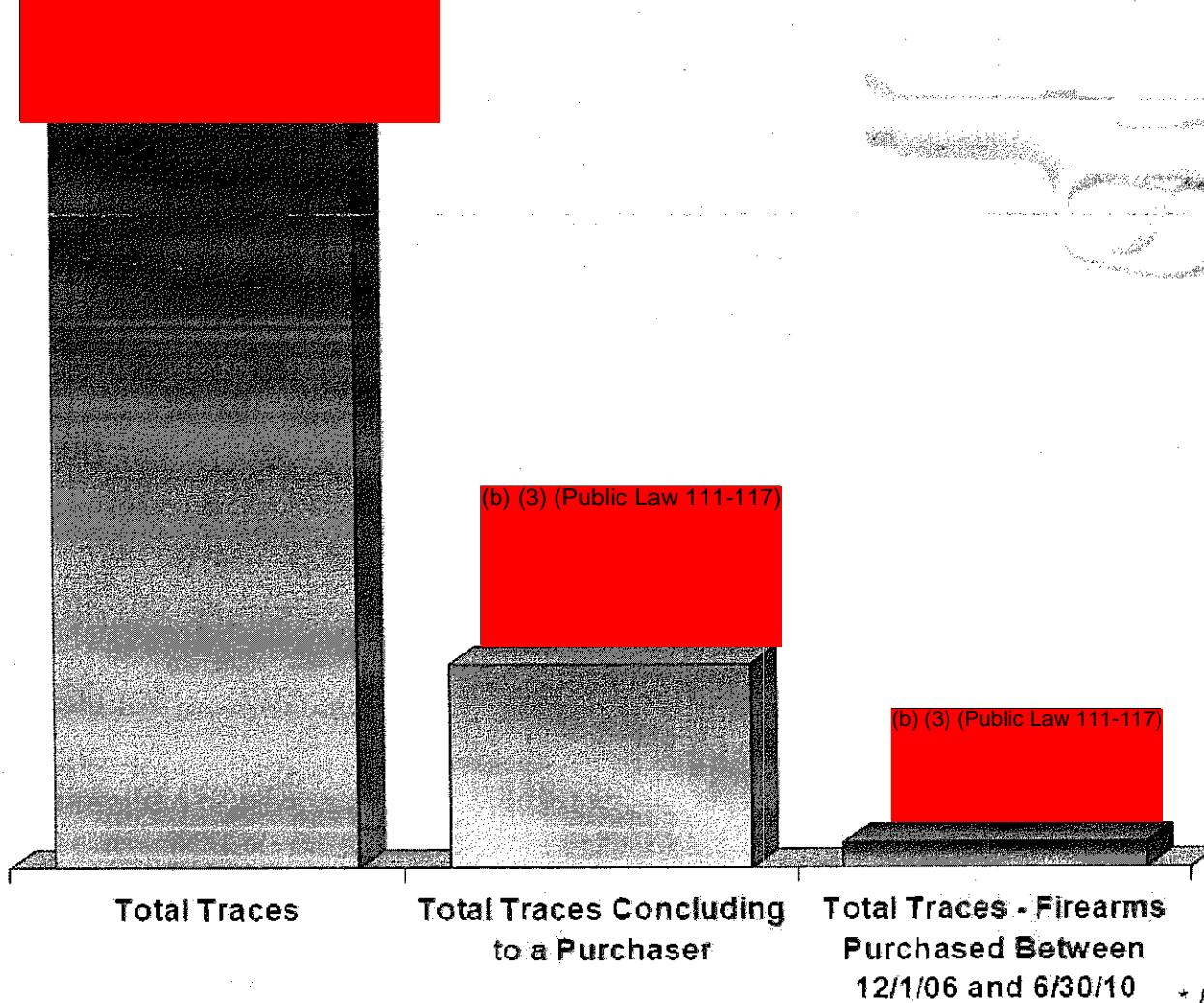
**December 1, 2006 – June 30, 2010
(as of July 13, 2010)**

Law Enforcement Sensitive

Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch

Total Number of Firearms Recovered and Traced in Mexico Between 12/1/2006 and 6/30/2010

(b) (3) (Public Law 111-117)



Law Enforcement Sensitive

* Data was extracted from the Firearms Tracing System (FTS, on July 13, 2010
HOCR ATF - 000199

Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch

United States Source Locations for Firearms with a Mexico Recovery

(Recovered and Traced as well as Purchased Between 12/1/06 and 6/30/10)

(b) (3) (Public Law 111-117)



NOTE: (b) (3) (Public Law 111-117)

Law Enforcement Sensitive

Source County and Mexico Recovery State for Firearms
Recovered and Traced January 1, 2009 to December 31, 2009

(b) (3) (Public Law 111-117)

Recovery State

(b) (3) (Public Law 111-117)

Source County

(b) (3) (Public Law 111-117)



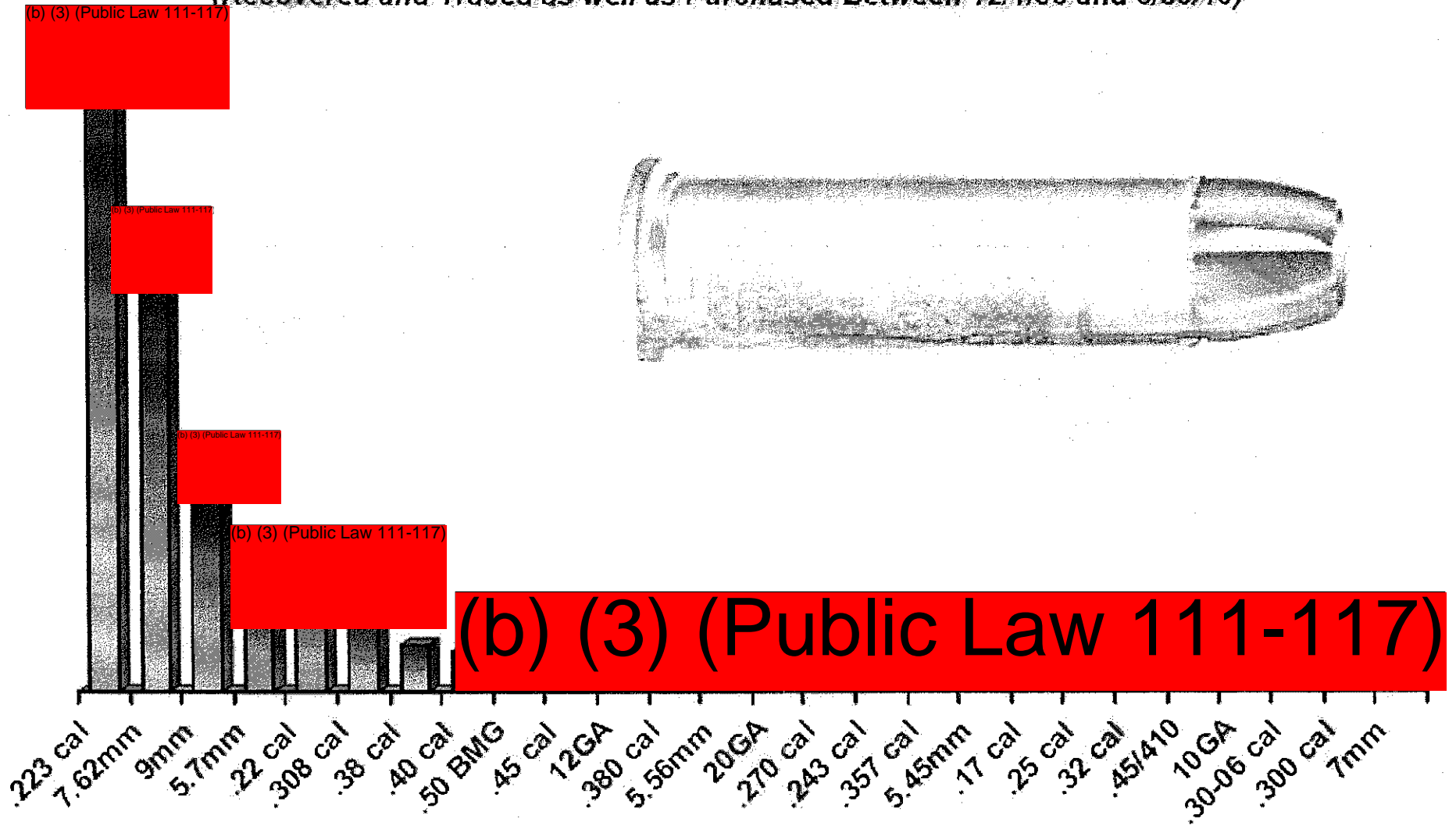
Bureau
Office
Violence

Project # 102450
January 2010

Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch

Top Firearm Calibers with a Mexico Recovery

(Recovered and Traced as well as Purchased Between 12/1/06 and 6/30/10)



NOTE: (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Law Enforcement Sensitive

Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch

Top Firearms with a Mexico Recovery

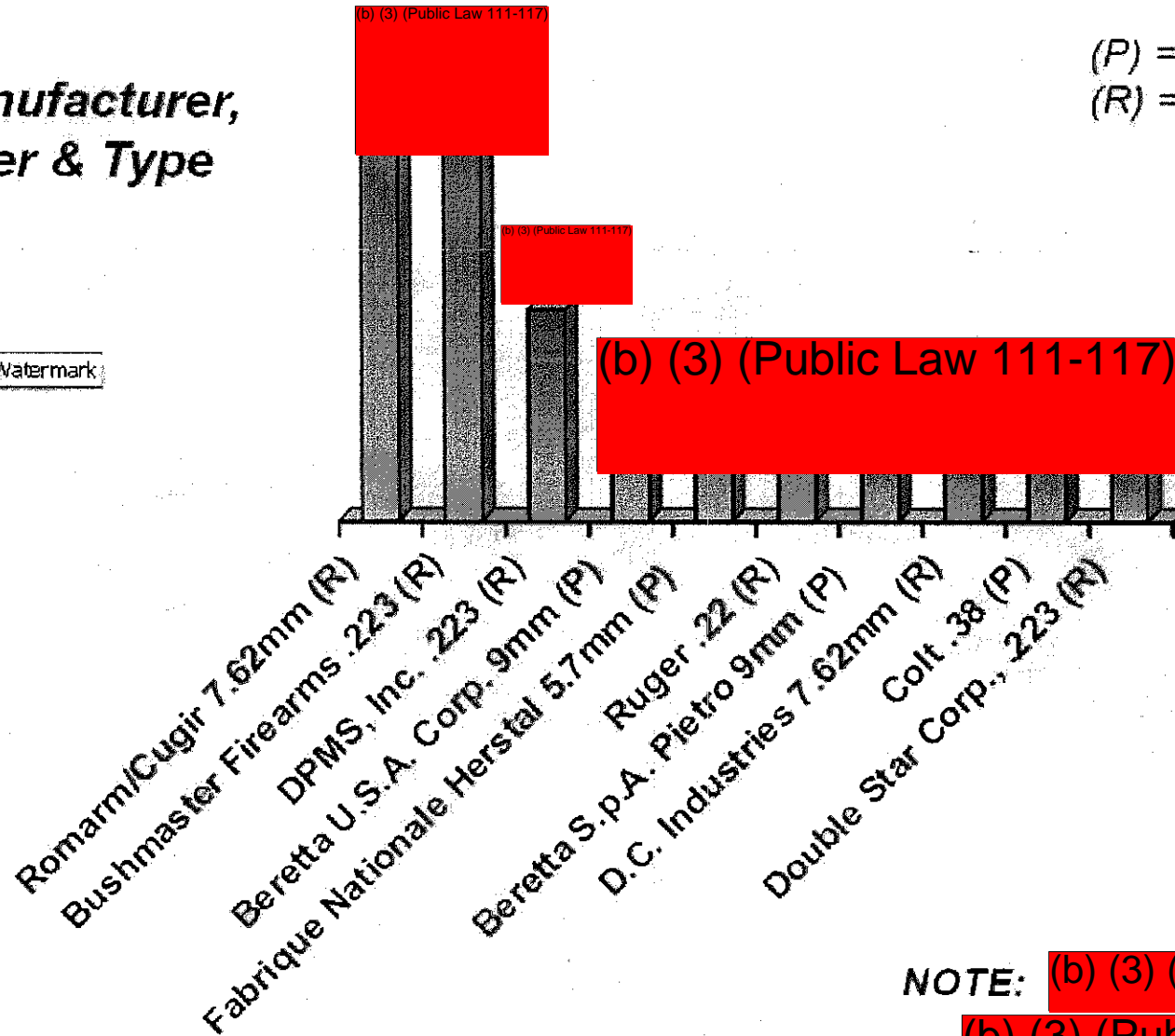
(Recovered and Traced as well as Purchased Between 12/1/06 and 6/30/10)

**By Manufacturer,
Caliber & Type**

(P) = Pistol

(R) = Rifle

Sig Watermark



NOTE: (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Law Enforcement Sensitive

Bureau of Alcohol, Tobacco, Firearms and Explosives, Violent Crime Intelligence Division, Violent Crime Analysis Branch

Firearm Purchaser Place of Birth Countries with a Mexico Recovery

(Recovered and Traced as well as Purchased Between 12/1/06 and 6/30/10)

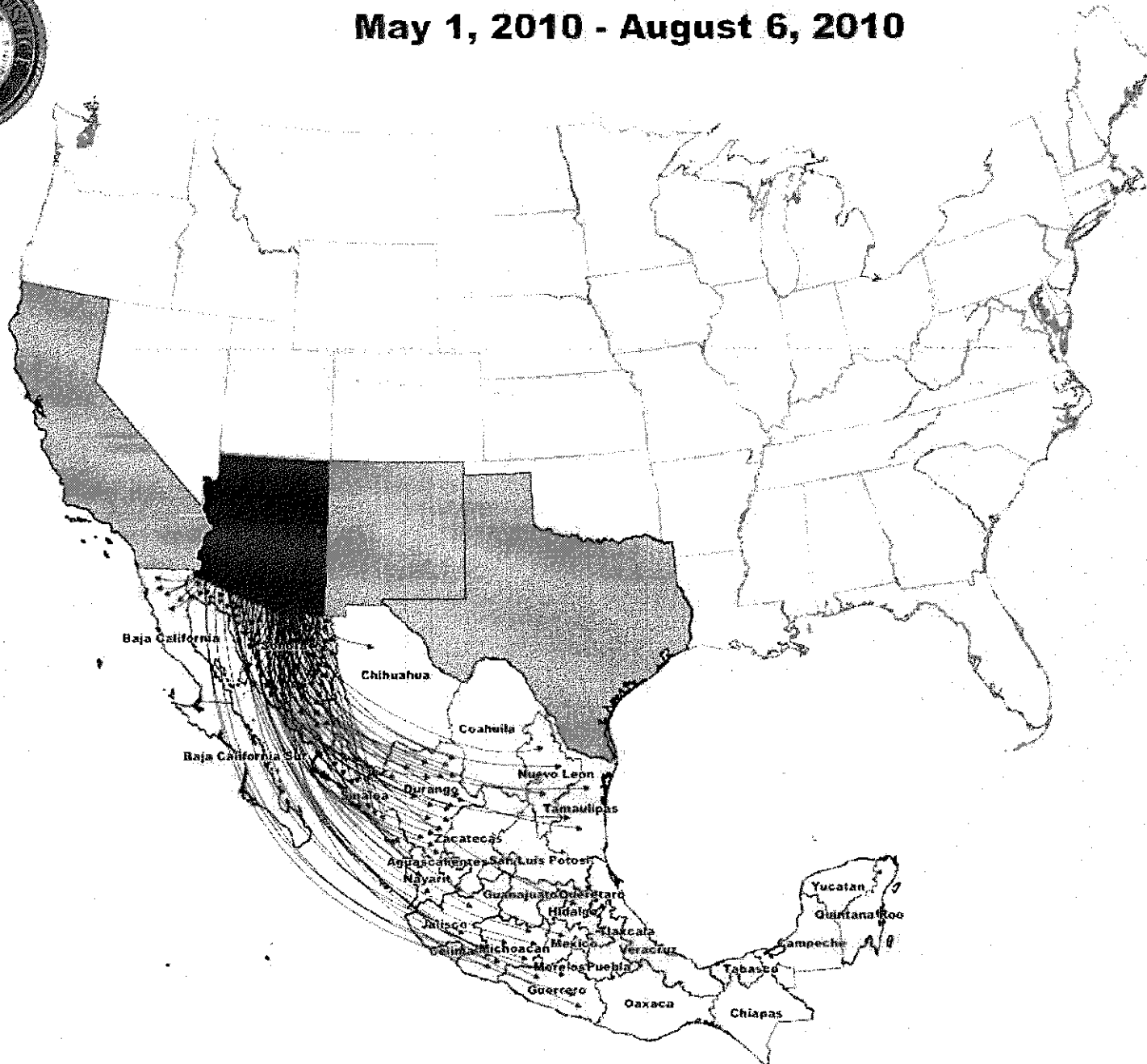
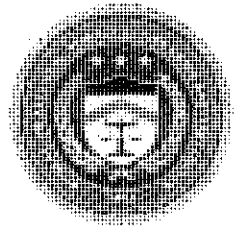
(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

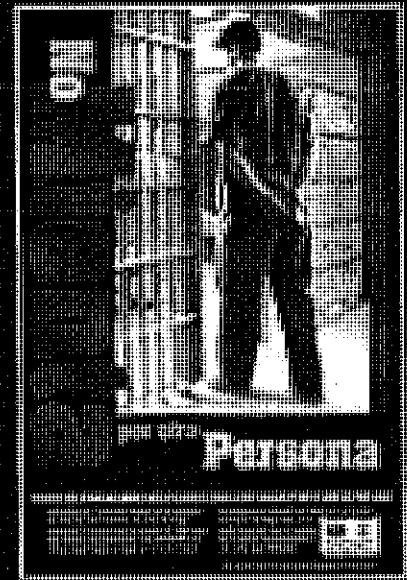
Arizona Gunrunner Impact Team (GRIT) May 1, 2010 - August 6, 2010



Straw Purchase



Guns Galore
 10000 W. 212
 320-772-0986

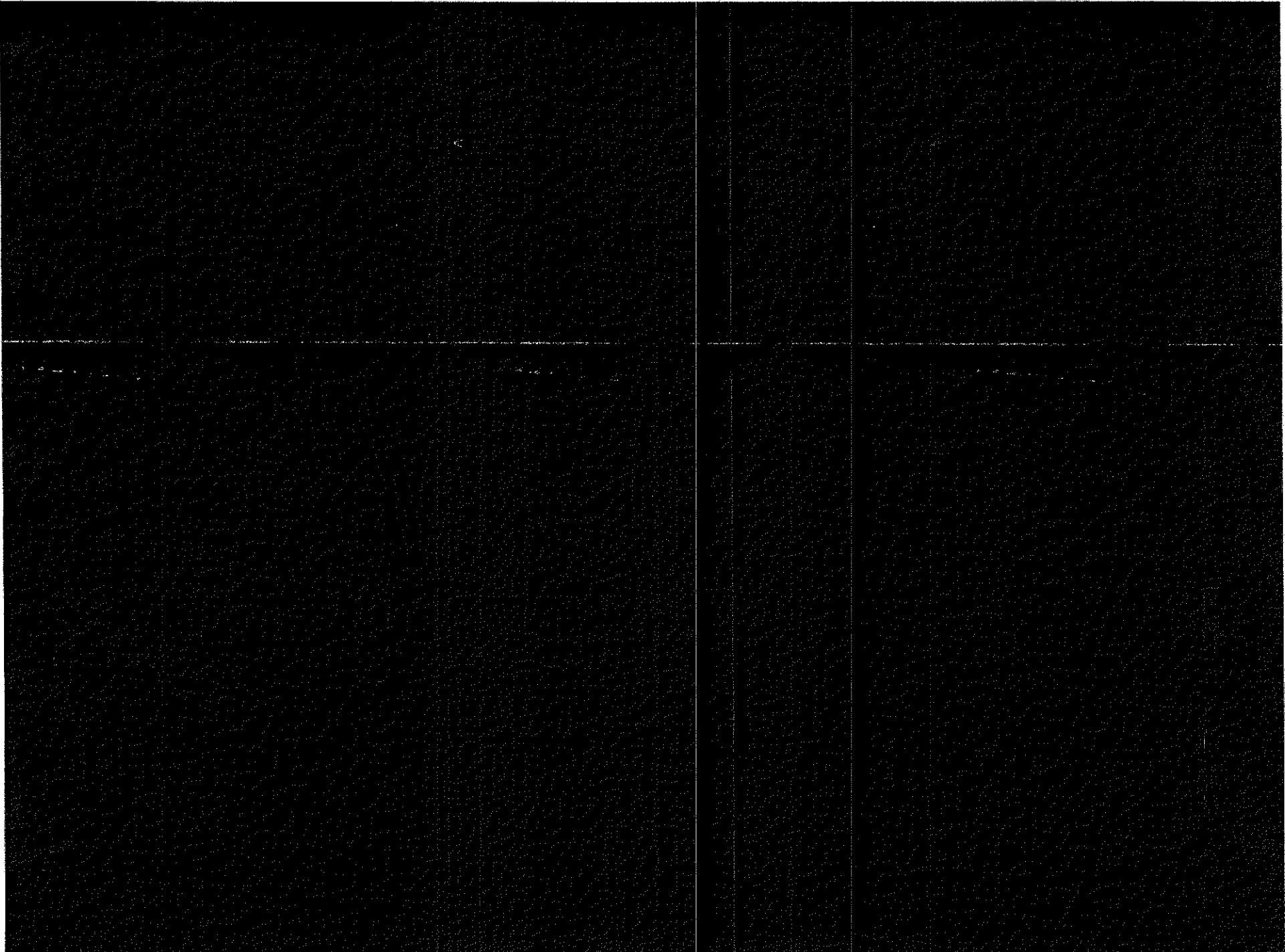


PROJECT ★★
SAFE ★★
 NEIGHBORHOODS ★★
 America's Network Against Gun Violence

Lie

**Purchase a gun
 for someone who can't
 and buy yourself 10 years in jail**





(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

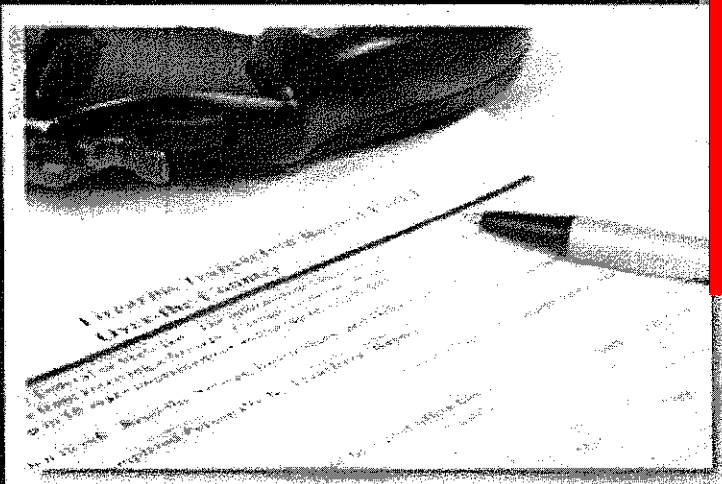
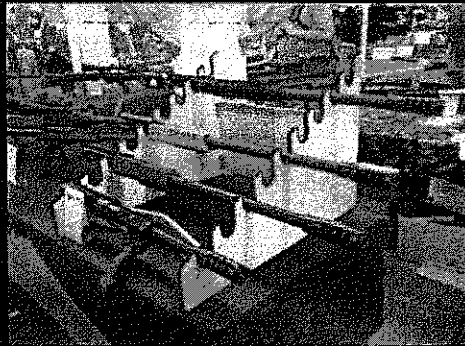
(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

(b)(7)(A) & (E)

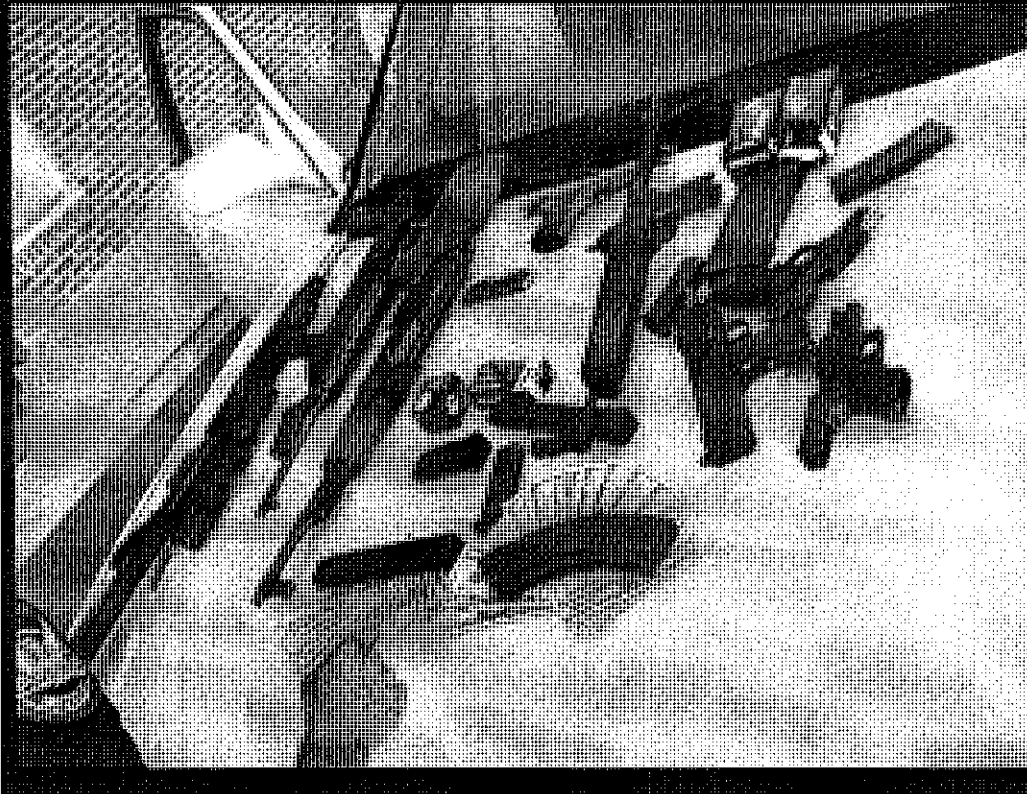
FFLS Trafficking from/by Federal Firearms Licensees



(b) (7) (E)

Secondary Markets

- Gun Shows
 - ATF's 3-prong test
- Pawn Shops

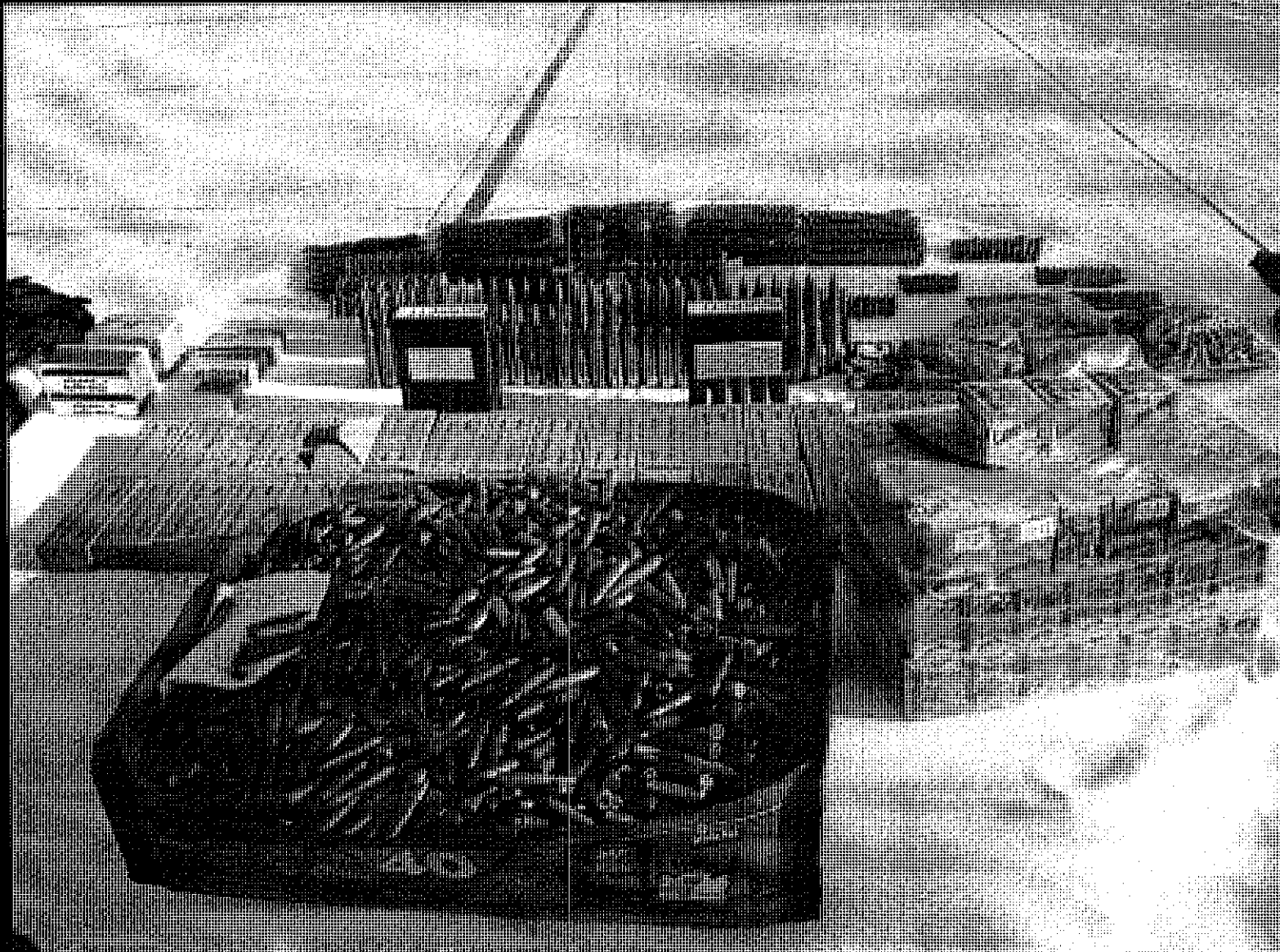


12 January, 2009 Mexicali, Baja California, Mexico

- Approx 500,000 rounds of ammo:
 - 195k – .223
 - 150.5k – 7.62x39mm
 - Rest were .38, .357, .380, 10mm, .45, etc.

(b) (7)(C)

And it's not just firearms.... Recent Large Ammunition seizures

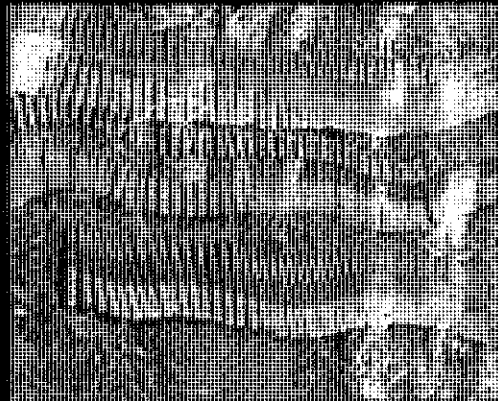
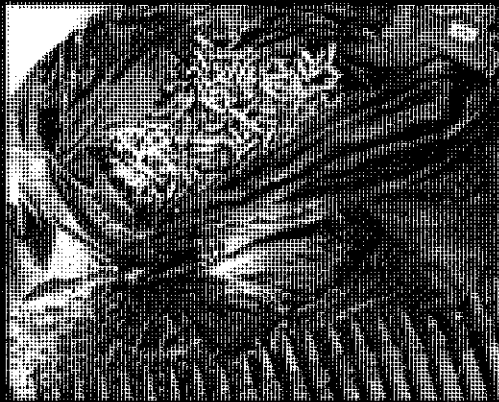
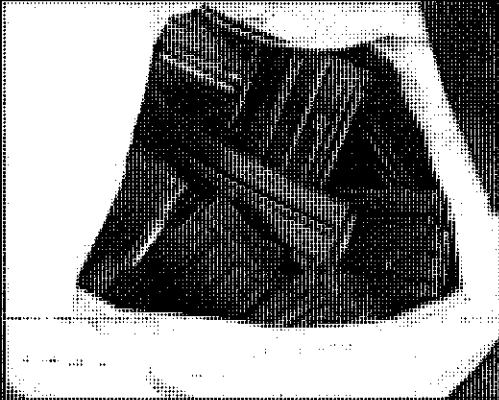


Caliber Size Comparison (.50 to .22)



Nuevo Leon, Mexico March 18, 2010

- 100,000+ Rounds of Ammo
- 5,000 Magazines



23 40mm Grenades

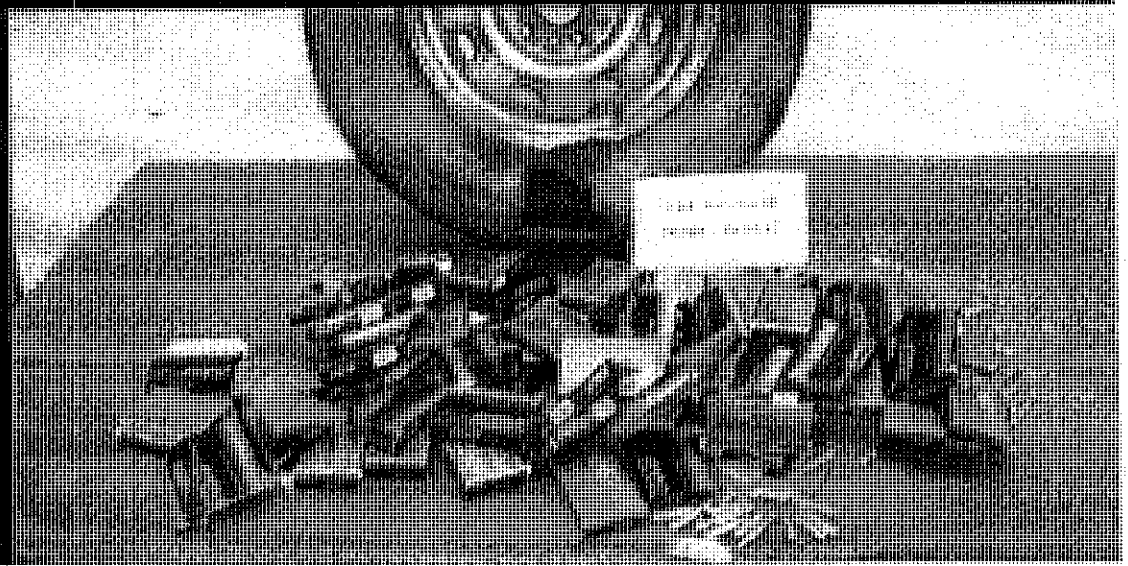
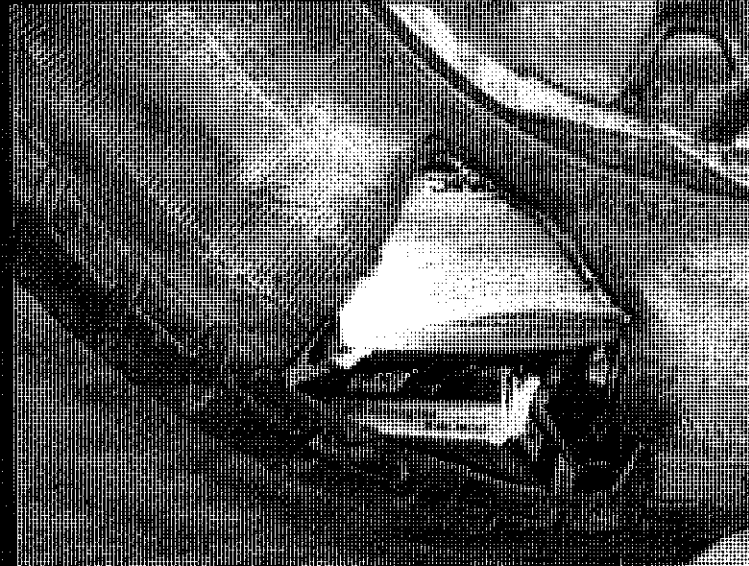


ATF in Tucson Gun Show Seizure of approx. 24,000 rounds



ATF - Tucson June 3, 2010

- ATF seizure of 30,000 rounds
 - 9,500 out of tire
- Group responsible for 250k+ rounds of ammo to Mexico
- Mostly .223, 7.62, 5.7, etc
- Connected to Sinaloa DTO
- Arizona Strike Force case now



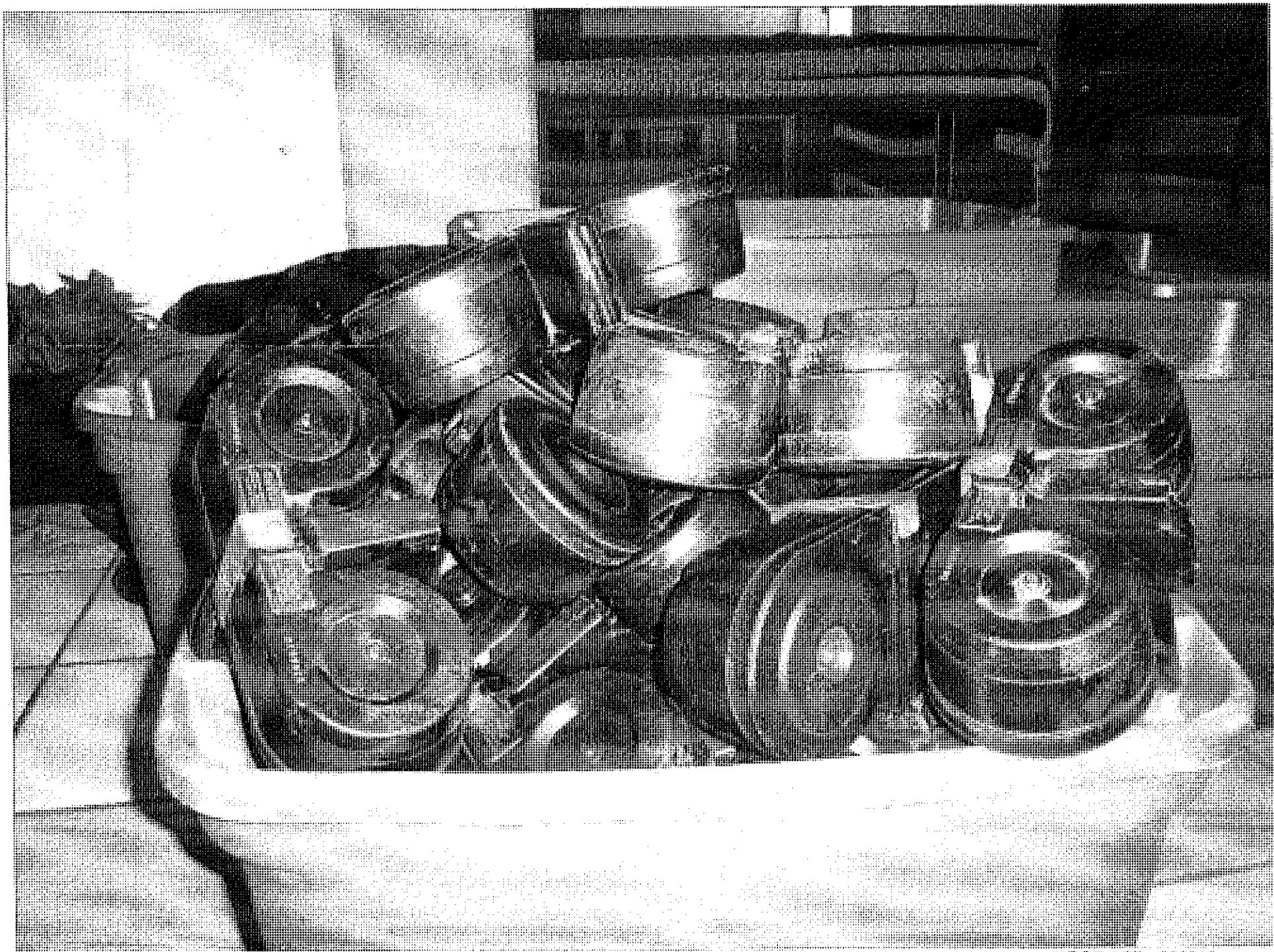
ATF - Phoenix 30,000 Rounds

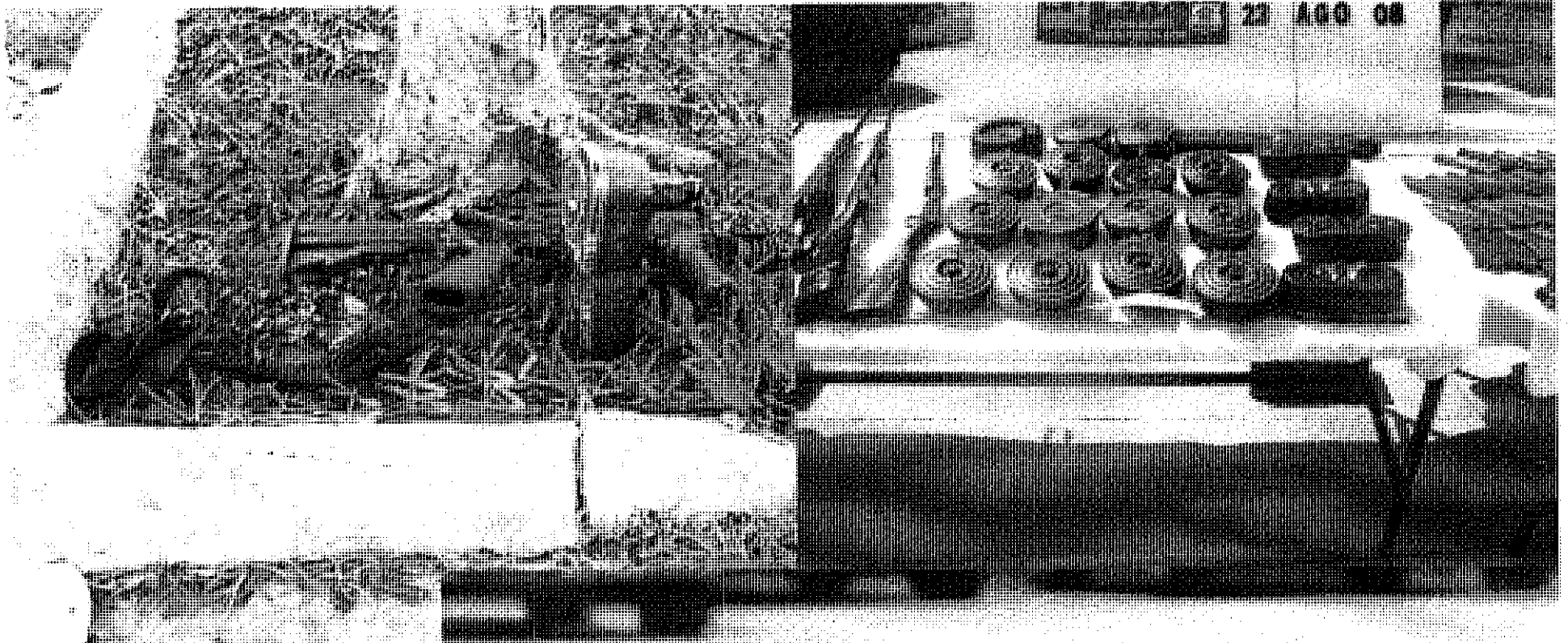


ATF – Phoenix Strike Force June 23, 2010

- 4,000 rounds of 7.62
- 300 rounds of 38 Super
- Purchased by a two-time convicted felon



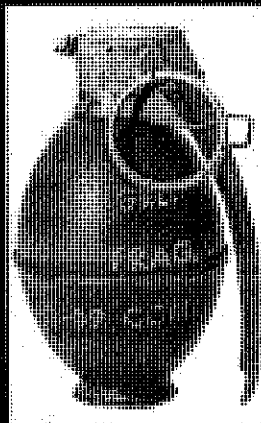
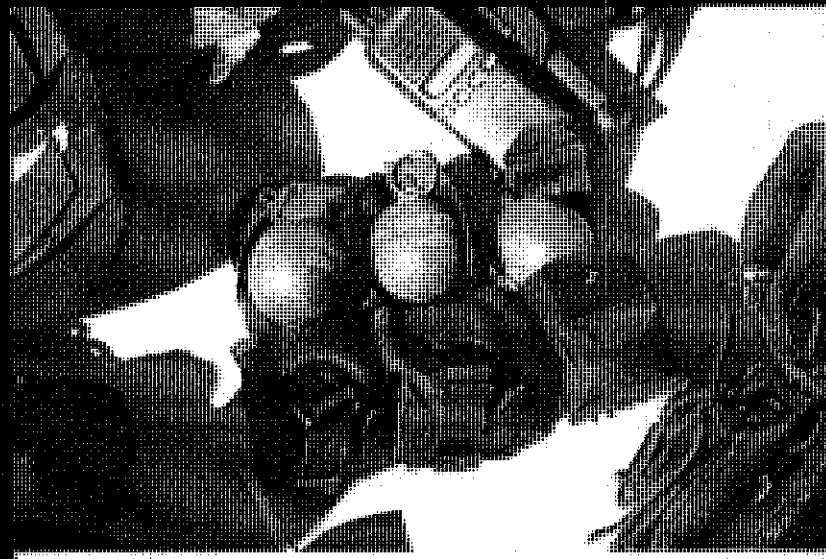


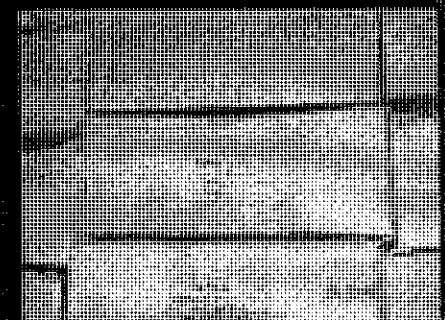
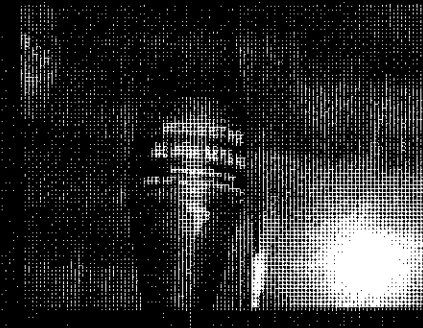
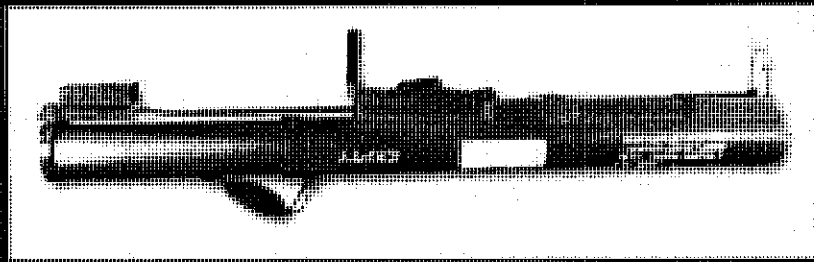
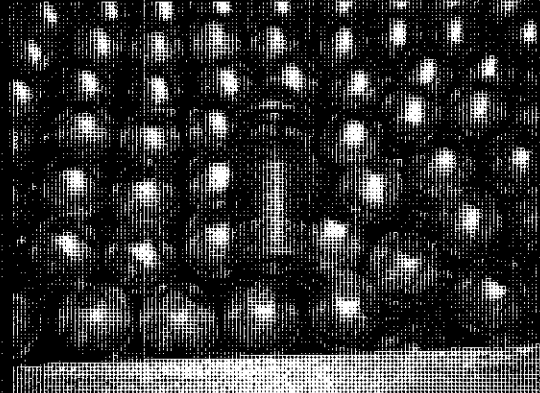
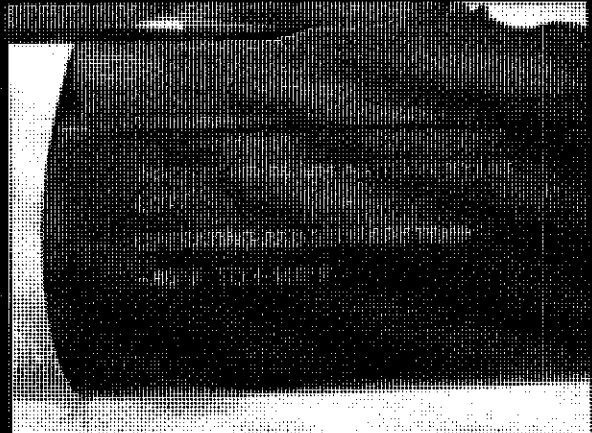
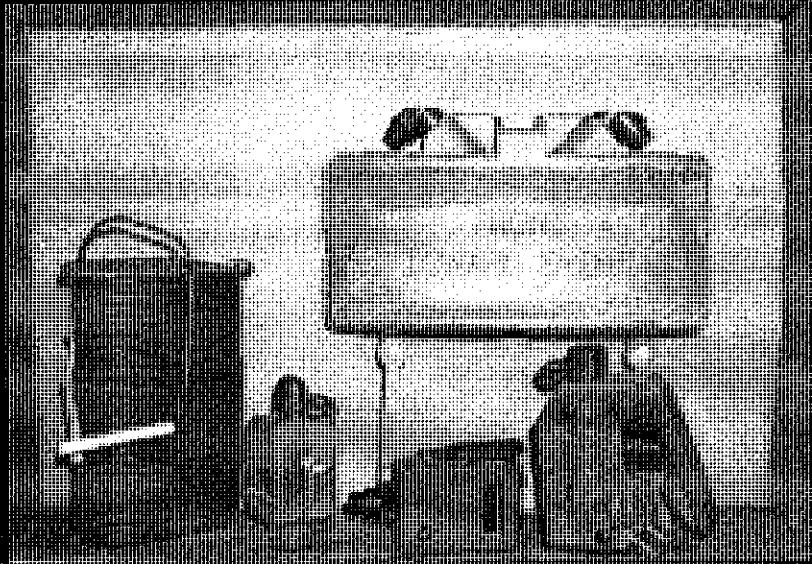
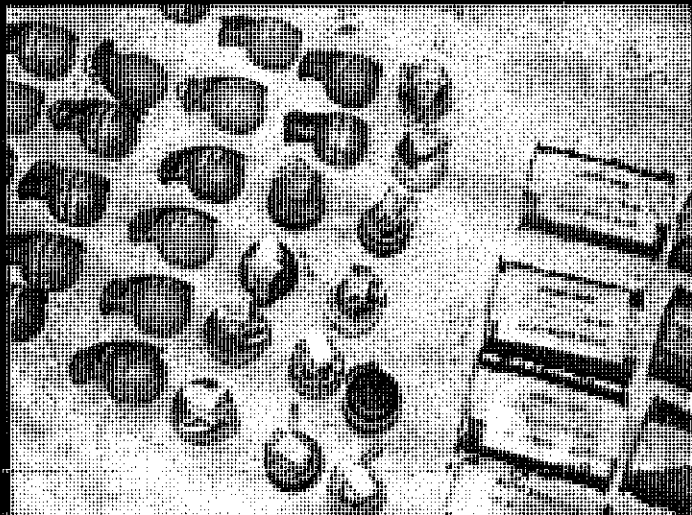


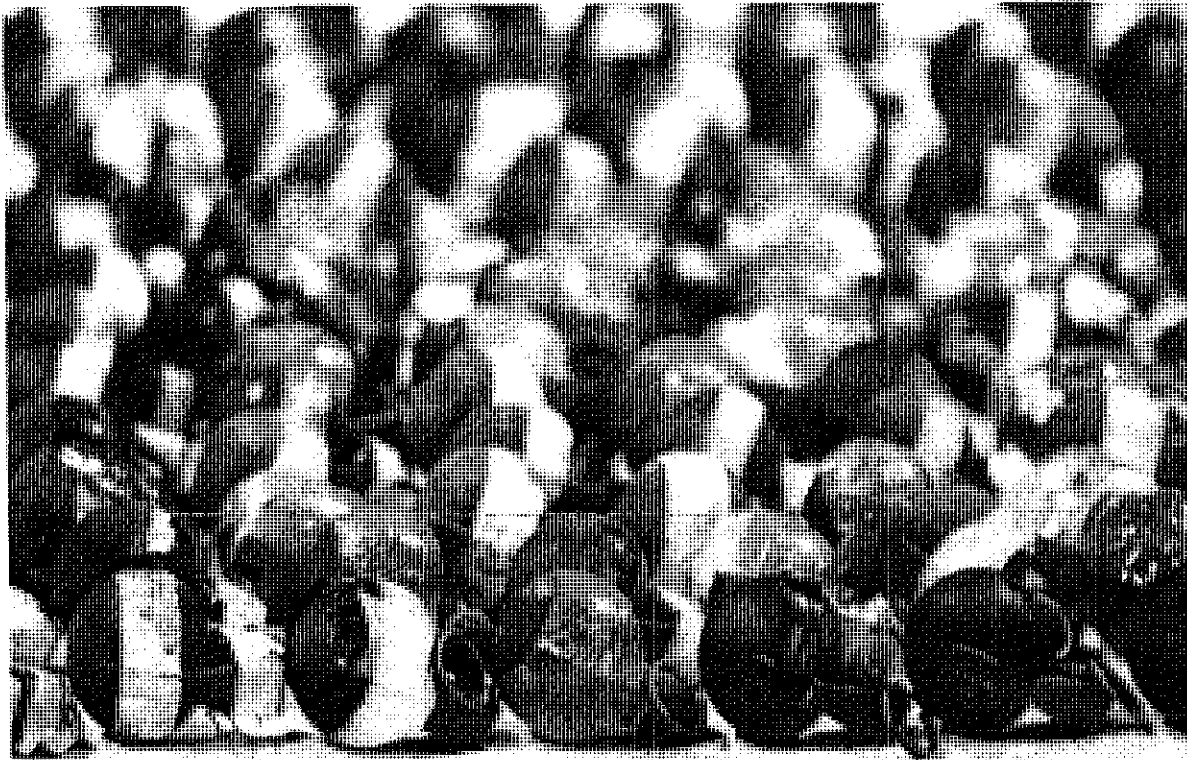
**DRUM MAGS ARE
A VERY "HOT"
ITEM WITH THE
DTOS & IN BIG
DEMAND.**



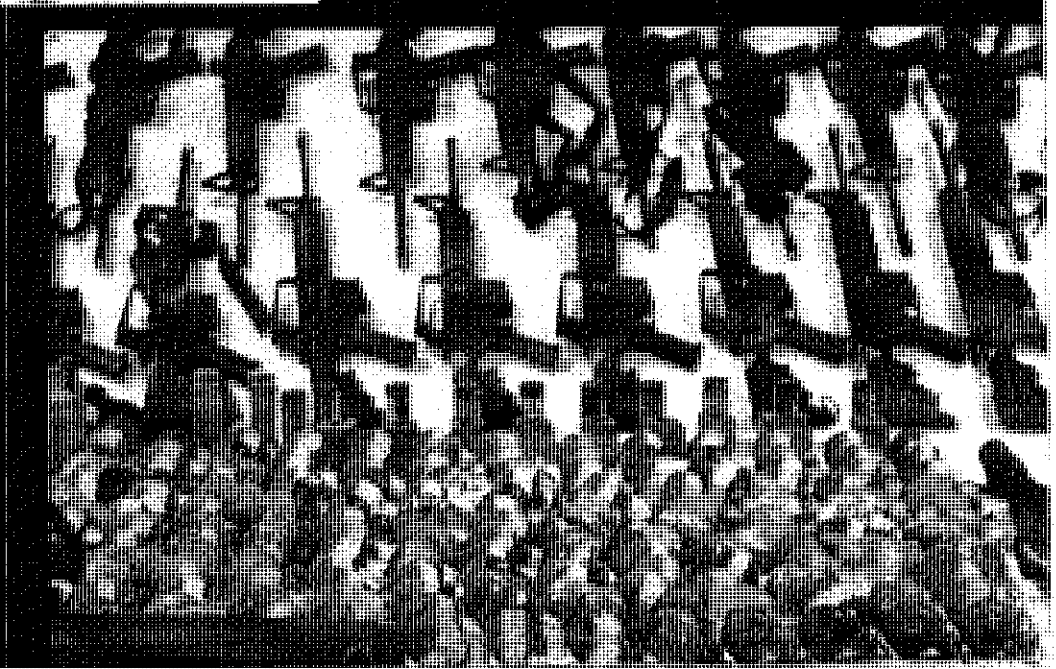
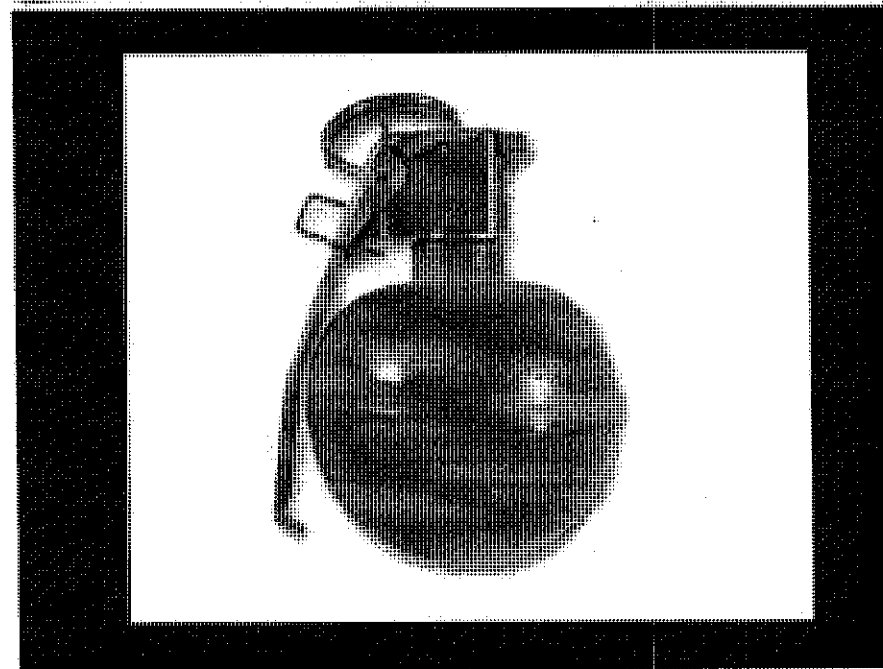
And it's not just guns and ammo.... Recent Explosives and Ordnance Seizures

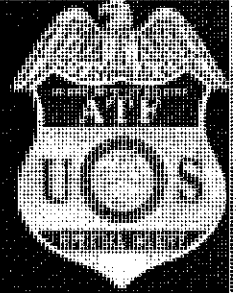






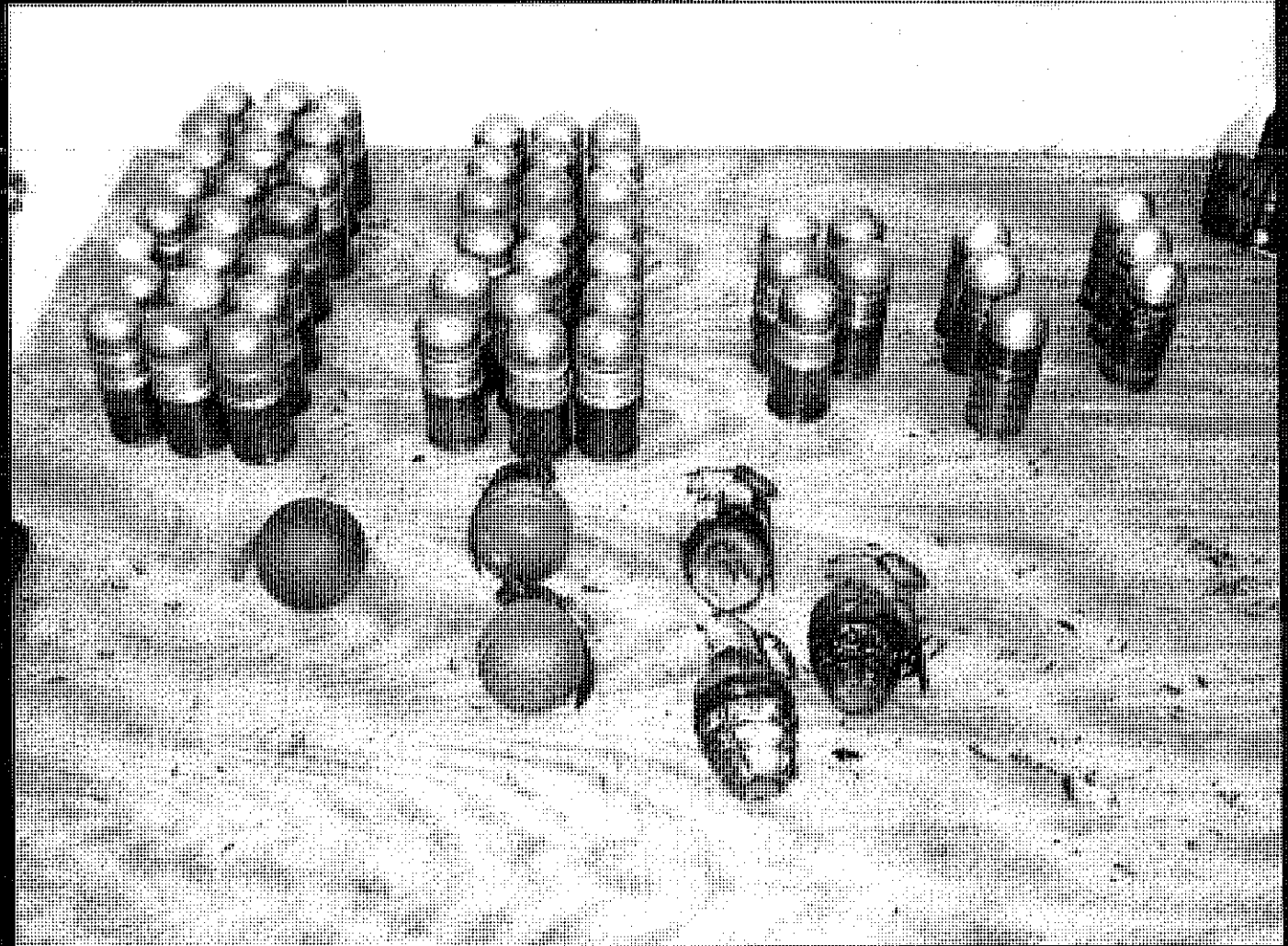
11/07/08
Reynosa,
Mexico





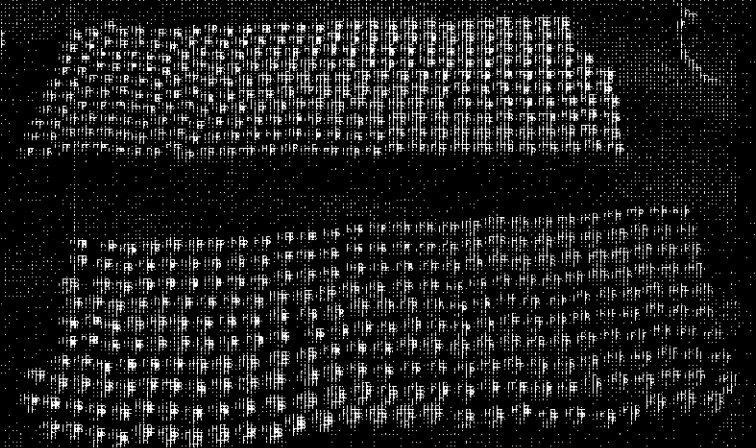
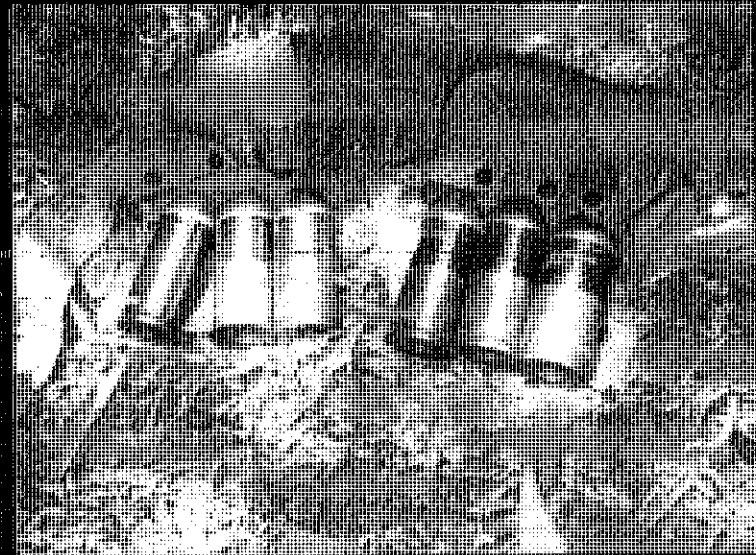
Arrest of "El Canicon" Saltillo, Coauila, March 20, 2009

- 48 U.S. M433
40mm
- 6 K200 40mm
- 1 M67 Hand
Grenade
- 2 K400 Hand
Grenade
- 3 Soviet F1
Grenades



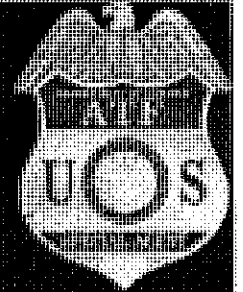
March 27, 2009

Guatemala Zeta Training Camp

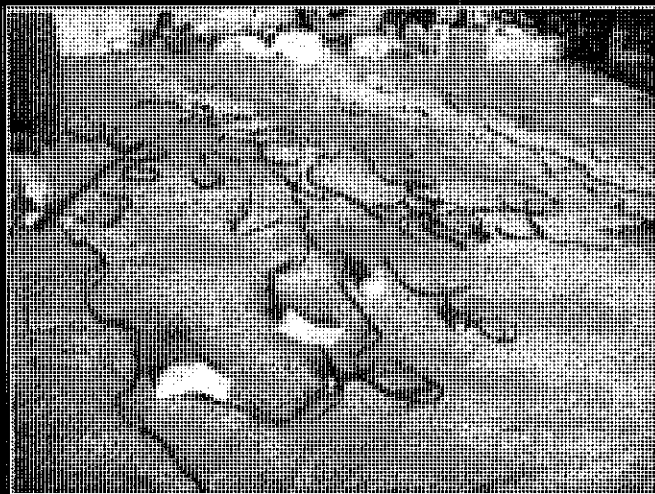
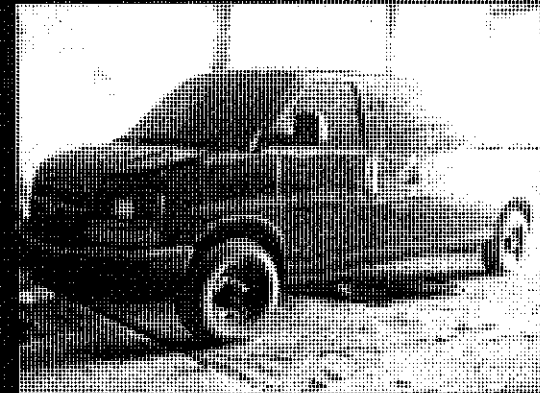




April 4, 2009 Culiacan, Sinaloa



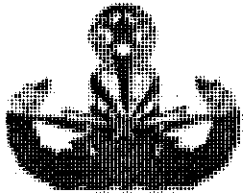
- Van
- 47,500 liter gas tank
- 14 packages black powder
- 6 sticks PE4
- 299 feet coax cable



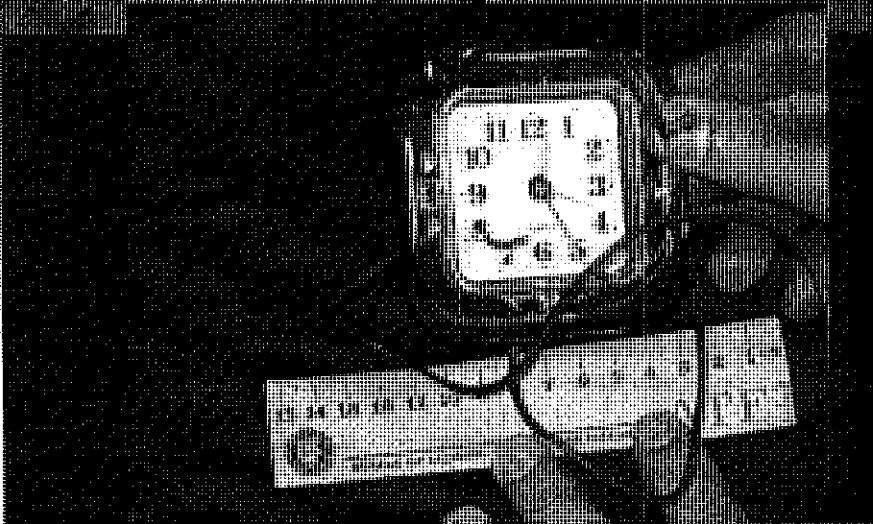
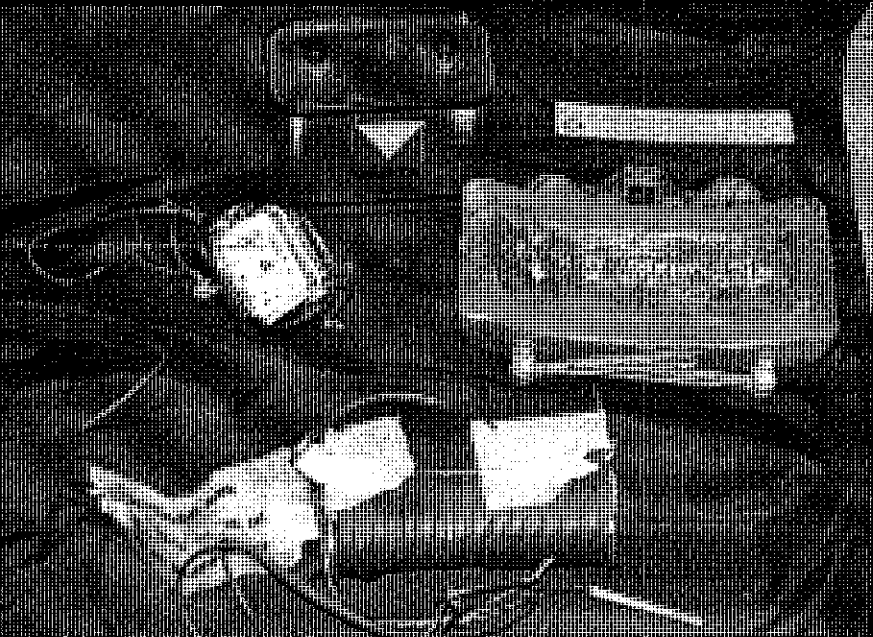
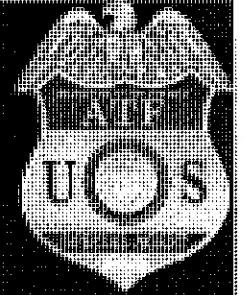
April 24, 2009 Guatemala City



24 23:19



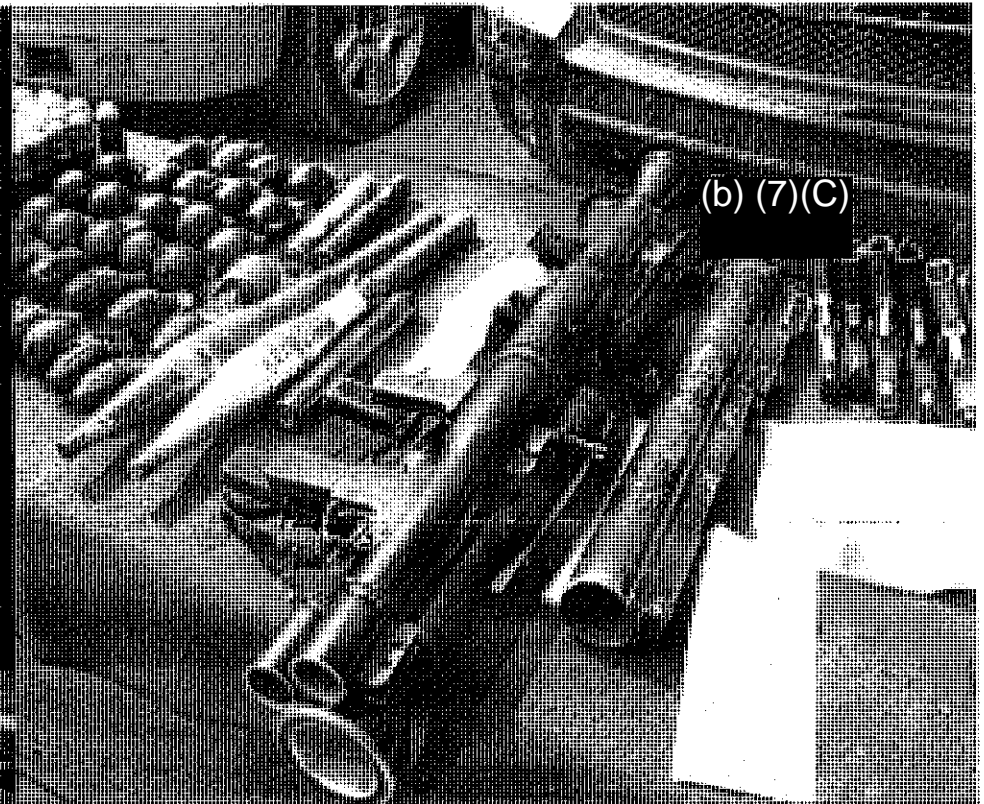
September 9, 2009 Apizaco, Tlaxcala, Mexico



- Mexican Army
- Zetas safe house
- IED using a Claymore
- 8 hand grenades
- Numerous U.S. source firearms

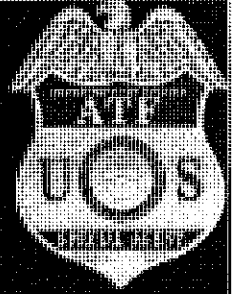


May 11, 2010
Higueras, NL
Seizure



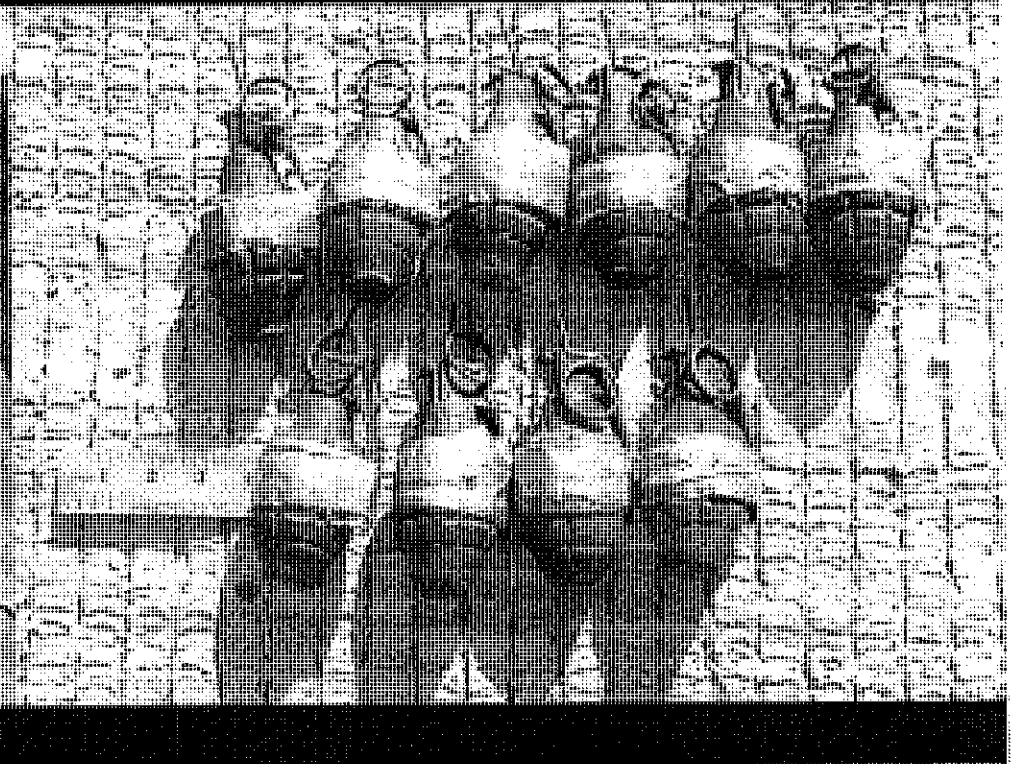
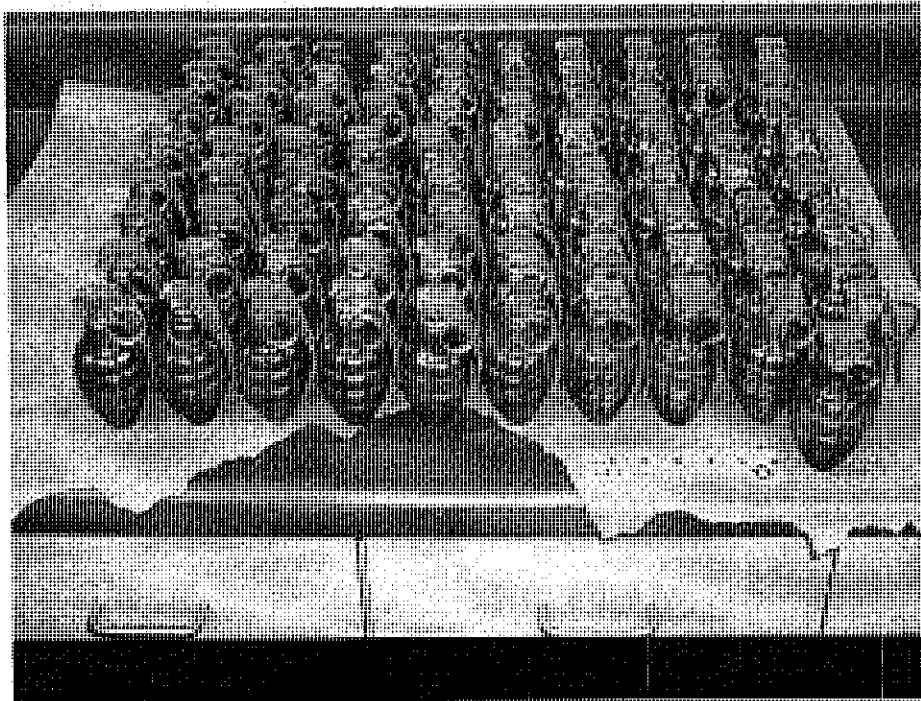


**HOME MADE GRENADES
IN MEXICO**

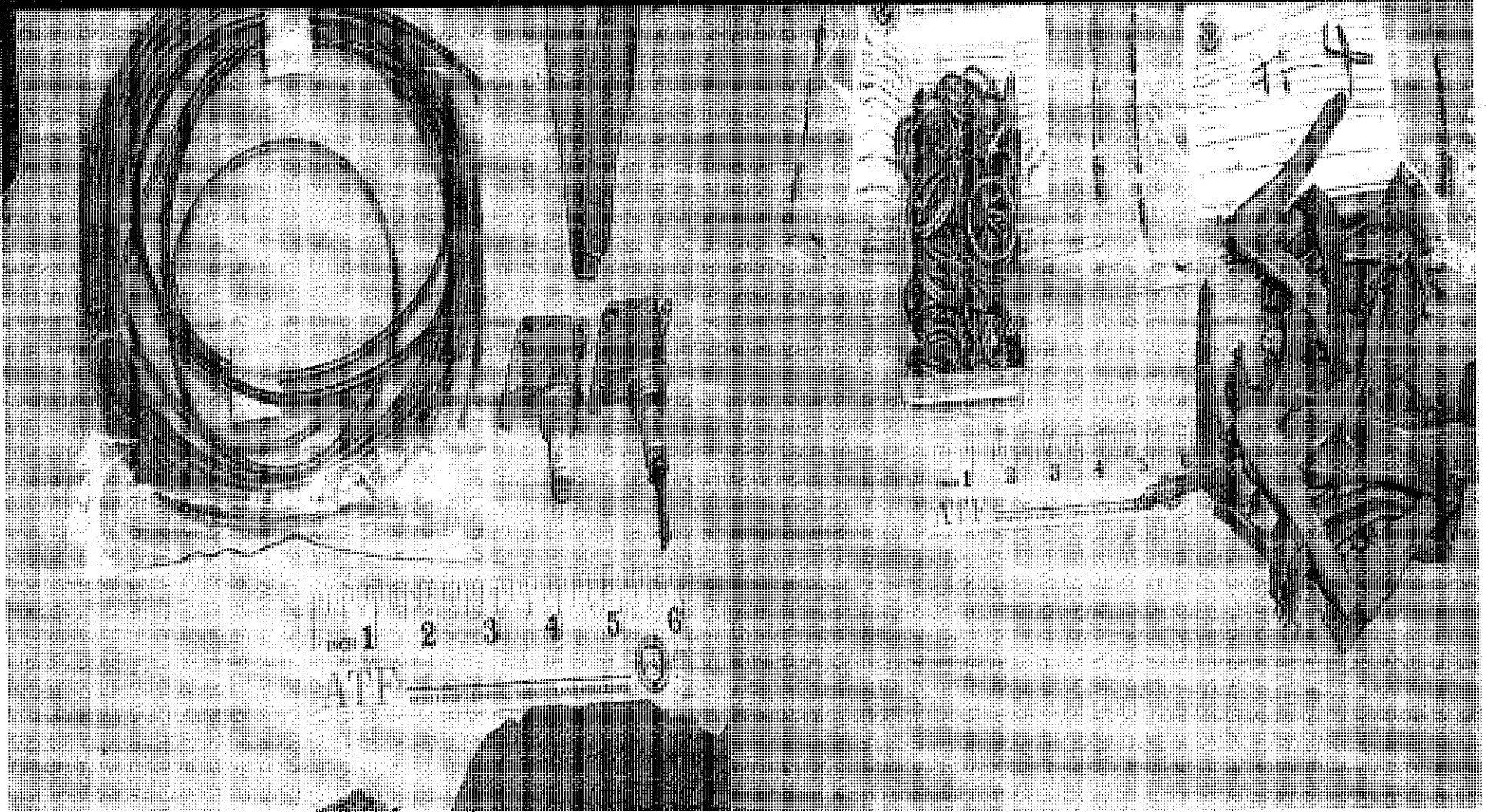


Laredo, Texas ATF Seizure

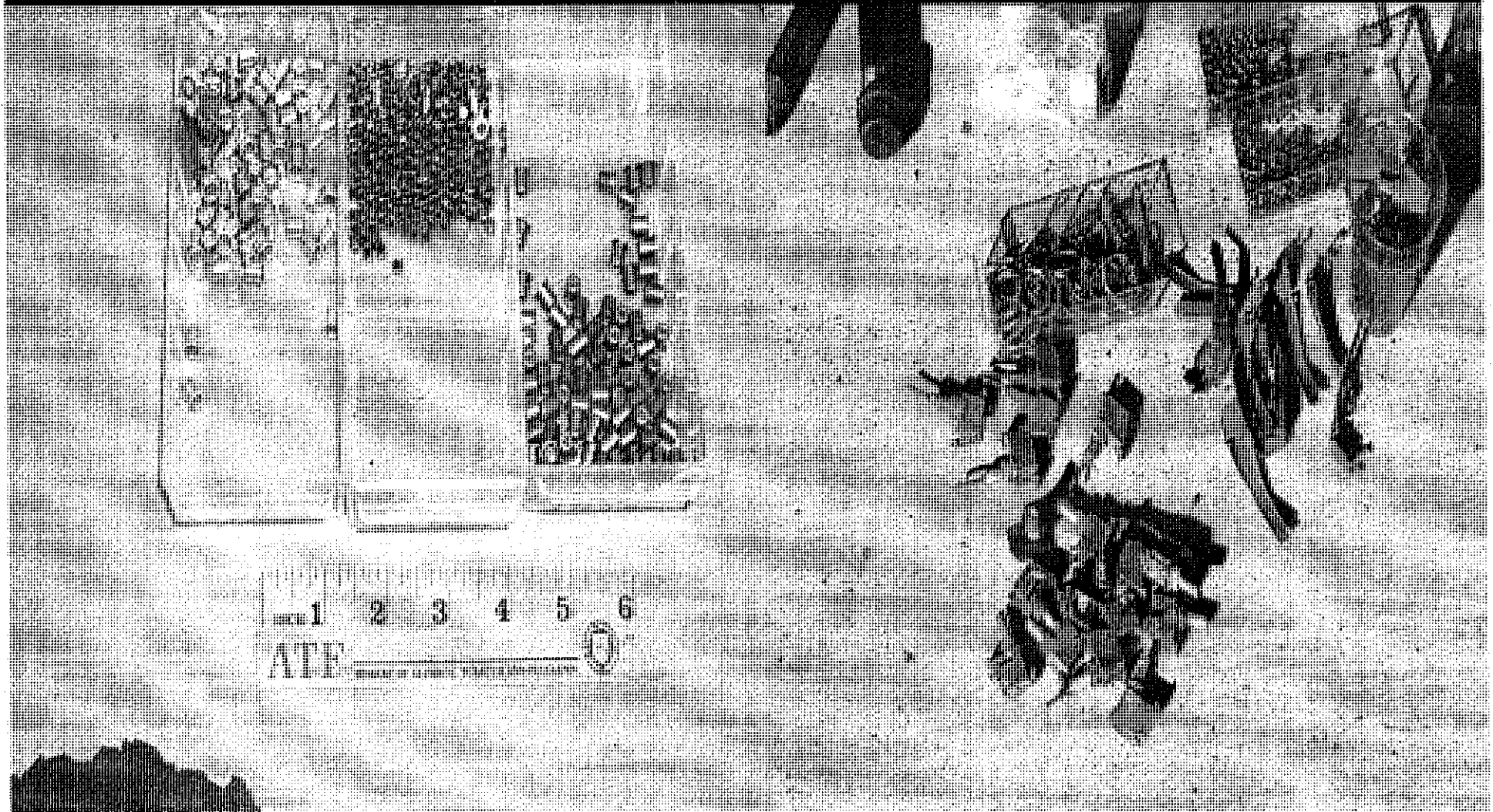
- Seizure of 91 homemade grenades
- Grenade "factory" shutdown



Grenade component parts in the same seizure



Component parts



Juarez, Chihuahua



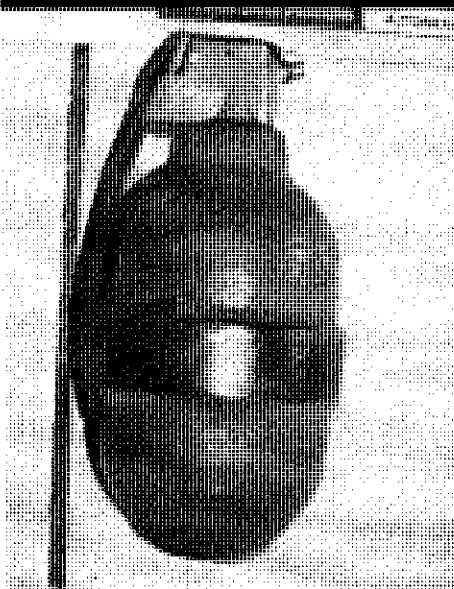
Nogales, Sonora



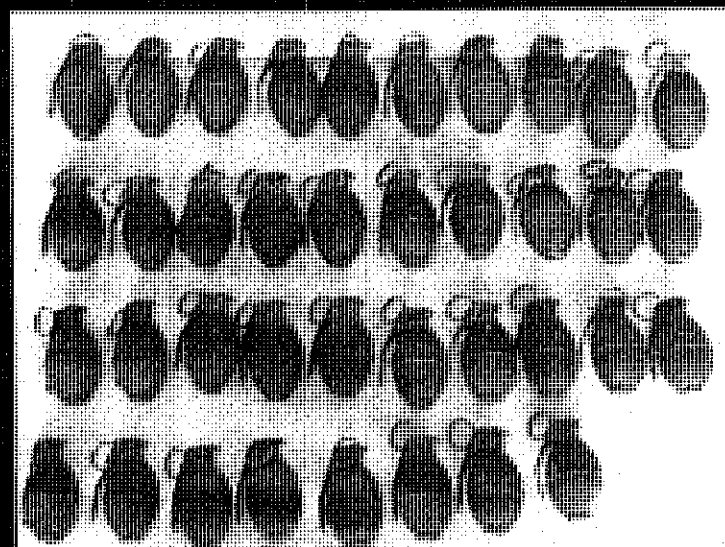
Madera, Chihuahua



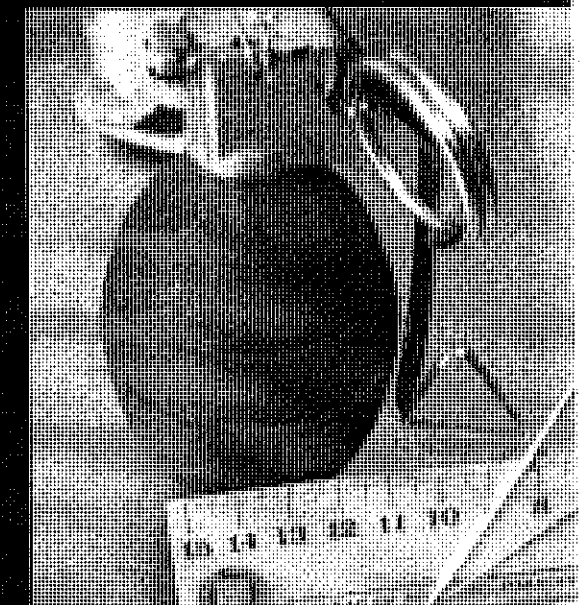
Culiacan, Sinaloa



Near Reynosa, Tamps.



Acapulco, Guerrero

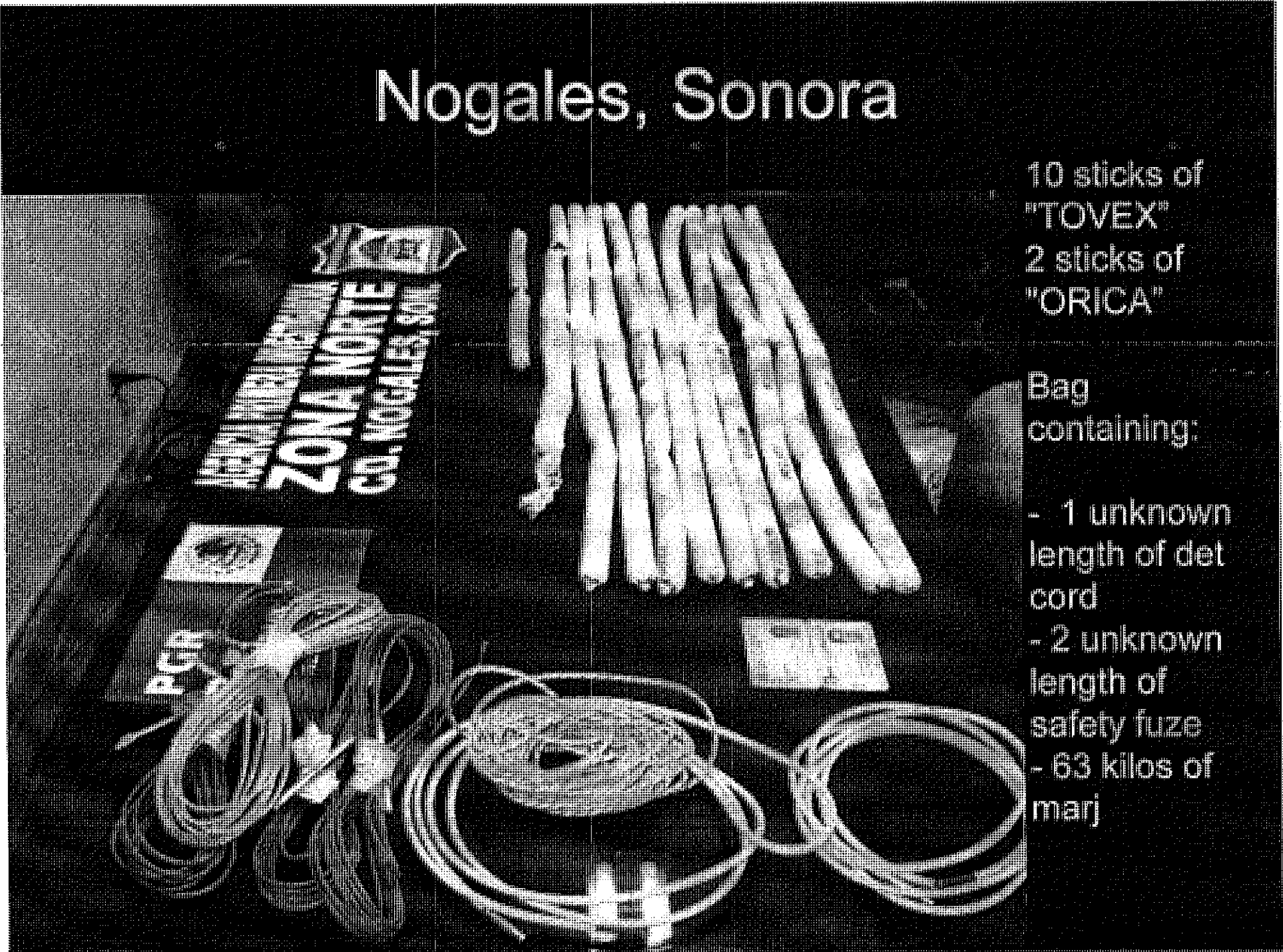


Nogales, Sonora

10 sticks of
"TOVEX"
2 sticks of
"ORICA"

Bag
containing:

- 1 unknown
length of det
cord
- 2 unknown
length of
safety fuze
- 63 kilos of
marj



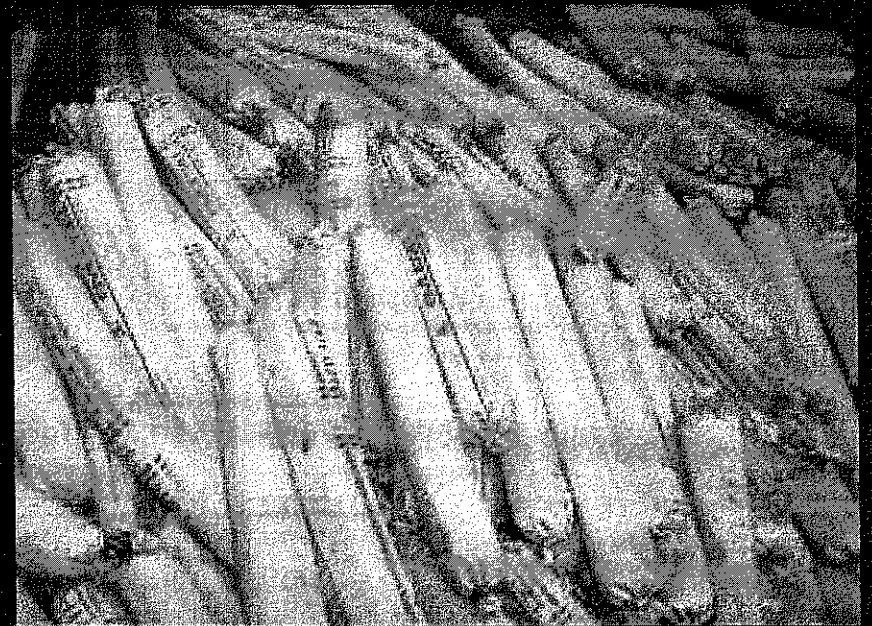
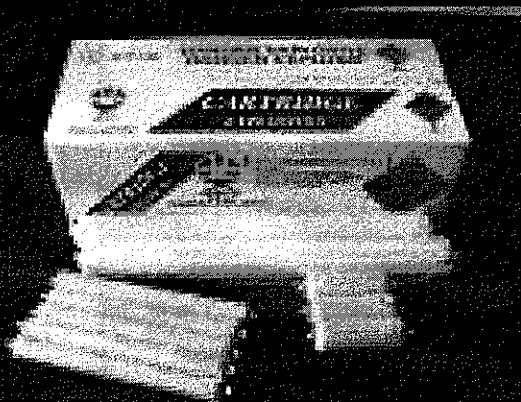
Explosives Theft

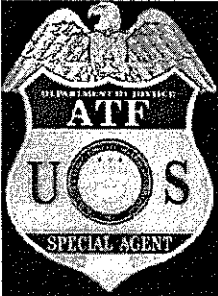
(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

Tovex is a 50/50 water gel high explosive made up of Ammonium Nitrate and Methylammonium Nitrate.





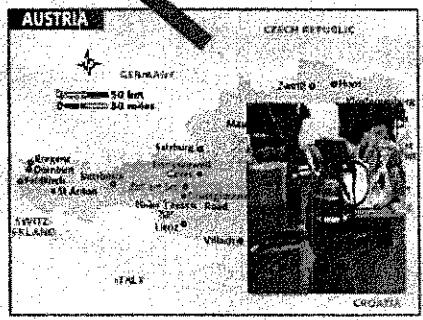
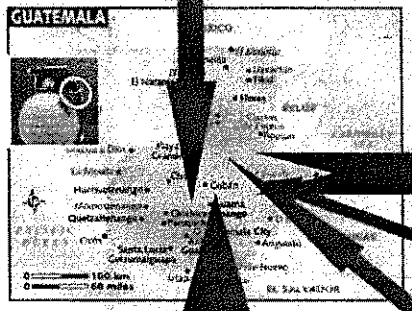
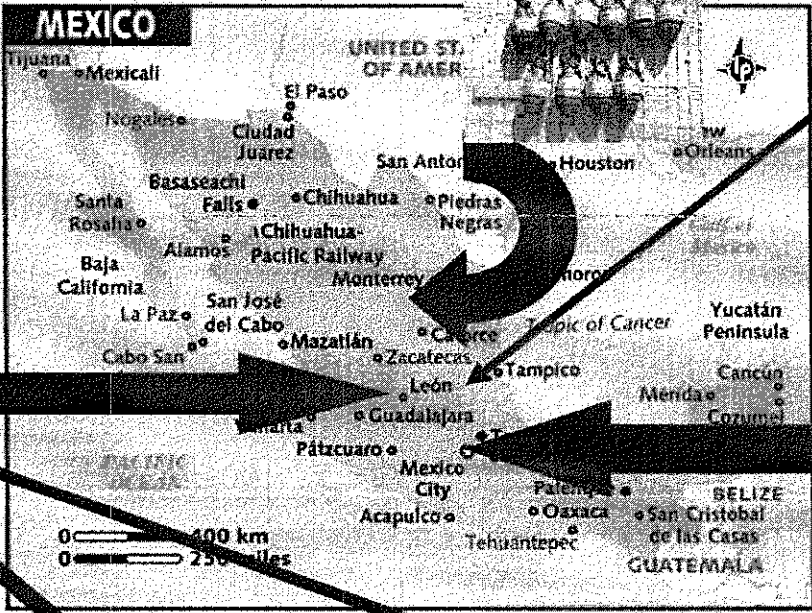
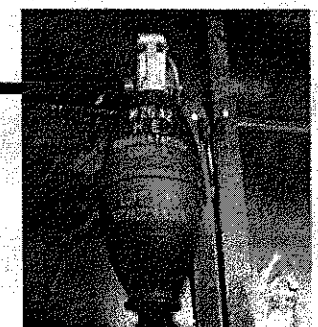
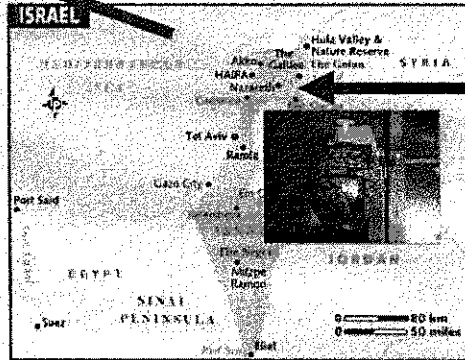
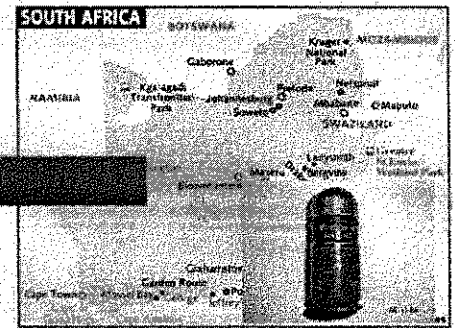
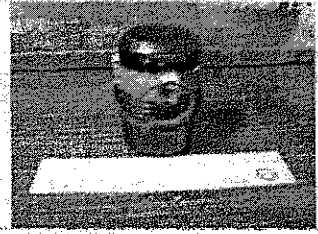
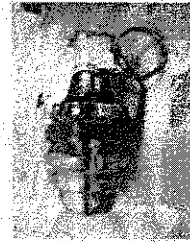
COMBINED EXPLOSIVES INVESTIGATION TEAM (CEIT)



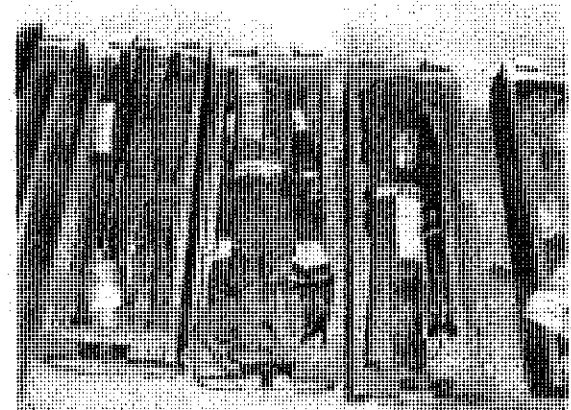
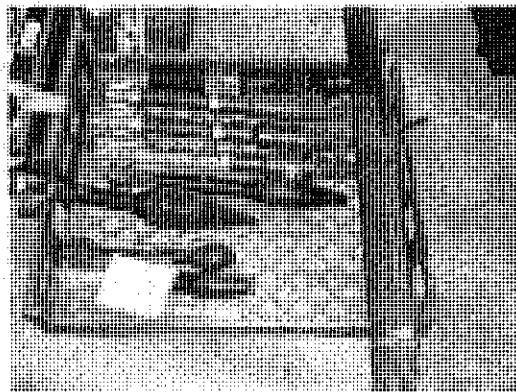
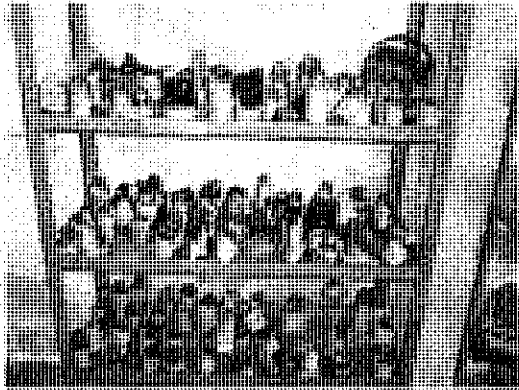
The CEIT was formed as a result of the partnership established between ATF and SEDENA in responding to and documenting explosives related incidents throughout Mexico

U.S. members are ATF and DAO

Mexican members are SEDENA, SEMAR, CISEN, PGR, SRE, and SSP



Guatemala City Brigada Mariscal Zavala NCP Bunker



- Pre-Planned Ambush
- Use of 911, report of dead officer
- Lured LE and City medical with dead body dressed as police officer
- Ford Focus with Tovex explosive
- Blast killed 3 (1 Police and 1 Medic)
- (b) (7)(E)
- Juarez Cartel claimed responsibility
- "La Linea" leader detained

Ciudad Juarez

VBIED

July 15, 2010



Ciudad Victoria VBEID

August 5, 2010

- SSP/State LE HQ in Tamaulipas
- Car abandoned for 3 days
- Device in trunk of car (Steel box)
- Orica explosive
- (b) (7)(E)
- No known connection to Juarez



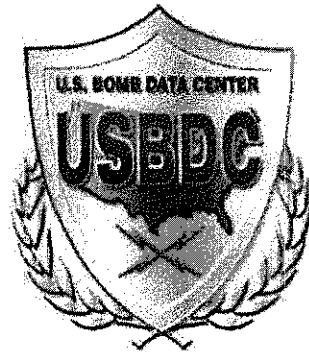
UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
Office of Strategic Intelligence and Information



United States Bomb Data Center

(U) Advisory: Vehicle Borne IED in Ciudad Victoria, Mexico
August 5, 2010



USBDC 10-26

(U//LE) Warning: This document is UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE and intended for Official Use Only. It contains information that may be exempt from public release under the Freedom of Information Act (5 U.S.C. 552). All information, analysis, data, and methodology included herein are considered official products of work owned by the Federal Government and held for the benefit of the public. No information contained herein may be disclosed, reproduced, or disseminated without the express authorization of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Information in this report is original, uncontrolled information as it was, in whole or in part, be related to an ongoing law enforcement investigation involving human sources or law enforcement undercover or personnel. Information contained in this report should not be released to foreign organizations or persons.

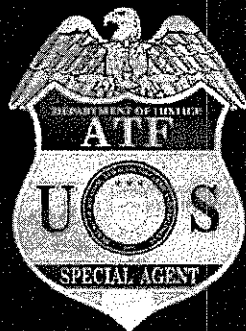
UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE

U.S. Bomb Data Center

- Arson & Explosives info, intel and advisories
- Investigative resource
- Avail to LE and Fire Service agencies
- Tracking Mexico explo events with Mex/US CEIT
- (800) 461-8841
- USBDC@atf.gov

New Explosives Info Resource

- SWB Ordnance Id Guide
- U.S. Bomb Data Center
- English and Spanish
- Specific to Issues in Mexico & along SWB
- For identification and tracing military ordnance



U.S. Department of Justice, Departamento de Justicia de Estados Unidos de América
 Bureau of Alcohol, Tobacco, Firearms and Explosives, Agencia de Alcohol, Tabaco, Armas de Fuego y Explosivos
 Office of Source Intelligence and Information, Oficina de Inteligencia Estratégica y de la Información



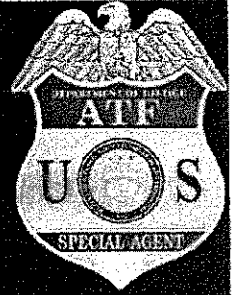
Southwest Border Ordnance Recognition Guide Guía Para Identificar Municiones Decomisadas al Suroeste de la Frontera



United States Bomb Data Center (Centro de Datos de Bombas de los Estados Unidos de América)

Defensive Hand Grenades

Tabulated Data	K400	H400	H77	HdGr 73
Country of Origin	South Korea	South Korea	South Korea	Austria
Weight	450 g	250 g	450 g	12.5 oz/355 g
Explosive Charge	Comp-B, 130 g	Comp-B, 65 g	Comp-B, 130 g	Masticized PETN, 57 g
Body Material	Embossed metal	Cubic tungsten	Embossed metal	Plastic body with metal pellets in liner
Color/Markings	Olive Drab/yellow markings	Olive Drab/yellow markings	Olive Drab/yellow markings	All (C) green to identify HdGr 73 and Argos embossed on body
Dere	K402	H402	K402	Uchansen
Delay Time	4 to 5 seconds	4 to 5 seconds	4 to 5 seconds	3 to 5 seconds
Casualty radius	10 to 15 meters	10 to 15 meters	10 to 15 meters	10 meters
Dimension	60 mm Diameter	55 mm Diameter	60 mm Diameter	57 mm Diameter



Bringing it All Together

Remember – The Key is to
Eliminate the Illegal
SOURCE!!



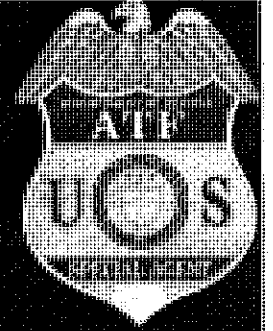
OCDETF & Gunrunner



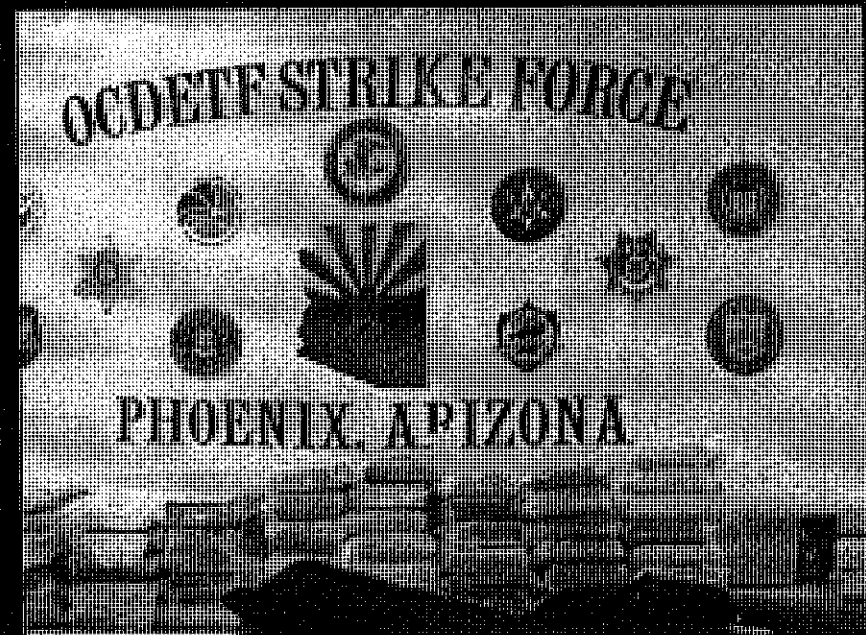
- Historical nexus between Narcotics and F/As trafficking
- Use of same trafficking routes and networks
- Firearms are the “tools of the DTO trade”
- ATF’s primary role in combating firearms trafficking
- ATF’s unique expertise and experience
- OCDETF Director Nash’s April, 2009 Memo
- ONDCP’s National SWB Strategy – Chapter 7
- DOJ’s 2009 SWB Strategy – Combating the DTOs
- **ATF is fully committed to the OCDETF Program**

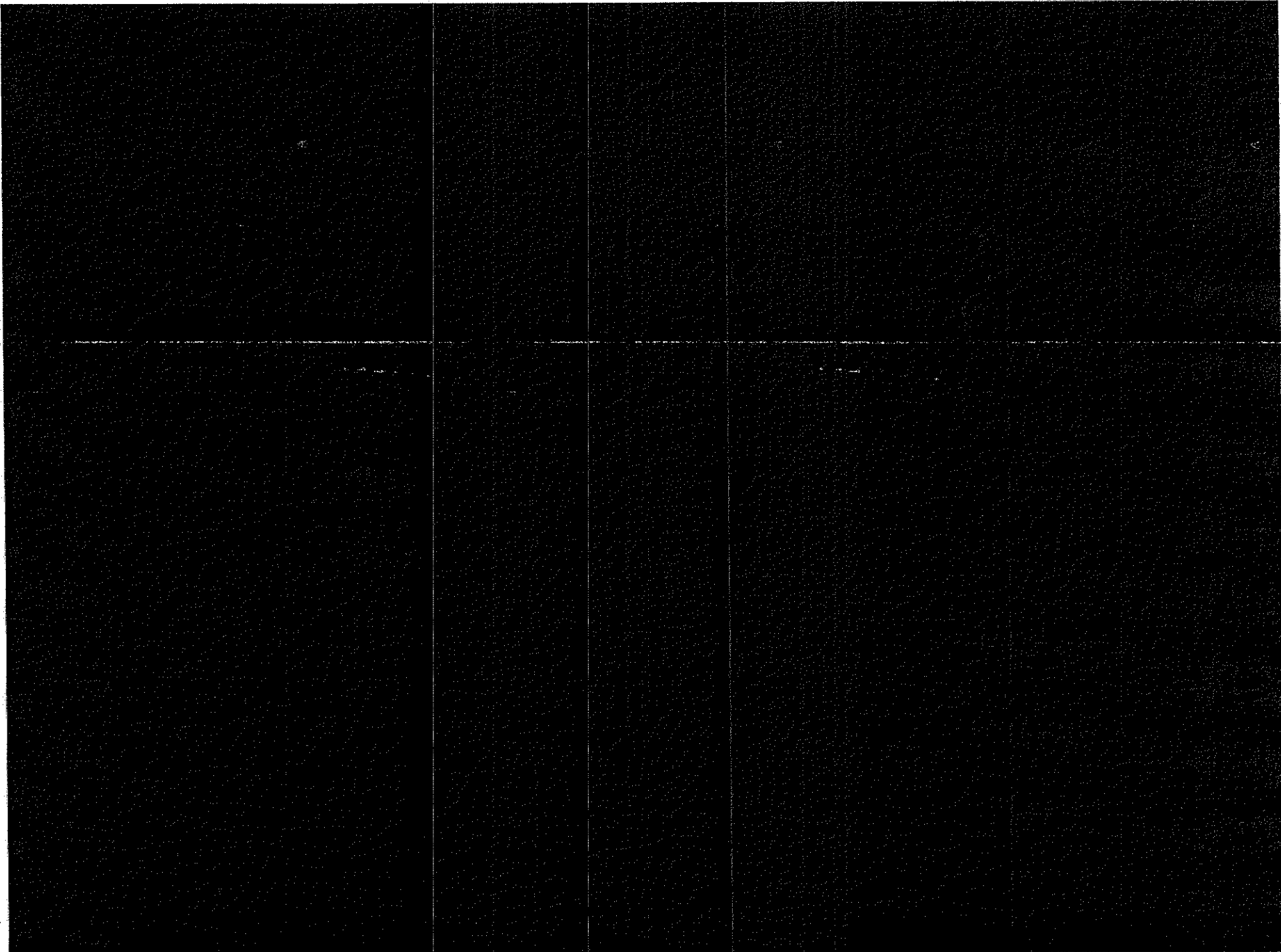


Arizona OCEDETF Strike Force

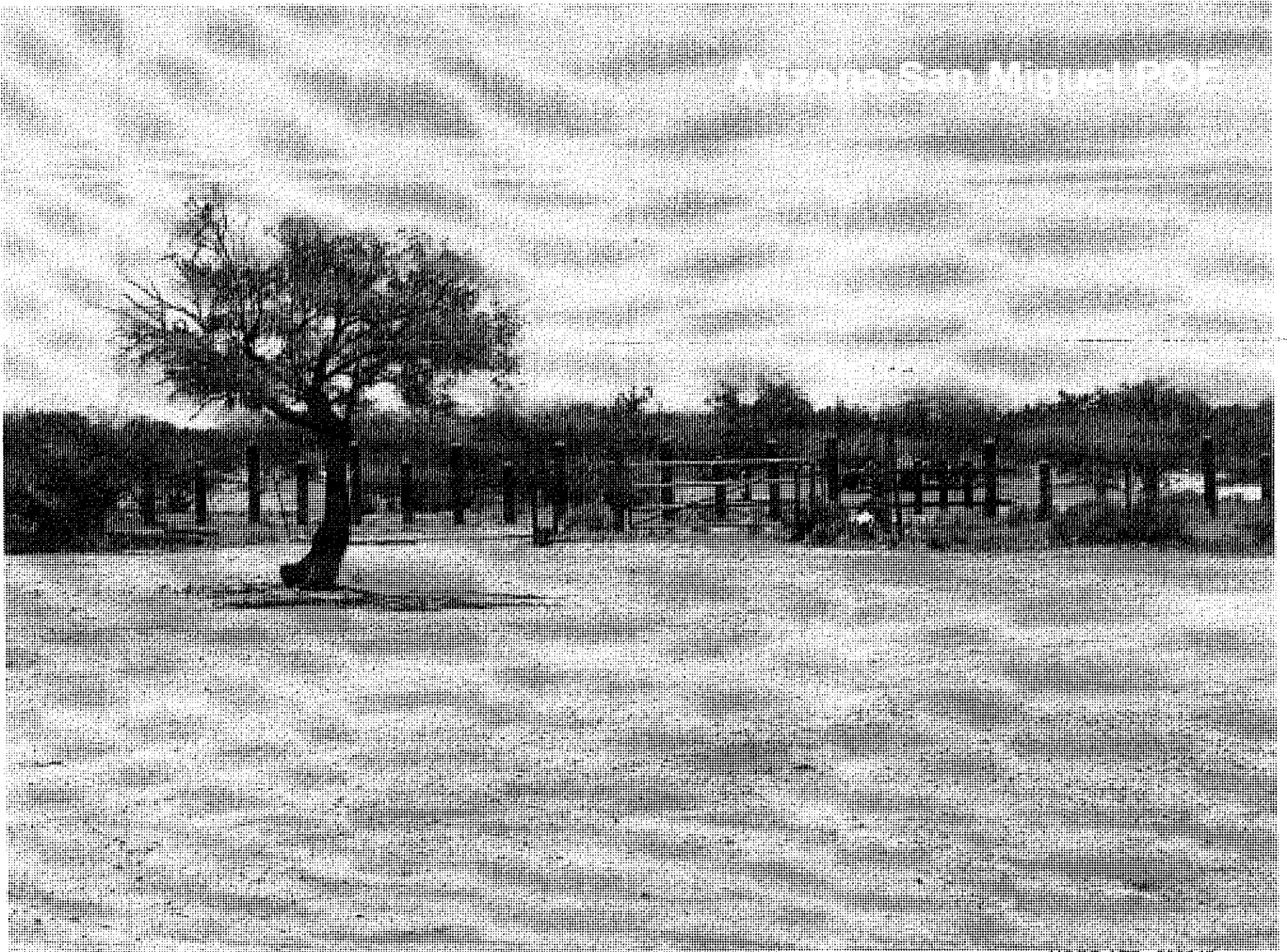


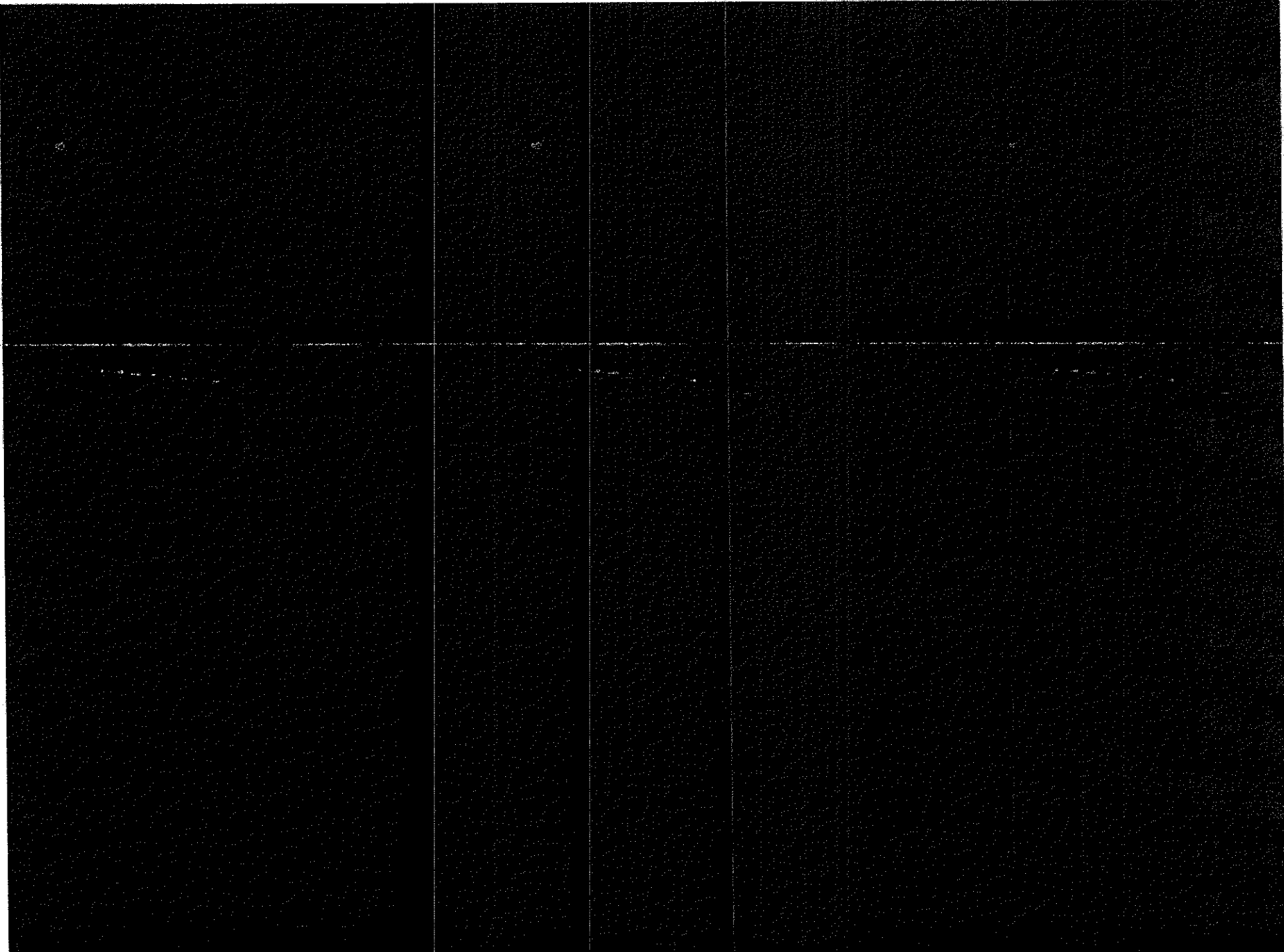
- Started in Phoenix (8/08) and expanded to include Tucson (6/09)
- Since Inception:
 - 173 Arrests
 - \$49.5 million in cash and assets seized
 - 231 kilograms of cocaine seized
 - 166 lbs of Meth seized
 - 24,018 lbs of Marijuana seized
 - 3 pounds of Heroin seized
 - (b) (7)(E)
 - 1 CPOT federally indicted
 - 1 RPOT federally indicted
 - 17 OCEDETF Cases Initiated

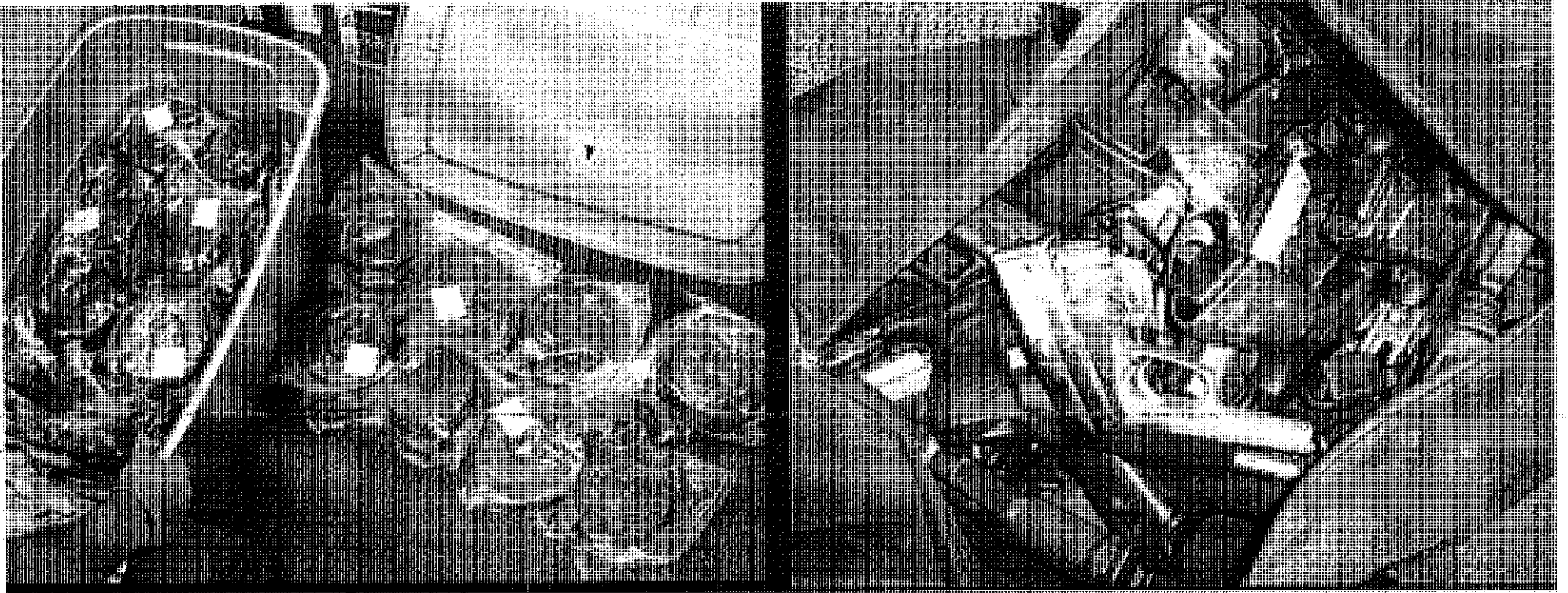


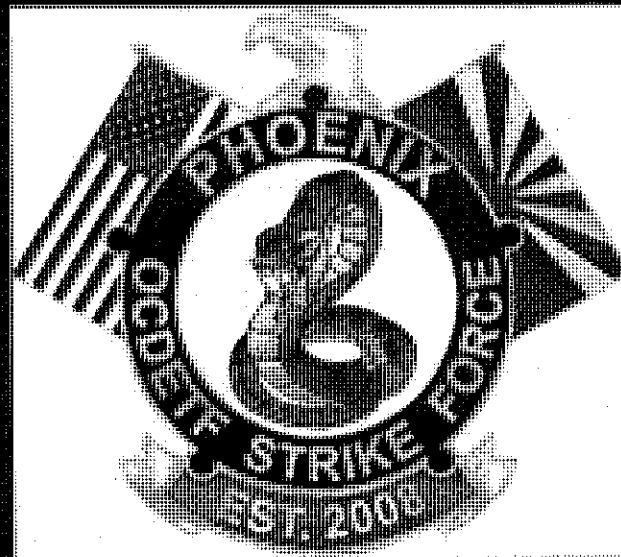
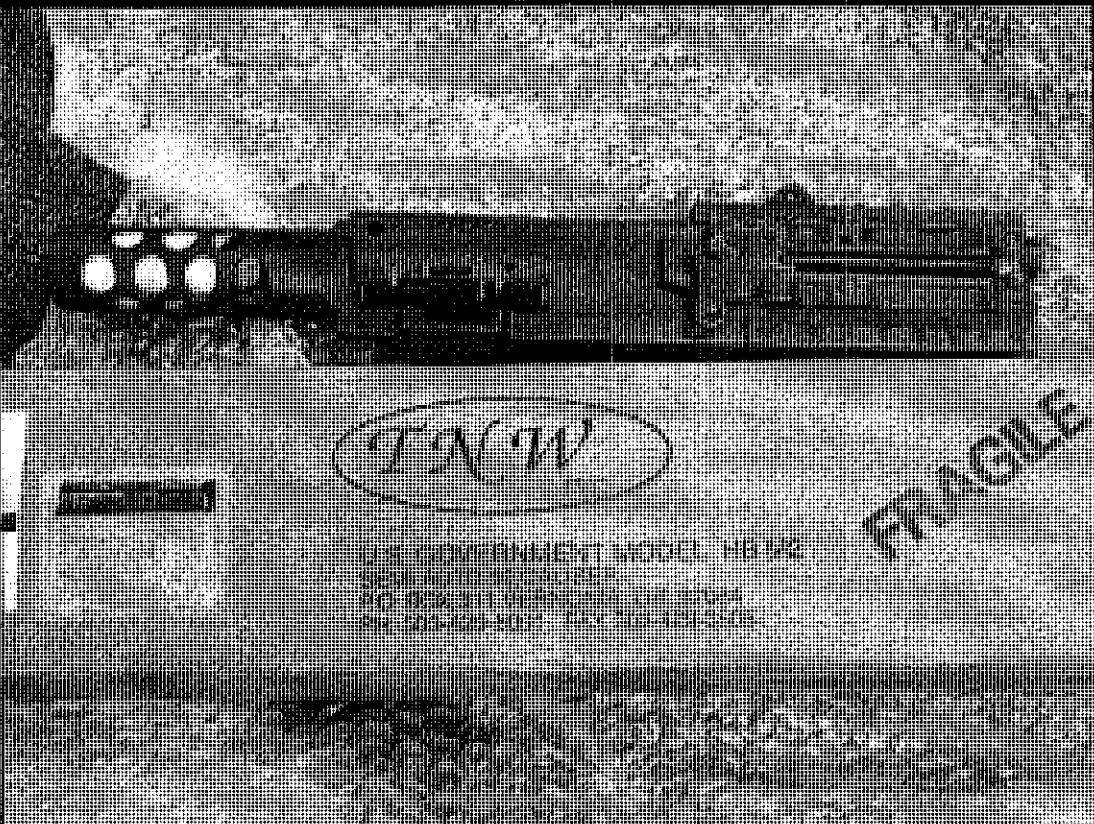


Arizona San Miguel P.O.









ATF Phx Strike Force Group

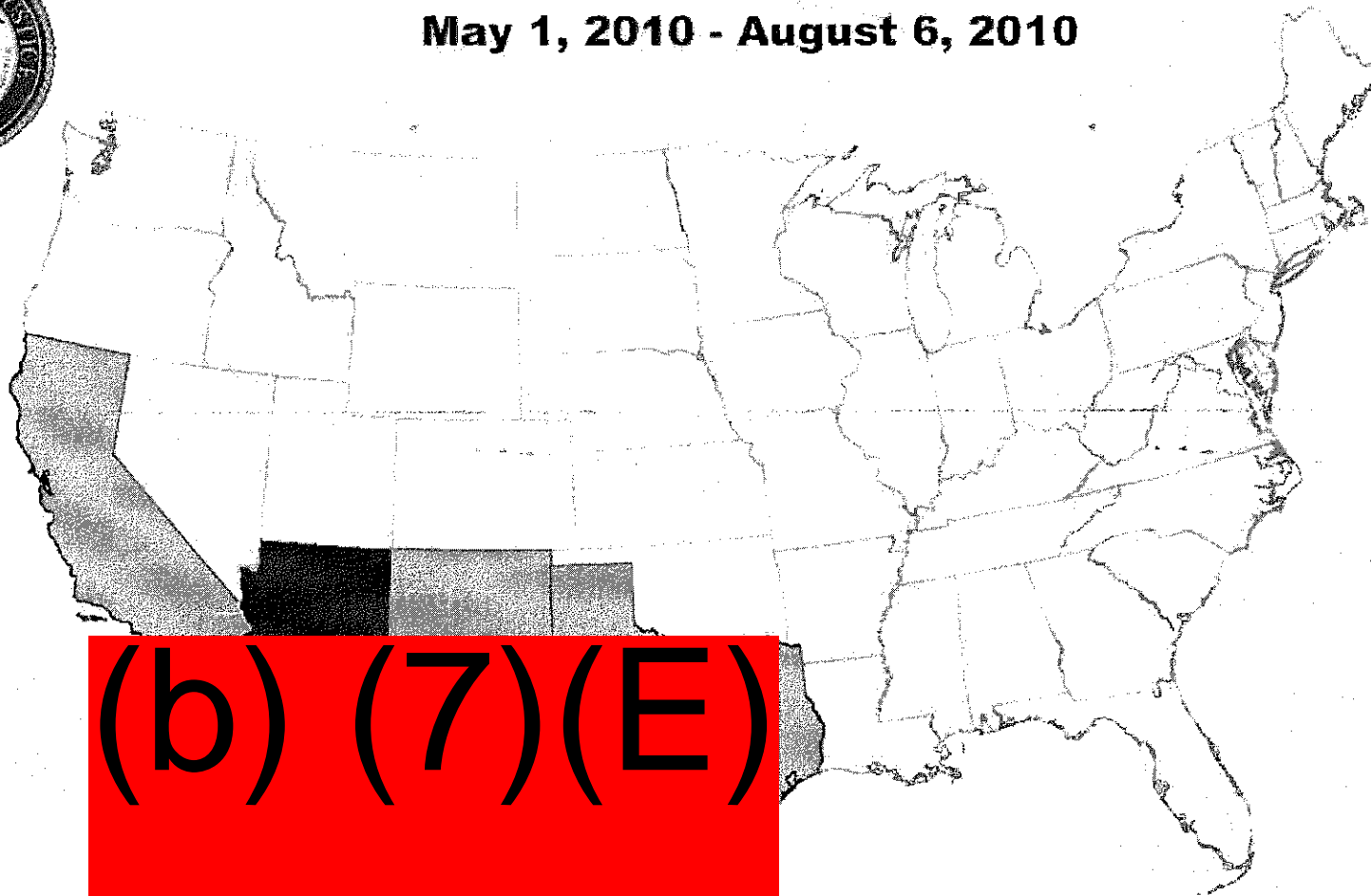
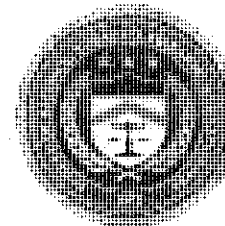
Sept. 17, 2010





Arizona Gunrunner Impact Team (GRIT)

May 1, 2010 - August 6, 2010



(b) (7)(E)

(b) (7)(E)

(b) (7)(E)



U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives



PHOENIX GRIT SEIZURES

May 1 – August 23 2010



1167 Firearms Seized



48,212 Rounds of Ammunition Seized



2 Blasting Caps



\$7763 in Currency Seized



500.8 Grams of Cocaine/Crack Cocaine Seized



17.98 Ounces of Marijuana Seized



Phoenix (Aug 20)

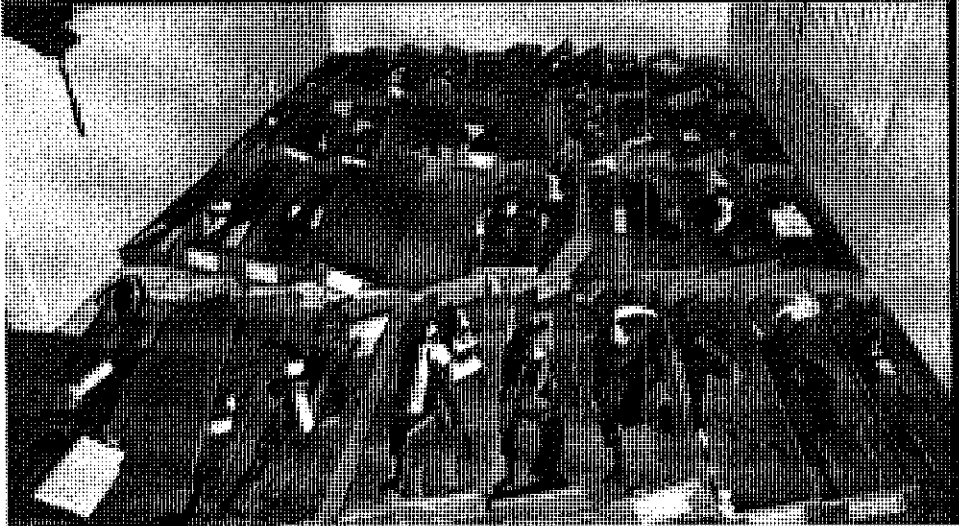


(b) (7)(C)



Purchasers of the 50 gun seizure

Gun and Drug Bust



(b) (7)(C)

(b) (7)(C)

(b) (7)(C)



HIDTA DHE and ATF



- Incorporate ATF into existing DHE efforts by adding firearms, ammunition, and explosives to the targeted contraband sought – if applicable
- Develop Interdiction Target Packages providing intelligence relating to firearms, ammunition, and explosives transporters operating out of key source areas along the southbound corridors to Mexico. Intercept these vehicles and seize contraband - if applicable
- Use the intelligence garnered from these joint interdiction efforts to conduct follow-up investigations

BUS SITMAP

COBIJA
INTELLIGENCE

NEW

ACTT / AOP



Seizures **SUM**

- Marijuana **DET**
- Cocaine
- Heroin
- Methamphetamine

Fades **SUM**

- Fade **DET**
- Low Flyer
- Short Land
- Border Intrusion

Currency **SUM**

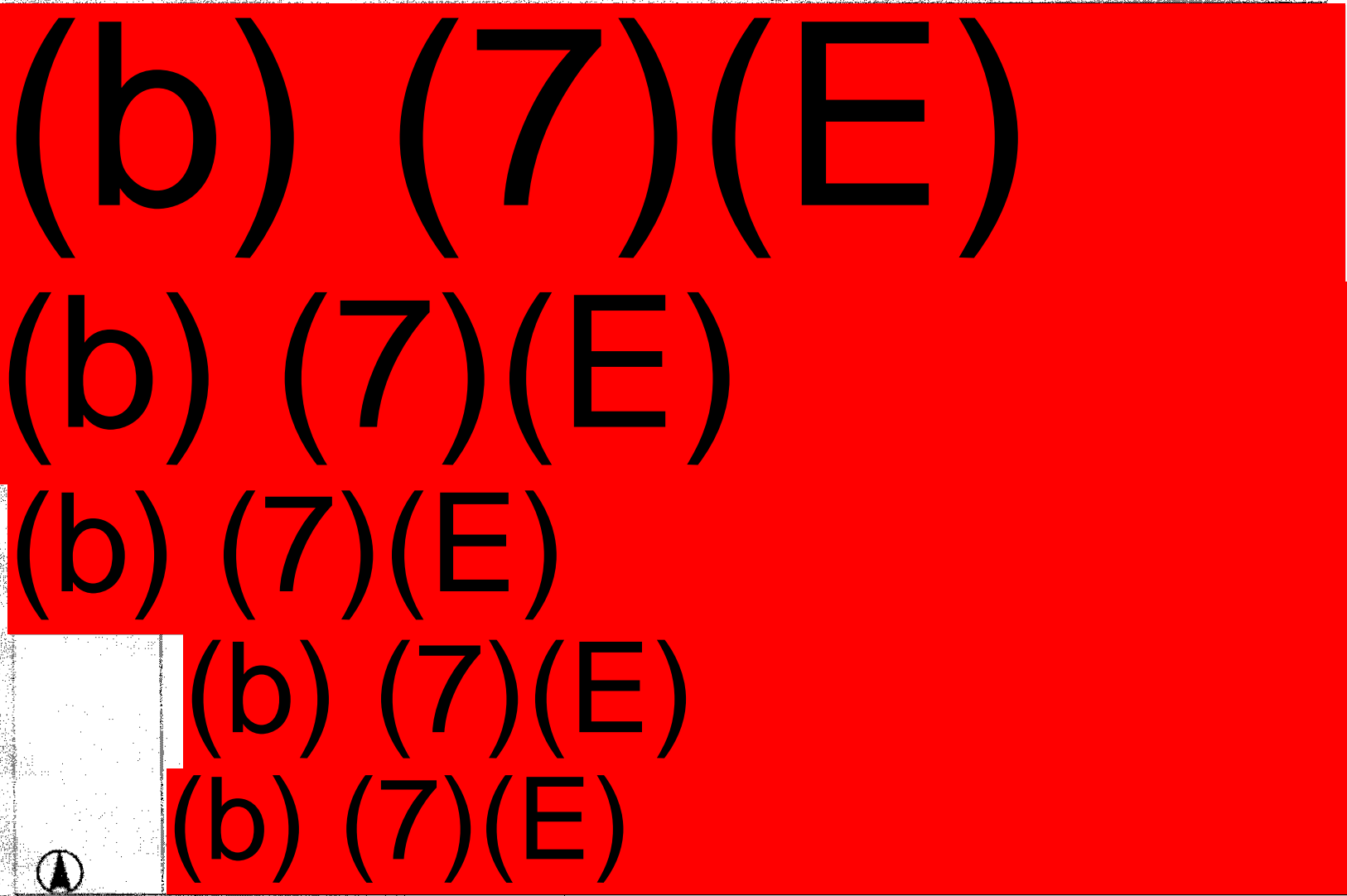
DET

Vehicles **SUM**

DET

Weapons **SUM**

- Gun **DET**
- Explosive
- Unknown



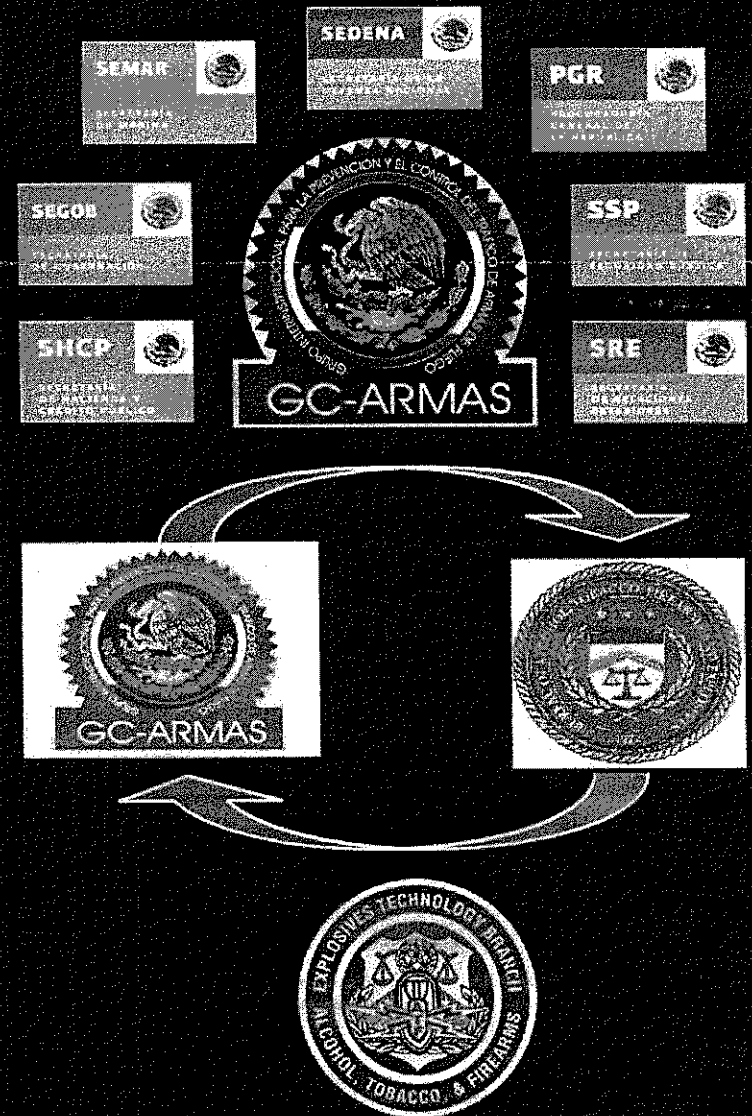
filter: seized_date >= '01/01/2010' AND seized_date <= '5/6/2010' AND (tblSeizure_type.id = 21) AND tblCase.countryid = 1

123 Weapons Seizures

Type of Weapon	Count
GUN	123

Working with Mexican LE

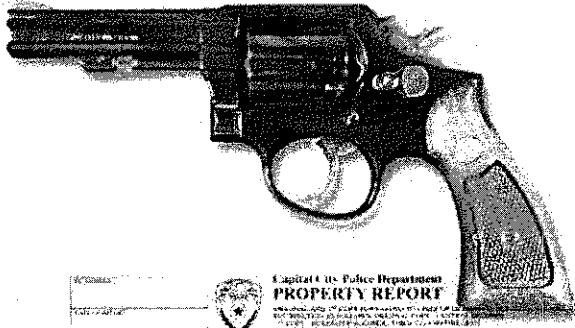
- U.S.-Mexico MLAT
- PGR – Mexican “DOJ”
 - Primary F/As Tracing POC
 - Phoenix PGR Rep
- GC Armas
- CENAPI – Mexican “ATF”
- SIEDO – Mexican “OCDETF”
- SSP – Mexican Federal Police
- Aduanas – Mexican Customs
- SEDENA – Mexican DOD
- SEMAR – Mexican Navy



New ATF Firearms Information Resources



ATF POLICE OFFICER'S GUIDE to Recovered Firearms



Capital City Police Department
PROPERTY REPORT

PROPERTY OF: _____

DATE OF ACQUISITION: _____

TYPE OF PROPERTY: _____

LOCATION OF PROPERTY: _____

REMARKS: _____

MAKE	MODEL	TYPE	QUANTITY	CONDITION	REMARKS
_____	_____	_____	_____	_____	_____

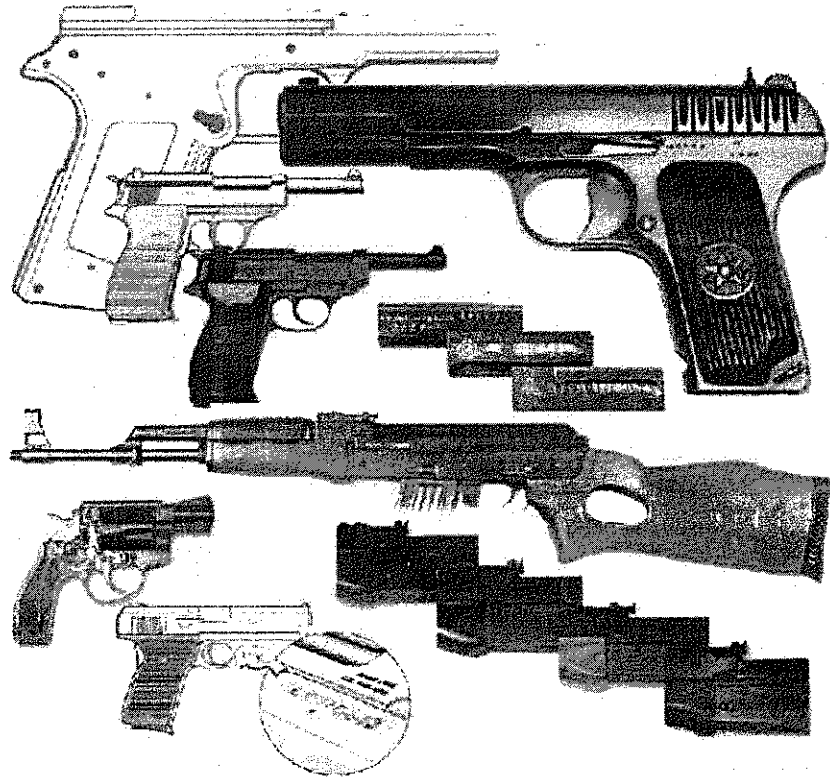
PROPERTY OFFICER: _____

DATE: _____

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives



ATF Firearms Trafficking Investigation Guide



Law Enforcement Use Only, Not For Further Dissemination

New ATF Firearms Information Resources

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
1600 New York Avenue, N.W.
Washington, D.C. 20543



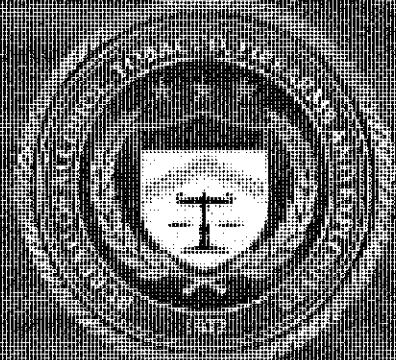
ATF National Firearms Act Handbook



U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
1600 New York Avenue, N.W.
Washington, D.C. 20543

Project Gunrunner: The Southwest Border Initiative

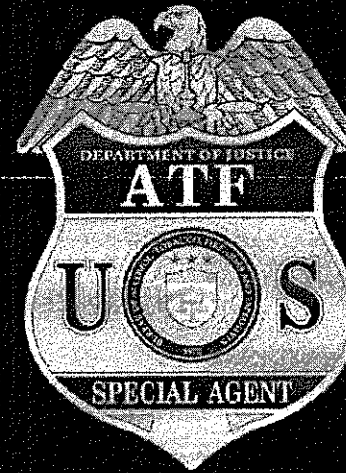
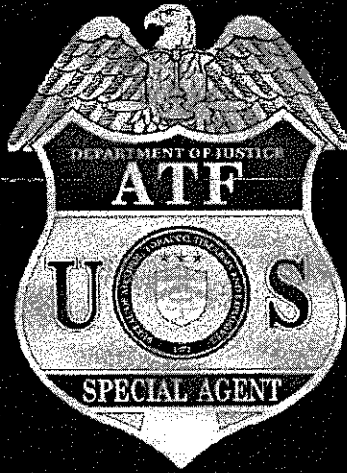
FIREARMS TRAFFICKING



'Of all tasks of government the most basic is to protect its citizens against violence'



QUESTIONS?



Bureau of Alcohol, Tobacco, Firearms & Explosives

SAC Bill Newell

(602)776-5400 (Office)

(b) (7)(C) (Cell)

Table of Contents

1. ATF OCDETF Strategic Plan	2
2. Attachment A	12
3. ATF OCDETF Funding and FTE Report	13
4. Attachment B	14
5. ATF Budget/FTE Summary	15
6. Summary of Proposed Funding from OCDETF	16

ATF OCDETF Strategic Plan

This briefing paper will serve to outline ATF's OCDETF Strategic Plan and funding requirements with relation to ATF's participation in the OCDETF program. In addition, this document will demonstrate that ATF is not provided equitable funding from the OCDETF Executive Office in relation to the OCDETF performance measures.

The ATF OCDETF strategic plan can be encompassed within two of ATF's Strategic Priorities: 1) Criminal Groups/Gangs and 2) Firearms Trafficking. The resources applied to support each of these goals and objectives are not mutually exclusive and align with the OCDETF Executive Office (EO) Priorities: 1) Southwest Border 2) Intelligence Driven targeting of Entire Organizations and 3) Follow the Money.

Violent gangs comprise the bulk of OCDETF investigations of which ATF is either a sponsor or participant. These gangs engage in an enormous range of violent criminal activity. From ethnic street gangs intimidating members of a community to Mexican drug trafficking gangs destroying the quality of life along the Southwest Border, ATF has annually initiated and participated in some of the most successful investigations dismantling these organizations. Gangs remain key distributors of narcotics in the United States, and are more sophisticated and flagrant in their use of firearms for violence and intimidation. Annually the number of gang-related ATF investigations has dramatically increased, meeting the OCDETF criteria, as well as ATF's strategic goals for reducing violent crime.

ATF OCDETF Strategic Priority: Apply innovative technologies to our expanding OCDETF efforts to identify, target, and dismantle those criminal gangs and organizations that utilize firearms in furtherance of violent criminal activity.

GOAL: Continue to utilize state and local intelligence to identify those criminal organizations that utilize firearms to further their illicit enterprise.

Initiative 1: Participate fully when resources are available in established OCDETF Strike Task Forces, DEA Task Forces, and state and local task forces.

Initiative 2: Develop and deliver specific, in-depth training on financial investigations and on criminal groups and gangs directly related to priority OCDETF targets.

ATF continues to be successful in conducting OCDETF investigations throughout the country. However, in a concentrated strategy, the OCDETF Southwest Region is where ATF is best able to align its investigative priorities with the established OCDETF targeting guidelines, and still focus on the Bureau's core mission area of reducing violent crime.

ATF OCDETF Strategic Priority: Reduce violent, drug-related firearms crimes by strengthening the gathering and analysis of firearms trafficking intelligence, and investigative activity.

GOAL: Interdict and prevent illegal firearms trafficking.

Initiative 1: Identify, investigate, and dismantle firearms trafficking organizations and individuals engaged in firearms trafficking through the deployment of integrated firearms enforcement teams supplemented by OCDETF to identified source areas nationwide.

Initiative 2: Improve our ability to detect and investigate firearms traffickers through the expansion and delivery of high quality, leading best practice OCDETF training programs for our agents, as well as our state and local partners.

Initiative 3: Effectively utilize new and existing technologies in undercover operations, along with OCDETF resources, in efforts to identify and attack organizational hierarchies, and disrupt the command and control structure of gangs that are linked to Consolidated Priority Organization Target List (CPOT) or Regional Priority Organization Target List (RPOT) targets.

The ATF OCDETF Strategic Initiatives are intended to complement and enhance the domestic and international strategic component of ATF's responsibility under the DOJ Southwest Border Initiative and to align with the OCDETF Program Priorities. The ATF

OCDETF Initiative is designed to focus Bureau resources on its four affected border field divisions (Dallas, Houston, Los Angeles, and Phoenix) in order to combat firearms traffickers, violent gang related offenders, and armed narcotics traffickers along the U.S. - Mexico border. To further this important initiative, ATF is seeking funding for one intelligence research specialist in each of the four field divisions on the Mexican border to concentrate on the illegal flow of firearms to Mexico

During the last three fiscal years, ATF has been involved in 78 OCDETF investigations directly related to criminal activity along the Southwest Border. In support of enforcement initiatives that impact firearms trafficking to Mexico, ATF has entered into a partnership with the government of Mexico to deploy ATF e-Trace technology to the National Center for Planning and Analysis (CENAPI) with the eventual deployment of eTrace to other Mexican agencies such as Aduana (Mexican Customs), SSP (Federal Law Enforcement/Public Safety), CISEN (Intelligence), as well as other relevant law enforcement and intelligence agencies, in order to Fight Crime. Firearms tracing, using the eTrace technology, allows law enforcement agencies to identify trafficking trends of DTOs and other criminal organizations funneling guns to Mexico from the United States. Increased and enhanced tracing of firearms by Mexican authorities will inevitably produce greater intelligence and lead to the identification of additional suspects or sources of illegally trafficked firearms in all OCDETF cases. Consequently, the number of criminal prosecutions related to Southwest Border firearms trafficking will increase, thereby disrupting and dismantling more trafficking organizations that are smuggling weapons to OCDETF CPOT- and RPOT-linked targets. However, as in all strategic

initiatives, this is not limited to Border operations. By tracing the firearms used by the above organizations, ATF can utilize the results of the trace information and statistics to support other ATF initiatives, such as the Violent Crime Impact Team (VCIT) and Project Safe Neighborhood (PSN) that work in concert with OCDEF every day. To further this important initiative ATF needs to ensure that firearms are being identified and traced correctly by our Mexican counterparts. It is imperative that the Mexican prosecutors and law enforcement officials involved in firearm and drug trafficking related investigations along the border receive proper training on firearms identification for tracing purposes. Investigative leads from recent significant firearms seizures have not been adequately documented due to a lack of training as to the significance of identifying serial numbers and other unique markings on the firearms recovered from drug cartels, kidnapping groups and related organized crime investigations. The Training will provide continuous training and technical assistance on firearms identification from a prosecutorial/case preparation standpoint, greatly improving the "time to crime" relative to firearms seizures/convictions. The training will improve the quality of criminal case preparation and overall cooperation between both countries. Funding is being sought for expenses related to an initial series of (20) twenty classes at the San Luis Port of entry to provide training to PGR prosecutors as well as vetted local and Federal law enforcement officials on firearms identification for tracing purposes. It is anticipated that the cost of this initiative to train (400) four-hundred Mexican officials annually will be approximately \$400,000.

ATF is also seeking additional OCDETF funding to address the lucrative secondary market for firearms in the State of Texas where 58% of all firearms traced from Mexico originate. This activity aligns with ATF's strategic goal of denying criminals access to firearms, and allows ATF to exploit its proprietary resources in a directed manner. Further, this initiative has the potential to act as a launching pad for ATF into RPOT- and CPOT-linked investigations. The DTOs operating in Mexico rely on firearms suppliers in order to enforce and maintain their illicit narcotics operations. Intelligence indicates these criminal organizations have tasked their money laundering, distribution and transportation infrastructures reaching into the U.S. to acquire firearms and ammunition. These Mexican DTO infrastructures have become the leading *gun trafficking organizations* operating in the Southwest United States and can be identified as the money laundering, distribution, and narcotics distribution cells for major DTOs in every major city where these organizations conduct drug trafficking operations. With our top priorities, work force and resources pointed at firearms trafficking investigations, these investigations will be vigorously pursued. An augmented flow of intelligence and

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

To further this important

initiative, ATF is seeking funding from the Executive Office to establish a firearms trafficking group within the Houston Field Division and co-locate the group at the Houston OCDETF Strike Task Force. The group will be staffed by one (1) Group Supervisor, six (6) Special Agents, (2) Industry Operations Investigators and one (1)

Investigative Analyst. The estimated cost of supporting this initiative is \$ 2.1 million dollars annually.

To enhance the timeliness of firearms intelligence relating to OCDETF investigations, ATF is establishing a Regional Crime Gun Analysis Center based at the El Paso Intelligence Center (EPIC), staffed with ATF intelligence analysts and special agents. ATF is also positioning one Intelligence Research Specialist (IRS) in each of the four field divisions on the southwest border to support the team at EPIC. The team at EPIC will coordinate with the IRSs in the field divisions to gather, analyze, and disseminate intelligence from ATF investigations targeting firearms trafficking cases that involve OCDETF CPOT- and RPOT-linked along the Southwest Border. The team will also liaison with all participating agencies at EPIC to ensure intelligence gathered with the OCDETF Gate Keeper Initiative, the EPIC Gate Keeper Project, and the ATF Gunrunner Initiative is coordinated. Project Gunrunner is ATF's investigative, intelligence and training expertise to suppress firearms trafficking to Mexico, in partnership with the government of Mexico and other U.S. agencies. To further this important initiative, ATF is seeking funding for five positions to expand ATF's Gun Desk at EPIC – three (3) intelligence research specialists and one (1) investigative analyst and one (1) full-time GS-1811 special agent and they are also seeking four (4) IRS positions to support the field divisions on the southwest border. The estimated cost of this initiative is \$1.925 million dollars annually.

In addition to sharing tracing technology, ATF is further collaborating with the Mexican government by deploying special agents to U.S. Consular offices in Hermosillo and Monterrey, with additional deployments planned for Baja California, Ciudad Juarez, and Tijuana in the near future, if funding is available. In this way, ATF will be able to work directly with their Mexican counterparts, taking advantage of real-time intelligence that will benefit drug-related firearms trafficking investigations on both sides of the Border. Intelligence sharing and transnational collaboration will provide valuable additional resources for ATF and its OCDETF partners. Those resources will be directed towards identifying violent gangs and firearms traffickers associated with OCDETF CPOT- and RPOT-related targets. To further this important initiative, a full-time GS-1811 special agent, salaried with OCDETF funds, is needed at each of the consulate offices in Baja California, Ciudad Juarez, and Tijuana. The estimated yearly cost of this initiative will be \$620,000.

In addition to the prior noted augmented funding ATF is seeking from the EO, ATF is also seeking to be fully funded from the EO for all FTEs working on OCDETF cases. ATF is proposing a gradual increase in the reimbursable amount to compensate for the years of underfunding of ATF's FTEs. For FY 2009, ATF is requesting the EO increase the reimbursement by 40% for a total of 76 FTE and at a cost of an additional 4.5 million dollars. In FY 2010, the increase would be an additional 20% for 91 FTE's (an addition of 3.1 million dollars of funding from the prior FY). In FY 2011, the increase would be an additional 20% for 109 FTE's (an addition of 3.7 million dollars of funding from the prior FY). In FY 2012, the increase would be another 20% for 130 FTE's (an addition of

4.3 million dollars of funding from the prior FY). Therefore, within 4 years ATF will be close to if not fully funded for FTEs and will only have to make minor adjustments yearly to keep ATF fully funded by the EO.

ATF's overall strategic plan to continually advance the goals of the OCDETF Program relies on adequate resources to carry out this important mission. ATF is a strong presence in the OCDETF Program (see Attachment A) and consistently participates in nearly 30 percent of all OCDETF cases each year. ATF sponsors 6 percent of all cases, yet receives only 2 percent of the OCDETF budget.

In addition to not receiving equitable funding from the OCDETF Executive Office with relation to ATF and its performance measures, ATF takes an additional financial hit from the Executive Office because it is not being compensated for the over burn of FTE hours (see Attachment B). ATF has consistently and increasingly over-burned FTEs each year, resulting in ATF having to spend appropriated funds to compensate for the difference between reimbursed funds (through OCDETF) and direct funding. The impact of ATF's FTE over burn in FY 2007 totaled approximately \$15 million in salaries and operating expenses. The result is that ATF expended more money from direct funds to advance OCDETF than OCDETF reimbursed the agency to cover the additional expenses. Although ATF participated in 268 OCDETF investigations in FY 2007, OCDETF funding essentially "dried up" after approximately 160 cases.

Proper OCDETF funding would enable ATF to expand its targeting of gangs and other criminal enterprises that meet both the criteria of OCDETF as well as ATF's strategic goals. In addition, with proper funding enhanced federal investigations can be perfected allowing investigators to develop more suspects, gather critical intelligence, and penetrate deeper into criminal organizations, thereby disrupting the efforts of violent offenders. Further, proper funding would allow additional special agents to be dedicated to OCDETF task forces, and permit ATF to sponsor and participate in many more cases each year. As a result, more firearms would be seized, more defendants would be identified and prosecuted, and greater public value would be brought to each investigation.

In summary, ATF now is under-funded in proportion to its 25-year commitment to OCDETF, and its consistently high volume of participation and sponsorship in OCDETF investigations. By strategically forecasting the direction of the Bureau's goals (such as the Southwest Border Strategy (SWB), VCIT, PSN, firearms trafficking) ATF can also anticipate an increase in participation in OCDETF, with new investigative partnerships formed daily with its OCDETF partners, as well as state and local authorities, surrounding this strategic plan.

ATTACHMENT A
Summary Statistics Regarding ATF Performance in Selected
OCDETF Categories
FY05 – FY07

ATF Participation in OCDETF Cases

FY07	FY06	FY05
268 (26%)	257 (27%)	261 (26%)

ATF Sponsored OCDETF Cases

FY07	FY06	FY05
58 (6%)	70 (7%)	53 (5%)

ATF Performance
(OCDETF Cases in MIS)

	FY07	FY06	FY05
Investigations	268	257	261
Indictments	385	1044	1269
Defendants	1424	2798	3659
Convictions	436	1470	2450

OCDETF Cases Involving Firearms Activity

FY07	FY06	FY05
490 (48%)	478 (49%)	487 (48%)

ATF OCDETF FUNDING AND FTE REPORT**ATF OCDETF BUDGET**

FY08	FY07	FY06
\$11,151,000	\$11,381,000	\$11,173,000

FY 2008 BUDGET BREAKDOWN

Salary:	\$8,190,000
Fixed Costs:	\$1,499,000
Operational Budget and Case Support:	\$1,462,000

ATF, currently in its limited budgetary capacity, manages the allocation of operational funds, routinely disbursing an average of 80 percent on case-related expenses (purchase of evidence, informant subsistence, etc.), and applying the balance toward supporting OCDETF Regional Coordinator duties and responsibilities.

ATTACHMENT B**FTE and FTE over Burn Status**

ATF is funded for **54 FTEs** in the FY 2008 OCDEF allocation. This number has remained constant for the past three fiscal years. At the end of each calendar year, ATF is required to report to the OCDEF Executive Office the number of FTEs expended or, "burned". This report must break out, by Federal judicial district, the FTE burn rate by the following values:

- 1) FTEs expended through reimbursement (this number should not exceed 54), and
- 2) FTEs over and above the reimbursed level ("over burn")

Although reimbursed for only 54 FTEs, in FY 2007 ATF expended **126 FTEs**. This represents an over burn of **72 FTEs**, which equals approximately **\$15 million** dollars when calculated at the approved cost model of a GS-13 Step 5.

Budget/FTE Summary

ATF Budget – 2 percent of total OCDETF budget

ATF FTEs – 54

ATF Sponsorship Involvement – 6 percent of all OCDETF cases

As noted above, ATF is funded for 54 FTEs and consistently participates in over 25 percent of all OCDETF cases, but receives only 2 percent of the OCDETF budget (FY07 figures).

ATF is dedicated to ensuring a cooperative partnership with the OCDETF program, but by this examination, it is clear that added attention needs to be given to funding and support, not just now but also in future budget proposals. All research and forecasting presented in this document clearly demonstrates ATF has increased participation in OCDETF-related investigations. Increased participation requires increased resources. ATF's goals and strategies are clearly aligned with those of OCDETF. ATF is seeking to receive greater parity in funding and resources commensurate with the Bureau's contributions and commitment to OCDETF.

Summary of Proposed Funding from OCDEF

(To Commence FY 2009)

<i>Firearm Tracing and Technical Training for Mexican Prosecutors and LEOs:</i>	<i>.4 Million</i>
<i>Firearms Trafficking Group – Houston Strike Task Force:</i>	<i>2.1 Million</i>
<i>EPIC – Regional Crime Gun Analysis Center:</i>	<i>1.1 Million</i>
<i>IRS Positions in the Field Divisions on the SW Border:</i>	<i>.825 Million</i>
<i>Mexican Consulate Positions:</i>	<i>.62 Million</i>
<i>Total of Additional Funding to add to Yearly FTE Reimbursement:</i>	<i>5.1 Million</i>

Gradual Increase of FTE Reimbursement:

<i>FY 2009</i>	<i>FTE Reimbursement: 15.7 Million</i>	<i>Total Reimbursement 20.8 Million</i>
<i>FY 2010</i>	<i>FTE Reimbursement: 18.8 Million</i>	<i>Total Reimbursement 23.9 Million</i>
<i>FY 2011</i>	<i>FTE Reimbursement: 22.5 Million</i>	<i>Total Reimbursement 27.6 Million</i>
<i>FY 2012</i>	<i>FTE Reimbursement: 26.9 Million</i>	<i>Total Reimbursement 32.0 Million</i>

Total to be Reimbursed (Additional Funding and Yearly increase of FTE):

<i>FY 2009</i>	<i>Total Reimbursement: 20.8 Million (Increase From FY 2008: 9.6 Million)</i>
<i>FY 2010</i>	<i>Total Reimbursement: 23.9 Million (Increase From FY 2009: 3.1 Million)</i>
<i>FY 2011</i>	<i>Total Reimbursement: 27.6 Million (Increase From FY2010: 3.7 Million)</i>
<i>FY 2012</i>	<i>Total Reimbursement: 32.0 Million (Increase From FY2011: 4.4 Million)</i>

Proposal

for

**A Firearms Trafficking Group, Criminal Enforcement
In Support of Project Gunrunner
Bureau of Alcohol, Tobacco, Firearms & Explosives
El Paso, Texas**

March 2008

*For Internal Use Only***EXECUTIVE SUMMARY**

The El Paso Field Office (EPFO), Dallas Field Division, is charged with the criminal enforcement activities dedicated to reducing violent crime and protecting the public throughout the Southwestern part of Texas. Currently the El Paso Field Office covers the counties of El Paso, Hudspeth, Culberson, Reeves, Jeff Davis, Pecos, Presidio, Brewster and Terrell, approximately 31,469 square miles of territory. Within the El Paso area of responsibility (AOR) there are two major cities in Mexico that are located directly on the U. S. Mexico Border, Juarez (El Paso) and Ojinaga (Presidio). The City of Juarez is the largest Mexican city along the U.S./Mexico border, supporting a joint population of approximately 2.2 million, many of whom cross both ways daily. Between El Paso/Juarez and Presidio/Ojinaga there are 7 controlled Ports of Entry (POE) into the U.S. In addition, the Santa Teresa, New Mexico POE is located approximately 16 miles from the City of El Paso.

El Paso County houses Fort Bliss and Biggs Airfield. Both are growing and troops are being relocated to this area. By 2013, the expansion will increase the population by an additional 100,000 people through troops and their dependants. This does not include the natural population growth throughout the area. An increase in gang activity and other violent crime is anticipated.

At this time the EPFO is staffed with [REDACTED] agents and 1 RAC and ATF Industry Operations has [REDACTED] IOIs assigned to the El Paso Satellite IO Office. Due to the proximity of the border, and the increased violence along the border, the EPFO has directed its primary focus to firearms trafficking. Firearms trafficking investigations are manpower intensive, require long term commitments and require a variety of investigative techniques and resources; thus requiring a full time commitment from all agents in the EPFO. As a result, the EPFO has been unavailable to respond to and support all the communities within its AOR.

In order to provide an adequate level of criminal enforcement to the El Paso AOR, and to ensure a proper span of control between supervisor and agent, the Dallas Field Division proposes the creation of a second criminal enforcement group (El Paso II) to be dedicated to support Project Gunrunner firearms trafficking investigations. In addition, we request approval of a new Resident Agent in Charge, an Investigative Assistant, the reassignment of Special Agents already assigned to the EPFO, strictly on a volunteer basis, and (b) (7)(E) additional agents to fully support both offices.

BUDGET

Resource estimates for a new field office include one GS-14 supervisor, (b) (7)(E) special agents and an investigative assistant. A request for one permanent change of station (PCS) would be necessary for the GS-14 supervisor and up to (b) (7)(E) for special agents.

The EPFO is currently in the process of obtaining new office space. The site survey has been completed and GSA is in negotiations with the lessor. At this time the location under consideration has ample space to accommodate both criminal enforcement offices and the industry satellite office. To facilitate the transition to the two groups it would be in the best interest of the Bureau to include the additional required space in the current space project. The anticipated completion date for the project is October 2008. The lease at present expires in June 2009.

RECOMMENDATIONS

While the Dallas Field Division recognizes the current state of budgetary resources throughout ATF, we feel that in order to significantly impact violent crime, firearms trafficking to Mexico, and to maintain ATF's status, the additional resources are needed. We recommend the following courses of action:

- Implement a new organizational code for El Paso II
- Acquire office space for (b) (7)(E) agents, 1 RAC, (b) (7)(E) IA and (b) (7)(E) TFO's
- Approve one PCS move of a GS-14 supervisor to El Paso II
- Approve up to (b) (7)(E) PCS moves of GS-12/13 special agents to EPFO and El Paso II
- Solicit agent volunteers from the El Paso Field Office, the Dallas Field Division, and the Bureau for both offices and reassign them as approved
- Advertise and hire one investigative analyst (GS-7/8)
- Provide all additional equipment to support El Paso II

550 N. Brand Blvd., Suite 800
Glendale, California 92101

March 25, 2008

784000:SPH
1100

MEMORANDUM TO: Assistant Director
Field Operations

FROM: Special Agent in Charge
Los Angeles Field Division

SUBJECT: Proposal for the Establishment of a Third Law Enforcement Field
Office in San Diego, California.

This correspondence is a proposal for the establishment of a third law enforcement group in San Diego, California (San Diego Group IV) and a request for additional resources in order to better support ATF's Southwest Border (SWB) initiative. San Diego currently has two law enforcement groups and a three agent Satellite office in El Centro, California was approved on March 13, 2008. These groups are responsible for two extremely large counties in California, to include San Diego County and Imperial County which cover the California/Mexico border from the Pacific Ocean to the state of Arizona.

The new San Diego SWB Field Office Group (IV) will be a component of the Los Angeles Field Division. This office will be responsible for any and all investigations involving ATF's jurisdiction, with a focus on international firearms trafficking and border gun violence. The office will target firearm traffickers, gun shows and violence along the border of California and Mexico. This group will develop liaisons with their Mexican counterparts with the assistance of the ATF Mexico Office.

With the activity generated by the San Diego Groups, it is also requested that a third Assistant Special Agent in Charge (ASAC) be approved for the Los Angeles Field Division. Most Federal agencies have a separate field division in San Diego due to the high level of work being conducted in Southern California and an ASAC stationed in San Diego would give ATF better representation at the command level.

The following information is provided per ATF O 100.166, Procedures for Processing Proposed Bureau Organizational Changes.

DISCRIPTION OF PROPOSED CHANGE

It is requested that authorization be granted to establish a third Law Enforcement Group consisting of the following:

- One (1) Assistant Special Agent in Charge (ASAC)
- One (1) Resident Agent in Charge (RAC)
- One (1) Investigative Analyst (IA)
- (b) (7)(E) Special Agents (SA)

The office would be under the jurisdiction of the Los Angeles Field Division and supervised by its own RAC.

REASON FOR CREATION

San Diego Field Office Group I, which is responsible for all Arson and Explosive investigations as well as the Gun Show Task Force, has (b) (7)(E) agents. Of those (b) (7)(E) agents, (b) (7)(E)

(b) (7)(E) and (b) (7)(E) in San Diego. This leaves (b) (7)(E)

(b) (7)(E) San Diego Group II has (b) (7)(E) of those (b) (7)(E)

(b) (7)(E) (b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

That leaves

Firearm traffickers are distributing firearms to criminals/gang members in Southern California and are transporting these firearms across the boarder to drug cartels in Mexico. The drug cartel's violence is directly affecting the citizens of Southern California in their ongoing kidnappings, murders and gun battles over territories and drug distributions. Additional special agents, equipment and resources are needed to better combat this epidemic of violence and gun trafficking. This new Field Office would enable ATF to better support the SWB Initiative. No disadvantages have been identified.

ORGANIZATIONAL DESCRIPTION AND EXHIBITS

A designated new organizational code will be created. The name of the office associated with the new organizational code would be San Diego Group IV Field Office. The office would cover the geographical area of responsibility as designated by the Special Agent in Charge of the Los Angeles Field Division.

PROPOSAL IMPLEMENTATION

June 1, 2008 or as soon as staffing becomes available. The implementation plan will include the announcement of one ASAC position, one RAC position, hiring one IA position, and transferring or hiring the needed Special Agents.

IMPACT STATEMENT

There is no identifiable negative impact associated with this proposal. Additional agents in San Diego would have a significant positive impact on ATF's ability to assist state, local and federal agencies in regards to firearms trafficking, border violence and Project Gunrunner. ATF would be able to significantly impact our ability to proactively address firearms being trafficked to Mexico. An ASAC assigned to San Diego would give better command structure and Bureau representation.

COST ESTIMATE

The expenses incurred to relocate one ASAC and one RAC, the transferring of SA's and the hiring of an IA.

GSA Leased Space – San Diego currently has enough space to support an additional group and one ASAC.

Parking – An additional (b) (7)(E) parking spaces would be required.

Government Vehicles (b) (7)(E) government owned vehicles for ASAC, RAC, and (b) (7)(E)

ESA – Expenses – Computer equipment for newly hired special agents, assigned task force officers and support staff.

Radios/cell phones (b) (7)(E) radios and cell phones would be needed for new agents and task force officers.

San Diego Group IV evidence vault would need to be built.

If you have any questions or would like further information concerning this proposal, please contact Karl G. Anglin, Assistant Special Agent in Charge, Los Angeles Field Division, (818) 265-2500.

John A. Torres

October 17, 2007

782000:RWE
3310MEMORANDUM TO: Assistant Director
Field OperationsFROM: Special Agent in Charge
Houston Field Division

SUBJECT: Request to Create/Open Firearms Trafficking Group

The purpose of this memorandum is to request approval for the creation of an additional criminal enforcement group within the Houston Field Division dedicated to firearms trafficking investigations. This group would be located within the Houston metropolitan area, possibly co-located with the DEA OCDETF Strike Force.

It has been written on a number of occasions that the Mexican government has stated that the United States must do more to stop weapons from being smuggled into the hands of drug traffickers who are using them to kill Mexican soldiers and police. The creation of an enforcement group dedicated to investigating firearms trafficking cases would be a step towards reducing the number of weapons smuggled from the Houston metropolitan area into Mexico.

The National Tracing Center, using the Firearms Tracing System (FTS) looked at firearm traces for guns recovered in Mexico that were successfully traced back to a United States individual purchaser with a purchase date from June 1, 2002 to May 15, 2007 was analyzed for individual State(s) or Field Division impact. The study consisted of (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

The Houston Field Division covers 99 counties within the State of Texas. Eight (8) of those 99 counties lie directly on the border with Mexico. (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

Assistant Director
Field Operations

(b) (3) (Public Law 111-117)

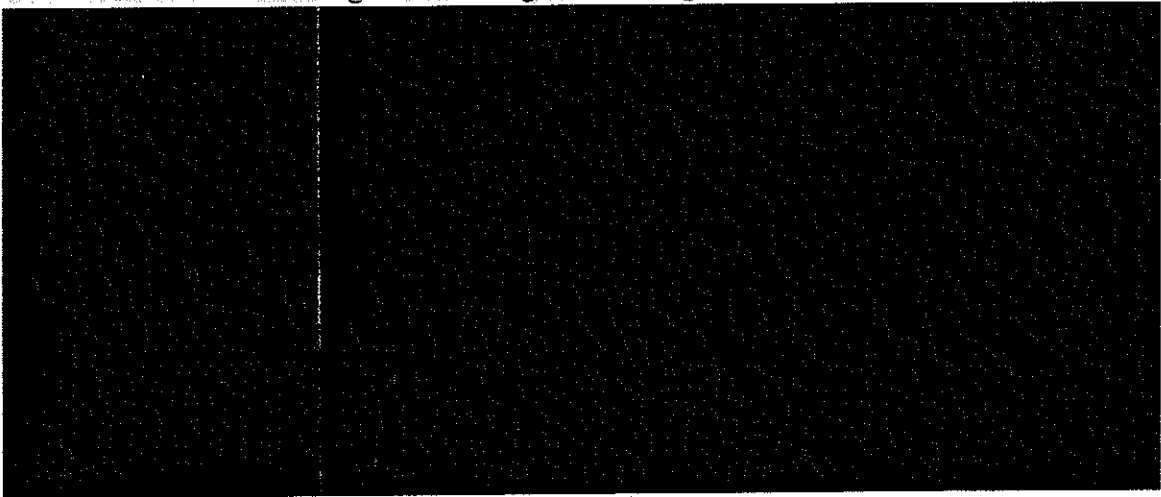
(b) (3) (Public Law 111-117)

The study used NFORCE to determine if the individual purchaser's activities had been recognized and addressed by the ATF offices within the Houston Field Division. **(b) (3) (Public Law 111-117)** purchasers identified within the Houston area of responsibility **(b) (3) (Public Law 111-117)** were found within NFORCE as part of a criminal investigation. This amounts **(b) (3) (Public Law 111-117)** already documented within NFORCE, either under active, pending or closed investigations. **(b) (3) (Public Law 111-117)** were entered in **(b) (3) (Public Law 111-117)** firearms.

In order to examine the extent of the problem within the Houston metropolitan area the Houston Field Division initiated a 90 day detail and pulled three (3) special agents from existing enforcement groups, and one Industry Operations Investigator (IOI) from within the Houston area to work on nothing but firearms trafficking investigations. The following is an example of the types of investigations that were opened in a 90 period, utilizing only three (3) special agents and one IOI:

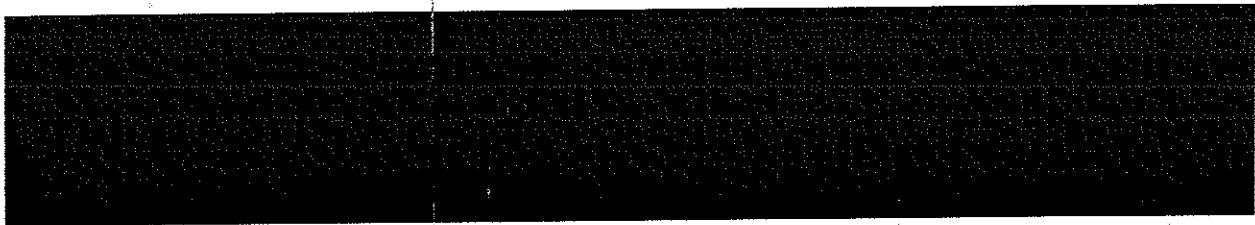
- **(b) (3) (Public Law 111-117)**: A licensee inspection revealed sales to a person posing as an FFL in the amount of 143 firearms. It was learned that the actual FFL had been deceased for approximately one year. An interview was conducted and it was learned that the individual posing as the FFL did not have any receipts or any information on the purchasers of the firearms. All sales had been conducted at a gun show. It was later learned that the individual was also adding guns to the 4473's after sales had been made.
- **(b) (3) (Public Law 111-117)**: Looking at a multiple sale form revealed that an individual had **(b) (3) (Public Law 111-117)** During an interview the purchaser admitted that the firearm was purchased for a friend in Mexico.
- **(b) (3) (Public Law 111-117)**: A multiple sale form led agents to an individual, who indicated that her cousin had borrowed her ID to buy firearms. The cousin was currently in federal custody. The cousin had been arrested by DEA on a drug conspiracy charge. ATF obtained copies of **(b) (3) (Public Law 111-117)**
- **(b) (3) (Public Law 111-117)**: A multiple sales form led to the interview of an individual because of **(b) (3) (Public Law 111-117)** This individual indicated that he had only wanted to buy a single handgun and through his Aunt he had met another man. The individual paid for one pistol and gave the man his ID, but he never received his firearm. The individual interviewed was shown a copy of a 4473, which he indicated he had not signed and that the signature on the form was a forgery. It was learned that the Aunt was in the country illegally and that she was fleeing the United States to go back to Mexico to avoid local charges. The Aunt was located at her home packing her car to go to Mexico consent to search was obtained and three (3) firearms were recovered. During the search a music CD was recovered with the Aunt on the cover holding one of the guns

recovered. One of the songs on the CD glorified drug traffickers and guns.



The above are just a few examples of the types of cases that can be made by a group of special agents and IOI's dedicated to nothing but firearms trafficking investigations. During this 90-day period, it was further confirmed that Drug Trafficking Organizations (DTO) utilize their money laundering, distribution, and transportation infrastructures to acquire, transport, and distribute firearms in Mexico.

It was also learned that often times, a seemingly insignificant one time, two gun purchase led to a major investigation. Straw purchasing conspiracies are often directed by a single trafficker that recruits numerous straw purchasers to make one time buys to avoid detection. Because of the drug turf war raging in Mexico, assault rifles and riot shotguns are in high demand and traffickers stockpiling these long guns are not ordinarily detectable through the multiple sales reports but do become detectable when they make a one time, two gun purchase.



Even though no gun shows were attended during this period, we were able to confirm that gun shows continue to be a hot bed of criminal activity concerning firearms. Many leads were received that people suspected of dealing in firearms were doing so at the gun shows without obtaining an FFL.

Mexican gun recoveries referred to Houston during this 90-day period confirmed that many of the firearms being recovered from Mexican drug traffickers are acquired in the secondary market, primarily at gun shows and pawn shops confounding the tracing process. Many of the guns accumulated by non-licensed gun show dealers are acquired from pawn shops as well. Because of this, it becomes necessary to routinely canvass pawn shops and gun dealers that sell second hand guns to completely investigate a Mexican DTO gun recovery and develop leads into active Mexican DTO gun traffickers.

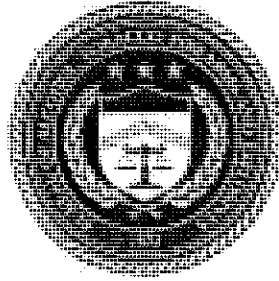
Assistant Director
Field Operations

Therefore, it is recommended that approval be granted to establish a firearms trafficking group within the Houston Field Division located in the Houston Metropolitan area. This group should be staffed by one (1) Group Supervisor, (b) (7)(E) Special Agents, (b) (7)(E) Industry Operations Investigators and one (1) Investigative Analyst.

Should you have any questions or wish to discuss this matter please feel free to contact me at (281) 372-2900.

James Dewey Webb

ATF Phoenix Field Division



William D. Newell
Special Agent in Charge

June 10, 2010

James R. Needles
Assistant Special Agent in Charge

George T. Gillett
Assistant Special Agent in Charge

Nancy F. Cook
Director of Industry Operations

Table of Contents

Field Level Agents & Investigators	4
Firearms & Explosives Licensees	4
Firearms Trace Results Affecting the Division	5
United States Attorneys	5
Current Division Issues	6
Office Space Status and Concerns	6
Staffing Issues & Training Needs	7
Government Vehicles	7
Phoenix Group I (LE)	8
Yuma Satellite Office (LE)	8
Phoenix Group II (LE)	9
Phoenix Group III (IO)	9
Phoenix Group IV (Intelligence)	9
Phoenix Group V (Arson/Explosives)	10
Phoenix Group VI (IO)	10
Phoenix Group VII	10
Tucson Group I (LE)	11
Tucson Group II (LE)	11
Tucson Group III (IO)	12
Tucson Group IV (LE)	12
Albuquerque I Field Office (LE)	12
Albuquerque II Area Office (IO)	12
Las Cruces I Field Office (LE)	13
Las Cruces II Field Office (LE)	13
Roswell Satellite Office (LE)	13
Phoenix GRIT	13/14
Phoenix ATF Organizational Chart	15
ASAC Needles Organizational Chart	16

ASAC Gillett Organizational Chart.....17
DIO Cook Organizational Chart.....18

Field Level Agents & Investigators

- **94 Special Agents (SAs)** are assigned to the Phoenix Field Division (States of Arizona & New Mexico) as follows:

Phoenix (b) (7)(E) Tucson (b) (7)(E) Yuma (b) (7)(E) Flagstaff (b) (7)(E) Albuquerque (b) (7)(E) Las Cruces (b) (7)(E)
Roswell (b) (7)(E)

- Investigation Statistics – Fiscal Year 2010 (Mid-year)
 - In FY-10 as of mid-year, 325 criminal investigations were initiated.
 - In FY-10 as of mid-year, 330 defendants were recommended for prosecution.
 - In FY-10 as of mid-year, 473 firearms were taken into ATF custody.
 - In FY-10 as of mid-year, 45,106 rounds of ammunition were taken into ATF custody.
- **38 Industry Operations Investigators (IOIs)** are assigned to the Phoenix Field Division as follows:

Phoenix (b) (7)(E) Tucson (b) (7)(E) Yuma (b) (7)(E) Albuquerque (b) (7)(E) Las Cruces (b) (7)(E)

- Firearms Statistics – Fiscal year 2010 (Mid-year)
 - In FY-10 as of May, IOIs completed 142 Compliance Inspections where 239 violations were discovered.
 - Resolved 936 inventory discrepancies
 - Discovered 25 unreported multiple sales
 - In addition, completed 196 new firearms application inspections to comply with statutory deadlines.
- Explosives Statistics – Fiscal year 2010 (Mid-year)
 - In FY-10 as of May, IOIs completed 81 Compliance Inspections where 55 violations were discovered.
 - No inventory discrepancies to resolve.
 - In addition completed (statutory deadlines) – 11 new explosives applications

Firearms & Explosives Licensees

- Federal Firearms Licensees (FFLs) & Federal Explosives Licensees (FELs) located in Arizona and New Mexico as of Fiscal Year 2010 (mid-year)
 - Arizona Active Federal Firearms Licensees (Type 01 & 02) – 1228
 - New Mexico Active Federal Firearms Licensees (Type 01 & 02) – 598
 - Arizona Active Federal Explosives Licensees (all types) - 154
 - New Mexico Active Federal Explosives Licensees (all types) – 110

Firearms Trace Results Affecting the Division

- Firearms traced during Fiscal Year 2010 (Mid Year)
 - [REDACTED] ed firearms were purchased from Arizona FFLs and recovered in Mexico
 - [REDACTED] of these firearms were purchased from Maricopa County (Phoenix)
 - [REDACTED] ed firearms were purchased from New Mexico FFLs and recovered in Mexico
 - [REDACTED] of these firearms were purchased from Bernalillo County (Albuquerque)
- Firearms traced in Fiscal Year 2009
 - [REDACTED] ed firearms were purchased from Arizona FFLs and recovered in Mexico
 - [REDACTED] of these firearms were purchased from Maricopa County (Phoenix)
 - [REDACTED] ed firearms were purchased from New Mexico FFL and recovered in Mexico
 - [REDACTED] of these firearms were purchased from Bernalillo County (Albuquerque)

United States Attorneys

- The United States Attorney in the Judicial District of Arizona is Mr. Dennis K. Burke. Mr. Burke's background has been at both the Federal and State levels. Prior to his current appointment, he was a Senior Advisor to Department of Homeland Security Secretary Janet Reno. The relationship with this office is improving and a consorted effort has been made by both the U.S. Attorney's Office and Phoenix Field Division personnel to strengthen the working relationship. However, immigration prosecutions continue to be a high priority within the District of Arizona and constitute approximately 65% of all prosecutions. All Federal law enforcement SACs, except those prosecuting solely immigration cases, have voiced concerns with the USAO about the lack of prosecution of violent crime, white collar, fraud/corruption, narcotics and other non-immigrations cases.
- The United States Attorney in the Judicial District of New Mexico is Kenneth J. Gonzales. Mr. Gonzales, a native New Mexican, received both his undergraduate and law degrees from the University of New Mexico. After law school, he served as a judicial law clerk to New Mexico Supreme Court Justice Joseph F. Baca. Mr. Gonzales then joined Senator Jeff Bingaman's Office as a legislative assistant. In 1999, Mr. Gonzales began his career as a federal prosecutor in the United States Attorney's Office in the District of New Mexico. During his tenure in the U.S. Attorney's Office, Mr. Gonzales primarily prosecuted large-scale narcotics trafficking cases, but he has prosecuted a wide range of federal offenses, including immigration, firearms and violent crime cases. Mr. Gonzales also served on the District's Anti-Terrorism Advisory Council, a network of local, state, tribal, and federal officials working together to detect, deter and prevent terrorism and promote national security. Mr. Gonzales replaced Mr. Greg Fouratt who during his tenure as U.S. Attorney greatly improved the relationship between his office and the ATF offices in New Mexico. We expect this great relationship to continue under Mr. Gonzales.

Current Division Issues

- The Phoenix Field Division continues to grow based on workload demand. The addition of several criminal enforcement and industry operations groups, as well as satellite offices, is well deserved and long overdue in order to ensure effective enforcement and regulatory oversight of the ATF mission in Arizona and New Mexico. However, the logistical details lag in comparison to the need and approval of the expansion. The division is left with a shortage of personnel, office space, vehicles, and equipment to complete the approved expansion. Attention needs to be given to properly and timely fill positions and acquire the office space and other equipment if mission success is to be accomplished. Efforts continue on behalf of the Phoenix Field Division to work with the various Directorates in ATF to remedy these issues.

Office Space Status and Concerns

- In response to operational demands, the Phoenix Field Division continues to grow. In May, 2009, Field Operations approved the creation of new enforcement and industry operations groups in support of Project Gunrunner. Therefore, more personnel will be assigned to the Phoenix Field Division office space. The existing office space is not large enough to accommodate these reporting personnel. With respect to the Phoenix Field offices, which include Phoenix Groups I, II, III, IV, V, VI, and VII there is a requirement for additional office space. Space has been identified on the 3rd floor of the building and the field division is coordinating with RBOB with the development of the design intent drawings for build out and costs.
- The Tucson Field Offices are already in a critical state as there is no space to accommodate any more FTEs. A contract has been signed for the new office space in Tucson; however, the completion date for move-in will likely not be until 2011. Temporary office space has been acquired for the GRIT. The temporary office space will have to be retained until completion of the new permanent space due to the lack of current space to handle the staffing needs. Additionally, there is insufficient and unsecure parking at the Tucson Federal Building, which currently houses three Field Offices and an Area Office.
- The construction of the new Flagstaff Satellite Office is approximately 95 percent complete. Arrangements are being made to move into the space by the end of June. The office furniture is scheduled to be delivered in the middle of June. One issue pending is the building occupancy permit for issues outside of the ATF office space.
- Yuma Satellite Office (LE) (Phoenix I) – No ATF space exists. (b) (7)(E) Special Agents and (b) (7)(E) Industry Operations Investigators are currently working out of the DEA Yuma Field Office. The past and current DEA SACs have agreed to continue to provide this space, but have recently indicated that they will be soon increasing their agency staffing and will need to reclaim their space in the near future.

- There is a requirement for office space to house the new Las Cruces II Southwest Border Group. Representatives from the Las Cruces Field Office Group I and II, ATF/Physical Security, and ATF/Realty and Building Operations completed a market survey on May 12, 2010. Eight offices were surveyed, but only one was accepted for the permanent space requirement. GSA will solicit a bid from this lessor. One building was accepted and will be solicited for the temporary requirement as well. GSA is currently working on the Solicitation for Offers for RBOB's review and approval. Space management is in the process of contracting space for the Roswell Satellite Office which falls under the new Las Cruces II Southwest Border Group.
- The lease in Albuquerque, New Mexico, is expiring on October 11, 2011. GSA hired a broker to negotiate the lease with the current landlord. ATF has just reviewed and approved the Solicitation for Offer or SFO (which is the basis of the lease). GSA's broker will give the landlord 45 days to respond to the SFO. It will take GSA six to eight weeks to negotiate the lease.

Staffing Issues & Training Needs

- Division Office Vacancies:
 - The DOO position has yet to be filled. In addition there is only one SOO (LE). We are in desperate need of an SOO (IO) and another SOO (LE) in order to ensure proper oversight of all the administrative requirements of the field division.
 - ASAC Assistant - Vacant
- Field Office Support vacancies:
 - Tucson II Field Office IA - Vacant for 6 years (Announcement #10-MER-277-DMH)
 - Tucson IV Field Office IA - New position (Announcement #10-MER-277-DMH)
 - Tucson III Field Office IOA - Vacant for 18 months
 - Phoenix Group II IA - Vacant for 3 years (Announcement #10-MER-277-DMH)
 - Phoenix Group IV (Intel) Secretary - Vacant for 2 years
 - Phoenix VI (IO) IOA - New position
 - Las Cruces II Field Office IA - Selection made, awaiting EOD
 - Albuquerque II Area Office IOA - New position
- Certified Fire Investigator (CFI) training. Another CFI is desperately needed for Arizona. We currently have only one CFI to cover the entire State of Arizona. We no longer have a CFI in New Mexico as he was recently assigned full time to the NRT.
- Certified Explosives Specialists: currently, there is not a CES assigned in the State of New Mexico.

Government Vehicles

- The allotment of vehicles received thus far in 2010 has helped to alleviate the shortage of GOV's in the Phoenix Field Division. However, there is still a shortage of reliable vehicles and with the addition of both criminal enforcement and industry operations

groups within the division, more vehicles are needed for the efficient and effective service to our mission.

Phoenix Group I (LE)

Group Supervisor (b) (7)(C)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

Project ARROW

Project ARROW (Apprehend Released Repeat Offenders with Weapons) has been a highly successful program which was initiated within the Phoenix Field Division as a "worst of the worst" program. Since its inception in 2004, nearly 400 armed career criminals have been prosecuted and removed from the streets. Many area law enforcement officers credit Project ARROW with the near decimation of the Aryan Brotherhood leadership in Phoenix, Arizona.

Yuma Satellite Office (LE)

Reports to Phoenix Group I

Since its creation over three years ago this office has clearly proven that the decision to open an ATF LE and IO office in southwestern Arizona was a prudent one. The amount of Gunrunner and other violent crime investigations in the past several years coming out of this office has been outstanding and equally as important the reputation of ATF in this part of the State has improved exponentially especially due to the vastly decreased response time of ATF personnel. This office has also provided a very important liaison function with our Mexican LE counterparts and has provided training to both United States and Mexico law enforcement agencies on numerous occasions. Project GUNRUNNER is the focus of the efforts of this office situated on the U.S. and Mexico border,

Phoenix Group II (LE)

Group Supervisor (b) (7)(C)

Phoenix Group II investigates firearms-related violent crimes in the city of Phoenix and the associated metropolitan area. Proactive and historical investigations are worked utilizing undercover agents, surveillance, and record examination. Recent high-profile cases include the investigation of (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

A Federal indictment in this case is forthcoming.

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

A strong working relationship with the Mesa Police Department continues following great work this group has accomplished as part of the Mesa Violent Crime Impact Team (VCIT). The results have been arrests and perfected prosecutions of prohibited persons in possession of firearms to persons responsible for murders, serial burglars, kidnappers, and others.

Phoenix Group III (IO)

Area Supervisor (b) (7)(C)

Area of Responsibility: Western Arizona Counties of Yuma, La Paz, Mohave, and Yavapai. Phoenix III shares the responsibility of conducting industry operations in Maricopa County with Phoenix Group VI. This includes metropolitan Phoenix.

Satellite Offices and Staffing: Area Office located in Phoenix, Arizona, staffed with (b) (7)(E) industry operations investigators (b) (7)(E) GS-13 (b) (7)(E) GS-11, and (b) (7)(E) GS-9). Yuma Satellite Office co-located with ATF LE and staffed with (b) (7)(E) industry operations investigators (b) (7)(E) GS-13 (b) (7)(E) GS-12, and (b) (7)(E) GS-7).

Phoenix Group IV (Intelligence)

Group Supervisor (b) (7)(C)

The Phoenix IV Field Intelligence Group (FIG) is staffed with a Group Supervisor (b) (7)(E) Special Agent Intelligence officer, (b) (7)(E) Special Agent/Firearms Instructor Coordinator, (b) (7)(E) Intelligence Research Specialists (IRS), and (b) (7)(E) Investigative Analyst. The FIG is awaiting the recruitment of (b) (7)(E) additional IRS to be attached to the Tucson IV Gunrunner Group. The Phoenix FIG also hosts (b) (7)(E) attached NTC firearms Program Specialist (b) (7)(E) contract Firearm Trace Specialist, and (b) (7)(E) embedded foreign liaison officer (Republic of Mexico, Attorney General's Office or PGR). The Phoenix FIG remains in need of an Industry Operations Investigator, as well as a Secretary.

The Phoenix FIG focuses its efforts to support all Phoenix Field Division investigations throughout Arizona and New Mexico. Gunrunner cases and additional major cases are supported with intelligence analysis that includes investigative queries, link analysis, charting and mapping, as well as Pen link. The FIG currently supports the Phoenix GRIT (Gunrunner Impact Team), which is a 100-day detail for ATF special agents, industry operations investigators, and support personnel working on teams in the Phoenix, Tucson, and Albuquerque Metropolitan areas.

Phoenix Group V (Arson/Explosives)

Group Supervisor (b) (7)(C)

This arson and explosives group has been heavily involved over the past three years with a long term, far reaching bombing investigation that has consumed much of the resources of this group. This group is also conducting a RICO investigation with suspects throughout the country. Coordination with other Federal agencies and police departments has been handled successfully by this group. Phoenix V has continued to support NRT call-outs, worked arson and explosive investigations, as well as a (b) (7)(A) (b) (7)(A) and it supports additional field division efforts, to include (b) (7)(E)

Phoenix Group VI (IO)

Area Supervisor (b) (7)(C)

Area of Responsibility: Northeast Arizona Counties of Apache, Coconino, Gila, and Navajo. Phoenix VI shares the responsibility of conducting industry operations in Maricopa County with Phoenix III. This includes metropolitan Phoenix.

Satellite Offices & Staffing: Area Office located in Phoenix staffed with (b) (7)(E) industry operations investigators (b) (7)(E) GS-13, (b) (7)(E) GS-12, (b) (7)(E) GS-9, (b) (7)(E) GS-7, and (b) (7)(E) GS-5). Flagstaff Satellite will be co-located with Flagstaff ATF LE upon completion of space. No industry operations investigators are currently staffed at this location.

Phoenix Group VII

Group Supervisor (b) (7)(C)

Phoenix Group VII was created under Gunrunner to specifically address firearms trafficking from the Phoenix metropolitan area that directly impacts Mexico. Phoenix VII is located at the Phoenix OCDETF Strike Force, thus fully incorporating the efforts of this ATF group into the larger mission of the Strike Force, which is to focus investigations on the command and control elements of the Sinaloa Cartel and Arizona-based distribution cells associated with the Cartel. The Phoenix OCDETF Strike Force is a multi-agency unit, with participation from Federal, state, and local agencies including DEA, ATF, IRS, ICE, USMS, Phoenix Police, and the Maricopa County Sheriff's Office. A premiere case for this group is

Operation Fast & Furious. This is a large scale OCDETF/firearms trafficking case with crime gun recoveries in Mexico or near the Mexican border. More than one million dollars in cash has been spent by suspects in this conspiracy to move over 1,500 firearms to Mexico. ATF is running [REDACTED] and is leading this multi-agency cast targeting this flow of firepower to Mexico drug trafficking organizations. This group currently has several other large-scale OCDETF investigations open which relate to firearms trafficking activity by the Sinaloa Cartel.

Tucson Group I (LE)

Acting RAC (b) (7)(C)

This group currently has the primary focus of investigations in support of ATF's Project Gunrunner. As soon as the Tucson IV Gunrunner Group, created in FY10 is fully operational Tucson I will transition to more of a general group with a focus on local firearms trafficking and violent crime issues not affecting the VCIT area, worked by Tucson II. Over the past several years Tucson Group I has established strong working relationships with the U.S. Border Patrol, as well as Customs and Border Protection. This group's primary focus has been on the trafficking of firearms from the Tucson metropolitan area to Mexico. This involves proactive investigations and operational activity of the sources of crime guns recovered in Mexico and the Tucson AOR, specifically but not limited to Gun Shows, FFLs, and Straw Purchasers of large quantities of "weapons of choice". Tucson Group I houses the Phoenix Field Division Border Liaison Officer (BLO) and enjoys a strong relationship with the DEA offices in Arizona, the Mexico PGR, and Mexico's intelligence Service - CISEN (it coordinates with ATF's office of International Affairs). The BLO and other special agents respond to firearms seizures in Mexican border towns near the international border ports of entry. They accurately capture seized firearms data and submit this data for comprehensive firearms tracing.

Tucson Group II (LE)

Resident Agent in Charge (b) (7)(C)

Tucson Group II is focused on disrupting the illegal source(s) of firearms destined to violent gangs and drug trafficking organizations operating throughout the Tucson metropolitan area. The group's focus is on the designated VCIT area, which currently encompasses the highest crime rate area in the City of Tucson. Many of these violent gangs and drug trafficking organizations have a direct nexus to Mexico; therefore, this group is proactive in those investigations dealing with firearms trafficking directly impacting the Tucson metropolitan area. This group enjoys support by Task Force Officers (TFOs) from the Tucson Police Department.

Tucson Group III (IO)

Area Supervisor (b) (7)(C)

Area of Responsibility: Southern Arizona Counties of Pinal Graham, Pima, Cochise, Greenlee, and Santa Cruz.

Satellite Offices & Staffing: Tucson, Arizona Satellite Office, co-located with ATF LE and staffed with (b) (7)(E) industry operations investigators (b) (7)(E) GS-13 (b) (7)(E) GS-12 (b) (7)(E) GS-9, (b) (7)(E) GS-8, and (b) (7)(E) GS-5).

Tucson Group IV (LE)

Resident Agent in Charge - Vacant

As mentioned above under Tucson I this new group is still in the process of being set up. Upon graduation of the (b) (7)(E) new special agents in mid-July from the ATF National Academy a reorganization of the personnel in Tucson I and II will be conducted in order to ensure that this new group is staffed with a equal part new and experienced agents to ensure success.

Albuquerque I Field Office (LE)

Resident Agent in Charge (b) (7)(C)

The Albuquerque Field Office is responsible for conducting investigations of all ATF's jurisdictional violations in the counties comprising the north half of the State of New Mexico. Since July of 2009, this group has been working (b) (7)(A) operation named (b) (7)(A) ATF special agents have (b) (7)(A) (b) (7)(A) (b) (7)(A)

(b) (7)(A)

Albuquerque II Area Office (IO)

Area Supervisor (b) (7)(C)

Area of Responsibility: Albuquerque Group II is responsible for all industry operations in New Mexico.

Satellite Offices & Staffing: Area Office located in Albuquerque staff with (b) (7)(E) industry operations investigators (b) (7)(E) GS-13 (b) (7)(E) GS-12, (b) (7)(E) GS-9, and (b) (7)(E) GS-7). Las Cruces Satellite Office, co-located with ATF LE and staffed with (b) (7)(E) industry operations investigators (b) (7)(E) GS-13 (b) (7)(E) GS-12, and (b) (7)(E) GS-9). Roswell Satellite Office will be co-located with ATF LE and (b) (7)(E) industry operations investigators are currently staffed at that location.

Las Cruces I Field Office (LE)

Resident Agent in Charge (b) (7)(C)

This field office covers the southern half of New Mexico. This office has built an excellent working partnership with the U.S. Attorney's Office and police departments in New Mexico. This office also has a task force officer agreement with the cities of Hobbs, Roswell, and Deming. Plans continue for those officers, as well as ATF special agents, to be present in those cities located in the far corners of New Mexico. This will enable ATF to provide a more effective and efficient response to state and local violent crime issues, which historically have not received much ATF attention. A satellite office is now operating successfully in Roswell, New Mexico. The efforts of this group were recently highlighted when Erika GARCIA, a first offender straw purchaser, was convicted by jury trial and sentenced to 41 months federal prison. Guns she straw-purchased were recovered in crimes in Mexico. The U.S. Attorney's Office remains very excited about this result that conveys a very strong message to current and would be straw purchasers in New Mexico.

Las Cruces II Field Office (LE)

Acting Resident Agent in Charge (b) (7)(C)

The Las Cruces II Field office has been established as a Gunrunner Group. To date, no supervisor has been selected for this group, which also lacks support staff and a full staff of special agents. Still, this group has several firearms trafficking investigations started by crime guns recovered in Mexico with short times to crime. This group is building on strong relationships with the U.S. Border Patrol and DEA.

Roswell Satellite Office (LE)

Reports to Las Cruces II Field Office

The Roswell Satellite Office has been established to support project Gunrunner in this area of New Mexico. This office is currently housed in the Roswell Police Department and special agent and (b) (7)(E) task force officers work violent crime and firearms trafficking investigations related to Mexico and Mexican border violence.

Phoenix GRIT

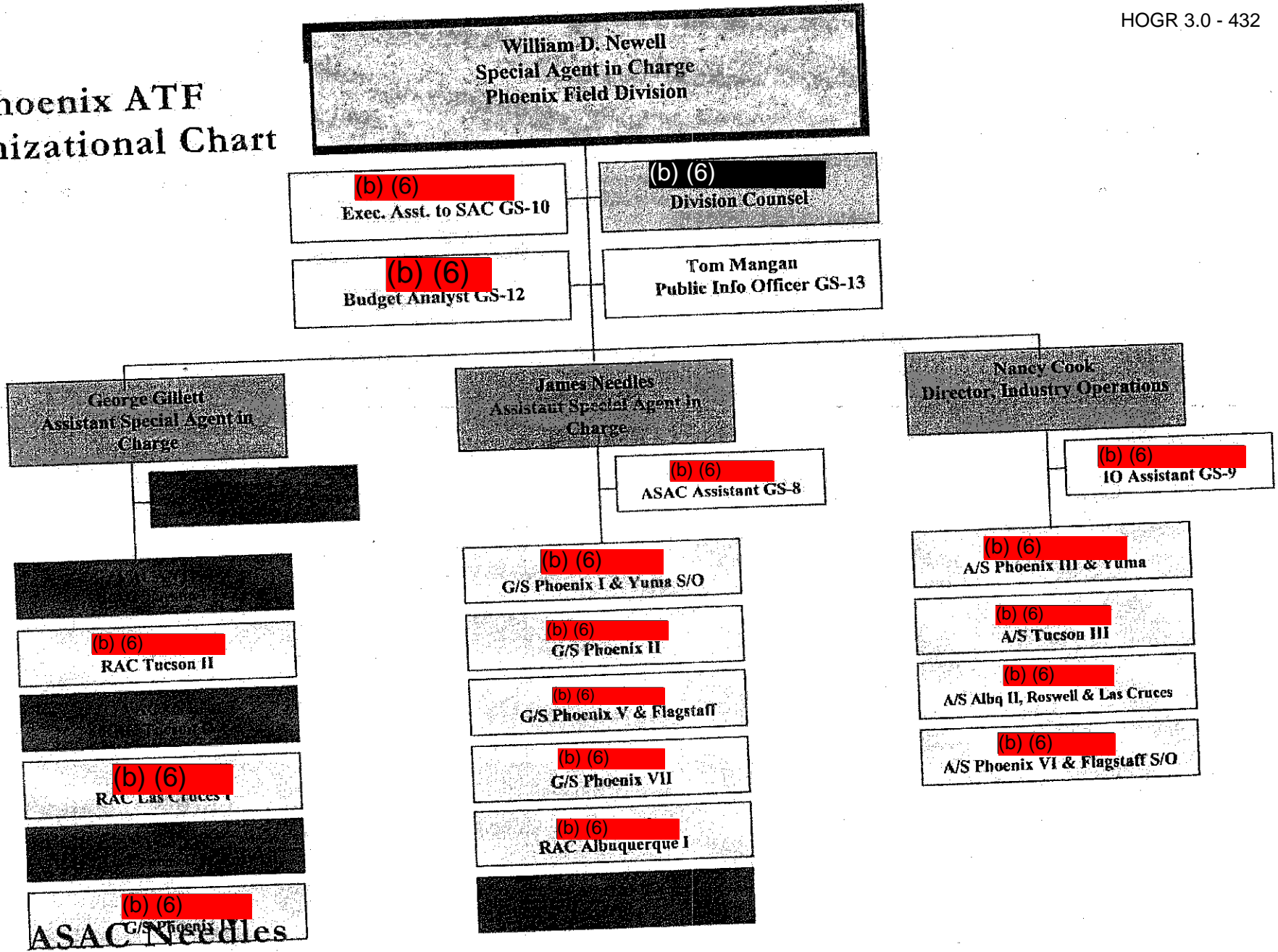
The Phoenix GRIT hosted its first briefing on May 11, 2010. Approximately 30 special agents, 20 industry operations investigators, as well as supervisors, intelligence analysts, and support staff attend this briefing. All were welcome by Special Agent in Charge William Newell. Assistant Special Agent in Charge James Needles and Director of Industry Operations Nancy Cook provided assignments and details for the work to be conducted. Industry Operations Investigators quickly began inspections of area Federal Firearms Licensees in Phoenix, Tucson, and Albuquerque. Special Agents were immediately plugged

into existing high-profile Gunrunner investigations. A fast start for this GRIT was facilitated with ATF Headquarters support to acquire space in Phoenix and Tucson as a base of operations for GRIT personnel. A process is in place to find and develop firearms trafficking leads related to Mexico. Additional personnel are expected and additional cases will be worked by the Phoenix GRIT.

The chart below denotes the first GRIT Performance Report, date May 20, 2010.

GRIT Performance for Reporting Period May 1 - 20, 2010		
	Reporting Period	Since Inception
Number of Investigative Leads at the Start of GRIT (May 1, 2010)	N/A	(b) (7)(A)
Number of New Investigative Leads	(b) (7)(A)	(b) (7)(A)
Total Leads		(b) (7)(A)
Number of Leads Investigated	(b) (7)(A)	
Number of New Actual Criminal Cases Opened	(b) (7)(A)	
Number of Existing Investigations Supported by GRIT	(b) (7)(A)	
Number of Defendants Recommended for Prosecution	0	
Number of Referrals to U.S. LE Agencies	0	
Number of Liaison Activities with the Gov. of Mexico	(b) (7)(A)	
Number of Firearms/Other Evidence Seized/Recovered by ATF or Other LE Agencies Acting on ATF Information	(b) (7)(A)	Firearms
	0	rounds of ammunition
	0	blasting caps
	0	\$ in currency
	0	Cocaine
	0	Methamphetamine
	0	Marijuana
Number of FFL Inspections Initiated	(b) (7)(A)	(b) (7)(A)
Number of FFL Inspections Completed	(b) (7)(A)	(b) (7)(A)
FFL Adverse Actions Recommended:	(b) (7)(A)	(b) (7)(A)
Number of Warning Letters/Warning Conferences	(b) (7)(A)	(b) (7)(A)
Number of Revocations (Recommended by Division and Concurred by HQ)	0	0
Number of Licenses Surrendered in Lieu of Revocation	0	0
Number of Criminal Enforcement Referrals Made by IOIs to ATF LE	(b) (7)(A)	(b) (7)(A)

Phoenix ATF Organizational Chart



Organizational Chart

HOCR-ATF A 000175

James Needles
Assistant Special Agent in Charge
Phoenix Field Division

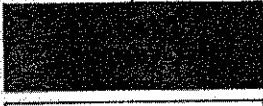
(b) (6)
RAC Albuquerque

(b) (6)
G/S Phoenix I/Yuma

(b) (6)
G/S Phoenix II

(b) (6)
G/S Phoenix V

(b) (6)
G/S Phoenix VII



(b) (6)

(b) (6)

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(b) (6)

(b) (6)

(b) (6)

(b) (6)

HOCR-ATF A 000176

George Gillett
Assistant Special Agent in Charge
Phoenix Field Division

(b) (6)
G/S Phoenix IV

(b) (6)
RAC Las Cruces I

[Redacted]

[Redacted]

(b) (6)
RAC Tucson II

[Redacted]

(b) (6)

(b) (6)

(b) (6)

(b) (6)

(b) (6)

(b) (6)

HOCRATF A 000177

Organizational Chart

Nancy Cook
Director, Industry Operations
Phoenix Field Division

(b) (6)
A/S Phoenix III

(b) (6)
A/S Phoenix VI

(b) (6)
A/S Albuquerque II

(b) (6)
A/S Tucson III

(b) (6)

(b) (6)

(b) (6)

(b) (6)

(b) (6)

(b) (6)

HOCR-ATF A 000178

From: (b) (7)(C)
To: (b) (7)(C)
Subject: FW: Project Southbound Group
Attachments: [Project Southbound Group.doc](#)

(b) (7)(C)

Chief, Field Management Staff
(Field Operations)
99 New York Avenue, NE
Room 6 S 269
Washington, DC 20226
O 202 (b) (7)(C)
F 202-648-9611
C (b) (7)(C)

From: (b) (7)(C)
Sent: Monday, April 07, 2008 2:12 PM
To: (b) (7)(C)
Subject: FW: Project Southbound Group

Do we need to do something with this?

(b) (7)(C)

DEPUTY CHIEF/FMS
(202) (b) (7)(C)

From: Newell, William D.
Sent: Friday, April 04, 2008 7:53 PM
To: (b) (7)(C)
Cc: Carroll, Carson W.; Needles, James R.; Gillett, George T. Jr.
Subject: Project Southbound Group

FYI. This is the proposal for the Phoenix Field Division's "Gunrunner" Group. As noted we have had a very successful OCDETF funded firearms trafficking effort since FY-04 named "Project Southbound". Our proposal is to expand this to an entire "Gunrunner" group, fully funded by OCDETF and co-housed with the DEA's proposed Phoenix-based OCDETF Strike Task Force. DEA is not proposing a similar effort in Tucson and neither should we since this Phoenix-based group, if approved, could cover that area by working closely with ATF Tucson Group I. The DEA SAC is fully supportive of this ATF effort.

MEMORANDUM TO: Assistant Director
Field Operations

THRU: Deputy Assistant Director – West
Office of Field Operations

FROM: Special Agent in Charge
Phoenix Field Division

SUBJECT: Request to Open a Firearms Trafficking Group

This memorandum serves to request approval for the creation of an additional criminal enforcement group within the Phoenix Field Division specifically dedicated to investigating firearms being trafficked from the United States to Mexico in support of the “Gunrunner” initiative. If approved this “Gunrunner” group would focus its efforts on the illegal trafficking of firearms to the violent drug trafficking organizations (DTOs) operating along the U.S./Mexico as well as the “Gatekeepers” that facilitate these DTOs’ illegal activities. This group would be located within the Phoenix metropolitan area and be co-located with the OCDETF Strike Task Force currently being proposed by the Phoenix DEA Special Agent in Charge (SAC) who fully support this ATF proposal and its co-location, if approved.

BACKGROUND

In FY-2004 the Phoenix Field Division’s “Project Southbound”, a focused approach at combating the illegal purchase and flow of firearms to Mexico, was approved as an OCDETF initiative. The mission of this strategy was and is to dramatically reduce the illegal acquisition, trafficking and use of firearms by members of Mexican DTOs by utilizing all resources that are available to ATF (i.e. NIBIN, National Tracing Center, ATF National Laboratory, DEA Special Operations Division, etc). Currently (b) (7)(E) Phoenix Field Division Special Agents, out of Group I, are assigned to “Project Southbound”. Even in FY-2004 when “Project Southbound” was proposed the Phoenix Field Division realized that the DTOs operating along the U.S./Mexico border were

preparing for an escalation of violence and needed U.S.-source firearms to carry out this activity. "Project Southbound" was and is an effort to stem this illegal flow of firearms to these violent groups. Since its inception this initiative has resulted in the seizure of 703 firearms, 43,692 rounds of ammunition, 12.5 kilograms of cocaine, one pound of methamphetamine, over 9,000 pounds of marijuana and approximately \$370,000.00 in U.S. Currency destined for violent DTOs and supporting groups in Mexico. It should be noted that the vast majority of these seized firearms are the "Weapons of Choice" ("WOC") of the violent Mexican drug traffickers, cartel members, and mercenaries (ie. Los Zetas) employed by the cartels to provide security and enforce their will upon opposing cartels, Mexican military and police authorities. Additionally, as part of the prosecutorial aspect of "Project Southbound" 193 case reports have been forwarded for prosecution charging 379 defendants.

STATUS

In the past two years the Phoenix Field Division has continued to fully support "Project Southbound" by supplementing the limited OCDETF funds allocated to it because of the importance of its primary focus on Arizona's growing problem of being a source and supply of firearms for DTOs operating in the Mexican States of Sonora, Chihuahua, Baja California and Sinaloa.

Recent "Project Southbound" firearms trafficking investigative efforts have led Phoenix Field Division Special Agents to suspects who are a serious threat to the safety of the public, and to the security of both the United States and Mexico. These individuals have engaged in criminal acts rivaling those of terrorist organizations operating in the Middle-East and of Colombian Narco-Terrorists who held the Colombian government at bay for many years in the 1980s and 1990's.

Examples of the direct link between such violent criminal activity and the Phoenix Field Division's area of responsibility include, but are not limited to, the following examples:

Jan. 18

- The bodies of two unidentified men were found wrapped in a blanket in Nogales, Sonora state, just across the border from Nogales, Ariz.
- The bodies of six unidentified people were found in an improvised grave in Chihuahua, Chihuahua State.

Jan. 19

- A U.S. Customs and Border Protection agent died during the pursuit of drug smuggler's vehicle near Yuma, Ariz. Border patrol agents were chasing two suspect vehicles that had illegally crossed the border from Mexico into Arizona. The agent was struck by one of the vehicles while he was placing spike strips in the road. Both vehicles then crossed back into Mexico.

Jan. 20

- Tijuana, Mexico – A Mexican AFI raid on the Arellano Felix Tijuana DTO led to the seizure “WOC” 24 rifles, “WOC” 19 disassembled rifles, 30,000+ rounds of assorted ammunition, 20 magazines, and an underground firing range. (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

- Culiacan, Sonora – A Mexican Army operation led to the arrest of Alfredo Beltran Leyva, a key member in the Beltran Leyva DTO (Sinaloa Cartel), and the seizure of an AK-47 variant rifle, 8 handguns and \$900,000 in U.S. currency.

(b)(3) (Public Law 111-117) & (7)(A)

Jan. 22

- Mexico City – A Mexican AFI raid led on an Arturo Beltran Leyva safe-house led to the arrest of several members of an assassin squad and the seizure of 20 “WOC” rifles, 10 handguns, 12 grenade launchers, 30 fragmentation grenades, and a large amount of magazines and ammunition. (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

Jan. 24

- Caborca, Sonora – A Mexican Army operation on the Beltran Leyva DTO led to the seizure of an M3AC .50 caliber semi-auto rifle, 12 other “WOC” rifles and a significant amount of ammunition. (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

February 13

- Mexico City – An SSP raid led to the arrest of a Sinaloa DTO assassin squad and the seizure of 6 Springfield Armory .308 rifles, a Barrett .50 caliber rifle, an FN 5.7 pistol, 10 fragmentation grenades, 840 rounds of ammunition and over 30 magazines. (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

February 13

- Juarez, Chihuahua - the Mexican Army seized an arsenal from a safe house that was discovered as a result of a shootout. The soldiers developed information about the location of the safe house in Colonia Pradera Dorada at one of the points where the apparent running gun battle took place and went to that location only a half hour after the shootout. While the soldiers were able to recover 25 long guns, 5 pistols, bulletproof vests, ammunition, radios, and 5 vehicles (3 of which had Sinaloa plates), no arrests were made as the gunmen had already

abandoned the house. (b)(3) (Public Law 111-117) & (7)(A)
(b)(3) (Public Law 111-117) & (7)(A)

February 13

- Tucson – A DEA operation targeting members of the Sinaloa DTO seized a large quantity of cocaine, 12 RomArm AK-47 variants, 5 “WOC” handguns and several 75-round magazines. Found in one of the raided homes was 21 empty AK-47 variant boxes. (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

March 6

- A State Police and Mexican Army operation led to the seizure of 50 AK-47 variants, 28 AR-15 variants, 2 M-60s, 34 handguns, over 50,000 rounds of ammunition, 840 magazines – many of them of 75-100 round capacity, and over 430 kilos of marijuana. Traces are pending but it is expected that many of these firearms will be directly linked to the Arizona area and active Phoenix Field Division trafficking investigations.

March 20

- El Saric, Sonora – the bodies of two rural policemen kidnapped on March 17 were found executed near the “El Bellotoso” ranch near El Saric, west of the Mariposa crossing near Nogales, Sonora.

March 26

- Imuris, Sonora – Intelligence sources report one of two municipal police officers from Imuris was kidnapped by a group of ten to fifteen heavily armed individuals. The kidnapped police officer was later released and the other escaped. In La Mesa, Mexican law enforcement and military killed two of the suspected kidnapers in a shootout.

These are just a few examples which highlight the direct connection between firearms trafficking and the violent DTOs operating along the U.S./Mexico border. In Arizona, the spike in firearms violence perpetrated by members of Mexican DTOs, illegal aliens, and crimes against illegal aliens continue to capture headlines. These criminal acts include the murder of Phoenix Police Officer Nick Erfle, who was shot in the head and mortally wounded while conducting an investigation of a minor traffic violation; numerous kidnappings; home invasion robberies; and the unlawful imprisonments involving members of the Mexican community, both legal immigrants and undocumented aliens. All of these activities are related to the fight for power and territory by Mexican DTOs and all involve in one way or another firearms trafficking.

The assessment of firearms being trafficked to members of Mexican DTOs has shown that (b) (3) (Public Law 111-117) firearms. This has been established by trace data compiled by the National Tracing Center, pursuant to firearms recoveries in Mexico. Investigations conducted within the Phoenix Field Division (b) (7)(E)

(b) (7)(E)

It has been well documented that Mexican DTOs utilize their money laundering, distribution, and transportation infrastructures to acquire, transport, and distribute firearms to and in Mexico. It is estimated that approximately \$1.2 million in narcotics profits crosses the border from Arizona to Mexico daily. In order to effectively address this issue from every angle it is vitally important that ATF coordinates enforcement efforts and shares intelligence with DEA. In addition and in order to effectively disrupt firearms trafficking to Mexico ATF must establish better liaison with Mexican law enforcement authorities. In many cases this liaison can be established through existing DEA contacts.

PROPOSAL

The proposed Phoenix firearms trafficking group will build on and greatly enhance the sustained accomplishments of "Project Southbound" as outlined previously. Its mission will fall in line with ATF's OCDETF Strategic Plan, the Southwest Region's "Gatekeeper" Initiative and the OCDETF Executive Office Priorities.

It is therefore recommended that approval be granted to establish a firearms trafficking group within the Phoenix Field Division located in the Phoenix metropolitan area. This group should be staffed by a Group Supervisor (b) (7)(E), Special Agents (b) (7)(E), Industry Operations Investigators (reporting to the Director of Industry Operations), (b) (7)(E) Investigative Analyst and (b) (7)(E) Investigative Research Specialist.

As outlined before this group would be co-housed with the OCDETF Strike Task Force currently being proposed by the DEA Phoenix Field Division. The DEA SAC is fully supportive of this joint venture.

If you have any question or need additional information please do not hesitate to contact me.

William D. Newell

From: (b) (7)(C)
To: Hoover, William J.
Cc: (b) (7)(C)
Subject: SWB Briefing Paper
Date: Monday, May 21, 2007 12:24:21 PM
Attachments: [SWB Briefing Paper.doc](#)

Use this one instead. . .

SOUTHWEST BORDER INITIATIVE BRIEFING PAPER

SUBJECT: The Southwest Border Initiative was organized by those ATF field divisions with jurisdiction contiguous to the U.S./Mexican border (Los Angeles, Phoenix, Houston, and Dallas), and is intended to reduce firearms trafficking into—and firearm related violent crime in—the Republic of Mexico.

PURPOSE: This briefing paper briefly outlines the proposed consolidated plan, and establishes goals for the Southwest Border Initiative (SWB).

ISSUES/PROBLEMS:

- Information sharing between U.S. and Mexican law enforcement agencies relating to firearms violence needs to be increased.
- Formalized liaison is needed between ATF special agents assigned to border areas and their Mexican law enforcement counterparts.
- There are limited manpower and resources available to ATF field divisions and field offices with jurisdiction over areas contiguous to Mexico.
- There is limited actionable intelligence related to firearms trafficking from the U.S. into Mexico and related firearms violence.

ACTION or FOLLOW-UP:

- Diplomatic and Law Enforcement Coordination
Special Agents in Charge or designee:
 - Coordinate meetings as needed with the offices of the Mexican Consular General and the U.S. Consular General to address implementation and ongoing maintenance of the initiative.
 - Establish the manner and instruments of information-sharing among ATF, other domestic law enforcement agencies, and the Mexican government related to firearms crimes and recoveries within Mexico.
- U.S. Federal Agency Cooperation and Intelligence
ATF will coordinate the resources of other interested Federal law enforcement agencies, and establish a SWB contingent within the El Paso Intelligence Center to act as a clearinghouse for information gleaned as a result of the initiative.
- Seizure Incident Responses
Field operations personnel within the affected offices will be identified as points-of-contact to provide the proper firearm investigative assistance to Mexican law enforcement.
- Provide Training
Short Term

Times (El Paso, Texas) 6/8/08

U.S., Mexican lawmakers have talks

By Diana Washington Valdez / El Paso Times

Juarez Violence

U.S. and Mexican legislators will meet this weekend in Monterrey, Mexico, to discuss issues of mutual interest to both countries, including immigration, trade and border security.

U.S. Rep. Ciro Rodriguez, D-Texas, whose district stretches from far East El Paso to San Antonio, is part of the Mexico-U.S. Interparliamentary Group, which meets once a year.

"I have worked closely with U.S. Sen. Kay Bailey Hutchison (R-Texas) on bills to help to stop illegal activity by cracking down on illegal gunrunning, and to address the issue of increased wait times on the border by gathering better data on wait times," Rodriguez said Friday.

"We must continue to have the special relationship we have had with Mexico and I will work this weekend to continue that relationship."

He said U.S. lawmakers were considering a bill to enable the Bureau of Alcohol, Tobacco and Firearms to hire, train and deploy 80 more special agents, some of whom would be assigned to the Project Gunrunner Teams that investigate weapons trafficking into Mexico.

Another bill, the Border Wait Times Study Act, would document the economic impacts wait times at international crossings are having at the borders with Canada and Mexico.

dvaldez@elpasotimes.com; 546-6140

CQ Politics.com 6/10/08

Foreign Drug-Trafficking Bill Passes in House

CQ TODAY MIDDAY UPDATE
June 10, 2008 – 1:41 p.m.

- ATF will provide firearms identification training to appropriate Mexican law enforcement personnel in order to increase the effectiveness of firearms traces. Due to attrition and the rotational basis of these organizations' assignment practices, this needs to be conducted on an ongoing basis and at various venues.

Long Term

- Provide instruction in the proper use of the E-Trace application.
- Conduct firearms trafficking training structured specifically to the nuances of illicit firearms movement between the United States and Mexico.
- Increase explosives detection canine capabilities.

- Industry Operations' Role

Industry Operations personnel within the involved divisions will be tasked with identifying common source FFLs for firearms recovered in Mexico through the Trafficking Inspection Program (TIP), conducting secondary market inspections, and conducting outreach efforts to the industry.

- Mission Needs

Short Term

- (b) (7)(E)
- (b) (7)(E)
- (b) (7)(E)
- Discretionary funds for assigned personnel.
- Language training for assigned personnel.
- Personal investigative equipment (e.g., high resolution digital camera, etc.).
- Reproduction of ATF publications in Spanish (e.g., Firearms Identifiers and Tracing Guide).

Long Term

- Additional field/satellite offices in various locations with close proximity to the U.S./ Mexico border (b) (7)(E) including Industry Operations and K-9 assets. Additional field offices within the affected divisions, centrally located, specifically tasked with the initiation of firearms trafficking investigations, targeting the identified trafficking corridors.
- Continued and expanded use of the National Integrated Ballistics Information Network (NIBIN) system incorporating evidence recovered in firearms-related violent crimes in Mexico.
- Highway traffic monitoring and interdiction programs in conjunction with the Department of Homeland Security and State Highway Patrol components.
- Additional Intelligence Research Specialists assigned to offices in border cities, as well as a dedicated SWB entity within the Southern California Regional Crime Gun Center (SCRCGC).

EXPECTED OUTCOMES:

- Achieve comprehensive tracing of viable suspected crime guns recovered in Mexico
- Reduce the number of unsuccessful traces.
- Increase NIBIN capabilities in border and trafficking corridor areas, as well as incorporate firearms recovered in Mexico.
- Increase prosecutions of U.S./Mexico firearm sources, leading to reduced firearms related violence in Mexico.
- Increase information sharing between U.S. and Mexico law enforcement agencies.
- Successfully analyze, identify, and monitor U.S./Mexico firearms trafficking and related firearms related violence.
- Establish a self-sustaining relationship with Mexican counterparts to ensure continued success.

STATUS (May 18, 2007)

Create SWB Gunrunner Branch at the El Paso Information Center (EPIC)

Chief - (b) (7)(C) (EPIC)

Program manager -- (b) (7)(C) (assigned to EPIC, stationed in Houston)

(b) (7)(E) Investigative Analysts (EPIC)

Investigative Research Specialists (Vacancy Announcement, located at EPIC)

On May 14, 2007, the Phoenix Field Division SAC met with Dr. Abel Murrieta Guterrez, the Attorney General for Sonora, Mexico. He asked to meet with ATF to discuss ATF firearms and explosives training and firearms trafficking issues.

ATF SACs are traveling to Mexico City the week of June 11-15 to meet with the U.S. Ambassador, Mexican Attorney General Ramirez, Deputy Attorney General Vasconcelos, Director of Public Safety Genaro Garcia Luna, SSP Deputy Patricio Patino, ACIFA (Customs) Deputy Taviel Ruiz, and possibly CENAPI Director Ardelio Vargas. ATF will present a Spanish-language briefing about proactive ATF activities addressing their concerns about illegal firearms flow to Mexico. The presentation will discuss specific activities, division by division and on a national level, to focus attention on the issue. (It will not be a generic "you must trace your guns" speech.)

During the week of May 21, SAC Newell has scheduled a meeting with the Mexican Consul General, who is stationed in Phoenix. They will discuss firearms trafficking and border violence issues.

The Phoenix Field Division has been hitting Spanish media outlets in recent weeks with a Spanish version of "Don't Lie for the Other Guy" campaign.

The El Paso RAC has recently met with the Sheriff of Luna County in New Mexico and offered assistance along with signing them up for E-Trace. The RAC has also met with the Police Chief of Columbus, New Mexico and the Sheriff of Brewster County, Texas. These three areas have

seen an increase in violence involving firearms. They are progressing with their investigations and have recently signed up a new Task Force Officer from New Mexico.

The El Paso RAC has helped to organize a firearms serial number restoration training class for the border area and it will also be attended by three Mexican National police officers who do restoration work in Mexico.

The Los Angeles Field Division has begun to provide firearms trafficking and interdiction training to the California Highway Patrol and other State and local law enforcement agencies with jurisdiction along the transportation corridors to Mexico. Incorporated in this training is point-of-contact information and protocols for ATF post-seizure response.

PHOENIX

The Phoenix Field Division has recently initiated (b) (7)(E)

(b) (7)(E)

(b) (7)(E) ATF has identified and/or arrested numerous straw purchasers of "weapons of choice" in furtherance of ongoing firearms trafficking investigations, not only of guns going to Mexico but also to street gangs in Los Angeles and in the local area.

The Phoenix Field Division has initiated a Pawn Broker initiative as part of the Industry Operations National Pawnbroker Initiative. ATF is focusing on border FFLs and weapons of choice (.223s, 7.62s, etc.). This initiative is being led from the Tucson and Yuma offices.

OCDETF-funded "Operation Southbound" continues to be a model case for the Southwest OCDETF Region's "Operation Gatekeeper" due to ATF's ability to link these firearms directly to Mexican drug trafficking organizations and their intermediaries or "gatekeepers". To date ATF has seized 470 firearms, nearly 30,000 rounds of ammunition, narcotics valued at \$4.8 million, and nearly \$350,000 in cash as a result of this investigation.

On April 20-21, 2007, ATF agents assisted by ICE, the Mesa Police Department, and the Phoenix Police Department worked the Phoenix Gun Show, and agents initiated several cases related to "Operation Southbound". ATF recently identified a female subject who has purchased approximately 40 AR15 rifles in the Phoenix, Arizona area for the Arellano-Felix Organization. On March 31, 2007, a Tijuana Cartel drug kingpin and 8 other men (3 of them police officers) were arrested by the police in a safe house. According to the police, the kingpin is the chief assassin for the Tijuana Cartel. Thirty firearms were recovered at this location, including one AR15 rifle purchased by the recently identified straw purchaser.

To date, Phoenix Group I has initiated 134 cases related to the Southwest Border Initiative.

STAFFING/RESOURCES

The Yuma Satellite office is up and running, with (b) (7)(E) SAs and (b) (7)(E) IOI on board, all on detail. They are working out of the DEA Yuma Field Office. DEA is very grateful for the assistance and presence of the office and ready to assist in any way to ensure ATF gets what is

needed to succeed, as is the Sheriff of Yuma County, who is keenly aware of the need for an ATF office in Yuma, and the Chief of Yuma Police Department. ATF is in the process of identifying (b) (7)(E) agents and (b) (7)(E) IOI to permanently relocate to Yuma by October 1, 2007.

DALLAS

The Dallas Field Division has about 55 active SWB cases ongoing. The Intel Group continues to monitor SWB cases, provides assistance to the case agents, and maintains open communication with the other ATF border divisions and HQ Intel.

A Dallas Group III SWB investigation appears to have identified (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

HOUSTON

Houston I Field Office

(b) (7)(A)

To date, ATF has identified (b) (7)(A)

Some of these purchases have been made through individuals (straw purchasers) who receive up to \$500 per transaction. Houston Field Division special agents and IOIs enlisted the assistance of various FFLs to assist in this investigation.

In January 2007, IOIs provided information to agents regarding the multiple sales of (b)(3) (Public Law 111-117) & (7)(A)

(b)(3) (Public Law 111-117) & (7)(A)

identified by agents as the main subjects of this investigation. Special Agents from Houston Groups I and V discovered that some of the sales were related, involving the same type of firearms and same people at different FFLs.

Additional investigation revealed that the firearms of choice are .223 caliber and 7.62mm rifles, and Beretta and FN pistols. During a 15-month time frame, the organization has made a total of

(b) (7)(A)

(b) (7)(A) In addition, the firearms recovered have been tied to 11 homicides committed by "hit men" from the Mexican drug cartels.

It is believed that this organization is being funded by at least two well known Mexican Cartels known as Gulf Cartel and Sinaloa Cartel. The following events involving firearms purchased in Houston have been reported in Mexico:

- (b) (3) (Public Law 111-117)
- (b) (3) (Public Law 111-117)
- (b) (3) (Public Law 111-117)
- (b) (3) (Public Law 111-117)
- (b) (3) (Public Law 111-117)

Laredo Field Office

The Laredo Field Office is currently targeting members of the Zetas (Gulf Cartel Enforcers) drug and firearm trafficking organization who are operating out of the Laredo and Dallas areas. These individuals are involved in the large-scale trafficking of cocaine to Dallas, Texas via tractor trailers. After the cocaine reaches Dallas, the trucks are then re-loaded with firearms and ammunition and shipped back to Mexico through Laredo. The firearms are being purchased primarily through gun shows; however, straw purchasers are also being used to buy from Federal firearms licensees. (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

to protect their drug and firearms stash houses. The majority of these gang members are convicted felons and commonly use firearms while they protect the stash houses.

(b) (7)(A)

(b) (7)(A)

McAllen Field Office

Since December 2006, ATF's McAllen, Texas Field Office has been conducting (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

The

investigation continues.

LOS ANGELES

Gun Show Task Force

This task force represents a collaborative effort using dedicated resources from the U.S. Attorneys Office and the Los Angeles District Attorney - Riverside County office. ATF will coordinate with these partners and target illicit sources of firearms at suspect area gun shows using criminal enforcement and industry operations resources and personnel from the California Department of Justice and the Los Angeles Sheriffs Department. These shows represent a significant source of Mexico-bound firearms from secondary markets.

San Diego Field Office

On May 14, 2007, the federal intelligence chief (AFI) for Baja California, was murdered in Tijuana, MX. Two hours after being abducted, he was shot twice, strangled, and had the index finger on his right hand cut off.

On May 16, 2007, an ATF special agent in San Diego was advised by his Mexican Federal law enforcement counterpart that two of the weapons involved were in custody. The SA retrieved the necessary trace information for two firearms. (b) (3) (Public Law 111-117)
The National Tracing Center (NTC) advised (b) (3) (Public Law 111-117)
(b) (3) (Public Law 111-117) ATF Agents are currently attempting to locate the suspect.

On May 18, NTC advised that (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

ATF agents are currently attempting to locate

Riverside Field Office

HOMICIDE – 7 law enforcement personnel in Acapulco, Guerrero, MX

On February 6, 2007, seven law enforcement employees were murdered during attacks on two State Investigative Police offices of the Guerrero State Attorney General in Acapulco, Guerrero, Mexico. On that same date, a Smith and Wesson SIGMA model 9mm caliber pistol was recovered with other weapons in the vicinity. The firearm was traced through state records to the Riverside, California purchaser. The purchaser, who was born in Mexico, advised agents that he

had provided the firearm to a Mexican national relative in December 1997, and that the pistol was driven to the recipient's home in Rosarito, Baja California, Mexico. The relative confirmed this information with ATF, and the reports and suspect information were provided to the Consul General.

Los Angeles Field Office

On March 16, 2007, \$207 million in cash, seven firearms and two silencers were seized from a pseudoephedrine trafficking organization headed by a Chinese-born Mexican citizen. This network is believed to be connected with the methamphetamine producers in Mexico. The seizure was connected to an investigation into an alleged front company, [REDACTED], believed to have imported large quantities of the ingredients needed to make methamphetamines from Asia. The investigation began in December after officials seized 19.5 tons of pseudoephedrine in the Pacific port of Lazaro Cardenas.

ATF is working the investigation jointly with DEA. Subsequent traces of the guns recovered found (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117)

(b) (7)(A)

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Subsequent traces of the guns recovered found that they originated in (b) (3) (Public Law 111-117)

(b) (3) (Public Law 111-117) One was traced back to an individual named [REDACTED]. Investigation is currently being worked jointly with DEA by ATF SA (b) (7)(C) [REDACTED] (b) (7)(A)

(b) (7)(A)

(b) (7)(A) [REDACTED] (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

From: (b) (7)(C)
To: (b) (7)(C)
Subject: FW: SWB Initiative
Attachments: [Staffing Articles.doc](#)

FYI

(b) (7)(C)

Chief, Field Management Staff
(Field Operations)
99 New York Avenue, NE
Room 6 S 127
Washington, DC 20226
O 202 (b) (7)(C)
F 202-648-9611
C (b) (7)(C)

From: (b) (7)(C)
Sent: Thursday, June 12, 2008 10:17 AM
To: (b) (7)(C)
Cc: (b) (7)(C)
Subject: RE: SWB Initiative

Thanks (b) (7)(C) See the attached recent articles too.

Thanks

(b) (7)(C)

Case Management Branch
Field Management Staff
(202) (b) (7)(C)

From: (b) (7)(C)
Sent: Thursday, June 12, 2008 9:12 AM
To: (b) (7)(C)
Subject: RE: SWB Initiative

Thanks (b) (7)(C) I was able to find some budget type write ups in Leg Affairs. We are going to work them up and will share a final product shortly.

(b) (7)(C)

Chief, Office of Strategic Management
Office: 202 (b) (7)(C)
Cell: (b) (7)(C)
HQ Room: 5 E 407

From: (b) (7)(C)
Sent: Thursday, June 12, 2008 9:55 AM
To: (b) (7)(C)
Subject: SWB Initiative

(b) (7)(C)

This the SWB Initiative prepared in June 2007.

(b) (7)(C)

Case Management Branch

Field Management Staff

(202) (b) (7)(C)

Times (El Paso, Texas) 6/8/08

U.S., Mexican lawmakers have talks

By Diana Washington Valdez / El Paso Times

Juarez Violence

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dvaldez@elpasotimes.com; 546-6140

CQ Politics.com 6/10/08

Foreign Drug-Trafficking Bill Passes in House

CQ TODAY MIDDAY UPDATE
June 10, 2008 - 1:41 p.m.

The House on Wednesday passed a three-year, \$1.6 billion plan to fight drug trafficking from Mexico and Central America.

The funding would be used to train and equip security forces, strengthen the rule of law and judicial systems, and boost a U.S. program to prevent guns from traveling illegally into Mexico.

The bill, which passed 311-106, largely reflects a plan developed by President Bush and Mexican President Felipe Calderón known as the Merida Initiative, for the Mexican city where the leaders unveiled it in 2007.

The bill would authorize \$595 million for fiscal 2008, \$645 million for fiscal 2009 and \$350 million for fiscal 2010.

The Senate supplemental would provide \$450 million for fiscal 2008; the House version would include \$461.5 million. The administration had requested \$550 million.

Members cited Mexico's increasingly violent drug war, which has taken some 6,000 lives in the last two years, including recent assassinations of two top police officials.

"Mexico is burning," said Rep. Brian P. Bilbray, R-Calif., who represents an area north of San Diego. "We are not taking on a war on drugs down at the border, we are taking on the battle against narcoterrorism."

The bill would authorize \$1.1 billion for Mexico, \$405 million for Central America and \$73.5 million for Bureau of Alcohol, Tobacco, Firearms and Explosives programs that target the smuggling of guns into Mexico from the United States.

Several Texas Republicans said the bill should have included programs to address illegal immigration and the drug trade on the domestic side.

"It is inexcusable, it is intolerable to send one dime to the Mexican government when they can afford to pay for this equipment themselves," said John Culberson, R-Texas. "But more importantly, our southern border is not secure"

[Return to the top](#)

Associated Press 6/10/08

House gives boost to aid for Mexico drug war

By SUZANNE GAMBOA / Associated Press

The House on Tuesday authorized spending \$1.6 billion over the next three years to help Mexico and other countries counter growing drug violence and the cartels behind it. But the money isn't assured.

The bill, approved 311-106, would not provide any money to Mexico. That could come separately in pending bills funding the wars in Iraq and Afghanistan and future appropriations bills.

The House and Senate are negotiating with the administration on the war spending bills to avoid a threatened veto by President Bush.

In addition, the Mexican government is opposing the anti-drug trafficking aid in the war bills because of requirements in it that Mexico says interfere with its sovereignty. A delegation of congressional members met with Mexico officials over the weekend to discuss Mexico's concerns.

In the bill passed Tuesday, the House authorized about \$1.1 billion for Mexico between 2008-2010; \$405 million for Central America and Caribbean countries and \$74 million for the Justice Department to stem the flow of U.S. guns into Mexico.

The money authorized for anti-gun trafficking was proposed in a stand-alone bill drafted by Rep. Ciro Rodriguez, D-San Antonio.

The provision authorizes spending \$15 million through 2010 to expand the **Justice Department's Project Gunrunner Initiative and the Alcohol, Tobacco and Firearms** efforts on the southern border to find the U.S. sources for guns used in Mexico drug crimes.

~~If it is eventually funded, ATF could hire 50 special agents who would staff seven new teams to investigate trafficking and assign 12 agents to Mexican consulates to help trace stolen weapons and train Mexico law enforcement to do the same.~~

The bill includes some human rights conditions and monitoring of how equipment and training have been used "to make sure U.S. taxpayer dollars are going to support practices consistent with our values," said Lynne Weil, a spokeswoman for Rep. Howard Berman, who chairs the Foreign Affairs Committee.

Bill supporters on Tuesday repeatedly praised Mexico President Calderon for escalating his war against the drug cartels. They raised concerns about drug violence in Mexico spilling into the U.S. and noted the slaying of Edgar Millan Gomez, Mexico's acting federal police chief, a position similar to U.S. FBI director. Gomez was shot by a lone gunman May 8 outside his Mexico City apartment. Police blamed the Sinaloa drug cartel.

"It's high time for the United States to do more than applaud President Calderon's courage. We must work together to tackle this difficult problem," Berman said.

But some disagreed. Two Texas Republican lawmakers, Reps. Ted Poe and John Culberson, thwarted Berman's effort to pass the bill on a voice vote.

"We need to defeat this legislation until our southern border is secure," Culberson said.

From: (b) (7)(C)
To: (b) (7)(C)
Subject: FW: Project Gunrunner Groups

FYI

(b) (7)(C)
Chief, Field Management Staff
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99 New York Avenue, NE
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From: Carroll, Carson W.
Sent: Tuesday, March 18, 2008 2:54 PM
To: Webb, J. Dewey; Newell, William D.; Golson Sr., Michael A.; Torres, John A.
Cc: (b) (7)(C)
Subject: Project Gunrunner Groups

SACs,

If you have not done so already, please submit the paperwork for the establishment of the previously discussed Project Gunrunner group to Chief, FMS. Also, send me an electronic version because we are going to write up an OCEDTF initiative, similar to what Houston has already proposed.

- San Diego
- El Paso
- Tucson
- San Antonio - received
- Houston - Reseived

From: Carroll, Carson W.
To: (b) (7)(C)
Subject: Power Point
Attachments: Gunrunner 2008 power-point 1-29-08.ppt

From: (b) (7)(C)
To: All Special Agents in Charge; All ASACS; All Directors, Industry Operations
Cc: Intel-Group Supervisors
Subject: SWB Project Gunrunner Plan
Attachments: SWB Project Gunrunner Collection Plan updated .pdf

LAW ENFORCEMENT SENSITIVE (LES)

The above attachment is ATF, Office of Strategic Intelligence and Information (OSII) document titled "Project Gunrunner Southwest Border Initiative Intelligence Collection Plan" in reference to ATF's strategy regarding the Department of Justice Southwest Border (Narco-Violence) Initiative.

LAW ENFORCEMENT SENSITIVE (LES)

(b) (7)(C)

Intelligence Operations Specialist
Office of Strategic Intelligence and Information
Bureau of Alcohol, Tobacco, Firearms and Explosives
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Cell: (b) (7)(C)
Email: (b) (7)(C)

WARNING: *This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, law enforcement sensitive and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by reply or by telephone (202) 648-(b) (7)(C) and immediately delete this message and all its attachments*

From: (b) (7)(C)
To: All Special Agents in Charge; Priority Items - Field Operations Public Folders
Cc: Webb, J. Dewey; O'Brien, Virginia T.; Carroll, Carson W.; Barrera, Hugo J. (b) (7)(C)
Attachments: Project Gunrunner.pdf

This Message is Authorized by DAD Dewey Webb

The attached memorandum is being forwarded to all Special Agents in Charge in support of Operation Gunrunner, ATF's violent crime initiative along the border between the United States and Mexico. The memorandum provides additional guidance to field in the reporting of investigative activity involving the southwest border. Please provide the memorandum to a agents assigned to your field division. If you have any questions or need additional information, please feel free to contact me at (202) 927-8357.

Your pal in HC (b) (7)(C)
Have a great day and a wonderful week.



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives*Assistant Director*

Washington, DC 20226

JUN 07 2006

701140:KMS
3111

MEMORANDUM TO: All Special Agents in Charge

FROM: Assistant Director
(Field Operations)

SUBJECT: Project Gunrunner

In support of Project Gunrunner, ATF's violent crime initiative along the border between the United States and Mexico, a new code has been added to N-FORCE. This code, "SWB Project," is located in the Investigative Profiles section of N-FORCE, and will allow more comprehensive tracking and analysis of investigations to capture data related to Project Gunrunner. All special agents should begin to utilize this code immediately.

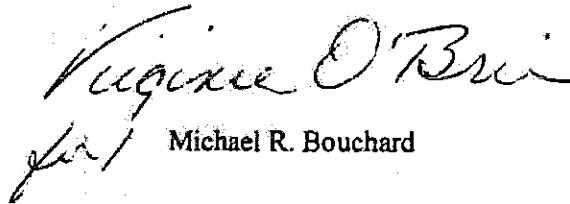
The "SWB Project" code should be interpreted broadly, and should be selected for any investigation associated with the southwest border or with Mexico. In addition, the following steps will allow thorough analysis of Project Gunrunner cases:

- Once a link to the southwest border or Mexico is identified in an investigation, the case agent should select the "SWB Project" code in N-FORCE. This code is located in the Investigative Profile section, found on the Violent Crime/Investigative Profile tab of the General Case Information folder.
- In the Report of Investigation, special agents should place "Project Gunrunner" in the "Description of Activity" section.
- Special agents should complete all identifying information on each person, suspect and defendant entered into N-FORCE. Special agents should attempt to establish if an individual has a previous arrest, and enter the State/FBI Identification Number(s). This will assist analysts in providing special agents with complete and current information on the individual.

All Special Agents in Charge

- To facilitate inquiries on foreign-born nationals, it is critical that the date of birth and nationality of the individual is established. Information on family members, to include dates of birth and addresses, is also extremely helpful. This data enhances the ability of the Office of Strategic Intelligence and Information (OSII) to query information and track the movements of individuals and commodities.

The Office of Field Operations and OSII will monitor the progress of Project Gunrunner, and will provide you with periodic updates. Questions related to the use of the "SWB Project" code in NFORCE should be addressed to (b) (7)(C) Chief, Case Management Branch, at (202) 927-8090.


for Michael R. Bouchard

N-FORCE AND N-SPECT: CODING SOUTHWEST BORDER ACTIVITIES

In N-Force, in addition to any other appropriate profiles:

- Select the program code most appropriate to the case.
- Users must select the "Project Gunrunner (SWB-Southwest Border Project)" profile on the Investigative Profile Section in the Violent Crime / Investigative Profile tab in the General Case Information Folder. This case level profile should be used by all field offices where a link to the southwest border has been established.
- If the case has established a nexus to a Mexican Drug Cartel, the appropriate cartel should be selected in the Violent Crime section.
 - Cartel Related-Gulf Cartel
 - Cartel Related-Los Zetas
 - Cartel Related-Sinaloa Cartel
 - Cartel Related-La Familia Michoacana (La Familia)
 - Cartel Related-Juarez Cartel (Carrillo Fuentes Organization)
 - Cartel Related-Tijuana Cartel (Arellano Felix Organization)
 - Cartel Related-Beltran Leyva Organization
- If the case has a nexus to criminal activity in furtherance of a U.S. based street gang or drug activity, the "Gang Related" and/or "Drug Related" profiles should be selected in the Violent Crime Section on the same tab.
- If the case involves firearms trafficking to a cartel, "To Mexican Cartel" should be selected on the Firearms Tab in the Firearms Trafficking Section. Accurate reporting on source and target state and country is essential. As a reminder, the estimated number of firearms believed trafficked should be supported by facts uncovered in the investigation.
- If the case involves explosive trafficking to a cartel, "Explosives: Traffic to Mexican Cartel" should be selected on the Arson/Explosive Tab/Section. Accurate reporting on source and target state and country is essential.
- If specific information linking a suspect or defendant to a cartel is established, the cartel affiliation should be reported on the Charges tab in the Suspects / Defendants section in the Affiliation Field.

In N-Spect:

- Select the program Code most appropriate to the inspection.
- Select the appropriate Tier 3 value when establishing the assignment:
 - Southwest Border DE Non VCIT
 - Southwest Border DE VCIT
 - Southwest Border VCIT Recall Full
 - Southwest Border Non VCIT Recall Full
 - Southwest Border Full Recall
 - Southwest Border Assist CE



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives*Assistant Director*

Washington, DC 20226

701800:DRM
3310**JUN 24 2010**

MEMORANDUM TO: All Special Agents in Charge

FROM: Assistant Director (Field Operations)

SUBJECT: Roles and Responsibilities of Industry Operations Investigators and
Intelligence Research Specialists Detailed to Gunrunner Teams

In February 2009, ATF received funding under the American Recovery and Reinvestment Act along with direct funding in FY 2009 and FY 2010 to support its Project Gunrunner initiative. Using some of this funding, ATF established Gunrunner teams in McAllen, El Paso, and Houston, Texas; El Centro, California; Las Cruces, New Mexico (including a satellite office in Roswell); and Tucson, Arizona. In September 2009, the Department of Justice's Office of Inspector General conducted an interim review of ATF's Project Gunrunner, which concluded that the Gunrunner teams' staffing model appeared to be sound; however, they recommended that the reporting structure and roles of industry operations investigators (IOIs) and intelligence research specialists (IRSs) be clarified.

Gunrunner staffing varies by location but generally includes one supervisor, (b) (7)(E) special agents (b) (7)(E) IOIs, up to (b) (7)(E) IRSs, and (b) (7)(E) IA. The staffing is designed to employ the skill sets from investigative, regulatory, and intelligence positions to work as a cohesive unit to reduce firearms trafficking with a nexus to Mexico and violent crime. To ensure that these positions fully support this concerted effort, IOI and IRS personnel will be detailed full time to the Gunrunner group and take direction from the Gunrunner supervisor. The Gunrunner supervisor will be responsible for the day-to-day operations of the group, including leave, mandatory training, and other administrative requirements. It is important that all affected supervisors communicate closely with each other to ensure that these employees are utilized in a manner that maximizes their effectiveness in reducing the criminal activities associated with the trafficking of firearms to Mexico.

- 2 -

All Special Agents in Charge

Area supervisors will issue an N-Spect assignment quarterly to capture the work performed by the IOIs assigned to the Gunrunner teams. The assignment will be entitled "Gunrunner Team IO Detail" using the tier III code "Assist LE". (An example of the type of documentation for this assignment would be "the following 15 retailers were visited and all purchases by subjects documented.") When the assigned IOI expends 40 hours or more assisting on a particular criminal case, a specific assignment must be issued in N-Spect documenting the work performed. The field in N-Spect entitled "Related Inspection UI" (on the Assignment Screen) must be completed with the Investigation Number (IN) of that law enforcement investigation. If a trafficking inspection of a particular Federal firearms licensee (FFL) is to be conducted by the IOI, a separate UI will be issued.

If an IOI is assisting a special agent by looking for specific purchasers or guns as part of an open criminal investigation, he or she may enter the FFL's premises without it impacting the once in a 12-month inspection limitation, examine records, and ask questions related to the particular investigation. However, if the FFL is the subject of the investigation, a subpoena is required.

Assigned IOIs should expend all of their duty time on Gunrunner team activities, unless there is a compelling reason to perform other duties. IOIs, working with other Gunrunner team members, should be gathering, developing, and perfecting intelligence in furtherance of firearms trafficking criminal investigations. Examples of such time expenditure include utilizing current intelligence derived from ongoing criminal investigations and other sources to identify individuals purchasing weapons of choice, straw purchasers, and defendants in criminal investigations. They should coordinate with other divisions to develop in-depth intelligence information related to specific trafficking corridors. For example, El Centro, Yuma, and Tucson need to work together to address the El Centro/Tucson trafficking corridor. They should also ensure that referrals of potential straw purchasers and potential firearms traffickers receive prompt investigative action, and assist in the investigation of firearms thefts, including those lost or stolen in interstate shipments.

IRSs will use all source collection methodology to prioritize targets for entry into N-Force and to

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IRSs should identify links between suspected firearms traffickers and major drug trafficking organizations, create link association and/or timeline charts as necessary, conduct toll analysis where appropriate, and open a general intelligence case into N-Force when information collected and analyzed reaches that standard.

In addition, both IOIs and IRSs are expected to use VCAB reports, ATF's First-Look, and E-Lead to identify potential traffickers and analyze patterns and trends. They should develop

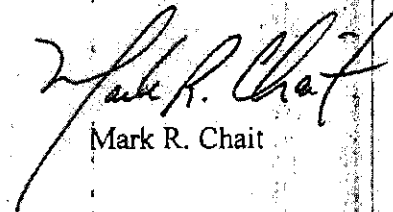
- 3 -

All Special Agents in Charge

relationships with other Federal, State, local, and tribal law enforcement agencies as well as HIDTAs and Fusion Centers, and determine sources of illicit firearms trafficking based on information derived from FFL thefts, residential burglaries, gun shows, Internet sales, and leads generated by agents called to respond to guns recovered by State and local police. They should continue to collaborate with the Cyber Crime Groups to identify Internet trafficking schemes and organizations; assist in promoting E-Trace among the State, local, and tribal police; and serve as a division point of contact for all law enforcement inquiries regarding firearms tracing by Federal, State, and local law enforcement agencies.

While the above is not all encompassing, and there could be overlap in the above referenced duties, it is critical that all team members work together at all levels of the investigative process to accomplish the overarching goals of reducing firearms trafficking and gun related violence along the U.S./Mexico border. Only through close cooperation in the development and sharing of intelligence information will the benefits of the Gunrunner group be fully realized.

Should you have any questions or require additional information, please contact your respective Deputy Assistant Director (Field Operations).



Mark R. Chait

Users must select the "Project Gunrunner (SWB-Southwest Border Project)" profile on the Investigative Profile Section in the Violent Crime / Investigative Profile tab in the General Case Information Folder. This case level profile should be used by all field offices where a link to the Southwest border has been established.

The screenshot shows a software interface with a left-hand navigation pane and a main content area. The navigation pane includes sections like 'Case Information', 'Electronic Surveillance', 'Events/ROI Narrative', 'Investigative Participants', 'Locations', 'Persons', 'Property In ATF Custody', 'Property Not In ATF Custody', 'Source', 'Suspects/Defendants', and 'Vehicles'. The main content area has tabs for 'General', 'Techniques/Explosives', 'Firearms', 'Arson/Explosives', 'Violent Crime/Investigative Profile', and 'Case Users'. The 'Violent Crime/Investigative Profile' tab is active, showing a 'Violent Crimes' section with 'DRUG RELATED' and 'GANG RELATED' items, and an 'Investigative Profile' section with 'VCIT INITIATIVE', 'PROJECT GUNRUNNER (SWB- Southwest Border Project)', and 'PROJECT GUNRUNNER (SWB-GRIT HOUSTON)'. A dialog box titled 'Investigative Profile Selection Window' is open, listing various profiles, with 'PROJECT GUNRUNNER (SWB-Southwest Border Project)' highlighted. Arrows point from text instructions to the 'Violent Crime' and 'Investigative Profile' tabs.

Investigative Profile Selection Window

Type of Investigative Profile

- NICS/BRADY STANDARD DENIAL
- NON-ATF SPONSORED TASK FORCE
- NORTHERN OHIO VIOLENT CRIME GUN CONSORTIUM
- OAKLAND GUN INITIATIVE
- OCDEF
- PROJECT EXILE (RICHMOND, VA)
- PROJECT GUNRUNNER (SWB-Southwest Border Project)**
- PROJECT GUNRUNNER (SWB-GRIT HOUSTON)
- PROJECT SAFE NEIGHBORHOODS
- REFERRAL FROM BOSTON CRIME GUN CENTER
- REFERRAL FROM CHARLOTTE CRIME GUN CENTER
- REFERRAL FROM CHICAGO CRIME GUN CENTER
- REFERRAL FROM COLUMBUS CRIME GUN CENTER
- REFERRAL FROM EPIC
- REFERRAL FROM FEDERAL AGENCY

Select

Cancel

erry pie 08/20/2009 NFTRAIN15

erry Pie 08/20/2009 NFTRAIN12

If the case has established a nexus to a Mexican Cartel, the appropriate cartel should be selected in the Violent Crimes section. This information should be updated during the course of the investigation.

The screenshot shows a software application window with a sidebar on the left containing a tree view of case information categories. The main area is divided into tabs: General, Techniques/Services, Firearms, Arson/Explosives, Violent Crime/Investigative Profile, and Case Users. The 'Violent Crime/Investigative Profile' tab is active, displaying a 'Violent Crimes' section with 'DRUG RELATED' and 'GANG RELATED' categories. A 'Violent Crimes Selection Window' is open, showing a list of options for selection, including various cartel names and crime types. The window has 'Select' and 'Cancel' buttons.

Case Information

- General Case Information
- Management Log
- Electronic Surveillance
- Events/ROI Narrative
- Investigative Participants
- Locations
- Persons
- Property In ATF Custody
- Property Not In ATF Custody
- Source
- Suspects/Defendants
- Vehicles

Violent Crime/Investigative Profile

Violent Crime - Click here to Insert

Violent Crimes

- DRUG RELATED
- GANG RELATED

Violent Crimes Selection Window

Violent Crime

- Cartel Related - Beltran Leyva Organization
- Cartel Related - Gulf Cartel
- Cartel Related - Juarez Cartel (Camillo Fuentes)
- Cartel Related - La Familia Michoacana (La Farr)
- Cartel Related - Los Zetas
- Cartel Related - Sinaloa Cartel
- Cartel Related - Tijuana Cartel (Arellano Felix Or)
- DEATH - CIVILIAN
- DEATH - FIREMAN
- DEATH - POLICE
- DOMESTIC VIOLENCE RELATED
- DRUG RELATED

Select

Cancel

HOCR-ATF A 000388

If the case also has a nexus to criminal activity in furtherance of a U.S. based street gang or drug activity, the "Gang Related" and/or "Drug Related" profiles should be selected in the Violent Crime Section on the same tab.

The screenshot displays a software application window with a sidebar on the left and a main content area. The sidebar contains a tree view under 'Case Information' with items like 'General Case Information', 'Management Log', 'Electronic Surveillance', 'Events/ROI Narrative', 'Investigative Participants', 'Locations', 'Persons', 'Property in ATF Custody', 'Property Not in ATF Custody', 'Source', 'Suspects/Defendants', and 'Vehicles'. The main content area has several tabs: 'General', 'Techniques/Services', 'Firearms', 'Arson/Explosives', 'Violent Crime/Investigative Profile', and 'Case Users'. The 'Violent Crime/Investigative Profile' tab is active, showing a table with two rows: 'DRUG RELATED' and 'GANG RELATED', each with a trash icon. A 'Violent Crimes Selection Window' is open over the table, listing various crime types: DEATH - CIVILIAN, DEATH - FIREMAN, DEATH - POLICE, DOMESTIC VIOLENCE RELATED, DRUG RELATED, FFL THEFT/DEATH, FFL THEFT/INJURY, FFL THEFT/SHOOTING, GANG RELATED, HATE CRIME RELATED, INJURY - CIVILIAN, and INJURY - FIREMAN. The window has 'Select' and 'Cancel' buttons. At the bottom right, there are labels 'erry pie' and 'erry Pie'.

If the case involves firearms trafficking to a cartel, "To Mexican Cartel" should be selected on the Firearms Tab in the Firearms Trafficking Section. Accurate reporting on source and target state and country is essential. As a reminder, the estimated number of firearms believed trafficked should be supported by facts uncovered in the investigation.

HOCR-ATF A 000390

The screenshot displays a software application window with a sidebar on the left containing a tree view of case information categories such as 'General Case Information', 'Electronic Surveillance', and 'Persons'. The main area features several tabs: 'General', 'Techniques/Services', 'Firearms', 'Arson/Explosives', 'Violent Crime/Investigative Profile', and 'Case Users'. The 'Firearms' tab is active, showing a section for 'Firearm Trafficking Information' with fields for 'Domestic', 'International', 'Source State' (TX), 'Source Country' (Mexico), 'Target State', and 'Target Country'. Below this is an 'Impact Information' section with two summary lines. A 'Firearm Trafficking Selection Window' is open, listing various trafficking types, with an arrow pointing from the 'Type of Firearms Trafficking' label in the main window to the list. At the bottom of the window, two case identifiers are visible: '1763070-09-0042' and '1763070-09-0044'.

Case Information

- General Case Information
- Management Log
- Electronic Surveillance
- Events/ROI Narrative
- Investigative Participants
- Locations
- Persons
- Property In ATF Custody
- Property Not In ATF Custody
- Source
- Suspects/Defendants
- Vehicles

Firearm Trafficking Information:

Domestic:

International:

Source State: TX

Source Country: Mexico

Target State:

Target Country:

Impact Information

Total number of firearms believed trafficked by defendants:

Total number of trafficked firearms recovered in crimes:

Firearm Trafficking Selection Window

Type of Firearm Trafficking

- CARRIER THEFT INVOLVED
- FFL INVOLVED
- FLEA MARKET INVOLVED
- GUN SHOW INVOLVED
- HANDGUN TRAFFICKING
- LONG GUN TRAFFICKING
- MACHINE GUN TRAFFICKING
- OTHER NFA TRAFFICKING
- STOLEN FIREARMS
- TO FELONS
- TO GANG MEMBERS
- TO JUVENILES (17 AND UNDER)
- TO MEXICAN CARTEL
- TO YOUTHS (18 TO 24)

1763070-09-0042

1763070-09-0044

If specific information linking a suspect or defendant to a cartel is established, the cartel affiliation should be reported on the Charges tab in the Suspects / Defendants section in the Affiliation Field.

HOCR-ATF A 000391

N-Force: 787000-00-0000, N-Force Definitions-Virtual Manual, 08/12/2008 - For Official Use Only

File Edit Case Reports Tools Window Help BATS

Suspect Information - SMITH, John (Defendant)

Case Information

- General Case Information
- Management Log
- Electronic Surveillance
- Events And Narrative
- Investigative Participants
- Locations
- Persons
- Property In ATF Custody
- Property Not In ATF Custody
- Source
- Suspects/Defendants
 - SMITH, John (Defendant)
- Vehicles

Personal | Addresses | Associates/Aliases | Vehicles | **Charges** | Licenses/Numbers

ATF Arrest Status: ARRESTED

Arrested By: []

Defendant: []

Defendant Background: SUBJECT

Defendant Affiliation: []

Case Prosecuted District: Juarez Cartel (Camillo Fuentes Organization)

Court Docket: KU KLUX KLAN

Criminal History: LA COSA NOSTRA
La Familia Michoacana (La Familia)

Charge: 18 USC LABOR RACKETEER

Federal State: Federal LATIN KING

Probation (Months): []

Fine: \$100 Restitution: \$

Judicial Status: ACTION PENDING BY DA OR US ATTORNEY

Arrested Date	Indictment Date	Conviction Date	Sentence Date	Disposition Date
11/02/2009	11/05/2009	01/14/2010	02/02/2010	0000/0000

Remarks: []

Charges 1 of 1

If the case involves explosive trafficking to a cartel, "Explosives: Traffic to Mexican Cartel" should be selected on the Arson/Explosive Tab/Section. Accurate reporting on source and target state and country is essential.

HOGR-ATF A 000392

The screenshot displays the ATF software interface, specifically the 'Arson/Explosives' tab. The main window is titled 'Case Information' and has several tabs: 'General', 'Techniques/Explosives', 'Firearms', 'Arson/Explosives', 'Violent Crime/Investigative Profile', and 'Case Users'. The 'Arson/Explosives' tab is active, showing a form with the following fields:

- Explosives Trafficking:** A dropdown menu with 'Explosives Trafficking' selected.
- Domestic:**
- International:**
- Source State:** AK
- Source Country:** United States of America
- Target State:** [Empty]
- Target Country:** [Empty]
- AE Damages and Casualties:** A section with fields for 'Estimated Property Damage in Whole US Dollars', 'Total Number Killed', and 'Total Number Injured'.
- Arson/Explosives - Click Here:** A button.
- Type of Arson/Explosives Investigation:** A dropdown menu with 'IMPROVISED EXPLOSIVES DEVICE' and 'VEHICULAR TARGET' visible.

An 'Arson/Explosives Window' is open, showing a list of investigation types:

- AMMONIUM NITRATE
- COMMERCIAL EXPLOSIVES
- COMMERCIAL TARGET
- EXPLOSIVES: TRAFFIC TO MEXICAN CARTEL
- EXPLOSIVES: LICENSEE/PERMITTEE INVOLVED
- EXPLOSIVES: RECOVERY
- EXPLOSIVES: THEFT
- EXPLOSIVES: TRAFFIC TO FELONS
- EXPLOSIVES: TRAFFIC TO GANG MEMBERS
- EXPLOSIVES: TRAFFIC TO JUVENILES - 17 AND UNDER
- EXPLOSIVES: TRAFFIC TO YOUTHS - 18 TO 24
- GOVERNMENT RELATED TARGET
- HATE CRIME: Gender Related
- HATE CRIME: National Origin Related
- HATE CRIME: Race Related
- HATE CRIME: Religion Related
- HATE CRIME: Sexual Orientation Related
- HOMEMADE EXPLOSIVES (HME)

Buttons for 'Select' and 'Cancel' are visible on the right side of the window. A table at the bottom right of the main window shows 'Open Date' as 08/12/2008 and 'Case Agent' as rs-Virtual Manual.

From: (b) (6)
Sent: Tuesday, March 23, 2010 8:52 PM
To: Newell, William D.; Mangan, Thomas G.
Subject: eTrace Memo
Attachments: Etrace & operation gunrunner.doc

Importance: High

Categories: Red Category, Green Category

<<Etrace & operation gunrunner.doc>>

Hi Bill & Tom,

As always I want to thank you for being so responsive to all of our requests. We truly appreciate all that you do. With the last conversation we had and the supporting documents that (b) (6) readily provided regarding eTrace, we created this memo which we will use when we meet with ATF in DC.

Can you please review for accuracy, and make any necessary changes? Also, let us know if you feel we should be addressing another issue?

Regards,

(b) (6)

(b) (6)

BGC Conference Deputy Coordinator
XXVIII Border Governors Conference
Office of the Governor

1700 W. Washington St. #180
Phoenix, AZ 85007

(b) (6) work
(b) (6) cell



XXVIII Border Governors Conference
XXVIII Conferencia de Gobernadores Fronterizos
Arizona 2010



Title: Expand use of E-Trace and Operation Gunrunner to enhance security efforts:

Agency: Department of Homeland Security, Department of Treasury, Department of Justice

Background:

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is a federal law enforcement agency delegated by Congress to enforce federal firearm and explosive laws and to regulate the firearm and explosive industry via licensing the sale, possession, and transportation of firearms, ammunition, and explosives in interstate commerce. Within ATF's authority to enforce federal firearms laws, ATF has established the National Tracing Center (NTC) in an effort to identify and combat the illegal trafficking of firearms not only within the U.S. but internationally as well.

This program has been the principle mechanism for the federal government to create the proper infrastructure to deter weapons trafficking between the U.S. and Mexico. Through the Merida Initiative, Mexico has been able to deploy a similar infrastructure creating a more efficient and collaborative effort in tracking and sharing information regarding weapons involved in violent crimes. However, it is the state and local governments who do not have the funds to deploy the same infrastructure to aid the federal government in this effort. Statewide enforcement agencies do not have the capability of identifying, matching and tracking weapons involved in violent crimes; therefore, can not help combat the traffic of weapons without federal support.

Current Situation

ATF's deployment of the eTrace program throughout the United States and, now recently, Mexico has had a great impact in strengthening efforts between both countries to combat the illegal trafficking of weapons. ATF has diligently worked to train law enforcement in the U.S. and has provided the appropriate infrastructure to have fully functional databases that are linked to all participating parties. Most law enforcement at the southwest border has been trained to utilize this program effectively, but state and local governments lack the appropriate funding to provide adequate personnel to capitalize on the opportunities of this program and depend on federal support to address this issue.

Since January 2010, ATF began deploying Spanish eTrace to Mexican law enforcement agencies, providing them with a database, training and essential equipment to join forces in combating the trafficking of illegal firearms and explosives. ATF identified approximately 400 Federal and State Laboratory technicians that consist of the Procuraduria General de la Republica (PGR) and the Procuraduria General de Justicia (PGJ) agencies in all 31 Mexican States and the Federal District, for eTrace training in order to achieve comprehensive firearm tracing throughout the Republic of Mexico. However, this is essentially a federal program in Mexico, as well as the U.S., and state and local governments lack funding to help aid this initiative.

The state and local governments currently do not have the ability to provide and run programs such as eTrace due to the lack of funds to enhance the database, provide training and add personnel to help track the information that can help identify the trafficking of weapons at the border. The federal government for both countries need to help address this issue by providing appropriate resources to the state and local government creating a stabilize program that will be part of the everyday business of all law enforcement agencies.

Ask:

- Establish a fund to aid Border States government to develop the proper infrastructure at a state level to run programs such as Project Gunrunner and eTrace. And allocate funds from the Merida Initiative or other funds to be directed to the border states for the same person to create a strong and efficient program that will combat weapon trafficking and ultimately have a safe and secure borders.



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives*Assistant Director*Washington, DC 20226
www.atf.gov701800:MRC
3310MEMORANDUM TO: All Special Agents
Office of Field OperationsFROM: Assistant Director
(Field Operations)

SUBJECT: Guidance on Firearms Trafficking Investigations

This memo serves to reinforce the importance of adhering to Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and Department of Justice (DOJ) policy on firearms trafficking investigations and to reiterate the DOJ-wide position that component law enforcement agencies must not plan or conduct undercover operations in which firearms are crossing the U.S. border. DOJ guidance further requires that if a law enforcement official has any knowledge that guns are about to cross the border, he/she must take immediate action to prevent that from occurring, even if doing so will jeopardize an investigation.

ATF guidance is contained in the Firearms Enforcement Program Order, ATF O 3310.4B; in the Firearms Trafficking Investigation Guide, ATF P 3317.1; and in the September 2010 document entitled "Project Gunrunner - A Cartel Focused Strategy." ATF O 3310.4B outlines policy and discusses a number of investigative techniques consistent with the DOJ-wide guidance. ATF P 3317.1 contains, among other resources, an investigative checklist for international trafficking-in-arms cases in Section X, as well as a detailed outline of firearms trafficking indicators in Section V. "Project Gunrunner - A Cartel Focused Strategy" notes practical considerations that may require bringing investigations to a conclusion or dictate a change in investigative tactics prior to the identification of persons directly affiliated with drug trafficking organizations. Field Special Agents in Charge are also reminded that they must closely monitor and approve high volume trafficking investigations and must assess the associated risks. Lastly, field divisions should continue to coordinate with the U.S. Attorney's Offices for the districts in which they conduct operations to ensure a mutual understanding of the criteria for both prosecutions and seizures.

Mark R. Chait

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UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE

**Update on ATF Project Gunrunner
August 2010**

Mexican drug cartels pose a national security threat to Mexico and an organized crime threat to the United States. Violence associated with these cartels has dramatically increased in recent years, particularly along the U.S.-Mexico border. Drug-related murders in Mexico doubled from 2007 to 2008 and the decade ended with a record breaking 7,724 drug-related murders in 2009. Mexican drug traffickers and their enforcers are also engaging in other violent crimes, such as kidnappings and home invasions. While this violence is particularly evident in Mexico, the potential for it spreading to the United States is very real, as evidenced by related U.S.-based incidents in recent years.

Since 2006, there has been a significant increase in drug and firearms-related violence in Mexico and increasingly along our southwest border. The governments on both sides of the border have begun to view the evolution of cartel inspired violence in terms of criminal activity that increasingly threatens the stability of the Mexican state. Impacting this trend along our southern border, particularly in the post-9/11 world, requires new energy, vision and creativity. Over the past few years the Administration, the Departments of Justice, Homeland Security, and other executive branch components have developed and collaborated on various strategies to better leverage the capabilities of the U.S. government in this effort.

In June 2009, the Office of National Drug Control Policy (ONDCP) released the *National Southwest Border Counternarcotics Strategy*. The strategy complements the Administration's recently announced increases in border security resources; the Department of Homeland Security's operations plan for border related contingencies; our cooperation with Mexico through the Merida Initiative; and our national effort to reduce the demand for illegal drugs at home. The strategy acknowledges the close link between drug trafficking and firearms trafficking, and the increasing powerful nature and sophistication of the weapons acquired and used by Mexican drug trafficking organizations. Chapter 7 of the strategy is devoted to weapons and reflects significant reliance on the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF's) investigative responsibilities and enforcement programs. The strategy includes the goals of improving intelligence and information sharing related to weapons trafficking among federal, state, local and tribal law enforcement partners; increasing interdiction of illegal weapons shipments destined for Mexico; enhancing cooperation with our international partners in weapons investigations; strengthening domestic coordination on weapons investigations; and increasing the likelihood of successful federal prosecution of weapons cases.

In January 2010, the Department of Justice reemphasized its commitment to combating firearms trafficking to Mexican cartels and the use of the Organized Crime Drug Enforcement Task Force

(OCDETF) program as a means of disrupting the cartels. The OCDETF strategy is premised on the notion that a significant share of the violence, drug trafficking and corruption along the southwest border is perpetrated by a relatively small number of hierarchical criminal organizations. The DOJ strategy concludes that "the most effective mechanism to attack those organizations is the use of intelligence-based, prosecutor-led multi-agency task forces that attack all levels of, and all criminal activities of, the operations of the organizations." A significant component of the DOJ strategy pertains to attacking the southbound flow of firearms. The strategy states that "given the national scope of this issue, merely seizing firearms through interdiction will not stop firearms trafficking to Mexico. We must identify, investigate, and eliminate the sources of illegally trafficked firearms and the networks that transport them." The DOJ strategy calls for closer collaboration between ATF and the efforts of multi-agency drug task forces along the border, including OCDETF strike forces.

ATF has a long history of successfully combating firearms-related violent crime. Key to this success has been our ability to effectively regulate the firearms industry and to identify and investigate the illegal diversion of firearms from lawful commerce. Perhaps at no time in our history has the investigation of firearms trafficking schemes and networks been more important to public safety, and increasingly to our national security, than now.

Since 2006, Project Gunrunner has been ATF's comprehensive strategy to combat firearms-related violence by the cartels along the southwest border. The strategy aims to reduce firearms- and explosives-related violent crime associated with Mexican drug trafficking organizations (DTOs) operating in Mexico and along the U.S.-Mexico border by preventing these organizations from acquiring and trafficking firearms and explosives. ATF accomplishes this goal through an integrated approach that makes use of its unique jurisdiction and capabilities, and by working collaboratively with a variety of domestic and international partners. Initially implemented in our four primary southwest border field divisions, Project Gunrunner has evolved into a national strategy as we have witnessed Mexican cartels reach further into the interior of the United States to acquire firearms in support of their lucrative drug trafficking operations. We have increased our resources along the southwest border and in Mexico and placed greater national emphasis on suppressing the trafficking of firearms and explosives to Mexico. Additionally, we have increased our efforts to partner with the Government of Mexico and other law enforcement and intelligence agencies with shared responsibilities.

Like ATF's overall firearms trafficking enforcement strategy, Gunrunner achieves its goals by focusing on both the market and source areas of criminally diverted firearms. While our strategy continues to include targeting persons who acquire or transfer firearms in a suspicious and/or unlawful manner, additional ATF investigative resources on both sides of the border; improved information sharing and data analysis related to traffickers, recovered firearms and explosive incidents; improved interagency cooperation (both domestic and international); and enhanced

technology have resulted in our ability to place greater emphasis on the end users of trafficked firearms in the market area---the cartels and their confederates who organize the trafficking schemes and facilitate the movement of firearms across the U.S. southern border.

The primary goal of ATF's southwest border firearms trafficking strategy remains unchanged--- to identify, disrupt and dismantle the firearms trafficking organizations and networks responsible for trafficking firearms to Mexican cartels and the reduction of cartel-related border violence.

Intelligence and Information Sharing

In support of the ONDCP strategy, Chapter 1: Intelligence and Information Sharing, the ATF Office of Strategic Intelligence and Information (OSII) has taken steps to enhance intelligence coordination and sharing among Federal law enforcement, Department of Defense, Intelligence Community elements and "centers." ATF's efforts include an increase in staffing at the El Paso Intelligence Center (EPIC) by (b) (7)(E) persons (b) (7)(E) intelligence research specialists (IRS), (b) (7)(E) investigative analyst (IA), (b) (7)(E) GS-14 special agent/program manager, and (b) (7)(E) GS-13 special agent/project officer). The ATF program manager is operational, the project officer is in the relocation process, and the IA and IRSs are pending the recruitment and/or selection process.

As of July 6, 2010, ATF is leading the newly formed Firearms and Explosives Trafficking Unit at EPIC and awaiting dedicated personnel to arrive from DEA, CBP and ICE. ATF's mission at EPIC is now two-fold; run the traditional Gun Desk and provide collection management and analysis of firearms and explosives seizure data from Mexico. The Firearms and Explosives Trafficking Unit at EPIC essentially functions as the U.S. government's clearinghouse of information pertaining to known or suspected trafficked firearms. It is responsible for conducting suspect criminal history and other data base inquiries; initiating and accessing firearms trace requests/results; analyzing and disseminating open source information; receiving and disseminating information to other agencies with drug trafficking and/or southwest border responsibilities; and conducting a limited amount of regional analysis. This unit also allows for connectivity to all other EPIC investigative, technical and analytical capabilities. Once the ATF project officer arrives, ATF will expand its mission to include tactical support to operations, as this agent will be assigned to the EPIC TACOPS Unit, in order to coordinate ground tracking, aviation tracking, and communications intercepts.

In addition, ATF along with all the OCDETF investigative agencies, are now active members of the OCDETF Fusion Center.

Investigations and Prosecutions

In support of the ONDCP strategy, Chapter 5: Investigations and Prosecutions, ATF participates in numerous southwest border related OCDETF investigations with our federal partners, as well

as several southwest border related strike forces. ATF leads and staffs a group in the Houston Strike Force with a group supervisor, (b) (7)(E) special agents, (b) (7)(E) IOI, (b) (7)(E) RS, (b) (7)(E) A and (b) (7)(E) task force officers (TFOs). ATF has (b) (7)(E) special agents assigned to the McAllen strike force satellite and (b) (7)(E) special agent assigned to the El Paso Strike Force. ATF leads and staffs a Phoenix Strike Force group with one group supervisor, (b) (7)(E) special agents and (b) (7)(E) IA, with (b) (7)(E) special agent assigned to the Tucson strike force satellite. (b) (7)(E) ATF special agent is assigned to the San Diego Strike Force. In the Atlanta Strike Force, ATF leads a group staffed with a group supervisor, (b) (7)(E) special agents, (b) (7)(E) IA, and (b) (7)(E) TFOs. ATF plans to increase its participation in other southwest border OCDETF strike forces, including the Laredo satellite and the San Juan Strike Force.

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In April 2010, ATF Mexico hosted a three-day training seminar for officers assigned to the Combined Explosive Investigative Team (CEIT). The course informed members of the CEIT on ATF procedures for spin out operations and evidence collections. Thirty-five students attended this training in Mexico City, Mexico.

In August 2010, ATF's International Training Branch and International Affairs Office will conduct a one-week Small Arms Trafficking (Firearms and Explosives) class at the ATF National Academy in Glynco, GA, for a SSP Special Investigative Unit from Mexico. The course will cover basic firearms identification, tracing, trafficking, NIBIN, ammunition, and firearms case studies. Explosive instructors will cover topics ranging from basic explosive identification, military and commercial explosives, IED recognition and hands on practical exercises of device reconstruction.

Weapons

In support of the ONDCP strategy, Chapter 5: Investigations and Prosecutions, in June 2009, ICE and ATF signed a new MOU to formalize a partnership to promote effective, coordinated, and collective law enforcement efforts both nationally and internationally. With this MOU, ICE and ATF are better focused on de-confliction and working together on investigations involving the illegal export and smuggling of firearms and the possession of firearms by illegal aliens. ATF and ICE participated in 146 joint investigations in fiscal year 2009.

In December 2009, ATF deployed eTrace 4.0, the Spanish-language version of its eTrace program, which allows our Mexican counterparts and other Spanish-speaking nations to enter information about recovered crime guns into the data system at ATF's National Tracing Center. The launch of Spanish-language eTrace is the culmination of years of discussions with the Government of Mexico. Pursuant to the Government of Mexico signing the MOU and subject to funding from the U.S. Embassy's Narcotics Affairs Section (NAS), ATF plans to train PGR personnel from each state (approximately 150 personnel) on the identification of firearms and usage of the eTrace system.

In 2009, a total of (b) (3) (Public Law 111-117) firearms recovered in Mexico were submitted to ATF for tracing; this (b) (3) (Public Law 111-117) the number of traces submitted in 2008. In 2010, there were (b) (3) (Public Law 111-117) trace requests for Mexico that were submitted between October 1, 2009 and August 2, 2010, of which (b) (3) (Public Law 111-117) pending completion.

ATF enhanced coordination with other Federal law enforcement agencies and prosecutors during two conferences in 2009, including a Violent Crime and Firearms Trafficking Summit in Albuquerque, New Mexico and a Southwest Border Crime Summit in San Diego, California. The ATF International Training Branch, in coordination with the ATF Mexico City Office and the U.S. Department of State, Narcotics Affairs Section, conducted four small arms trafficking courses in Mexico in 2009. Approximately 180 Mexican law enforcement officers were trained in these courses in various firearms and explosives topics. ATF has also conducted Advanced Firearms Trafficking classes that were attended by Mexican federal police, federal prosecutors, military and diplomats.

ATF has trained and deployed several canine teams to principal southwest border field divisions. Additionally, ATF has trained a total of 18 "on-leash" canine teams (nine additional teams since the release of the 2009 *National Southwest Border Counternarcotics Strategy*) for the use of Mexican authorities and anticipates training an additional 16 teams this year.

Between April and August 2009, ATF detailed 100 special agents, industry operations investigators, and analysts to the southwest border in an effort to enhance Project Gunrunner, ATF's strategy for suppressing firearms and explosives trafficking from the United States to Mexico. The 120-day surge operation in ATF's Houston Field Division, known as the Gun Runner Impact Team (GRIT), resulted in the identification of numerous trafficking rings and a significant increase in the number of cases and defendants referred for prosecution over previous periods. Another GRIT operation was initiated in Phoenix and Tucson, Arizona in May 2010.

ATF currently deploys Border Liaison Officers (BLO) and Explosives Enforcement Officers (EEOs) in the four principal southwest border field divisions. BLOs work under the supervision

of the special agent in charge and are an essential component of ATF information collection and analysis capabilities and the dissemination of actionable intelligence. Currently, ATF has established eight BLOs in the following field offices for the respective points of entry: (b) (7)(E)

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In coordination with the Mexico Country Office, BLOs operate in Mexico and often respond to firearm and explosive recovery incidents and arrests. In some instances, BLOs serve as a force multiplier for the MCO and may be the first ATF responder to recovery and arrest incidents thus providing timely and essential investigative and technical assistance to Mexican law enforcement and/or military authorities. The BLOs also serve as ATF's principal liaison to other key U.S. law enforcement agencies operating in the vicinity of the southwest border and provide training to counterparts in Mexico. BLO activities in Mexico are coordinated with other agency components as appropriate. Information collected by BLOs is disseminated to both the ATF MCO and appropriate ATF field intelligence groups.

EEOs, assigned to ATF's Arson and Explosives Program Division, Explosives Technology Branch, provide vital explosives technical assistance to domestic and international investigative operations. Given the significant increase in incidents pertaining to the use, recovery and trafficking of explosives; improvised explosive devices; and IED components, ATF deemed it essential that EEO capabilities be more fully incorporated into our southwest border operations. ATF plans to assign an EEO to the MCO in Mexico City. At this time, southwest border area EEOs are designated to support Mexican authorities and the MCO in relation to explosives related investigations, including participation on Combined Explosive Investigative Teams (CEITs).

In September 2009, ATF obligated \$3.2 million in DOJ Asset Forfeiture Funds to establish Integrated Ballistic Identification System (IBIS) connectivity between the U.S. and Mexico. The funds are being used to modernize 13 IBIS data correlation servers that support the National Integrated Ballistics Information Network (NIBIN); to upgrade IBIS software; and establish an IBIS International Data Correlation Server for NIBIN. In January 2010, the Government of Mexico advised that it is requesting NAS funding to purchase an IBIS International Data Correlation Server. ATF has substantially completed its efforts to upgrade technology to share ballistic evidence with Mexico.

Staffing

In the American Recovery and Reinvestment Act of 2009 and in fiscal year appropriations, ATF received \$21.9 million in funding to support and expand Project Gunrunner. ATF's expansion plan included placing Gunrunner resources dedicated to firearms trafficking investigations in new offices in McAllen, Texas; El Centro, California; and Las Cruces, New Mexico, including a

satellite office in Roswell, New Mexico. ATF also created new Gunrunner teams in Phoenix and Houston, and added (b) (7)(E) new industry operations investigators (IOIs) to southwest border offices. In addition, a total (b) (7)(E) special agents have been assigned to consulate offices in Juarez and Tijuana, Mexico to provide investigative support to the Government of Mexico, and a regional firearms advisor has been assigned to San Salvador, El Salvador. These offices and other ATF personnel in Mexico have been responding to firearms seizures at the request of Mexican authorities to assist with the inspection and tracing of firearms. The Tijuana office has linked firearms in recent seizures to major firearms trafficking investigations in the Phoenix Field Division.

As of August 2010, ATF has (b) (7)(E) special agents, (b) (7)(E) IOIs and (b) (7)(E) support staff assigned to Project Gunrunner in the four contiguous Southwest Border states. ATF is currently staffing two new Gunrunner offices in El Paso, Texas and Tucson, Arizona. Additional activities for 2010 include the opening of new offices in (b) (7)(E) and adding additional staff to the consulate office in Mexico City.

Southwest Border Supplemental

Firearms violence associated with drug trafficking and violent crime continues to erode the quality of life in many American communities. There is widespread traffic in firearms moving in or otherwise affecting interstate and international commerce. States and cities across the country seek effective programs to reduce or eliminate violent crime by stemming the flow of illegally trafficked firearms into their communities.

Mexico's drug traffickers have aggressively turned to the United States as a source of firearms and routinely transport firearms from the United States into Mexico. The U.S.-Mexico border is the principal arrival zone for most illicit drugs smuggled into the United States, as well as the predominant staging area for the subsequent distribution of drugs throughout the country. Firearms are an integral part of these criminal enterprises. They are the "tools of the trade" that drug traffickers use against each other as well as against Mexican and American law enforcement officials and innocent civilians on both sides of the border.

ATF's southwest border initiative, Project Gunrunner, is a focused subset of ATF's broader firearms trafficking initiative, addressing U.S.-based firearms trafficking that is fueling the violence along the southwest border and nationwide. The southwest border request brings together the resources of the Department of Justice's (DOJ) various law enforcement components to reduce cross-border weapons and drug trafficking and the extremely high level of violence associated with these activities. It is a concerted strategy to meet the threats that affect the U.S. - Mexico border, and is consistent with the U.S. Department of State's proposal to address U.S.-based firearms trafficking related to the illicit international drug market. ATF's

primary role in this strategy is to stem the traffic in illegal weapons across the border and to reduce the firearms driven violence occurring on both sides of the border.

Over the past several years, an increasing body of evidence demonstrates that the "southwest border" firearms trafficking issue is in fact a national issue – not limited to the four states bordering Mexico. The small arms market for Mexican DTOs is international and mutable. The DTOs have proven their ability to develop and use alternate routes to deliver and receive contraband. Consequently, our goal is to cut off the flow of firearms to the DTOs, regardless of their geographic source, deny them a critical tool, and impede their ability to operate in the United States and in Mexico. The strategy embodied in this request is to attack all elements of the supply chain from source point to acquisition by the DTO rather than focusing primarily on interdiction at the U.S.-Mexico boundary. This request focuses on shutting off the sources of firearms to violent offenders, gang members and Mexican DTOs across the United States.

New Gunrunner Teams

As part of the 2010 Southwest Border Supplemental, ATF requested approximately \$39,000,000 to create seven experienced investigative teams that will target identified high priority firearms trafficking routes and focus on source areas of firearms trafficking to Mexico. Each of the new Gunrunner Teams will be staffed by a group supervisor, six special agents, two industry operations investigators, one intelligence research specialist, and one investigative analyst. Additional southwest border supplemental funds would be used to enhance ATF's National Tracing Center capabilities.

This request relies upon focused, nationally coordinated firearms trafficking interdiction efforts and intelligence information generated from ATF's crime gun information systems, which includes ATF's National Tracing Center, to identify and target inter-jurisdictional trafficking routes. By identifying and disrupting these routes, ATF reduces the availability of guns in the illicit secondary firearms market. By denying criminals access to illegally trafficked firearms, ATF is effectively reducing firearms violence caused by gangs and drug-related shootings.

ATF will expand its current firearms trafficking investigations by emphasizing known trafficking corridors indicated by crime data. ATF will insert dedicated teams for comprehensive disruption of the flow of illegal firearms from source to market areas. The areas designated for the new Gunrunner Teams include Dallas/FortWorth, Texas; Las Vegas, Nevada; Oklahoma City, Oklahoma; Miami, Florida; Atlanta, Georgia; Denver, Colorado; and Nogales/Sierra Vista, Arizona.

ATF Surge Efforts (Gun Runner Impact Teams and Project Gideon)

Houston GRIT

In April 2009, ATF developed the Gun Runner Impact Team initiative as a supplemental initiative to Project Gunrunner to aggressively target and disrupt groups and organizations responsible for the trafficking of firearms to Mexico. The GRIT initiative, designed to be intelligence driven and investigative in nature, focused on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico, the majority of which are sourced in the Houston Field Division area. In support of GRIT, ATF deployed an estimated 100 law enforcement, industry operations, analytical, legal, technical and administrative support personnel, investigative equipment, and other resources to the Houston Field Division for 120 days.

As of August 29, 2009, the GRIT initiative had successfully investigated over 700 existing leads and over 400 leads developed during the operation, for a total of over 1,100 leads investigated. A total of 276 new criminal cases were initiated; 103 of these cases were referred for prosecution including 72 trafficking cases. The total cases involved 189 defendants, of which 150 were associated with trafficking cases with an estimated 644 firearms trafficked. As a result of the GRIT initiative, ATF seized 443 firearms, 141,442 rounds of ammunition, three blasting caps, \$165,234, over 5 kilograms of cocaine, 2 grams of methamphetamine and 1,500 pounds of marijuana. ATF also provided information to Federal, State, and local law enforcement partners that resulted in the seizure of an additional 171 firearms for a total of 614 firearms removed from the streets. During the initiative, ATF completed nearly 1,100 inspections of Federal firearms licensees (FFLs), issued over 440 notices of violations, and recommended 78 adverse actions. ATF industry operations investigators (IOIs) identified 97 unreported multiple sales involving 220 firearms and validated nearly 15,000 NICS checks. Also, they verified over 70,000 firearms in inventory, identified 1,000 firearms as missing from FFLs' premises and were able to reduce this number to fewer than 100. By resolving the disposition of 90 percent of the missing firearms, ATF ensured that these firearms, if used in crimes, can be traced.

The Houston GRIT was an unprecedented operation that met significant success. ATF conducted an extensive post-GRIT assessment to identify lessons learned during the Houston GRIT and applied these lessons in a proposal for a second GRIT operation in the Phoenix Field Division.

Phoenix GRIT

In May 2010, ATF deployed approximately 80 special agents, industry operations investigators, intelligence research specialists and support personnel to the Phoenix Field Division for a 100-

day GRIT operation. The Phoenix GRIT is focusing firearms trafficking investigative efforts on Phoenix and Tucson, the two largest metropolitan areas within Arizona. Although the Phoenix GRIT is still underway, preliminary performance data suggests that it also will prove to be a successful operation. As of August 6, 2010, the Phoenix GRIT has handled approximately 160 investigative leads, supported and/or initiated approximately 127 criminal investigations, and recommended approximately 44 defendants for prosecution. As a result of the Phoenix GRIT, approximately 1,123 firearms, 45,898 rounds of ammunition, explosives components, \$7,700, 641 grams of cocaine, 442 grams of methamphetamine, and 362 grams of marijuana have been seized. In addition, ATF industry operations investigators have initiated approximately 550 inspections of Federal firearms licensees, which in addition to a number of adverse action recommendations, resulted in approximately 100 referrals of information to ATF criminal enforcement personnel. In addition, numerous outreach activities for Federal firearms licensees and the public have occurred.

These teams bring together ATF's firearms trafficking investigative expertise, along with its regulatory authority and strategic partnerships to combat violence along the southwest border. In fiscal year 2009, ATF seized a total of 2,589 firearms and 265,500 rounds of ammunition destined for the southwest border and investigated 179 southwest border firearms trafficking cases nationwide. In those cases, ATF obtained evidence that 4,964 firearms were trafficked to Mexico. In addition, ATF referred 355 cases and 686 defendants for prosecution under Project Gunrunner.

As of the end of the third quarter of fiscal year 2010, ATF referred 150 cases and 330 defendants for prosecution under Project Gunrunner. ATF also obtained evidence that 2,191 firearms were trafficked to Mexico and seized a total of 1,203 firearms and 401,563 rounds of ammunition.

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U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives*Assistant Director*

Washington, DC 20226

70000:SLL
3310/5300*June 25, 2009*

MEMORANDUM TO: All Special Agents in Charge

FROM: Acting Assistant Director (Field Operations)

SUBJECT: National Firearms Trafficking Enforcement Implementation Plan

ATF's strategy of impacting firearms related violent crime through a comprehensive approach of denying criminals access to firearms, investigating illicit firearms traffickers and armed violent offenders, and ensuring compliance within the firearms industry has undoubtedly been successful in protecting the public we serve. However, over time we and our external partners became increasingly focused on directly impacting armed violent offenders. An unintended consequence was a reduced commitment to identifying, investigating, disrupting and prosecuting the illicit firearms traffickers who arm these violent criminals. At this time, we must place increased emphasis on firearms trafficking enforcement utilizing the full host of assets, capabilities and jurisdiction unique to ATF.

This memorandum is provided to enhance the effectiveness and efficiency of our national firearms trafficking enforcement strategy through increased uniformity and accountability, and to mandate that field divisions not actively pursuing firearms trafficking begin to do so. A number of field divisions have very effective firearms trafficking strategies in place, and I commend those divisions for their efforts. Some of those strategies are joint efforts between two or more field divisions, such as "Operation Iron Pipeline" along the entire I-95 corridor from Florida to Massachusetts, "Operation Magnolia Steel" involving the Chicago and New Orleans divisions, and of course, our Southwest Border initiative "Project Gunrunner," ATF's largest firearms trafficking enforcement endeavor. This memorandum should not be construed as a directive to abandon your efforts against armed violent offenders in favor of firearms trafficking investigations. A balance between these efforts must be struck as each complements the other. Intelligence gleaned from investigations and arrests of armed violent criminals should be used to direct our firearms trafficking resources, while success in firearms trafficking enforcement will reduce the availability of firearms to violent criminals.

All Special Agents in Charge

The following serves to outline the course of action that each special agent in charge (SAC) shall follow to implement the national firearms trafficking enforcement strategy. This activity is in addition to any specific guidance and activities underway within your field division related to "Project Gunrunner," as well as Firearms Trafficking ADFO memo 062309 Z (9) guidance in

ATF O 3310.4B, Firearms Enforcement Program, ATF P 3317.1, Guide to Investigating Illegal Firearms Trafficking, October 1997 (revised publication expected in July 2009), the IO Operating Plan and the IO Handbook.

For the purposes of this plan, the scope of illegal firearms trafficking affecting a field division should be accurately defined. "Source" refers to the place where the trafficker diverted the firearm(s) from legitimate commerce/activity for criminal purposes. "Market" refers to the place where the illegally trafficked firearm(s) were intended for or provided to criminals or others for illegal activities. The scope of firearms trafficking will be defined as follows:

- Illicit trafficking in which the source (diversion by traffickers) and market (actual or intended possessors) are within the same metropolitan area or state will be referred to as "**intrastate**".
- Illicit trafficking in which the source (diversion by traffickers) and market (actual or intended possessors) are in different states will be referred to as "**interstate**" or "**regional**" or "**national**."
- Illicit trafficking in which the source (diversion by traffickers) and market (actual or intended possessors) are in different countries will be referred to as "**international**".

Each field division SAC will designate one assistant special agent in charge (ASAC) in his/her field division as the **Firearms Trafficking Coordinator (FTC)**. The FTC will work in consultation with the division management team (ASAC, DIO and Counsel) to formulate their implementation plan. The identity of the FTC shall be provided by memorandum to the Chief, Field Management Staff by **July 10, 2009**. The assignment of an ASAC as the FTC should not impede the other ASAC's routine supervisory oversight of his/her assigned field offices. However, the SAC may choose to realign the CE field offices among the ASACs in conjunction with this effort. The FTC will have the following responsibilities as part of this strategy:

- Assess the illegal firearms trafficking trends and threats in the field division and determine the best course of action to address the issues (e.g., form a firearms trafficking task force (FTTF), a firearms trafficking group, or dedicate two special agents to firearms trafficking enforcement per field office in low intensity firearms trafficking areas). The identity of any field offices designated as a firearms trafficking group and/or special agents dedicated to firearms trafficking enforcement shall be provided by memorandum to the Chief, Field Management Staff by **July 31, 2009**. Field divisions will consult their Field Intelligence Group (FIG) about utilizing N-Force, N-Quire, N-Spect or other systems to track miscellaneous illegal firearms trafficking intelligence gleaned through

All Special Agents in Charge

ATF investigations, inspections, interviews of ATF informants and defendants, and other law enforcement sources. Every field division is affected by illegal firearms trafficking. Some field divisions include source states, some include market states, but tracing statistics consistently indicate that all states are their own greatest source of illegally trafficked firearms. Intelligence should be analyzed to determine the scope (international, national, interstate, regional, intrastate), and the sources/methods used to facilitate illicit firearms trafficking (unlicensed dealers, straw purchasers, FFL/interstate thefts, residential burglaries, gun shows, internet sales, corrupt licensees, illegal imports/exports).

- Serve as primary liaison to other state, local and Federal law enforcement agencies that participate in firearms trafficking task forces or firearms trafficking investigations. Given the expanse of some field divisions, this responsibility may be re-delegated to resident agents in charge (RACs) of outlying field offices and group supervisors (GSs) of local field offices with a firearms trafficking mission. However, the ASAC must remain engaged and ensure proper coordination. This would include affirmative liaison with DHS and DOJ components regarding ATF's jurisdiction and role in investigations involving firearms trafficking, including illegal imports and exports.
- Coordinate the dissemination and monitoring of all collateral requests, referrals or leads regarding illegal firearms trafficking from the National Tracing Center (NTC), Industry Operations and other field divisions. This responsibility will be addressed through use of the FIG and may be re-delegated to the FIG supervisor; however the ASAC must remain engaged and ensure appropriate attention to collateral requests and referrals. This is particularly important in firearms trafficking investigations that extend from/into another ATF field division. Full cooperation and de-confliction among ATF field divisions, as well as other law enforcement agencies, is paramount to our safety, efficiency and effectiveness. (See ATF Order 3310.4B – Chapter K, Paragraph 145(d) for specific guidance on de-confliction in all trafficking cases and leads.)
- Ensure that daily Multiple Sales data for the field division's areas of responsibility is reviewed by one or more first line supervisors responsible for firearms trafficking investigations in those respective areas. RACs in outlying offices should review the raw data for their area each day and make timely assignments as appropriate. In field division cities with multiple groups, the FIG may sort the information for the operating areas of those groups, but should make referrals as expeditiously as possible. Referrals can be made through N-Force with respect to specific purchasers or may involve the general forwarding of all multiple sales information for a given area. It is highly recommended that first line supervisors with a firearms trafficking mission receive the raw multiple sales data daily, even though the FIG analyzes the data for trafficking leads against locally established criteria. Review of this data by group supervisors will likely identify potential firearms traffickers due to local office knowledge and name recognition (e.g. local gang members and associates) that would not meet the FIG's referral threshold and will ensure that supervisors maintain general awareness of the FFLs and purchasers in

All Special Agents in Charge

their area associated with frequent multiple sales. The SAC may authorize only those group supervisors without a firearms enforcement mission, e.g., an arson/explosives group, to "opt out" of the daily Multiple Sales data email from NTC

- Appoint a special agent (SA), industry operations investigator (IOI) or intelligence research specialist (IRS) within the FIG as the **e-Trace Coordinator**. The identity of the e-Trace Coordinator shall be provided by memorandum to the Chief, Field Management Staff **July 10, 2009**. The e-Trace Coordinator, in conjunction with other FIG personnel, will actively analyze the e-Trace, daily Multiple Sales data, and IO referrals to identify leads on firearms traffickers, straw purchasers or Federal firearms licensees (FFL) who appear to be engaged in suspicious activity. If the division office city has a CE field office dedicated as a "firearms trafficking group," a special agent from that office may be designated as e-Trace Coordinator. The e-Trace Coordinator should ensure this information is disseminated via a formal referral in N-Force/N-Spect to the appropriate CE or IO field office supervisor for action. The goal should be for all firearms trafficking intelligence referrals to transmit information that appears to be worthy of investigation. The effectiveness of the field division's referral process should be evaluated based on the ratio of number of referrals sent versus the number of investigations generated, not just the total number of referrals generated.
- Collaborate on firearms trafficking enforcement efforts with the Director, Industry Operations (DIO) within the field division, e.g., assignment of IOIs to work with the FIG and e-Trace Coordinator for IO-related intelligence gathering, assignment of IOIs to firearms trafficking task forces, regional IO compliance inspection targeting strategy, etc. Continuous coordination between CE and IO is an important part of our national firearms trafficking enforcement initiative.
- Periodic firearms trafficking enforcement reports concerning field division efforts to combat illegal firearms trafficking will be required. These requests will only seek data that is not readily available through N-Force queries. A reporting format and details shall be provided in the immediate future to maintain a consistent standard across the divisions.
- Ensure compliance with ATF O 3310.4B, Chapter K, Paragraph 147, regarding the submission of ATF F 5000.21, Referral of Information, to IO advising them of the initiation of any FFL investigations. All referrals between IO and CE should be routed through the FIG for screening, work-ups as deemed appropriate and placement in N-Force.

Each field division SAC shall ensure that all special agents are trained and properly use N-Force to fully identify suspects, trafficked firearms, Bureau programs, case profiles and investigative techniques, so proper tracking of illegal international/interstate/intrastate firearms trafficking cases, e-Trace use, and NIBIN use can be accomplished. ATF Brief 3111.1, Use of N-Force, and the N-Focus website, <http://intraweb/directorates/osii/iisd/nfocis/resources/nforce-definitions.htm> provides guidance on when to record techniques as well as their definitions.

All Special Agents in Charge

Because the "AIP" code does not distinguish between violent crime and firearms trafficking cases, it is imperative that special agents select "FIREARMS TRAFFICKING CRIMINAL ACTIVITY" from the drop down menu of the "General Case" bar on the General tab in N-Force. **A "firearms trafficking" case is any case in which ATF is investigating the source of trafficked guns, not a felon in possession case simply because the felon possesses a firearm that was likely trafficked.** This data should be reviewed by GS/RACs to verify completeness and accuracy not less than once per fiscal year. The initial verification of this data shall be completed and reported by memorandum to the Chief, Field Management Staff by **September 30, 2009**, and documented in N-Force via the Management Log for each open firearms trafficking investigation. **In subsequent fiscal years, this data must be verified by GS/RACs when firearms trafficking investigations are opened or developed into such, referred for prosecution, and closed.** In the absence of such administrative events in a fiscal year, an annual review will be conducted in September and documented in N-Force via the Management Log for each open firearms trafficking investigation.

Each field division SAC shall personally meet with his/her respective U.S. attorneys to convey the importance of this national firearms trafficking enforcement strategy in order to obtain or maintain their support and participation. SACs are encouraged to bring Division Counsel and the DIO to this meeting. Assistant U.S. attorneys unfamiliar with the prosecution of firearms trafficking cases (including prosecution of FFLs) should be encouraged to contact Division Counsel for more insight into proving these cases in court.

Each field division SAC shall meet with as many of his/her primary law enforcement counterparts at both the State and Federal level as practical, in an attempt to establish formal or informal agreements with respect to the coordination of illegal firearms trafficking investigations, firearms trafficking intelligence collection, analysis and distribution, and comprehensive tracing of crime-related firearms via e-Trace. Presentations by ATF at police chiefs', sheriffs' and state prosecutors' association meetings and similar venues are highly recommended for communicating ATF's renewed emphasis on Firearms Trafficking. Given the number of law enforcement agencies within each field division, it is understood that many of these meetings may be delegated to ASACs, field office supervisors, and Division Counsel.

Each field division SAC must ensure that all firearms are submitted for tracing by ATF or other recovering agency, thus enhancing the ability of e-Trace to generate investigative leads on illegal firearms trafficking. While exceptions to the mandatory tracing policy apply during certain investigations, no investigation involving recovered firearms should be closed without the firearms having been traced. SACs should ensure that all law enforcement agencies within their field division are aware of e-Trace and work to increase the number of agencies with e-Trace accounts. This effort may be delegated to ASACs, GS/RACs and NTC contractors in the field.

Each field division SAC must ensure that in areas with NIBIN capability, firearms related to all ATF investigations are test fired and that the shell casings and/or projectiles are submitted to NIBIN, thus enhancing the NIBIN database and increasing the likelihood of ballistic matches. Firearms submitted to NIBIN should be test fired by laboratory personnel, and submission of the firearm should be in accordance with evidence handling procedures found in ATF O 3400.1,

All Special Agents in Charge

Property Taken Into Bureau Custody. Exceptions to this test firing mandate are listed in ATF O 3310.4B, Firearms Enforcement Program, Chapter B, Paragraph 17.

In order to concentrate resources toward a more structured attack on illegal firearms trafficking, each field division SAC will exercise discretion in the volume and methods of handling cases referred by other agencies to ATF for Federal prosecution. For purposes of this memorandum, the term "referred" relates to firearms cases in which a State, local or other Federal agency has arrested an individual, contacted ATF to process the case for Federal court, and the case requires minimal investigative effort by ATF. SACs should establish prosecution thresholds with U.S. Attorney's offices to ensure that only those cases the U.S. Attorney will prosecute are pursued in order to best utilize our limited resources. In Federal districts with large cities and/or numerous potential referred cases, division managers must attempt to identify State or local agencies willing to dedicate personnel as task force officers (TFOs) to assist in processing referred cases, with the possibility of overtime, vehicles and other expenses payable through the Justice Asset Forfeiture Fund. The SAC may allow special agents other than Violent Crime Coordinators (VCCs) to handle referred cases if he/she deems it necessary, e.g., instances when the processing of several referred cases are the precursor to the initiation of a larger investigation into a violent criminal organization, when the prosecution of a defendant in a referred case will assist in the success of another ongoing investigation, to assist in training inexperienced special agents in case preparation, interviewing and courtroom procedures, or the volume of desirable referred cases greatly exceeds the work capacity of designated VCCs and available TFOs. **The stated goal is that the majority of every special agent's work consists of investigations related to firearms traffickers and/or armed violent offenders (and their sources of firearms). No more than one special agent should be designated as a VCC per Federal judicial district.** ATF O 3310.4B, Chapter B, Paragraph 14, provides guidance regarding the use of VCCs.

Priority Mission Enhancements

Firearms Trafficking Enforcement Corridors

SACs of field divisions affected by the priority firearms trafficking enforcement corridors (see attached VCAB report with ADFO designation of priority corridors) will, in addition to other guidance in this memorandum, immediately collaborate with any other SACs affected by the same trafficking corridor to develop an integrated, firearms trafficking enforcement strategy. Examples of existing multi-division, interstate/national strategies are available from the Firearms Enforcement Branch and the Office of Strategic Management. Field divisions affected by priority trafficking corridors that already have a strategy in place should review their existing strategy for compliance with other requirements set forth in this memorandum. Once such strategies have been developed in concept, the SACs may arrange a conference call with the respective DAD to discuss the proposed strategy.

A regional coordination plan of the affected field divisions shall be submitted to the Chief, Field Management Staff by **July 31, 2009**. Details of the priority trafficking corridors will be

All Special Agents in Charge

provided at the Director's Trafficking Summit. The outline of the strategy need not include significant detail as to specific investigative activities, but rather provide a general overview of the investigative strategy and techniques that will be applied and the role and responsibilities of the participating field divisions, assigned personnel and any other participating agencies. As noted elsewhere, such strategies should include ATF CE and IO assets, as well as the input and participation of other relevant Federal, state and local law enforcement agencies and prosecutors.

Investigative Techniques

ATF is committed to reducing firearms related violent crime and illegal firearms trafficking within the U.S. and neighboring regions, including Mexico, Canada, Central America and the Caribbean, through an enhanced national firearms trafficking enforcement strategy. ATF's statutory authority, information resources and dual criminal/regulatory role provide ATF unique opportunities to identify, investigate, disrupt and prosecute firearms traffickers and the violent criminals they arm. ATF Criminal Enforcement plays a significant role in stemming the flow of illegal firearms from source areas to market areas, and from illegal firearm traffickers to violent criminals. All special agents assigned to Criminal Enforcement field offices with a firearms trafficking mission should be working on multiple firearms trafficking investigations and/or initiatives. To achieve the above goals, we are **re-emphasizing** the following investigative techniques.

FFL Investigations

FFL's play a significant role in our national firearms trafficking enforcement implementation plan. A corrupt FFL can facilitate the trafficking of large numbers of firearms. Such investigations should be developed from interviews of state and federal defendants, informants, concerned citizens, law enforcement referrals and IO referrals. Most FFLs are law abiding and comply with the regulations, and care should be given not to interfere with the lawful commerce of firearms by those FFLs. An FFL investigation should be proposed when there is reason to suspect that the licensee is engaged in criminal activity. The purpose of the investigation is to verify such information and determine if criminal prosecution should be pursued. Prior SAC approval is required to open an FFL investigation, and notification must be made to the Firearms Licensing Center (FLC) to establish "Do Not Contact" and/or "LE Investigation" Special Attention Flags (SAFs) in the FLS. Special agents may request SAFs by e-mail to the FLC or through assistance of local IO personnel. The DIO and FIG should also be notified of approved FFL investigations. The DIO will ensure that the affected IO Area Supervisor and the DAD (IO) are aware of FFL investigations. FFL investigations should be actively investigated to support timely decisions as to whether criminal prosecution or potential administrative revocation is the best approach. ATF Order 3310.4B, Chapter K, paragraphs 153 to 155, contain specific guidance on FFL investigations. FFL investigations should be specifically noted in the N-Force Management Log, such as "FFL Investigation Approved." All applicable N-Force profiles and techniques related to an FFL investigation should be indicated, e.g., FFL Involved. Division Counsel may be consulted for advice regarding the sufficiency of evidence for Federal charges and for assistance to prosecutors.

All Special Agents in Charge

Gun Shows, Flea Markets and Unlicensed Dealers

ATF has a comprehensive approach to address illegal firearms trafficking at gun shows. Gun shows and flea markets provide an outlet for firearms collectors, dealers and sportsman to engage in the lawful commerce of firearms but they can also provide opportunities for prohibited persons, including violent offenders, to illegally obtain firearms from licensed dealers and unlicensed dealers. The division management team should identify the gun shows and flea markets within the field division and develop proactive strategies to assess and impact illegal firearms trafficking to criminals, terrorists, gangs, illegal aliens and juveniles at these events. Divisions may authorize altered work schedules to accommodate weekend work at gun shows. Verbal approval from the GS/RAC is required for special agents to attend a gun show for preliminary investigative purposes. SAC approval is required to investigate an FFL or conduct enforcement operations at a gun show. Priority attention should be given to illegal firearms traffickers involved in high volume schemes, especially those which are interstate or international in scope. Enforcement activity such as arrests should be conducted away from the gun show or flea market premises when possible so as not to disrupt the activities of law abiding citizens engaged in the lawful commerce of firearms. ATF Order 3310.4B, Chapter K, paragraphs 156 to 158, provides guidance on working at gun shows and flea markets.

IOI's will perform the following activities at gun shows in effort to prevent illegal firearms diversion: Holding a pre-show seminar for all individuals or business entities that will be selling firearms, Providing posters for use throughout the show regarding the "Don't Lie" program, Providing flyers to every attendee on the "Don't Lie" program and what a intrastate FFL, FFL from another state, and an individual can legally do at the show regarding the purchase and sale of firearms and Providing an ATF staffed booth to promote compliance and answer questions.

Straw Purchasers

Straw purchasers, particularly those who facilitate the diversion of firearms to known prohibited persons, should be aggressively pursued for potential Federal prosecution. Individually a straw purchaser may only be responsible for trafficking a few firearms. Nationwide, however, the impact of the collective number of firearms trafficked by many straw purchasers is vast. Straw purchasers are often used by prohibited persons (felons, juveniles, gang members and possible terrorists) to acquire weapons of choice. Due to their lack of criminal history, which is what allows them to commit this crime, straw purchasers historically have drawn limited prosecutorial interest from AUSAs. An effective strategy of coordinated indictments of multiple straw purchaser investigations at one time sends a better message to the community that this type of illegal activity will not be tolerated. It also provides the opportunity for more enhanced media discussion. As indicated elsewhere, ATF managers must work closely with the U.S. Attorney's offices to establish reasonable prosecution thresholds for straw purchasers or agree to review each investigation on a case by case basis with an eye to impacting firearms trafficking. Such defendants, who have no felony convictions or incarcerations, may be inclined to cooperate with special agents toward other targets of federal interest, such as corrupt FFLs and persons who sourced firearms through the straw purchasers, if motivated by the possibility of no prosecution

All Special Agents in Charge

or no incarceration based on their substantial assistance. Likewise, simply obtaining a felony conviction against these individuals ensures that they cannot repeat this crime in the future. Lastly, the pursuit of a straw purchaser prosecution typically is a spring board into a more complex conspiratorial investigation. It may also be a derivative of an ATF investigation of an armed criminal group or gang that acquires firearms through straw purchasers and other sources, or the result of a referral generated by IO, based on suspicious purchasing activity from one or more dealers.

Prohibited Persons, Armed Violent Offenders, Drug Traffickers and Gang Members

All of these criminals are effectively identified, investigated, disrupted and prosecuted by ATF special agents through reactive and proactive violent crime investigations. In all cases, ATF agents must diligently continue their investigations for maximum potential by ensuring that effective interviews are conducted in furtherance of the initial case and to identify the sources/methods of these criminals' acquisition of firearms. Failure to identify their illicit sources for firearms allows other violent offenders to continue to effect violence on the community and other law enforcement officers. Comprehensive tracing of all firearms related to ATF investigations is required in order to enhance firearms trafficking investigations.

Firearms Trafficking Prevention

There are numerous unlicensed persons who are "engaged in the business" of dealing in firearms that are subsequently being used in crimes. Many of these persons are doing so without criminal intent and in total ignorance of the law or the ramifications of their actions; however, that does not negate the effects that trafficked firearms produce when used in a crime. Other unlicensed persons engage in firearms trafficking with full knowledge of the law and purposely operate in a manner that places them in potential violation of Federal law.

In either case, a percentage of these persons would likely cease their unlicensed firearms dealing or get a federal firearms license if an agent spoke with them and served them with a "NOTICE OF UNLICENSED FIREARMS DEALING AND VIOLATION OF FEDERAL LAW" warning letter. Some of these people are law-abiding citizens and as soon as they learn the law or understand that their actions could place them in violation of the law, they stop their activity completely. If the person continues to deal in firearms after the warning letter then the prior service of the warning letter serves to assist proving the required criminal intent.

Prevention efforts are another way that ATF reduces violent crime by denying criminals access to firearms. Service of warning letters should be documented in N-Force, to include selecting the "warning letter" investigative technique. Guidelines on the service of warning letters and the proper manner to document such service are found in ATF Order 3310.4B, Chapter K, Paragraph 159. Effective immediately, the attached standard warning letter prepared by Counsel shall be used. Signature authority for this letter is designated to the Special Agent in Charge level only.

All Special Agents in Charge

FFL Inspections

Each Field Division will conduct geographic analysis of firearms trace data involving FFLs in source and recovery locations of crime-related firearms in order to detect firearms trafficking patterns/corridors between source areas and market areas. DIOs will ensure that Industry Operations personnel adhere to guidance provided in the Operating Plan and the IO Handbook.

DIOs will use the available information/intelligence to identify the greatest risks to public safety when selecting FFLs to inspect. ATF does not have the IO resources required to inspect all FFLs on a three year cycle. As a result, DIOs must determine which FFLs to inspect based on risk. **The following are risk factors for consideration in selecting which FFLs to inspect to prevent and detect firearms trafficking:**

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ATF has established these priorities and procedures to ensure that the field consistently addresses high risk industry operations throughout the country. Use of the above noted information and following the IO Handbook inspection requirements will ensure that resources are effectively utilized and "at risk" dealers are properly inspected.

In addition, the annual Industry Operations Operating Plan identifies unique areas that need to be addressed. As an example, the FY 2009 Operating Plan requires a statistical random sampling of the pawnbroker population be conducted. This sampling is being conducted to determine if there was an increase in compliance resulting from our outreach efforts and the inspection program.

Also in FY-09, all identified security firms that hold an FFL will be inspected. In addition to conducting a compliance inspection, IOs must conduct outreach with security firms to promote

All Special Agents in Charge

greater understanding of the regulatory requirements and accountability for the firearms that they loan, rent, transfer or temporarily assign during the course of their business.

Upon issuance of ATF B 3310, Stolen Firearms Program, IOIs and special agents must respond to all robberies and burglaries of firearms from FFLs or interstate carriers.

Firearm Forward Trace

The firearm forward trace initiative is a nationwide operation requiring the participation of every field division. This operation focuses on identified weapons of choice (WOC) not being entered into the acquisition and disposition records of the FFL. This is due to corrupt FFLs or employees diverting firearms simply by not entering all acquisitions in the A&D book.

This initiative requires the IOIs to visit manufacturers and importers of the WOC firearms and obtain a list of the wholesalers and the weapons shipped. This list is then forwarded to the divisions in which the wholesalers are located. IOIs will visit the wholesalers and secure six months of data on firearms sold to retailers for the types of guns noted. Information gathered from the wholesalers will be sent to the divisions where the retail federal firearms licensees (FFLs) are located. The data will be collated and provided to the IO field office to conduct a compliance inspection of the retailer to include verifying the receipt of those particular firearms. If the firearms are not located, the information will be validated back through the business chain and as appropriate, forwarded to the FIG for referral to Criminal Enforcement.

Outreach Activities

Industry Operations continues to conduct firearms seminars and individual outreach meetings to educate the FFLs regarding the firearms laws and regulations, to enhance voluntary compliance, educate them about straw purchases and firearms trafficking, and answer any questions. The contacts encourage the FFLs to deter criminal activity by reporting suspicious persons and dispositions to ATF. The successful completion of the seminars will improve relations with the firearms industry members, and promote licensees' assistance in preventing diversion through "straw purchases", notifying ATF of unusual and large purchases.

Importers Program

ATF is partnering with U.S. Customs and Border Patrol (CBP) to stem the importation of illegal weapons. This initiative will address illegal importations due to the falsification of importers paperwork, imported machine gun receivers that are not properly destroyed and can be reassembled to function as a machine gun, non-sporting firearms improperly imported, importation of "parts kits", as well as the full accounting of weapons imported into the United States.

This initiative will involve a team of investigators from both ATF and CBP who receive specialized training to identify importable firearms, identify properly and improperly destroyed

All Special Agents in Charge

machine gun receivers and identify "parts kits." A strategic plan to target high risk firearms will be developed by ATF and CBP. When a high risk shipment is received at a port, ATF investigators and/or agents will work with CBP inspectors to examine the shipment. As applicable, ATF or CBP will seize the items and based on the circumstances, a criminal case may be opened by ATF or CBP. Implementation details will follow.

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U.S. commerce (imported or manufactured domestically) and are being traced back to a federally licensed firearm manufacturer, dealer or importer. This initiative will identify criminal patterns and gather intelligence regarding these types of firearms.

The first phase of this initiative will involve obtaining disposition records (sales records) from licensed firearm importers or manufacturers of firearms imported or manufactured within a six month period. This initiative will begin by focusing on (b) (7)(E) within.

At the retail level this forward trace initiative intends to identify firearms diversion, proper markings, proper recordkeeping and overall accountability of firearms inventory. Implementation details will follow.

7.62 Ammunition Program

In the past several years, federal law enforcement and U.S. military agree that there is a large market for 7.62mm ammunition and it is being acquired by leftist guerrillas in Columbia, and other Latin American countries.

Industry Operations plans to partner with some of the major importers, manufacturers and distributors of 7.62mm ammunition to forward trace large distribution of 7.62mm ammunition to FFLs. This forward trace of 7.62mm ammunition, like the firearms forward trace, will provide the law enforcement community with intelligence based leads on possible traffickers of firearms and ammunition, which is supporting violence in U.S. communities and in countries to our South.

Each field division SAC shall ensure that all special agents, industry operations investigators, intelligence research specialists and supervisors understand the national firearms trafficking enforcement strategy, the need for the Bureau to emphasize illegal firearms trafficking enforcement while suppressing violent crime and ensuring industry compliance, the importance of supporting and utilizing the Bureau's unique assets such as the NTC, e-Trace and NIBIN, and the relevance of maintaining accurate investigative and performance data in N-Force and N-Spect. This shall be accomplished through roll call training for these Field Operations personnel

From: (b) (7)(C)
 Sent: Thursday, April 07, 2011 7:33 AM
 To: NTC-MultipleSales
 Subject: Multiple Sales Report A-L
 Attachments: MS Report A-L.doc

ATF pursues an Integrated Violence Reduction Strategy (IVRS) that addresses gun crime from the trafficker to the triggerman. ATF's unique statutory authority, information resources and dual criminal/regulatory role make the agency uniquely suited to reduce gun crime by locking up armed violent criminals and gang members who commit gun crime as well as the wide variety of firearms traffickers who supply guns to the criminal element. To effectively address firearm traffickers, ATF must exploit all means of intelligence that may reveal those crime gun sources.

You will be receiving daily multiple handgun purchase referral e-mails produced by the National Tracing Center. Recently, it was decided that this information should be automatically forwarded to all criminal enforcement supervisors. Here is what you should know about this daily report.

- The list includes information, sorted by State, about individuals who just made a multiple handgun purchase. The purchaser will be fully identified as will the type of guns purchased and any prior multiple purchases and traces associated with the purchaser and his/her address. The information will also fully identify the FFL and list how many traces this FFL has been part of in the past.
- To review the multiple purchases in your area either scroll to your State or once the word document is open, select "edit" from the tool bar, "find" from the drop down menu, and type in your state to go directly to your data.
- This information can produce valuable leads on potential firearms traffickers that are active right now. Not all multiple sales are an indicator of firearms trafficking and must be assessed on a case by case basis for the totality of several indicators and factors (E.g., types of guns being purchased, involvement of traces, additional Accurant information, etc...). Information about firearms trafficking indicators can be found in Section V of the Firearms Trafficking Investigation Guide (ATF Publication 3317.1 – 2nd edition) available at this link; <http://intraweb/directorates/fieldops/docs/atf-p-3317-1.pdf>. First line supervisors in outlying offices should review the information relating to their area each day and make timely referrals as appropriate. There may be information in the multiple sales email that may mean something to the local office due to local knowledge that the FIG would not recognize and would not refer out if it did not meet an established referral threshold (E.g., small purchase by local gang member). The local RAC may also find this useful to learn which FFLs in his/her area are most active with multiple sales and to get a general awareness of the firearms commerce in the office's area of responsibility. In Division cities with multiple groups, the Field Intelligence Group (FIG) may screen the information for the operating area of those groups, but should make appropriate referrals as expeditiously as possible. Referrals can be formally done through N-Force with respect to specific purchasers, or can involve the general forwarding of all the multiple purchase information in a given area.
- INTELLIGENCE: For more information and indices checks regarding anyone who will be investigated or inspected, agents and investigators are encouraged to contact their division FIG. To run a trace number or multiple sale number in order to see all the information, agents and investigators should query those numbers in E-Trace. All agents and investigators are encouraged to have their own E-Trace accounts. E-Trace can be used to run any number of queries to look for trafficking leads. Request an E-Trace account through *E-Request*.
- DECONFLICTION: Firearms trafficking is multi-jurisdictional by nature and therefore proper deconfliction steps are vital. Before an agent takes any actions regarding a multiple purchaser of firearms, he/she should first query that individual in TECS and N-FORCE to confirm the person is not already under investigation. If the person is under investigation, the agent should coordinate efforts. (See ATF Order 3310.4b – Chapter K, Par 145 (d)).

- **INVESTIGATION:** If an agent determines that a multiple purchaser should be investigated, they may refer to Section X of the Firearms Trafficking Investigation Guide for useful information on conducting straw purchase investigations and unlicensed dealing investigations.
- **DETERRENCE:** If an agent determines that a full criminal investigation is not warranted because the multiple purchaser is unknowingly dealing in firearms without a license, the multiple purchaser may be served with a Warning Letter. Guidelines on the service of Warning Letters and the proper manner to document such service are found in ATF Order 3310.4b – Chapter K, Par 159. Often times with individuals who are unknowingly dealing in firearms without a license, a warning will cause them to stop or to get a license. In either event, the person is no longer a source of trafficked guns so the problem is corrected with no investigation and incarceration cost. Further, if the multiple purchaser continues to deal without a license, the ensuing investigation may be more successful because the knowing and willful elements of 18 USC 922(a)(1)(A) are satisfied.
- **INTERVIEWS:** All interviews should be conducted in a professional and tactful manner, mindful of the fact that there may be nothing illegal about the firearms transaction until evidence or additional information is developed that reveals otherwise. Many multiple purchasers are legitimate collectors, sportsmen and firearm enthusiasts engaged in the lawful commerce and use of firearms.

SPECIAL NOTE: The 2nd edition of the Firearms Trafficking Investigation Guide has been released. This new edition contains updated information and new sections on investigating illegal firearm parts kits, firearms importation fraud, internet based firearms trafficking, investigation of violations occurring at gun shows, sample interview questions for a variety of different investigations, trafficking prosecution techniques such as the Klein Conspiracy, and broad based law enforcement protocols designed for communities to comprehensively and uniformly address gun crime.

(b) (7)(C)

Firearms Program Specialist
 U.S. Department of Justice
 Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
 Firearms & Explosives Services Division, National Tracing Center, Law Enforcement Support Branch
 244 Needy Road
 Martinsburg, WV 25405

(b) (7)(C)

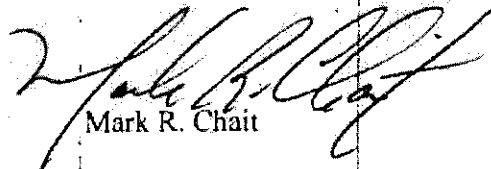
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prior to **July 31, 2009**, during which a copy of this memorandum and ATF P 3317.1, Guide to Investigating Illegal Firearms Trafficking (revised publication expected in July 2009) shall be provided to each of these employees. In addition, the ATF Project Gunrunner Southwest Border Initiative Intelligence Collection Plan, dated 04/03/09, should be provided to all FIG personnel as a summary of the "best practices" applicable to firearms and ammunition trafficking intelligence in support of the national firearms trafficking enforcement strategy. This 26-page OSII document should be thoroughly reviewed by FIG personnel during roll call training sessions by **July 31, 2009**.

Field Operations will continue to coordinate with other ATF directorates, the Department and others to support and implement our national firearms trafficking enforcement strategy. These efforts include but are not limited to possible organizational changes, intelligence operations, training (basic, advanced and external), and public/governmental affairs.

Should you have any questions or require any additional information, please contact your Deputy Assistant Director (Field Operations).



Mark R. Chait

Attachment

From: (b) (7)(C)
Sent: Monday, March 28, 2011 1:32 PM
To: Phoe-CE Supervisors; (b) (7)(C)
Cc: (b) (7)(C)
Subject: Guidance on Firearms Trafficking Investigations
Attachments: Guidance on FT Inv.jpg

Supervisors,

Please review the attached memorandum from the assistant director and be certain your special agents are aware of the guidance within this memorandum concerning practices while conducting firearm trafficking investigations. All special agents should also be familiar with the ATF orders referenced within this (attached) memorandum.

Thank you.

Special Agent (b) (7)(C)
 Division Operations Officer
 U.S. Department of Justice - ATF
 201 E. Washington Street - Suite 940
 Phoenix, Arizona 85004-2428

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 (b) (7)(C)

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From: (b) (7)(C)
Sent: Thursday, March 17, 2011 1:57 PM
To: Priority Items - Field Operations Public Folders; All Special Agents in Charge
Subject: Guidance on Firearms Trafficking Investigations

THIS E-MAIL IS APPROVED AND AT THE DIRECTION OF THE ASSISTANT DIRECTOR – FIELD OPERATIONS

Attached you will find a memorandum reinforcing ATF's policy regarding firearms trafficking investigations. Please review this document and ensure that it is provided to all special agents in your respective field divisions.

If you have any questions, please contact the AD/FO's office.

(b) (7)(C)

Chief of Staff

Field Management Staff

Desk: 202 (b) (7)(C) Cellular: (b) (7)(C)

"Swim 2.4 miles, Bike 112 miles, Run 26.2 miles - Brag for the rest of your life!"

- FBI NA 242 -

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U.S. Department of Justice

HOCR 3.0 - 703

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC 20226
www.atf.gov

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MEMORANDUM TO: All Special Agents
Office of Field Operations

FROM: Assistant Director
(Field Operations)

SUBJECT: Guidance on Firearms Trafficking Investigations

This memo serves to reinforce the importance of adhering to Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and Department of Justice (DOJ) policy on firearms trafficking investigations and to reiterate the DOJ-wide position that component law enforcement agencies must not plan or conduct undercover operations in which firearms are crossing the U.S. border. DOJ guidance further requires that if a law enforcement official has any knowledge that guns are about to cross the border, he/she must take immediate action to prevent that from occurring, even if doing so will jeopardize an investigation.

ATF guidance is contained in the Firearms Enforcement Program Order, ATF O 3310.4B; in the Firearms Trafficking Investigation Guide, ATF P 3317.1; and in the September 2010 document entitled "Project Gunrunner - A Cartel Focused Strategy." ATF O 3310.4B outlines policy and discusses a number of investigative techniques consistent with the DOJ-wide guidance. ATF P 3317.1 contains, among other resources, an investigative checklist for international trafficking-in-arms cases in Section X, as well as a detailed outline of firearms trafficking indicators in Section V. "Project Gunrunner - A Cartel Focused Strategy" notes practical considerations that may require bringing investigations to a conclusion or dictate a change in investigative tactics prior to the identification of persons directly affiliated with drug trafficking organizations. Field Special Agents in Charge are also reminded that they must closely monitor and approve high volume trafficking investigations and must assess the associated risks. Lastly, field divisions should continue to coordinate with the U.S. Attorney's Offices for the districts in which they conduct operations to ensure a mutual understanding of the criteria for both prosecutions and seizures.


Mark R. Chait

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Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC 20226

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June 17, 2009

MEMORANDUM TO: All Special Agents in Charge

FROM: Acting Assistant Director (Field Operations)

SUBJECT: National Firearms Trafficking Enforcement Strategy

ATF's comprehensive strategy to impact firearms related violent crime focuses on denying firearms to criminals, investigating firearms traffickers and armed violent offenders, as well as ensuring compliance by the firearms industry. Our efforts have been successful in protecting the United States and the public we serve. However, at this time, we must place an increased emphasis on firearms trafficking enforcement by utilizing the cadre of assets, capabilities and legal authorities unique to ATF. We will then be able to more effectively and efficiently identify, investigate, disrupt and refer for prosecution those firearms traffickers responsible for arming violent criminals both within and outside the borders of the United States.

Firearms related violence is a primary concern of our Nation, as well as for our neighboring countries. This related violence is the result of individuals who are indifferent to the value of human life and motivated by greed. This behavior is detrimental to those caught in the cross fire as their economy and culture suffer as well as their quality of life. In response to this problem we created this comprehensive national firearms trafficking strategy.

Focused enforcement, through proactive industry compliance operations and criminal investigations, is the key to our strategy. Identifying and disrupting the sources and methods by which violent criminals and prohibited persons acquire illegally trafficked firearms will reduce violent crime. Our regulatory and enforcement missions are interwoven and provide a comprehensive approach to ATF's mission - reducing violent crime, protecting the public and preventing terrorism. These goals can only be achieved by the continued integrated efforts of our Special Agents (SAs), Industry Operations Investigators (IOIs), Intelligence Research Specialists (IRSs) and support personnel. This will allow us to pursue our criminal programs while at the same time ensuring that Federal firearms licensees (FFLs) are operating within established laws and regulations. This capability is further enhanced by external partnerships with other Federal, State, local and international law enforcement entities.

HOCR-ATF A 000451

To reduce violent crime, we must concentrate our efforts on the sources of diverted firearms. Part of this strategy will focus on dismantling and shutting down the source of "illegal" firearms, from commercial markets to secondary markets such as gun shows, flea markets and unlicensed dealers. Traffickers rely on others to purchase firearms for violent offenders, drug traffickers and gang members. ATF's expertise and long history of investigating these types of cases puts us in a position to interdict the illegal purchase of the firearm therefore stopping the firearm(s) from ever entering the criminal market. Dismantling a gun trafficking organization that provides guns to numerous cities and/or criminals will have a major impact on reducing the nation's overall violent crime rate. Even the interdiction of a firearms trafficker after purchasing two or three firearms has a far-reaching and almost immeasurable effect.

Our collective Agency approach will enhance the effectiveness and efficiency of our national firearms trafficking enforcement strategy through increased uniformity and accountability, and a mandate that all field divisions actively pursue firearms trafficking enforcement. Many field divisions have effective firearms trafficking strategies underway, including many joint efforts between two or more field divisions, such as "Operation Iron Pipeline" along the entire I-95 corridor from Florida to Massachusetts, "Operation Magnolia Steel" involving the Chicago and New Orleans divisions, and our Southwest Border initiative "Project Gunrunner," ATF's largest firearms trafficking enforcement endeavor. The increased focus on firearms trafficking enforcement should be viewed as a plan to more effectively balance our efforts against armed violent offenders and the firearms traffickers who arm them. Intelligence gleaned from investigations and arrests will be used to enhance our firearms trafficking strategy. Success of this initiative will reduce the availability of firearms to the criminal element.

Every field division is affected by illegal firearms trafficking. Some field divisions include source states, some include market states, but tracing statistics consistently indicate that all states are their own greatest source of illegally trafficked firearms. Intelligence data will be analyzed to determine the scope (international, national/interstate, regional/intrastate), and the sources/methods used to facilitate illicit firearms trafficking (unlicensed dealers, straw purchasers, FFL/interstate thefts, residential burglaries, gun shows, internet sales, corrupt licensees, illegal imports/exports) affecting each field division. Firearms Trafficking Coordinators shall be established to assess the illegal trafficking patterns and trends. Major illegal firearms trafficking corridors have been identified and will be worked across Divisional boundaries.

In the upcoming weeks, the comprehensive National Firearms Trafficking Strategy implementation will be distributed to the field divisions. Much of this will be discussed at the Violent Crime and Firearms Trafficking Summit in Albuquerque, New Mexico.

Should you have any questions or require additional information, please contact your Deputy Assistant Director (Field Operations).



Mark R. Chait

(b) (7)(C)

From: (b) (7)(C)
Sent: Tuesday, June 01, 2010 3:38 PM
To: (b) (7)(C)
Cc: (b) (7)(C)
Subject: FW: Information for DD Melson's Trip Book for El Paso, TX Visit and Tucson, AZ June 7-10-, 2010
Attachments: PP 09 Dallas FD.xlsx; PP 09 Phoenix FD.xlsx; May 24 GRIT Performance Report1.doc; Directors Trip (Phoenix) doc.docx; El Paso and Tucson.docx

Hi (b) (7)(C)

Please find FO's input for DD Melson's upcoming trip. It consists of a main document "El Paso and Tucson.docx" and several attachments. I've also attached RBOB's write up on space, because our document refers to it, but you have also/already received their input separately.

Please let me know if you need anything further or have any questions.

(b) (7)(C)

From: (b) (6)
To: All Assistant Directors: (b) (6) Hoover, William J.; Michalic, Vivian B.; (b) (6) (b) (6) Boxler, Michael B. (b) (6) Torres, Julie M
Cc: Staff Assistant; Champion, Robert R.; Golson Sr., Michael A.; Chisholm, Kenneth L.; Bennett, Megan A.; Newell, William D.; Needles, James R.; Gillett, George T. Jr.; Cook, Nancy F.
Sent: Tue May 25 09:42:05 2010
Subject: Information for DD Melson's Trip Book for El Paso, TX Visit and Tucson, AZ June 7-10-, 2010
 DD Melson will be visiting EPIC on June 8th and on the morning of June 9th conducting a Town Hall Meeting with the El Paso Field Office employees. He will then fly to Tucson, AZ and meet with the Tucson Arizona Field Office employees on June 10th. Please provide to me any "snapshot" of information pertinent to your directorate that you think DD Melson should be made aware of and have included in his trip book for El Paso, TX and Tucson, AZ. For example, space, staffing issues, training needs, equipment issues and any other information you think important. Negative replies are requested. Please provide submissions by COB Tuesday, June 2, 2010. Thank you.

(b) (6)

Office of the Director
 Room 5.S-100
 Office - 202-648-8700
 Fax - 202-648-9622
 Email (b) (6)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
Dallas Field Division	781000	Champion	Robert	SAC	1			15	
Dallas Field Division	781000	Golson	Michael	ASAC	1			15	
Dallas Field Division	781000	Chisholm	Kenneth	ASAC	1			15	
Dallas Field Division	781000	Bennett	Megan	DIO		1		15	
Dallas Field Division	781000	(b) (7)(C)							
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000	(b) (7)(C)							
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000	(b) (7)(C)							
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000	(b) (7)(C)							
Dallas Field Division	781000								
Dallas Field Division	781000								
Dallas Field Division	781000								
TOTALS									

(b)(7)(C) & (E)
(b)(7)(C) & (E)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office Org Code Last Name First Name Title Position Count Grade ATF EOD

TOTALS

(b) (7)(E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count	Grade	ATF	EOD
					1811	IOI	Other	

(b)(7)(C) & (E)

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(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count	Grade	ATF EOD
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DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count 1811 IOI Other	Grade	ATF EOD
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(b)(7)(C) & (E)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count	Grade	ATF	EOD
					1811	IOI	Other	

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(b)(7)(C) & (E)
(b)(7)(C) & (E)

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(b)(7)(C) & (E)
(b)(7)(C) & (E)
(b)(7)(C) & (E)
(b)(7)(C) & (E)

(b)(7)(C) & (E)
(b)(7)(C) & (E)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count	Grade	ATF EOD
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1811 JOL Other

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(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

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(b)(7)(C) & (E)

(b)(7)(C) & (E)

DALLAS FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count	Grade	ATF EOD
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(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

GRAND TOTALS

TOTAL DIVISION STAFFING 180

101 56 23

DALLAS FIELD DIVISION SNAPSHOT

PP 09

D

HOGR ATF A 000476

Dallas Field Division Personnel Actions

NAME CODE FROM TO EFFECTIVE DATE GRADE SERIES COMMENTS

(b)(7)(C) & (E)

Examples

Doe, Jane	T	Atlanta FD	NYFD	2/17/08	9	1811	Atlanta II FO to Syracuse FO
Williamson, Donald	P/T	Atlanta FD	HQ	3/2/08	14	1811	Headquarter - EPS
Stevens, Gayle	C	Atlanta FD	Dallas FD	3/2/08	14	1811	Voluntary step down to Dallas I FO
Barnes, Michael	P	Atlanta FD	Atlanta	3/2/08	14	1801	Promoted to A/S - Atlanta V (IO)
Doe, John	Q	Atlanta FD		3/2/08	11	343	Employee resigned
Smith, Jane	R	Atlanta FD		2/17/08	15	1811	Retired - Mandatory
Smith, Mike	S	Atlanta FD		3/2/08	9	343	Transferred to U. S. Attorney Office
Brown, Jane	N	Academy	Atlanta	3/2/08	7	1801	New IOI reporting to Macon II (IO)
Johnson, Mary	N		Atlanta	3/2/08	7	1802	New Hire assigned to Savannah FO

Codes & Descriptions

- T = Employee transfer from one ATF office to another
- P/T = Employee transfer and promotion from one ATF office to another
- C = Employee transfer and change to lower grade
- P = Promotion
- Q = Employee Resignation
- R = Employee Retirement
- S = Employee Separation (other than retirement/resignation)
- N = New Hire (New Hire to ATF & the Office of Field Operations)

ALL DALLAS FIELD DIVISION OFFICES ADDRESSES AND ORG CODES

Dallas Field Division - 781000

1114 Commerce Street, Room 303
Dallas, TX 75242
Phone: 469-227-4300
Fax: 469-227-4302

Dallas II Field Office - 781010

1114 Commerce Street, Room 303
Dallas, TX 75242
Phone: 469-227-4370
Fax: 469-227-4371

Dallas III Field Office - 781015

1114 Commerce Street, Room 303
Dallas, TX 75242
Phone: 469-227-4395
Fax: 469-227-4396

Plano Satellite Office - 781016

101 E. Park, Suite 500
Plano, TX 75074
Phone: 972-509-1201
Fax: 972-509-1706

Dallas IV Field Office - 781020

8404 Esters Blvd., Suite 100
Irving, TX 75063
Phone: 972-915-9570
Fax: 972-915-9518

Dallas V Field Office (IO) - 781025

1114 Commerce Street, Room 303
Dallas, TX 75242
Phone: 469-227-4415
Fax: 469-227-4416

Tyler Satellite Office (IO) - 781027

110 N. College
Plaza Tower, Suite 1500
Tyler, TX 75702
Phone: 903-590-1475
Fax: 903-590-1498

ALL DALLAS FIELD DIVISION OFFICES ADDRESSES AND ORG CODES

El Paso Field Office - 781035

310 N. Mesa, Room 800
El Paso, TX 79901
Phone: 915-534-6449
Fax: 915-534-6453

Ft. Worth Field Office - 781040

6000 Western Place, Suite 400
Ft. Worth, TX 76107
Phone: 817-862-2800
Fax: 817-862-2824

Lubbock Field Office - 781045

Sentry Plaza III
5214 68th Street, Suite 300
Lubbock, TX 79424
Phone: 806-783-2700
Fax: 806-783-2701

Amarillo Satellite Office - 781046

Drug Enforcement Agency
205 East 5th Street, Suite 12
Amarillo, TX 79101
Phone: (Not open yet)
Fax:

Oklahoma City I Field Office (IO) - 781050

55 N. Robinson , Suite 229
Oklahoma City, OK 73102
Phone: 405-297-5073
Fax: 405-297-5015

Tulsa Satellite Office (IO) - 781054

Pratt Towers
125 W. 15th Street Suite 500
Tulsa, OK 74119
Phone:
Fax:

ALL DALLAS FIELD DIVISION OFFICES ADDRESSES AND ORG CODES

Oklahoma City II Field Office - 781060

55 N. Robinson, Suite 229
Oklahoma City, OK 73102
Phone: 405-297-5060
Fax: 405-297-5055

Tulsa Field Office - 781065

Pratt Towers
125 W. 15th Street, Suite 500
Tulsa, OK 74119
Phone: 918-594-1800
Fax: 918-594-1801

Muskogee Satellite Office - 781066

120 S. Edmond Place, Suite 131
Muskogee, OK 74403
Phone: 918-682-0957
Fax: 918-682-4994

Tyler Field Office - 781070

110 N. College
Plaza Tower, Suite 1500
Tyler, TX 75702
Phone: 903-590-1475
Fax: 903-590-1498

Dallas Group I Field Office - 781075

1114 Commerce Street, Room 303
Dallas, TX 75242
Phone: 469-227-4350
Fax: 469-227-4351

Ft. Worth II Field Office (IO) - 781080

6000 Western Place, Suite 400
Ft. Worth, TX 76107
Phone: 817-862-2850
Fax: 817-862-2824

Dallas VI Field Office (IO) - 781085

114 Commerce Street, Room 303
Dallas, TX 75242

ALL DALLAS FIELD DIVISION OFFICES ADDRESSES AND ORG CODES

Phone: 469-227-4430

Fax: 469-227-4431

El Paso II Field Office (IO) - 781110

310 N. Mesa, Room 800

El Paso, TX 79901

Phone: 915-534-6449

Fax: 915-534-6453

Lubbock Satellite Office (IO) - 781111

Sentry Plaza III

5214 68th Street, Suite 300

Lubbock, TX 79424

Phone: 806-783-2750

Fax: 806-783-2751

El Paso III Field Office - 781115

310 N. Mesa, Room 800

El Paso, TX 79901

Phone: 915-534-6449

Fax: 915-534-6453

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
Phoenix Field Division	785000	Newell	William	SAC	1			ES	(b) (7)(C)
Phoenix Field Division	785000	Needles	James	ASAC	1			15	
Phoenix Field Division	785000	Gillett	George	ASAC	1			15	
Phoenix Field Division	785000	Cook	Nancy	DIO		1		15	
Phoenix Field Division	785000	Mangan	Thomas	PIO	1			13	
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	(b) (7)(C)							
Phoenix Field Division	785000	VACANT		SOO				13	
Phoenix Field Division	785000	VACANT		DOO				14	
Phoenix Field Division	785000	VACANT		Secretary (ASAC)				9	
Phoenix Field Division	785000	VACANT		FIC				13	
TOTALS					8	1	7		

(b)(7)(C) & (E)
(b)(7)(C) & (E)
(b)(7)(C) & (E)

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
TOTALS					(b)(7)(C) & (E)				

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(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
Flagstaff II (IO) Satellite Office	785054								
Flagstaff II (IO) Satellite Office	785054								
TOTALS					0	0	0		

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
TOTALS					(b) (7)(E)				
Roswell (IO) Satellite Office	785057					0			
TOTALS					0	0	0		

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
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(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									
(b)(7)(C) & (E)									

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		
TOTALS					(b) (7)(E)				

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

TOTALS

(b) (7)(E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

(b)(7)(C) & (E)

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PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		

(b)(7)(C) & (E)

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(b)(7)(C) & (E)

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(b)(7)(C) & (E)

(b)(7)(C) & (E)

GRAND TOTALS

95 37 21

153

PHOENIX FIELD DIVISION SNAPSHOT

PP 09

Field Office	Org Code	Last Name	First Name	Title	Position Count			Grade	ATF EOD
					1811	IOI	Other		

Phoenix Field Division Personnel Actions

NAME	CODE	FROM	TO	EFFECTIVE DATE	GRADE SERIES	COMMENTS
(b)(7)(C) & (E)						

**Examples
Codes & Descriptions**

- T = Employee transfer from one ATF office to another
- P/T = Employee transfer and promotion from one ATF office to another
- C = Employee transfer and change to lower grade
- P = Promotion
- Q = Employee Resignation
- R = Employee Retirement
- S = Employee Separation (other than retirement/resignation)
- N = New Hire (New Hire to ATF & the Office of Field Operations)

ALL PHOENIX FIELD DIVISION OFFICE ADDRESSES AND ORG CODES

PHOENIX FIELD DIVISION-785000

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5400
(602) 776-5429 (fax)

Albuquerque Field Office-785010

201 Third St. NW, Ste 1550
Albuquerque, New Mexico 87102
(505) 346-6908
(505) 346-6913 (fax)

Phoenix Group I-785040

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5400
(602) 776-5459 (fax)

Yuma Satellite Office-785041

780 E. 39th Place
(Mail: PO Box 4145, Yuma 85366-4145)
Yuma, Arizona 85365
(928) 344-9550

Phoenix Group II-785045

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5400
(602) 776-5479 (fax)

Phoenix Group III (IO)-785050

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5400
(602) 776-5499 (fax)

Yuma Satellite Office (IO)-785053

780 E. 39th Place
(Mail: PO Box 4145, Yuma 85366-4145)

Yuma, Arizona 85365
(928) 344-9550

Flagstaff Satellite Office (IO)-785054

911 East Saw Mill
Flagstaff, Arizona 86001
(928) 799-4585
(928) 556-2217 (fax)

Albuquerque II Field Office (IO)-785055

201 Third St. NW, Ste 1550
Albuquerque, New Mexico 87102
(505) 346-6910
(505) 346-6918 (fax)

Las Cruces Satellite Office (IO)-785056

1140 Commerce Drive, Suite B
Las Cruces, New Mexico 88011
(505) 521-2300 Phone
(505) 521-2301 Fax

Roswell Satellite Office (IO)-785057

Roswell Police Department (Temporary address for ATF)
128 W. 2nd
Roswell, NM 88201
(575) 624-6770

Tucson I Field Office-785065

300 West Congress St., Rm 8-B/8-Y
Tucson, Arizona 85701
(520) 770-5100
(520) 770-5111 (fax)

Phoenix Group IV (Intelligence)-785070

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5500
(602) 776-5519 (fax)

Phoenix Group V (Arson & Explosives)-785080

201 E. Washington St., Ste 940

Phoenix, Arizona 85004
(602) 776-5400
(602) 776-5549 (fax)

Flagstaff Satellite Office-785081

911 East Saw Mill
Flagstaff, Arizona 86001
(928) 799-4585
(928) 556-2217 (fax)

Tucson II Field Office-785085

300 West Congress St., Rm 8-B/8-Y
Tucson, Arizona 85701
(520) 770-5120
(520) 770-5121(fax)

Tucson III (IO) Field Office- 785090

300 W. Congress St., Rm 8-B/8-Y
Tucson, Arizona 85701
(520) 770-5100
(520) 770-5111

Las Cruces I Field Office-785095

1140 Commerce Drive, Suite B
Las Cruces, NM 88011
(505) 521-2300
(505) 521-2301 (fax)

Roswell Satellite Office-785096

Roswell Police Department (Temporary address for ATF)
128 W. 2nd
Roswell, NM 88201
(575) 624-6770

Phoenix Group VI (IO) Field Office-785110

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5400
(602) 776-5429 (fax)

Phoenix Group VII Field Office-785115

201 E. Washington St., Ste 940
Phoenix, Arizona 85004
(602) 776-5480
(602) 776-5499 (fax)

Las Cruces II Field Office-785120

1140 Commerce Drive, Suite B
Las Cruces, NM 88011
(505) 521-2300
(505) 521-2301 (fax)

Tucson IV Field Office- 785125

300 W. Congress St., Rm 8-B/8-Y
Tucson, Arizona 85701
(520) 770-5100
(520) 770-5111 (fax)

LAW ENFORCEMENT SENSITIVE

**Phoenix Gun Runner Impact Teams (GRIT)
Performance Report
May 24, 2010**

GRIT Performance for Reporting Period May 1 - 20, 2010		
	Reporting Period	Since Inception
Number of Investigative Leads at the Start of GRIT (May 1, 2010)	(b) (7)(A)	(b) (7)(A)
Number of New Investigative Leads	(b) (7)(A)	(b) (7)(A)
Total Leads		
Number of Leads Investigated	(b) (7)(A)	(b) (7)(A)
Number of New Actual Criminal Cases Opened	(b) (7)(A)	(b) (7)(A)
Number of Existing Investigations Supported by GRIT	(b) (7)(A)	(b) (7)(A)
Number of Defendants Recommended for Prosecution	0	0
Number of Referrals to U.S. LE Agencies	0	0
Number of Liaison Activities with the Gov. of Mexico	(b) (7)(A)	(b) (7)(A)
Number of Firearms/Other Evidence Seized/Recovered by ATF or Other LE Agencies Acting on ATF Information	(b) (7)(A)	(b) (7)(A)
	0	(b) (7)(A)
	0	(b) (7)(A)
	0	(b) (7)(A)
	0	(b) (7)(A)
	0	(b) (7)(A)
	0	(b) (7)(A)
	0	(b) (7)(A)
Number of FFL Inspections Initiated	(b) (7)(A)	(b) (7)(A)
Number of FFL Inspections Completed	(b) (7)(A)	(b) (7)(A)
FFL Adverse Actions Recommended:	(b) (7)(A)	(b) (7)(A)
Number of Warning Letters/Warning Conferences	(b) (7)(A)	(b) (7)(A)
Number of Revocations (Recommended by Division and Concurred by HQ)	0	0
Number of Licenses Surrendered in Lieu of Revocation	0	0
Number of Criminal Enforcement Referrals Made by IOIs to ATF LE	(b) (7)(A)	(b) (7)(A)

LAW ENFORCEMENT SENSITIVE

LIAISON, MEDIA AND OUTREACH

On May 10, 2010, Tucson III Area Supervisor (b) (7)(C) and Industry Operations Investigator (b) (7)(C) participated in an employee training seminar for Big 5 Sporting Goods in Tucson, Arizona. The seminar was hosted by Big 5 Corp (El Segundo, California), and attended by 15 assistant managers for store locations in southern Arizona. The seminar lasted approximately three hours; and covered an array of topics including conduct of business, recordkeeping requirements, and proper completion of the ATF Form 4473. ATF personnel also responded to a variety of questions from the Big 5 Sporting Goods assistant managers, who by corporate policy are responsible for all firearm transactions at each of the local stores.

HIGHLIGHTED INVESTIGATIONS:**Industry Operations****Phoenix**

785125-2010-0047 [REDACTED]

The Phoenix GRIT Group initiated a firearms compliance inspection (SWB/GRIT) of [REDACTED]

[REDACTED] It was disclosed that this license was moved to Texas requiring the issuance of a new FFL. [REDACTED] continued the use of his previous records at the new location. The records contain vital information pertinent to the Southwest Border GRIT project. (b) (3) (P.L. 111-117)

(b) (3) (P.L. 111-117) While at the premises in Mesa, it was discovered that [REDACTED] moved his other store location from Patagonia, AZ to Mesa [REDACTED]. Interview of individuals located at the store identified as [REDACTED] and [REDACTED] disclosed that [REDACTED] is allowing them to utilize his license, while he is in Texas, to operate their unlicensed firearms business in violation of the Gun Control Act of 1968. As a result, a compliance inspection was initiated on the [REDACTED] operation.

A referral of information regarding the current inspection was forwarded to the FIG. Records and statements obtained so far indicate that these individuals are involved in an unlicensed firearms operation and potential hidden ownership of the business licensed to [REDACTED]. As a result of the investigation, a referral was sent to the Houston Field Division for a collateral inspection of [REDACTED] license in Cleveland, Texas. [REDACTED] surrendered his license in Mesa, Arizona to the Phoenix GRIT IOIs and both [REDACTED] and [REDACTED] were served warning letters signed by the SAC regarding their unlicensed firearms business operation. Both refused to sign that they acknowledged receipt of the warning letter.

LAW ENFORCEMENT SENSITIVE

Page 2 of 4

HOCR ATF A 000496

LAW ENFORCEMENT SENSITIVE

Criminal Enforcement

Phoenix VII

785115-10-0004 OPERATION FAST & FURIOUS

This OCDETF case is a (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

Tucson I

785065 (b) (7)(A)

(b) (7)(A)

Currently, (b) (7)(A)

(b) (7)(A)

(b) (7)(A)

(b) (7)(A)

and

(b) (7)(A)

(b) (7)(A)

This investigation, which began under (b) (7)(A) has resulted in the arrest and conviction of seven defendants. (b)(7)(A) & (D)

(b)(7)(A) & (D)

(b) (7)(A)

(b) (7)(A)

Tucson II

785085 (b) (7)(A)

This case stems from the recovery of firearms purchased in Tucson and recovered in Caborca and Nogales, Sonora, Mexico. The original subject identified is (b) (7)(A), who claims to have been born in the U.S. and possesses a California Birth Certificate, but who

LAW ENFORCEMENT SENSITIVE

Mexican officials identify as having a Mexican birth certificate and a residence in Guaymas, Sonora, Mexico. Investigation has substantiated [REDACTED] ownership of the house in Guaymas and his frequent border crossings from Arizona to Mexico. Investigation stemming from [REDACTED] (b) (7)(C)

(b) (7)(C) [REDACTED] Contact with one purchaser resulted in subsequent death threats against the purchaser and linkage to the Tucson gang, Barrio Hollywood. GRIT agents have conducted surveillance on locations associated with this case.

**DIRECTOR'S VISIT
ARIZONA/TEXAS**

Acquisition Branch: Nothing to report.

Funds Management Team: Nothing to report.

IAG/CMT: Nothing to report.

Materiel Management Operations Center (MMOC): Nothing to report.

Policy and Directives Section: Nothing to report.

Property and Fleet Management: Nothing to report.

Realty and Building Operations Branch:

Phoenix Field Division & Groups I, II, III, IV
Colliers Center
201 East Washington Street
Phoenix, AZ 85004

There is a requirement for additional office space to house the new Phoenix Southwest Border Group and Asset Forfeiture Group. Space has been identified on the 3rd floor of this building. A space plan was developed and sent to the SAC on April 28, 2010 for review and approval. Once the space plan has been approved, RBOB will develop the design intent drawings for build out and costs. OA/Lease Expiration: 12/16/2014

Tucson Field Office
300 West Congress
Tucson, AZ
(Group I, II, III, IV)/Expansion Space (SWB)

The Tucson Field office is seeking permanent class A office space for 19,780 to 21,750 RSF. A second Market Survey was conducted on July 16, 2009. A selection was made and the new Tucson FO location will be 2275 W. Ina Road, Tucson. The lease was awarded on 5/4/2010. A post award orientation call was held on 5/14/2010 and will occur every other Wed, until further notice. ATF received the CAD (Computer Aided Design) drawings the week of May 17th and will

-2-

have approx. 30 to 45 days to produce the DID's (Design Intent Drawing). OA/Lease Expiration: 9/1/2012

**Tucson Field Office
300 West Congress
Tucson, AZ
(Temporary Space)**

The Tucson office is currently seeking temporary office space in the existing office location.

Temporary Space was located on both the 7th floor and in the basement of the existing location 300 West Congress Street, Tucson. A security waiver was approved via (b) (6) (Chief Physical Security Branch) on April 6, 2010. This waiver was granted due to the temporary space NTE a 12 month period. A Pre-Construction meeting was held on May 24, 2010. Build out to start Tuesday, June 2nd. The anticipated time frame of completion is 4 to 6 weeks. Basement storage space will be ready within 2 to 3 weeks. OA/Lease Expiration: 9/1/2012

**Yuma, Satellite office
2270 South Ridgeview Drive
Yuma, AZ (SWB)**

The new Yuma Satellite office is approximately 2,064 RSF. GSA awarded the lease 12/02/09 at 2270 South Ridgeview Drive. Construction drawings are now under review status. A pre-construction meeting is due to be held on or before June 1, 2010. OA/Lease Expiration: N/A

**Flagstaff Satellite Office
345 River Run
Flagstaff, AZ**

The construction of the new Flagstaff Satellite office is approximately 90% complete. Arrangements are being made to move into the space by May 10th. Due to the lack of funding, the office furniture will not arrive until late June. The office will be outfitted in rental furniture for the months of May and June. OA/Lease Expiration: TBD

-3-

Las Cruces Field Offices
1140 Commerce Building
1140 Commerce Drive
Las Cruces, NM 88011-8209

There is no pending space action at this time.

Las Cruces Field Office (SWB)
Permanent Space Requirement

There is a requirement for office space to house the new Las Cruces Southwest Border Group. A market survey for emergency temporary space is tentatively scheduled for May 12th. GSA is preparing a draft Occupancy Agreement for RBOB's review.
OA/Lease Expiration: 8/16/2016

Albuquerque, NM
201 Third St., Ste 1550
Albuquerque, NM 87114

The lease in Albuquerque, New Mexico is expiring on October 11, 2011. GSA hired a broker to negotiate the lease with the current landlord. ATF has just reviewed and approved the Solicitation for Offer or SFO (which is the basis of the lease). GSA's broker will give the landlord 45 days to respond to the SFO. It will take GSA six to eight weeks to negotiate the lease. OA/Lease Expiration: 12/16/2014. Number of Parking Spaces: (b) (7)(C) included the rent and (b) (7)(C) spaces are rented by ATF across the street. (We have asked GSA to include all (b) (7)(C) parking spaces in the new lease.)

El Paso, Texas

Current lease expired on May 31, 2009. Lease was extended to May 31, 2012. Requirement is for 9,092 usable square feet and 32 secure/covered parking spaces.

Background: Initial market survey produced one valid proposal. Clarifications were requested and ignored by the offeror. GSA made several attempts to contact the offeror and discuss the proposal. Eventually a "drop dead" date was issued and again

-4-

ignored. At that point a second ad was placed and six properties responded. A second market survey was conducted on December 12, 2009 with representatives from Realty and Building Operations Branch, Physical Security Branch and the local ATF RAC. One of the two properties did not meet the security requirements for ATF; therefore a Solicitation for Offers (SFO) was issued to one offeror. It was a built-to-suite site. The offeror was asked to provide a detailed estimate with their offer. In order for him to provide an estimate, a design intent document was requested from ATF. On May 15, a test fit was received from ATF and issued to the developer. The developer asked for an extension to the SFO and GSA granted. The proposal was due on July 24, 2009. ATF committed to provide 100% design intent drawings to the GSA by July 31, 2009.

September 2009 - Received request from Dallas Field Division (DFD) to increase space requirement to accommodate an Area Supervisor, and six additional IOIs. Because the construction drawings were complete and the costs for build out were in place, RBOB informed the DFD that revising the construction drawings (flipping restrooms, moving rooms around and taking rooms out) would cost additional money as well as a significant setback. October 2009, RBOB revised space plan to include space for Area Supervisor and (b) (5) additional IOIs.

November 18, 2009 - GSA Contracting Officer has made the determination to reject this offer based (b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

March 2010 - GSA was given the go-ahead by their legal department to proceed with the build to suit procurement because of new ownership. Also, a second site was identified. The

-5-

owners were given a Solicitation for Offers (SFO). The SFO were due back to GSA by April 19, 2010. RBOB provided this status to the DFD and once again informed GSA about the urgency of this requirement.

Due to the increase in personnel, the DFD requested emergency temporary space. RBOB requested and was granted a Delegation of Authority to lease temporary space for a period of one year. Contiguous office space is available at the current location. RBOB has contacted the lessor and made arrangements to pick up approximately 1,500 square feet of office space to accommodate the increase in manpower. All of the necessary paperwork required from RBOB has been completed and sent to the Acquisition Department for processing.

April 13, 2010 - SAC, DFD and local personnel were sent to view office space located at 303 North Oregon, El Paso, TX. The space was found acceptable. As of May 1, 2010, GSA is currently holding discussions with the owner for 9,092 square feet of space. A target completion date for this project is tentatively scheduled for December 2010.

**Dallas Field Division-El Paso Offices
Phoenix Field Division-Tucson Offices**

Staffing

Dallas and Phoenix Field Division snapshots are attached.

Phoenix GRIT

In order to have an immediate and significant impact on the escalating violence related to the trafficking of firearms from the U.S. into Mexico, ATF has temporarily deployed special agents, industry operations investigators, and support personnel to the Phoenix Field Division. Details began between May 1 and May 10, and will last up to 100 days.

(b) (7)(E) ATF employees from across the country are detailed to GRIT locations in Phoenix, Tucson and Albuquerque:

- (b) (7)(E) group supervisors
- (b) (7)(E) special agents
- (b) (7)(E) area supervisors
- (b) (7)(E) industry operations investigators (to include 1 IOI/SOO)
- (b) (7)(E) intelligence research specialists
- (b) (7)(E) industry operations analysts
- (b) (7)(E) investigative analysts

The first GRIT performance report is attached.

Current Space Projects and Proposals

ATF is seeking temporary and permanent expansion space in both El Paso and Tucson to accommodate personnel growth in both offices. RBOB's Director's Report, which contains status information for these projects, is attached.

Industry Operations Perspective

Phoenix Field Division FFLs:

	<u>Collectors</u>	<u>Licensees</u>	<u>Total</u>
Arizona	1071	1575	2646
New Mexico	342	674	1016
			3662

Dallas Field Division FFLs:

	<u>Collectors</u>	<u>Licensees</u>	<u>Total</u>
(Texas +OK)	2129	3835	5964

Phoenix Field Division FEL/FEPs:

Arizona	154
New Mexico	114
	268

Dallas Field Division FEL/FEPs:

(TX + OK)	498
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IOI Staffing and Offices:

Phoenix Field Division

<u>Office</u>	<u>IOIs</u>
Phoenix Group III (IO)	(b) (7)(E)
Yuma (IO) Satellite Office	(b) (7)(E)
Phoenix VI (IO)	(b) (7)(E)
Tucson III (IO)	(b) (7)(E)
Albuquerque II (IO)	(b) (7)(E)
Las Cruces (IO) Satellite Office	(b) (7)(E)
Total Phoenix Field Division:	32

- DIO Nancy Cook is set to retire at the end of the calendar year.

Dallas Field Division

<u>Office</u>	<u>IOIs</u>
Dallas V (IO)	(b) (7)(E)
Tyler (IO) Satellite	(b) (7)(E)
Dallas VI (IO)	(b) (7)(E)
Lubbock II (IO) Satellite	(b) (7)(E)
El Paso II (IO)	(b) (7)(E)
Oklahoma City I (IO)	(b) (7)(E)
Ft. Worth II (IO)	(b) (7)(E)
Tulsa (IO) Satellite	(b) (7)(E)
Total Dallas Field Division:	51



**GRIT Close Out / Phoenix, Arizona
September 2010**

GRIT Close Out

Key Messages

- With lives being lost every day, ATF and our Mexican counterparts see the urgency in cutting off the supply routes of illegal firearms traveling south into Mexico.
- The Administration has looked to ATF to find solutions to shut down the firearms trafficking organizations and reduce the related violence.
- ATF developed *Project Gunrunner* as our comprehensive strategy to deny firearms to the trafficking organizations that bring violence to Mexico and our cities.
- As ATF's footprint along the border and other discovered trafficking routes and hubs increases, we are better positioned to stop the illegal flow of firearms and protect our citizens from the related violence.
- ATF provides training to our Government of Mexico partners in the field of explosives and crisis negotiation.
- GRIT teams have added special agents, industry operations investigators, analytical, legal, technical and administrative support personnel, along with investigative equipment and other resources to Project Gunrunner in Arizona and New Mexico.
- The aim of GRIT is to disrupt and prosecute the groups and organizations responsible for trafficking firearms to Mexico.

- During GRIT, both criminal investigations and federal firearms licensee inspections contribute to ATF's efforts of tracking illegal firearms traffickers.
- Regulatory inspections educate licensed gun dealers about federal firearms laws and regulations, which ensure public safety, and help FFLs to accurately account for firearms inventories.
- The criminal intelligence work conducted during the GRIT initiative gives ATF a better understanding of the sources of, and the methods used to traffic, crime guns into Mexico.
- ATF is seeing the reach of the Mexican firearms traffickers across the United States as more and more firearms recovered in Mexico are shown to be sourced from states further inland from the border.
- As our GRIT initiative ends, the assigned personnel will return to their posts of duty to conduct firearms trafficking and violent crime investigations in their regions.

Relating to Recent Mayor's Against Illegal Guns and Wilson Center Reports on Firearms Trafficking into Mexico

Key Messages

- Both documents include conclusions prepared by the respective authors – The conclusions are those of the authors and are not for ATF to dispute.
- For further information on ATF material cited in any report, please refer your questions to ATF's Public Affairs Division

Background – Not For Release

- On September 7, 2010, MAIG issued *The Movement of Illegal Guns Across the U.S.-Mexico Border*.

- This report used dated research and statistical information provided by ATF as well as research conducted by the GAO, Washington Post, congressional testimony and other sources.
- Some of the conclusions of the author exhibit an inaccurate portrayal of the data.
- On September 13, 2010 The Wilson Center issued *U.S. Firearms Trafficking to Mexico: New Data and Insights Illuminates Key Trends and Challenges*.
 - This report has made some claims that cannot be substantiated by ATF data

Relating to Border / Illegal Immigration Issues / Spillover Violence

Key Messages

- ATF's mission includes the protection of our communities from violent criminals and criminal organizations by denying the illegal use and trafficking of firearms and explosives.
- ATF's issue is violent crime – disrupting firearms trafficking organizations and prosecuting offenders that endanger the community.

Background

- State of Arizona attempted to enact law allowing police to request proof of citizenship during a routine police stop.
- Department of Justice sought and received an injunction to halt the enactment of the Arizona law.

LAW ENFORCEMENT SENSITIVE

Phoenix Gun Runner Impact Teams (GRIT)
Performance Report
 August 19, 2010

GRIT Performance for Reporting Period August 14 - August 19, 2010		
	Reporting Period	Since Inception
Number of Investigative Leads at the Start of GRIT (May 1, 2010)	(b) (7)(A)	(b) (7)(A)
Number of New Investigative Leads	0	(b) (7)(A)
Total Leads		(b) (7)(A)
Number of Leads Investigated	0	(b) (7)(A)
Number of New Actual Criminal Cases Opened	0	(b) (7)(A)
Number of Existing Investigations Supported by GRIT	0	(b) (7)(A)
Number of Defendants Recommended for Prosecution	0	(b) (7)(A)
Number of Referrals to U.S. LE Agencies	0	0
Number of Liaison Activities with the Gov. of Mexico	0	(b) (7)(A)
Number of Firearms/Other Evidence Seized/Recovered by ATF or Significant Seizures by Other LE Agencies Acting on ATF Information		(b) (7)(A)
		(b) (7)(A)
		(b) (7)(A)
		(b) (7)(A)
		(b) (7)(A)
		(b) (7)(A)
		(b) (7)(A)
Number of FFL Inspections Assigned	0	(b) (7)(A)
Number of FFL Inspections Completed	(b) (7)(A)	(b) (7)(A)
FFL Adverse Actions Recommended:		
Number of Warning Letters/Warning Conferences	(b) (7)(A)	(b) (7)(A)
Number of Revocations (Recommended By Division and Concurred by HQ)	0	(b) (7)(A)
Number of Licenses Surrendered in Lieu of Revocation	0	(b) (7)(A)
Number of Criminal Enforcement Referrals Made by IOIs to ATF LE	0	(b) (7)(A)

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INDUSTRY OPERATIONS ADDITIONAL ACCOMPLISHMENTS DURING GRIT:

- Reviewed 56,117 ATF Form 4473s for accuracy and trafficking indicators
- Initiated 161 referrals to law enforcement or state and local agencies
- Determined the accuracy of licensee records for 43,359 firearms
- Reduced the number of unaccounted for firearms from 3,292 to 333
- Uncovered 146 unreported multiple sales totaling 370 firearms

HIGHLIGHTED INVESTIGATIONS:**Industry Operations****Phoenix**

785125-2010-0238 [REDACTED]

A firearms compliance inspection was initiated on [REDACTED] as part of the Southwest Border Gun Runner Initiative. The inspection disclosed several violations, including the failure to timely enter the acquisitions [REDACTED] firearms and the dispositions of [REDACTED] firearms into the acquisition & disposition record. Also, the licensee was unable to account [REDACTED] firearms, which had to be reported as missing inventory. As a result, a warning conference was held with one of the responsible persons. A recall inspection will be conducted by the local Industry Operations office to determine the level of compliance by the licensee.

785125-2010-0520 [REDACTED]

A firearms compliance inspection was initiated on [REDACTED] as part of the Southwest Border Gun Runner Initiative. The inspection disclosed several violations, including the failure to timely enter the acquisitions [REDACTED] firearms and the dispositions [REDACTED] firearms into the acquisition & disposition record. Also, the licensee was unable to account [REDACTED] firearms, which had to be reported as missing inventory. As a result, a warning conference was held with one of the responsible persons. A recall inspection will be conducted by the local Industry Operations office to determine the level of compliance by the licensee.

785125-2010-0318 [REDACTED]

A firearms compliance inspection was initiated on [REDACTED] as part of the Southwest Border Gun Runner Initiative. The inspection disclosed several violations, including the failure to conduct a background check and the failure to complete an ATF Form 4473 for a firearm transfer. Also, the licensee failed to retain an

LAW ENFORCEMENT SENSITIVE

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ATF Form 4473 for a transaction in which the transfer did not take place (denial) and the inspection disclosed that firearms transactions were conducted away from the licensed premises. As a result, a warning conference was held with the licensee. A recall inspection will be conducted by the local Industry Operations office to determine the level of compliance by the licensee.

785125-2010-0253 [REDACTED]

A firearms compliance inspection was initiated on [REDACTED] as part of the Southwest Border Gun Runner Initiative. The inspection disclosed several violations, including the failure to timely enter the acquisitions [REDACTED] firearms and the dispositions [REDACTED] firearms into the acquisition & disposition record. Also, the licensee failed to retain an ATF Form 4473 for the required period in which a NICS check was initiated (firearm not transferred). As a result, a warning conference was held with the licensee. A recall inspection will be conducted by the local Industry Operations office to determine the level of compliance by the licensee.

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Phoenix GRIT Close Out News Conference Itinerary
Deputy Director Kenneth E. Melson
September 16 - 17, 2010

Thursday, September 16, 2010

05:15 PM ET Depart Washington, D.C. (DCA) via US Air Flight 43
07:06 PM MT Arrive Phoenix Sky Harbor Airport (PHX)
07:30 PM MT Depart for Hotel

Friday, September 17, 2010

07:45 AM MT Depart hotel for Phoenix Field Division
08:00 AM MT Arrive Phoenix Field Division and meet with SAC Newell
08:45 AM MT Movement to Green Room to meet with U.S. Attorney Dennis Burke,
District of Arizona
09:00 AM MT News Conference (Phoenix Field Division)
09:45 AM MT End News Conference and movement to Green Room
10:00 AM MT –
10:25 AM MT One-on-one with reporters in room to be determined
10:30 AM MT -
10:35 AM MT Meet with Field Division Office staff
10:45 AM MT Depart for Airport for flight to Washington, DC (DCA)

Speaking Order:

Deputy Director Kenneth E. Melson – Announcement of the establishment of seven national Project Gunrunner groups; ATF's national/international Gunrunner accomplishments; Phoenix GRIT accomplishments.

U.S. Attorney Dennis Burke - Accomplishments of USAO – 100 defendants charged on

firearms related charges since June 2010 (ATF and non-ATF cases). A couple cases will be highlighted

Bureau of Alcohol, Tobacco, Firearms and Explosives

ATF**Media Advisory**

Public Affairs Division - Washington, DC

FY-10-23

September 16, 2010

Contact: Office of Public Affairs

www.atf.gov

(202) 648-8500

S/A Thomas Mangan, PIO

(602) 776-5408

ATF ANNOUNCES 7 NEW GUNRUNNER GROUPS AND PHOENIX GUN RUNNER IMPACT TEAMS' SUCCESSES

PHOENIX — Deputy Director Kenneth E. Melson of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and Dennis K. Burke, United States Attorney, District of Arizona will hold a news conference to announce the opening of seven new national ATF Gunrunner groups and the closeout and results of the Gun Runner Impact Team (GRIT) initiative, a nearly 100-day surge of ATF resources to the Phoenix Field Division in support of ATF's Southwest Border strategy, Project Gunrunner, at **9:00 a.m., Friday, Sept. 17.**

WHO: ATF Deputy Director Kenneth E. Melson
United States Attorney Dennis K. Burke

WHAT: News Conference
Open Media Event

WHEN: 9:00 a.m., Friday, Sept. 17, 2010

WHERE: ATF Phoenix Field Division
201 E. Washington Street
Suite 940
Phoenix, Ariz. 85004

Note: Spanish language translation / interview available

Note: Media attending the event will need to present valid media credentials for entrance to the news conference. It is requested that the media be in place by 8:30 a.m. Contact ATF PIO Thomas Mangan (602) 776-5408, mobile (602) 859-6317.

###

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives



**Bureau of Alcohol, Tobacco, Firearms and Explosives
Gun Runner Impact Team (GRIT)
Phoenix Field Division
May 1 – August 6, 2010**



Gun Runner Impact Team



- The U.S. Department of Justice's Southwest Border (SWB) Initiative is a focused and comprehensive approach to address the violence inflicted by the Mexican Drug Cartels on both sides of the U.S.-Mexico Border. ATF's part in this initiative is ***Project Gunrunner***
- Project Gunrunner's primary goal is to stem the trafficking of firearms to Mexican Drug Cartels by identifying and investigating those responsible and to combat firearms related violence affecting communities on both sides of the border
- Gun Runner Impact Teams (GRIT) were developed as a supplement of ATF resources along the SWB and from May 1 through August 6, 2010 a GRIT was deployed to ATF's Phoenix Field Division. The Phoenix GRIT consisted of 84 ATF personnel including Special Agents, Industry Operations Investigators, and Support Staff from around the country.



GRIT Impact



- 174 investigations were initiated by the Phoenix GRIT.
- To date 66 defendants have been referred for prosecution.
- Follow up on all investigative leads is ongoing.

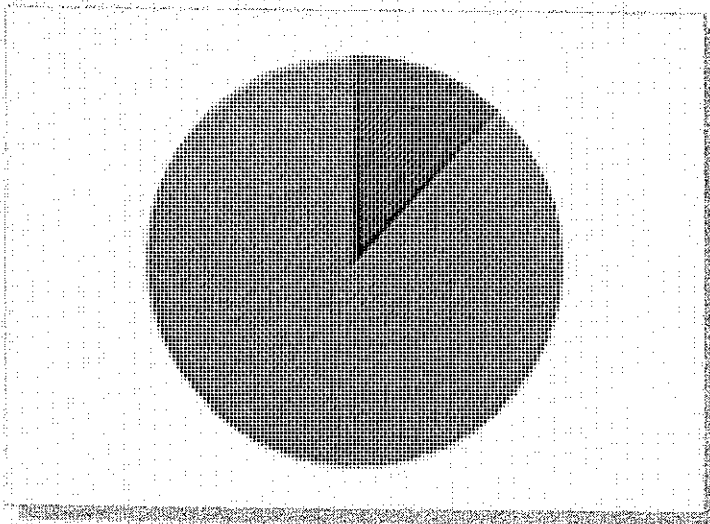
U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives



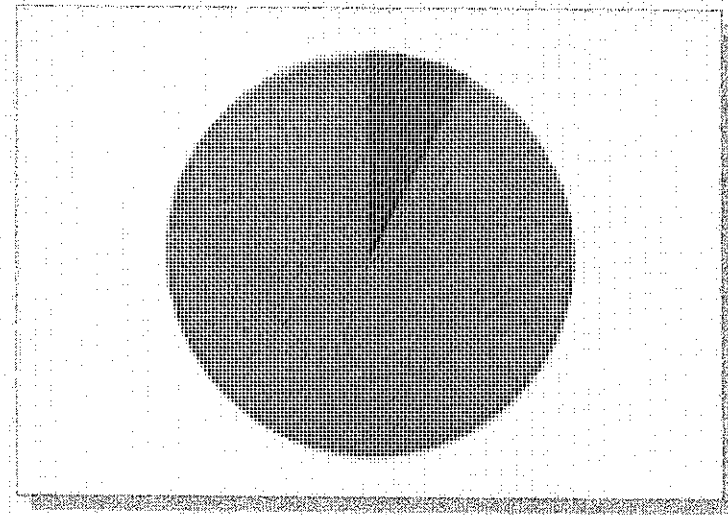
Completed FFL Inspections (GRIT)



Warning Letters / Warning Conferences / Revocation
110



Voluntary Surrender
69



Total FFL Inspections – 806

Source – Bureau of Alcohol, Tobacco, Firearms and Explosives

HOCR ATF 000518



Completed FFL Inspections



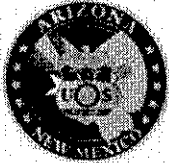
When violations of the law and regulations are disclosed during an inspection, a report of violations is issued to the licensee that outlines the discrepancy and the requirements for corrective action. ATF also works to gain cooperation and compliance from federal firearms licensees (FFLs) by issuing warning letters and holding warning conferences. Despite these remedial actions, on rare occasions ATF encounters a licensee who fails to comply with the law and regulations and demonstrates a lack of commitment to improving his or her business practices. In such cases where willfulness is demonstrated, ATF's obligation to protect public safety may require revocation of the federal firearms license.

- There were 806 completed FFL inspections in the Phoenix Field Division during GRIT.
- 69 FFLs voluntarily surrendered their licenses.
- ATF took administrative action against 110 FFLs:
 - 1 Revocation was recommended
 - 109 warning letters or warning conferences were completed.

Source – Bureau of Alcohol, Tobacco, Firearms and Explosives

HOCR ATF 000519

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives



PHOENIX GRIT SEIZURES



1285 Firearms Seized



71,774 Rounds of Ammunition Seized



\$7763 in Currency Seized



676.2 Grams of Cocaine Seized

Source – Bureau of Alcohol, Tobacco, Firearms and Explosives

HOCR ATF 000520



GRIT Close Out / Phoenix, Arizona September 2010

GRIT Close Out

Gunrunner Impact Teams

Background:

- GRIT teams add special agents, industry operations investigators, analytical, legal, technical and administrative support personnel, along with investigative equipment and other resources to Project Gunrunner. This supplemental initiative was operational for almost 100 days (May 1 – August 6, 2010), and its aim was to disrupt and prosecute the groups and organizations responsible for trafficking firearms to Mexico.
- As GRIT began, the ATF Office of Strategic Intelligence and Information gathered intelligence from trace data and previous criminal enforcement operations. ATF Industry Operations began conducting numerous firearms dealer inspections. From the intelligence gathered by all ATF resources, numerous investigative leads were generated and investigated.
- Performance measures have tracked both operational and outreach milestones, to include leads generated, cases opened, estimates on the number of firearms trafficked, FFL inspections and licensees reached through industry operations outreach programs.
- GRIT utilizes both traditional and innovative violent crime-fighting and firearms trafficking techniques, its regulatory authority, along with its strategic domestic and international partnerships to combat the increasing violence along the U.S.–Mexico border, as well as throughout the country.
- The deployment of GRIT resources began May 1 and was fully staffed May 10. ATF has activated over 80 personnel stationing them in Phoenix and Tucson, Ariz., and Albuquerque, N.M.
- As a result of the Phoenix Division GRIT initiative, ATF seized almost 1,300 firearms and over 71,000 rounds of ammunition; initiated 174 new federal criminal cases; recommended 66 defendants for prosecution; conducted over 800 Federal Firearms Licensee (FFL) inspections that initiated over 160 referrals to law enforcement or to other state and local agencies for further investigation.

Project Gunrunner – ATF Southwest Border Initiative

Background:

- ATF's southwest border strategy is to work in conjunction with its domestic and international law enforcement partners to deny the "tools of the trade" to the firearms trafficking infrastructure of criminal organizations operating in Mexico and along the border.
- The cornerstone of ATF's Project Gunrunner is intelligence-driven firearms trafficking investigations. ATF gathers intelligence from federal firearms licensee records, ballistics and other laboratory analysis, trace data as well as the traditional methods of intelligence gathering and the sharing of information with our law enforcement partners.
- An essential component of ATF's Project Gunrunner is eTrace. eTrace provides for the electronic exchange of crime gun incident-related data in a secure Web-based environment. eTrace allows law enforcement representatives to electronically submit firearm trace requests, to monitor the progress of traces, to retrieve completed trace results and to query firearm trace related data in a real-time environment.
- Another key component for stemming the illicit flow of firearms between Mexico and U.S. Border states is ATF's inspection of federal firearms licensees (FFLs) and their licensed distributors in the affected areas. These inspections detect and prevent the diversion of firearms.
- Since 2006, through Project Gunrunner, ATF has noted a trend of highly destructive, non-commercial explosives being requested for tracing from Mexico. They include:
 - Fragmentation Hand Grenades
 - 40mm High-explosive dual purpose (HEDP) round.
 - M72A2 Light Anti-tank Weapon System (LAW) Rockets
 - Rocket Propelled Grenade (RPG) Launchers
- ATF has also seen a recent alarming trend of the recovery of improvised hand grenades. The demand for hand grenades is greater than the supply, and the cartels are reaching out to subjects who are manufacturing the grenades themselves. The improvised grenades have varied from sophisticated to crude devices.
- The cooperation among federal, state and local law enforcement agencies and the government of Mexico is the foundation for Project Gunrunner in combating cross border firearms trafficking by organized criminal groups.
- ATF's activities in Mexico are coordinated through the ATF attaché office located in Mexico City.

- ATF southwest field divisions (Dallas, Houston, Los Angeles and Phoenix) have established border liaison (ATF special agent) contacts with an assigned Procuraduría General de la República (PGR) (Mexico's Attorney General's Office) representative. The border liaisons meet regularly to coordinate firearms trafficking investigations.
- The expected strategic outcome of this law enforcement effort is the suppression of the firearm-related violence occurring on both sides of the border through effective law enforcement collaboration between Mexico and the United States.
- Mexican President Felipe Calderon and Attorney General Arturo Chávez Chávez have stated that the trafficking of U.S. sourced firearms is the number one crime problem affecting the security of Mexico.
- ATF could use additional resources to support the needs of our Southwest Border strategy, including the need for enhanced information technology such as Spanish eTrace and NIBIN. Crucial technical resources such as eTrace, a web-based system which enables the tracing of firearms, and IBIS, a ballistic tracing technology, have been deployed to Mexico, but on a limited basis.

Project Gunrunner – ATF Southwest Border Initiative

International Objectives:

- The international strategic component is firearms tracing, in particular the expansion of the eTrace firearms tracing system in Mexico.
- Continue to support Mexico's efforts with their use of the ATF developed Spanish version of eTrace, which will improve Mexico's law enforcement successful firearms trace results and increase their ability to trace firearms and develop investigative leads in their native language.
- Continue to support Mexican law enforcement institutions, and build capacity within them, through training in:
 - Firearms and explosives identification,
 - Post-blast investigation and render safe explosives training,
 - Serial number restoration
 - Canine training.
- Undertake joint enforcement actions with vetted Mexican law enforcement personnel.
- Share timely information and intelligence on recovered firearms and traffickers.

Project Gunrunner – ATF Southwest Border Initiative**Domestic Objectives:**

- Dedicate resources from ATF's four field divisions along the border (Los Angeles, Phoenix, Dallas and Houston) to the SWB initiative.
- Generate focused, intelligence-driven Southwest Border firearms trafficking interdiction investigations that target straw purchasers and firearms traffickers in known trafficking corridors.
- Educate the firearm industry on ATF's role in combating firearms trafficking. Conduct firearms seminars on the detection of straw purchases and firearms trafficking.
- Provide continued and additional training in support of the Southwest Border strategy:
 - Develop and utilize training modules in Spanish and English on firearms identification and tracing techniques.
 - Deliver additional Spanish language immersion training for ATF personnel.
- ATF increased its efforts by relocating 100 personnel to the Houston Field Division for four months in 2009 as part of ATF's new intelligence-driven effort known as Gunrunner Impact Teams or GRIT.
- ATF increased its efforts by relocating 84 personnel to the Phoenix Field Division for almost 100 days in 2010 as part of ATF's new intelligence-driven effort known as Gunrunner Impact Teams or GRIT.
- The GRIT focuses ATF's violent crime fighting and firearms trafficking expertise along with its regulatory authority and strategic partnerships to combat violence along the U.S. – Mexico border.
- As part of the 2009 Recovery Act funding, ATF received \$10 million for Project Gunrunner efforts aimed at disrupting arms trafficking between the United States and Mexico, to include the 2009 hiring 25 new special agents, 6 industry operations investigators, 3 intelligence research specialists and 3 investigative analysts. This funding has established three permanent field offices, dedicated to firearms trafficking investigations, in McAllen, Texas, El Centro, Calif., Las Cruces, N.M. and a satellite office in Roswell, N.M.
- In the 2010 emergency supplemental appropriation for border security, ATF received \$37.5 million for Project Gunrunner efforts. Seven Gunrunner groups will be created dedicated to the comprehensive disruption of the flow illegal firearms from source to market areas.

Project Gunrunner Statistical Information

- From fiscal years 2004 through 2009, Project Gunrunner referred for prosecution 1,012 cases involving 2,096 defendants
 - Those cases include 510 firearms trafficking cases with an estimated 15,296 firearms trafficked.

- ATF has analyzed firearms seizures in Mexico from 2005-2009 and identified the following weapons most commonly used by drug traffickers:
 - .223 caliber rifles
 - 7.62 mm rifles
 - 9mm pistols
 - .380 caliber weapons
 - .45 caliber pistols

ATF Firearms Trafficking Enforcement

Background:

- ATF has been working gun trafficking cases for more than a generation.

- More than 10,000 Americans every year are killed with firearms.

- Recent DOJ study – over 95% of gang related homicides reportedly involve the use of a firearm.

- ATF traced more than 354,000 firearms in CY 2009.

- ATF is the federal agency tasked with stemming firearms-related violent crime in America. Congress has given ATF the statutory authority to enforce firearms-related crimes and to regulate the firearms industry.

- The goal of ATF's illegal firearms trafficking enforcement efforts is to reduce violent crime by stemming the flow of firearms to criminals by identifying, investigating, and arresting those who illegally supply firearms to prohibited individuals, and by deterring the diversion of firearms from lawful commerce into the illegal market.

ATF's National Tracing Center and eTrace

Background:

- The National Tracing Center (NTC) of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the country's only crime-gun tracing AND information facility. It provides critical information that helps federal, state and local law enforcement agencies solve firearms crimes, detect firearms traffickers, and track the intrastate, interstate and international movement of crime guns.

- ATF processed more than 354,000 crime-gun trace requests in fiscal year 2009, which include traces from almost 60 countries.
- eTrace is a paperless firearm trace submission system and trace analysis computer module that is readily accessible through a secure connection to the World Wide Web. This Internet application provides the necessary utilities for submitting, retrieving, storing and querying firearms trace-related information relative to particular jurisdictions, thereby allowing the systematic tracing of firearms that have been recovered from crime scenes. Analysis of firearms trace data can assist in the identification of firearms trafficking patterns and geographic profiling for criminal hot spots and possible sources of illicit firearms.
- A suspect gun is a firearm that has not been recovered by law enforcement but is suspected to be involved in criminal activity. It is flagged in the Firearms Tracing System (FTS) so that if and when it is recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.
- The theft of firearms from a federal firearms licensee is a federal felony offense a crime for which ATF is tasked with investigating. All Federal firearms licensees (FFL) are required to report the theft or loss of firearms from their inventory to ATF. ATF in turn investigates these crimes, prosecutes the thieves, and ensures the return of stolen firearms.
- ATF provides a voluntary reporting process for theft of firearms from interstate carriers. ATF maintains a database specifically for interstate thefts and provides analysis and investigative support in the investigation of these crimes.
- Law enforcement agencies can submit firearms trace requests to ATF with partial serial numbers from crime guns recovered with obliterated serial numbers in order to identify the crime gun and develop investigative leads.
- ATF traces firearms for foreign law enforcement agencies to provide investigative leads, detect firearms traffickers and to determine international arms trafficking routes. More than 50 countries annually submit trace requests to the NTC.
- When an FFL discontinues business, the FFL must send their firearms transactions records to the NTC. The NTC receives an average of 1.3 million out-of-business records per month and is the only repository for these records within the United States.
- When an FFL sells two or more handguns to the same purchaser within five consecutive business days the FFL is required to submit a report of multiple sales to the NTC. The NTC receives an average of 194,700 reports of multiple sales from licensees each year. These reports, when cross referenced with firearms trace information for recovered crime guns, can be an important indicator in detecting illegal firearms trafficking.

- By searching the out-of-business FFL records, the NTC can assist law enforcement agencies investigating the theft of firearms to obtain firearms serial numbers. This is conducted when the owner has no record of the firearm serial number and the FFL from whom the owner purchased the firearm is now out of business

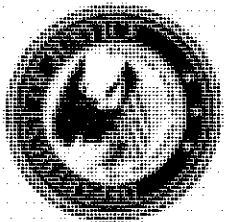
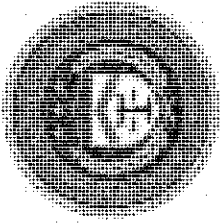
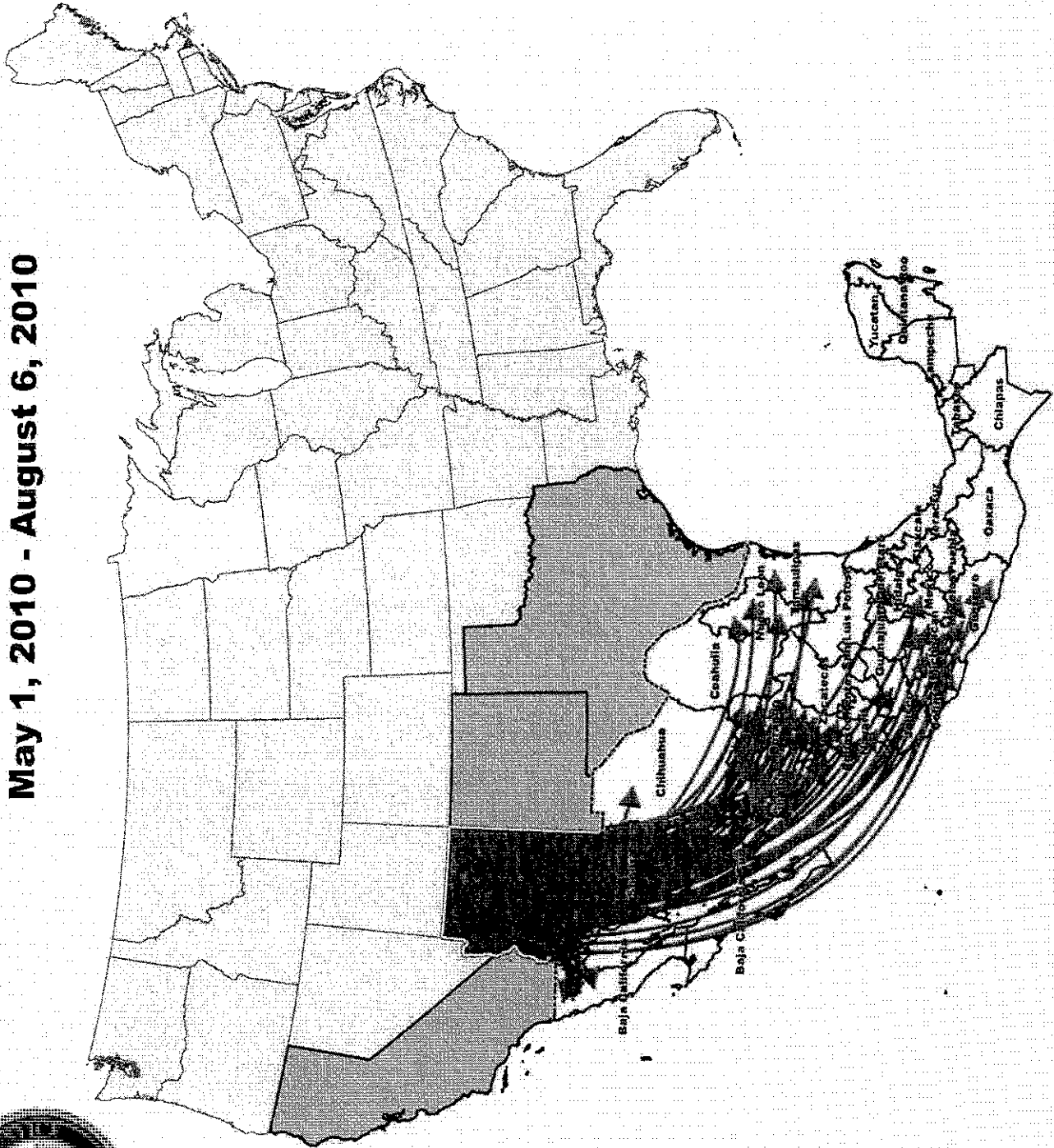
ATF's Unique Expertise

Background:

- The cornerstone of ATF's Project Gunrunner is intelligence-driven firearms trafficking investigations. ATF gathers intelligence from federal firearms licensee records, ballistics and other laboratory analysis, trace data as well as the traditional methods of intelligence gathering and the sharing of information with our law enforcement partners. From fiscal years 2004 through 2009, Project Gunrunner referred for prosecution 1,012 cases involving 2,096 defendants
- ATF's Industry Operations Investigators (IOIs) perform regulatory inspections at all federally licensed firearms and explosives licensees. The function of these inspections is to assist the licensees with respect to compliance with federal laws and regulations as well as detect any evidence of straw purchasing or other methods of diversion of firearms/explosives into illegal markets.
- The ATF's National Tracing Center (NTC) is the country's only crime-gun tracing AND information facility. It provides critical information that helps federal, state and local law enforcement agencies solve firearms crimes, detect firearms traffickers, and track the intrastate, interstate and international movement of crime guns.
- An essential component of ATF's Project Gunrunner is eTrace. eTrace provides for the electronic exchange of crime gun incident-related data in a secure Web-based environment. eTrace allows law enforcement representatives to electronically submit firearm trace requests, to monitor the progress of traces, to retrieve completed trace results and to query firearm trace related data in a real-time environment.
- ATF has worked with the Government of Mexico to make the tracing process more comprehensive, thereby ensuring the tracing of all known recovered/seized explosives.
- ATF has established a National Gun Desk at the Drug Enforcement Administration's El Paso Information Center (EPIC). The ATF gun desk serves as a central repository for weapons-related intelligence. The ATF gun desk compiles illicit weapons information and intelligence from federal, state and local law enforcement agencies as well as foreign governments such as Mexico.

- ATF has the sole national repository for arson and explosives related data with the U.S. Bomb Data Center (USBDC).
- ATF gathers intelligence data and shares information through the U.S. Bomb Data Center, which is comprised of the largest collection of explosives and fire incident-based information in the world – more than 200,000 arson and explosives incidents reports obtained from federal, state, and local fire service/law enforcement agencies.
- ATF's Explosives Enforcement Officers (EEO) identify explosives material and perform render safe and disposal procedures. ATF currently has explosive enforcement personnel in Mexico to assist with the identification and trace of recovered explosives material.

Arizona Gunrunner Impact Team (GRIT)
May 1, 2010 - August 6, 2010



SOUTHWEST BORDER

ISSUE: How is ATF addressing the violence along the south-western border of the US?

TALKING POINTS:

- As the only Federal agency with primary jurisdiction over firearms and explosives, ATF has unique statutory authority over the “tools of the trade” that make violent, drug trafficking criminals a threat to public safety. These criminals use firearms in drive-by shootings in which stray bullets often kill bystanders; use firearms for assassinations of rival drug dealers, gang members, and witnesses to crimes, and use explosives in retaliatory bombings. Such violence is increasingly prevalent along the Southwest border with Mexico.
- ATF also partners with the Customs and Border Patrol, the Drug Enforcement Administration, and Immigration and Customs Enforcement, and with State and local police agencies to share expertise and information.
- From FY 2004 through FY 2009, ATF recovered/seized over 6,100 firearms and 569,100 rounds of ammunition (nationwide) in cases related to ATF’s efforts to suppress firearms trafficking across the US-Mexico border and related border violence. In FY 2009 alone, ATF seized 2,589 firearms and 265,500 rounds of ammunition destined for Mexico.
- ATF’s Southwest Border Initiative is a broad-based ATF strategy under which the ATF Dallas, Houston, Los Angeles, and Phoenix field divisions target firearms violence, violent offenders, and firearms trafficking along the US-Mexican Border.
- Critical tactics of the strategy include a focused firearms inspection program and regular collaboration between special agents and industry operations investigators with respect to referrals and outreach efforts. The industry operations portion of the strategy includes three components – forward traces, secondary market inspections, and outreach to the industry and other law enforcement agencies.
- ATF works closely with the Mexican government through the ATF attaché office in Mexico City to ensure that U.S. source firearms recovered in Mexico are properly identified and submitted for tracing to ATF. ATF works with other Mexican law enforcement agencies in Mexico City and its offices in (b) (7)(E) (b) (7)(E) ATF is opening new offices in (b) (7)(E) for FY 2010.
- ATF is currently working on a training schedule for Mexican Federal and State lab technicians and law enforcement personnel on firearms identification, data input, and navigation of the Spanish eTrace system. The Government of Mexico (GOM) has had Spanish eTrace since December 2009.
- ATF continues to provide information to GOM on firearms and explosives “cross border” investigations. ATF has responded to firearms and explosives seizures, provided render safe techniques on homemade grenades recovered in Mexico, and provided identification and tracing assistance on seized firearms.

- In 2009, ATF developed the Gunrunner Impact Team (GRIT) initiative as a component of Project Gunrunner. In support of GRIT, ATF deployed 100 personnel, investigative equipment, and other resources to its Houston Field Division (HFD) for 120 days. As a result of the GRIT initiative, ATF agents arrested 189 defendants of which 150 were associated with trafficking cases with an estimated 644 firearms trafficked. Additionally, ATF agents seized 443 firearms and 141,442 rounds of ammunition. ATF also provided information to Federal, State and local law enforcement partners that resulted in the seizure of an additional 171 firearms for a total of 614 firearms taken off the streets.
- During the initiative, ATF completed nearly 1,100 inspections of Federal firearms licensees (FFLs), issued over 440 notices of violations, and recommended 78 adverse actions. ATF investigators identified 97 unreported multiple sales involving 220 firearms and validated nearly 15,000 NICS checks. Also, they verified over 70,000 firearms in inventory, identified 1,000 firearms as missing from FFLs' premises and were able to reduce this number to fewer than 100. ATF ensured by resolving the disposition of 90 percent of the missing firearms, that if these firearms are used in crimes they can be traced.
- During FY 2009, ATF created new enforcement groups in the cities of Houston, McAllen, Phoenix, Las Cruces and El Centro in support of Project Gunrunner. These new groups in addition to others that already exist in the region are supported by (b) (7)(E) newly-hired special agents (b) (7)(E) newly-hired IOIs and the reassignment of a number of senior level agents and industry operations investigators. These groups will focus their efforts to stem the flow of firearms into Mexico; reduce violence along the border; continue coordination and information sharing with Federal, State and local law enforcement agencies, and sustain close collaboration with the Government of Mexico in efforts against the drug cartels.
- As of mid-February, 2010, ATF has assigned approximately 190 special agents, 145 IOIs and 25 support staff to Project Gunrunner in the four contiguous Southwest Border states. Additional expansion plans for 2010 include establishing and fully staffing new Gunrunner offices in El Paso, Texas and Tucson, Arizona and adding additional staff to support the consulate offices in Tijuana and Juarez.
- For FY 2010, ATF plans to deploy its second GRIT initiative in the Phoenix Field Division. - ?

SUCCESS STORIES:

- In February of 2009 (b) (7)(C) of Austin, Texas, admitted to straw purchasing ten firearms for (b) (7)(C) a self employed "importer/exporter". The investigation led to the discovery of no less than ten subjects involved in straw purchasing firearms for (b) (7)(C) in exchange for financial compensation. (b) (7)(C) was apprehended at the border near Laredo, Texas, and later admitted to acquiring the firearms for the purpose of selling them to wealthy associates in Mexico. No less than 61 guns were purchased for (b) (7)(C) all of which were smuggled into Mexico. This investigation led to eight felony convictions in Federal court. In October

of 2009, (b) (7)(C) was sentenced to 24 months in prison, fined \$20,000 and ordered to be deported after his release from prison. In October 2009, his primary straw purchaser recruiter, (b) (7)(C) was sentenced to 15 months in prison and fined \$7,200. Also in October of 2009, six "straw purchasers" who were paid by (b) (7)(C) to falsify documents to acquire firearms for him were all sentenced to felony probation and ordered to pay fines.

- In January of 2009, as the result of working surveillance at a gun show in Belton, Texas, ATF agents from Austin and Waco arrested (b) (7)(C) a convicted felon, in possession of nine .223 caliber rifles/pistols. (b) (7)(C) had a prior Federal felony conviction for drug trafficking and resided in the border town of Laredo, Texas.

(b) (7)(C) made gun purchases at the gun show from private sellers and via straw purchases (b) (7)(C). He acquired seven .223 caliber AR-15 rifles and two .223 caliber AR-15 style pistols. The firearms were recovered from (b) (7)(C) car as he was heading southbound to Laredo, Texas. (b) (7)(C) later admitted to purchasing the firearms to sell them to the Zeta Cartel in Mexico. (b) (7)(C) was sentenced on June 3, 2009 to 51 months in Federal prison, \$1,000 fine, and 3 years' supervised release.

Author: (b) (7)(C) FO/3-26-08
Revised: (b) (7)(C) FO/2-12-10 -t

MERIDA HIGH LEVEL GROUP
MEXICO CITY

MARCH 23, 2010

Information put together

ARMS TRAFFICKING

*① what does tracing actually give us.
② NIBIN
③ continue to work w/ SSPT PGR as relationship - GC Arms*

REALITIES:

- 2nd amendment-individual right
- US laws regarding purchase and possession
- Prohibition to maintain national firearms registry

INVESTIGATIONS:

ATF conducts firearms trafficking investigations using:

- Human source- informants/cooperators/witnesses
- Law enforcement cooperation/intelligence/task force concept
- Regulation of firearm industry/licensee inspections/licensee records
- Firearms Tracing- Spanish eTrace

Case examples- TBD

Talk about in very general terms

SPANISH ETRACE

- Deployed December 2009
- Tracing provides INVESTIGATIVE LEADS
- Tracing does NOT necessarily identify the suspect BUT the original purchaser
- Comprehensive Firearms tracing- includes firearms in Federal, state and military custody
- Working with Federal and state labs to enter traces- plan to begin eTrace training in 2010

NIBIN

- Ballistics evidence can be critical in linking shootings and suspects
- Working to create connection between US and Mexican systems- delivery 2011



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC 20226

701800:DRM
3310

JUN 24 2010

MEMORANDUM TO: All Special Agents in Charge

FROM: Assistant Director (Field Operations)

SUBJECT: Roles and Responsibilities of Industry Operations Investigators and
Intelligence Research Specialists Detailed to Gunrunner Teams

In February 2009, ATF received funding under the American Recovery and Reinvestment Act along with direct funding in FY 2009 and FY 2010 to support its Project Gunrunner initiative. Using some of this funding, ATF established Gunrunner teams in McAllen, El Paso, and Houston, Texas; El Centro, California; Las Cruces, New Mexico (including a satellite office in Roswell); and Tucson, Arizona. In September 2009, the Department of Justice's Office of Inspector General conducted an interim review of ATF's Project Gunrunner, which concluded that the Gunrunner teams' staffing model appeared to be sound; however, they recommended that the reporting structure and roles of industry operations investigators (IOIs) and intelligence research specialists (IRSSs) be clarified.

Gunrunner staffing varies by location but generally includes one supervisor, (b) (7)(E) special agents (b) (7)(E) IOIs, up to (b) (7)(E) IRSSs, and (b) (7)(E) IA. The staffing is designed to employ the skill sets from investigative, regulatory, and intelligence positions to work as a cohesive unit to reduce firearms trafficking with a nexus to Mexico and violent crime. To ensure that these positions fully support this concerted effort, IOI and IRS personnel will be detailed full time to the Gunrunner group and take direction from the Gunrunner supervisor. The Gunrunner supervisor will be responsible for the day-to-day operations of the group, including leave, mandatory training, and other administrative requirements. It is important that all affected supervisors communicate closely with each other to ensure that these employees are utilized in a manner that maximizes their effectiveness in reducing the criminal activities associated with the trafficking of firearms to Mexico.

- 2 -

All Special Agents in Charge

Area supervisors will issue an N-Spect assignment quarterly to capture the work performed by the IOIs assigned to the Gunrunner teams. The assignment will be entitled "Gunrunner Team IO Detail" using the tier III code "Assist LE". (An example of the type of documentation for this assignment would be "the following 15 retailers were visited and all purchases by subjects documented.") When the assigned IOI expends 40 hours or more assisting on a particular criminal case, a specific assignment must be issued in N-Spect documenting the work performed. The field in N-Spect entitled "Related Inspection UI" (on the Assignment Screen) must be completed with the Investigation Number (IN) of that law enforcement investigation. If a trafficking inspection of a particular Federal firearms licensee (FFL) is to be conducted by the IOI, a separate UI will be issued.

If an IOI is assisting a special agent by looking for specific purchasers or guns as part of an open criminal investigation, he or she may enter the FFL's premises without it impacting the once in a 12-month inspection limitation, examine records, and ask questions related to the particular investigation. However, if the FFL is the subject of the investigation, a subpoena is required.

Assigned IOIs should expend all of their duty time on Gunrunner team activities, unless there is a compelling reason to perform other duties. IOIs, working with other Gunrunner team members, should be gathering, developing, and perfecting intelligence in furtherance of firearms trafficking criminal investigations. Examples of such time expenditure include utilizing current intelligence derived from ongoing criminal investigations and other sources to identify individuals purchasing weapons of choice, straw purchasers, and defendants in criminal investigations. They should coordinate with other divisions to develop in-depth intelligence information related to specific trafficking corridors. For example, El Centro, Yuma, and Tucson need to work together to address the El Centro/Tucson trafficking corridor. They should also ensure that referrals of potential straw purchasers and potential firearms traffickers receive prompt investigative action, and assist in the investigation of firearms thefts, including those lost or stolen in interstate shipments.

IRSSs will use all source collection methodology to prioritize targets for entry into N-Force and to

(b) (7)(E)

(b) (7)(E)

(b) (7)(E)

IRSSs should

identify links between suspected firearms traffickers and major drug trafficking organizations, create link association and/or timeline charts as necessary, conduct toll analysis where appropriate, and open a general intelligence case into N-Force when information collected and analyzed reaches that standard.

In addition, both IOIs and IRSSs are expected to use VCAB reports, ATF's First-Look, and E-Lead to identify potential traffickers and analyze patterns and trends. They should develop

- 3 -

All Special Agents in Charge

relationships with other Federal, State, local, and tribal law enforcement agencies as well as HIDTAs and Fusion Centers, and determine sources of illicit firearms trafficking based on information derived from FFL thefts, residential burglaries, gun shows, Internet sales, and leads generated by agents called to respond to guns recovered by State and local police. They should continue to collaborate with the Cyber Crime Groups to identify Internet trafficking schemes and organizations; assist in promoting E-Trace among the State, local, and tribal police; and serve as a division point of contact for all law enforcement inquiries regarding firearms tracing by Federal, State, and local law enforcement agencies.

While the above is not all encompassing, and there could be overlap in the above referenced duties, it is critical that all team members work together at all levels of the investigative process to accomplish the overarching goals of reducing firearms trafficking and gun related violence along the U.S./Mexico border. Only through close cooperation in the development and sharing of intelligence information will the benefits of the Gunrunner group be fully realized.

Should you have any questions or require additional information, please contact your respective Deputy Assistant Director (Field Operations).



Mark R. Chait