

**To:** [REDACTED]; [REDACTED]; [REDACTED]  
**Sent:** Fri Mar 04 20:26:15 2011  
**Subject:** Fw: 2011-03-04 CEG to ATF

Once more into the breach gentlemen.....

\*\*\*\*\*

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**From:** Downey, Brian (Judiciary-Rep)  
**To:** [REDACTED]; Melson, Kenneth E.; Hoover, William J.  
**Cc:** CEG (Judiciary-Rep) ; Foster, Jason (Judiciary-Rep) ; Leavitt, Tristan (Judiciary-Rep) ; 'Faith.Burton@usdoj.gov' (Faith.Burton@usdoj.gov) ; Gaston, Molly (SMO) (Molly.Gaston@usdoj.gov) ; 'Edgar.Chen@usdoj.gov' (Edgar.Chen@usdoj.gov)  
**Sent:** Fri Mar 04 19:36:01 2011  
**Subject:** 2011-03-04 CEG to ATF

Please find attached a letter from Senator Grassley. Please ensure that all formal correspondence on this matter is sent electronically in PDF format to [ceg@judiciary-rep.senate.gov](mailto:ceg@judiciary-rep.senate.gov) (cc'd above). Please confirm receipt. Thanks.

Brian M. Downey  
Investigator  
Ranking Member Charles E. Grassley  
U.S. Senate Committee on the Judiciary  
Washington, DC  
(P) 202-224-5225  
(F) 202-224-3799

**From:** [REDACTED]  
**Sent:** Friday, March 04, 2011 8:26 PM  
**To:** [REDACTED]; [REDACTED]; [REDACTED]  
**Subject:** Fw: 2011-03-04 CEG to ATF  
**Attachments:** 2011-03-04 CEG to ATF.pdf

**Importance:** High

Once more into the breach gentlemen.....

\*\*\*\*\*

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**To:** [REDACTED] Melson, Kenneth E.; Hoover, William J.  
**Cc:** CEG (Judiciary-Rep); Foster, Jason (Judiciary-Rep); Leavitt, Tristan (Judiciary-Rep); 'Faith.Burton (b) (6) [REDACTED]  
(b) (6) [REDACTED] Gaston, Molly (SMO) (b) (6) [REDACTED] 'Edgar.Chen (b) (6) [REDACTED]  
(b) (6) [REDACTED]  
**Sent:** Fri Mar 04 19:36:01 2011  
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Ranking Member Charles E. Grassley  
U.S. Senate Committee on the Judiciary  
Washington, DC  
(P) 202-224-5225  
(F) 202-224-3799

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Friday, March 12, 2010 7:34 PM  
**To:** Phoe-Group VII  
**Subject:** Monday Morning Meeting, Strike force 9:30am

To all;

It has been brought to my attention that there may be a schism developing amongst the group. This is the time we all need to pull together not drift apart. We are all entitled to our respective (albeit different) opinions however we all need to get along and realize that we have a mission to accomplish.

I am thrilled and proud that our Group is the first ATF Southwest Border Group in the country to be [REDACTED]. On that note I thank everyone for their efforts thus far and applaud the results we have achieved in a short amount of time.

Whether you care or not people of rank and authority at HQ are paying close attention to this case and they also believe we (Phoenix Group VII) are doing what they envisioned the Southwest Border Groups doing. It may sound cheesy but we are "The tip of the ATF spear" when it comes to Southwest Border Firearms Trafficking.

We need to resolve our issues at this meeting. I will be damned if this case is going to suffer due to petty arguing, rumors or other adolescent behavior.

I don't know what all the issues are but we are all adults, we are all professionals, and we have a exciting opportunity to use the biggest tool in our law enforcement tool box. **If you don't think this is fun you're in the wrong line of work – period!** This is the pinnacle of domestic U.S. law enforcement techniques. After this the tool box is empty. Maybe the Maricopa County Jail is hiring detention officers and you can get paid \$30,000 (instead of \$100,000) to serve lunch to inmates all day.

One last point is that we have many of our brother and sister ATF agents coming into town to assist us on this case. We have to put our best effort forward and lead by example. No one wants to leave their families behind, or leave their case work behind to come help someone who does even appreciate their sacrifice.

We need to get over this bump in the road once and for all and get on with the mission at hand. This can be the most fun you have with ATF, the only one limiting the amount of fun we have is you!

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602-[REDACTED]

**Operation The Fast and The Furious;**

*** Yellow ***	Designations	Team	Leader	For	That	Shift
	Team	Leader	Responsible	For	Surveillance	Reports

For the Week of: 4/18/10

Assignment	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
DAY MONITORING	0800-1615						
Monitor 1							
NIGHT MONITORING	1945-2400						
Monitor 1							

For the Week of: 4/18/10

Assignment	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Surveillance 1	1200-2030						
Surveillance 2							
Surveillance 3							
Surveillance 4							
Surveillance 5							
Surveillance 6							
Surveillance 7							
Surveillance 8							
Surveillance 9							
Surveillance 10							

For the Week of: 4/25/10

Assignment	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
DAY MONITORING	0800-1615						
Monitor 1							
NIGHT MONITORING	1945-2400						

Monitor 1

For the Week of: 4/18/10

Assignment	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	4/25	4/26	4/27	4/28	4/29	4/30	5/1

Day Surveillance	1200-2030						
Surveillance 1							
Surveillance 2							
Surveillance 3							
Surveillance 4							
Surveillance 5							
Surveillance 6							
Surveillance 7							
Surveillance 8							
Surveillance 9							
Surveillance 10							

For the Week of: 4/25/10

Assignment	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	5/2	5/3	5/4	5/5	5/6	5/7	5/8

DAY MONITORING	0800-1815						
Monitor 1							
NIGHT MONITORING	1545-2400						
Monitor 1							

For the Week of: 4/25/10

Assignment	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	5/2	5/3	5/4	5/5	5/6	5/7	5/8

Day Surveillance	1200-2030						
Surveillance 1							
Surveillance 2							
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Surveillance 4							
Surveillance 5							
Surveillance 6							
Surveillance 7							
Surveillance 8							
Surveillance 9							
Surveillance 10							

**From:** McDermond, James E.  
**Sent:** Thursday, February 24, 2011 4:37 PM  
**To:** [REDACTED]; [REDACTED]  
**Subject:** Fw: Conference call to discuss CBS News piece from last night  
**Attachments:** grassley atf 224 response.docx

Fyi. Let's get back to Faith this evening. We will talk.  
James McDermond, Assistant Director - ATF

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**From:** Burton, Faith (SMO)  
**To:** Weinstein, Jason (CRM) ; O'Neil, David (ODAG) ; Moran, Molly (OAG) ; McDermond, James E.  
**Cc:** Schmalder, Tracy (SMO) ; Smith, Brad (ODAG) ; Gaston, Molly (SMO)  
**Sent:** Thu Feb 24 16:20:56 2011  
**Subject:** RE: Conference call to discuss CBS News piece from last night

Here's our current draft response to Grassley; we'll circulate more broadly shortly.

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**From:** Weinstein, Jason (CRM)  
**Sent:** Thursday, February 24, 2011 12:53 PM  
**To:** O'Neil, David (ODAG); Burton, Faith (SMO); Moran, Molly (OAG)  
**Cc:** Schmalder, Tracy (SMO); Smith, Brad (ODAG)  
**Subject:** RE: Conference call to discuss CBS News piece from last night

Given the really short notice, perhaps we can connect a few minutes before this afternoon's call, which is about to be moved to 4

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**From:** O'Neil, David (ODAG) [mailto:David.O'Neil@usdoj.gov]  
**Sent:** Thursday, February 24, 2011 12:32 PM  
**To:** Weinstein, Jason; Burton, Faith (SMO); Moran, Molly (OAG)  
**Cc:** Schmalder, Tracy (SMO); Smith, Brad (ODAG)  
**Subject:** Re: Conference call to discuss CBS News piece from last night

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**From:** O'Neil, David (ODAG)  
**Sent:** Thursday, February 24, 2011 12:29 PM  
**To:** Weinstein, Jason (CRM); Burton, Faith (SMO); Moran, Molly (OAG)  
**Cc:** Schmalder, Tracy (SMO)  
**Subject:** Re: Conference call to discuss CBS News piece from last night

Also adding Brad Smith

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**From:** Weinstein, Jason (CRM)

**Sent:** Thursday, February 24, 2011 12:24 PM  
**To:** Weinstein, Jason (CRM); Burton, Faith (SMO); Moran, Molly (OAG); O'Neil, David (ODAG)  
**Cc:** Schmalzer, Tracy (SMO)  
**Subject:** RE: Conference call to discuss CBS News piece from last night

Meant to include Tracy

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**From:** Weinstein, Jason  
**Sent:** Thursday, February 24, 2011 12:23 PM  
**To:** Burton, Faith (SMO); Moran, Molly (OAG) (SMO); 'O'Neil, David (ODAG)'  
**Subject:** FW: Conference call to discuss CBS News piece from last night

I just joined a separately scheduled call between ATF HQ and ATF Phoenix. Would love to discuss separately from the larger group if you're free – let me know and I'll send you a conf #.

---

**From:** Weinstein, Jason  
**Sent:** Thursday, February 24, 2011 12:06 PM  
**To:** Moran, Molly (OAG) (SMO); Burton, Faith (SMO); Newell, William D. (ATF); Burke, Dennis (USAAZ); Wilkinson, Monty (OAG)  
**Cc:** Sweeney, Laura (SMO); O'Neil, David (ODAG); Schmalzer, Tracy (SMO); Spencer, Lashawna  
**Subject:** RE: Conference call to discuss CBS News piece from last night

Let's say 3:30. I'll ask La Shawna to send around dial-in info.

---

**From:** Moran, Molly (OAG) [mailto:(b) (6)]  
**Sent:** Thursday, February 24, 2011 11:45 AM  
**To:** Burton, Faith (SMO); Weinstein, Jason; Newell, William D. (ATF); Burke, Dennis (USAAZ); Wilkinson, Monty (OAG)  
**Cc:** Sweeney, Laura (SMO); O'Neil, David (ODAG); Schmalzer, Tracy (SMO)  
**Subject:** RE: Conference call to discuss CBS News piece from last night

Any time except 2 -3 pm today works for me. Adding Monty.

---

**From:** Burton, Faith (SMO)  
**Sent:** Thursday, February 24, 2011 11:37 AM  
**To:** Weinstein, Jason (CRM); Newell, William D. (ATF); Burke, Dennis (USAAZ)  
**Cc:** Sweeney, Laura (SMO); Moran, Molly (OAG); O'Neil, David (ODAG)  
**Subject:** RE: Conference call to discuss CBS News piece from last night

I'm available any time between 2 and 4:30 pm today.

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**From:** Weinstein, Jason (CRM)  
**Sent:** Thursday, February 24, 2011 11:08 AM  
**To:** Newell, William D. (ATF); Burke, Dennis (USAAZ)  
**Cc:** Sweeney, Laura (SMO); Moran, Molly (OAG); Burton, Faith (SMO); O'Neil, David (ODAG)  
**Subject:** Conference call to discuss CBS News piece from last night  
**Importance:** High

<http://www.cbsnews.com/video/watch/?id=7357550n&tag=contentMain;contentBody>

**DP**

I'm available any time except 1:30-3pm. Let me know what works for you and I'll set it up.

Dennis and Bill - DP

---

Jason M. Weinstein  
Deputy Assistant Attorney General  
Criminal Division  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, D.C. 20530  
Office: (202) 305-9827  
Cell: (b) (6)





Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Assistant Director*

Washington, DC 20226  
www.atf.gov



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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UNCLASSIFIED//LAW ENFORCEMENT SENSITIVE

**From:** [REDACTED]  
**Sent:** Thursday, March 10, 2011 7:28 AM  
**To:** Sweeney, Laura (SMO); 'Tracy.Schmalen' (b) (6)  
**CC:** [REDACTED]  
**Subject:** Re: Urgent -- Fast and Furious Case

I meant to say..... why can't we say the below

[REDACTED]  
Chief  
ATF Public Affairs Division

\*\*\*\*\*

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**From:** [REDACTED]  
**To:** Sweeney, Laura (SMO); 'Tracy.Schmalen' (b) (6)  
**Cc:** [REDACTED]  
**Sent:** Thu Mar 10 07:17:53 2011  
**Subject:** Re: Urgent -- Fast and Furious Case

Why can we say;

ATF did not authorize the transfer of firearms from Arizona to Mexico in the fast and Furious investigation and sought to identify, disrupt and dismantle a very active firearms trafficking cell of a violent cartel while being ever cognizant of US citizens second amendment right.

[REDACTED]

[REDACTED]  
Chief  
ATF Public Affairs Division

\*\*\*\*\*

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**From:** Sweeney, Laura (SMO)  
**To:** Schmalen, Tracy (SMO) ; [REDACTED]  
**Sent:** Thu Mar 10 06:34:13 2011  
**Subject:** Fw: Urgent -- Fast and Furious Case

Don't know if this going to be a productive chain - see below. Want me to go back to it, loop you in Tracy? (b) (5)

(b) (5)  
(b) (5)

**From:** Restrepo, Daniel A. [mailto: [REDACTED]]  
**Sent:** Thursday, March 10, 2011 06:22 AM  
**To:** 'PascualC@state.gov' <PascualC@state.gov>; Breuer, Lanny A. (CRM); Sweeney, Laura (SMO); [REDACTED] (ATF); Melson, Kenneth E. (ATF); O'Reilly, Kevin M. <Kevin\_M.\_O'Reilly [REDACTED]>; Avery, Heidi E. <Heidi\_E.\_Avery [REDACTED]>; Cogswell, Patricia <Patricia\_Cogswell [REDACTED]>; Kendall, Sarah M. <Sarah\_M.\_Kendall [REDACTED]>  
**Cc:** 'rooneymm@state.gov' <rooneymm@state.gov>; 'jacobsonrs@state.gov' <jacobsonrs@state.gov>; 'FeeleyJD@state.gov' <FeeleyJD@state.gov>; 'williamsjha@state.gov' <williamsjha@state.gov>  
**Subject:** Re: Urgent -- Fast and Furious Case

+ Heidi Avery, Patty Cogswell, and Sarah Kendall

---

**From:** Pascual, Carlos (Mexico City) <PascualC@state.gov>  
**To:** Lanny.Breuer(b) (6) <Lanny.Breuer(b) (6)>; Laura.Sweeney2(b) (6) <Laura.Sweeney2(b) (6)>; Ken.Melson <Ken.Melson [REDACTED]>; Restrepo, Daniel A.; O'Reilly, Kevin M.  
**Cc:** Rooney, Matthew M <RooneyMM@state.gov>; Jacobson, Roberta S <JacobsonRS@state.gov>; Feeley, John D (Mexico City) <FeeleyJD@state.gov>; Williams, James H (Mexico City) <williamsjha@state.gov>  
**Sent:** Thu Mar 10 03:04:05 2011  
**Subject:** Fw: Urgent -- Fast and Furious Case

Help! See below.

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This message has been sent via BlackBerry

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**From:** [REDACTED]  
**To:** Pascual, Carlos (Mexico City)  
**Sent:** Thu Mar 10 01:52:52 2011  
**Subject:** Urgent -- Fast and Furious Case

Colleagues,



DP



DP

Many thanks.

Carlos

Our original points:



DP

*email follows.*

On Thu, Mar 10, 2011 at 1:42 AM, Pascual, Carlos (Mexico City) <[PascualC@state.gov](mailto:PascualC@state.gov)> wrote:

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This message has been sent via BlackBerry  
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**From:** [REDACTED]  
**To:** Pascual, Carlos (Mexico City)  
**Cc:** Feeley, John D (Mexico City)  
**Sent:** Thu Mar 10 00:35:24 2011  
**Subject:** draft

Carlos, following this evening's meeting DP

DP

**From:** [REDACTED]  
**Sent:** Thursday, March 10, 2011 7:17 AM  
**To:** Sweeney, Laura (SMO); 'Tracy.Schmalers@state.gov'; [REDACTED]  
**CC:** [REDACTED]  
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[REDACTED]  
 Chief  
 ATF Public Affairs Division

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**Cc:** 'rooneymm@state.gov' <rooneymm@state.gov>; 'jacobsonrs@state.gov' <jacobsonrs@state.gov>; 'FeeleyJD@state.gov' <FeeleyJD@state.gov>; 'williamsjha@state.gov' <williamsjha@state.gov>  
**Subject:** Re: Urgent -- Fast and Furious Case

+ Heidi Avery, Patty Cogswell, and Sarah Kendall

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**From:** Pascual, Carlos (Mexico City) <PascualC@state.gov>  
**To:** Lanny.Breuer <Lanny.Breuer@state.gov>; Laura.Sweeney2 <Laura.Sweeney2@state.gov>; Ken.Melson <Ken.Melson@state.gov>; Restrepo, Daniel A.; O'Reilly, Kevin M.  
**Cc:** Rooney, Matthew M <RooneyMM@state.gov>; Jacobson, Roberta S <JacobsonRS@state.gov>; Feeley, John D (Mexico City) <FeeleyJD@state.gov>; Williams, James H (Mexico City) <williamsjha@state.gov>

Employee 5

110

**Sent:** Thu Mar 10 03:04:05 2011

**Subject:** Fw: Urgent -- Fast and Furious Case

Help! See below.

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This message has been sent via BlackBerry

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---

**From:** [REDACTED]

**To:** Pascual, Carlos (Mexico City)

**Sent:** Thu Mar 10 01:52:52 2011

**Subject:** Urgent -- Fast and Furious Case

Colleagues,



DP




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Carlos

Our original points:



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**Cc:** Feeley, John D (Mexico City)  
**Sent:** Thu Mar 10 00:35:24 2011  
**Subject:** draft

Carlos, following this evening's meeting <sup>DP</sup>





DP

- *Project Gunrunner*, implemented in 2006 as ATF's southwest border strategy, works in conjunction with its domestic and international law enforcement partners to identify, disrupt and dismantle the firearms trafficking infrastructure of criminal organizations operating in Mexico and along the border.
- Though primarily a border strategy, *Project Gunrunner* has targeted and prosecuted firearms trafficking organizations in all parts of the United States, from Minnesota to Florida to all our border states, where ATF tracing data and intelligence has provided valuable leads in identifying individuals bent on providing guns to the cartels.
- Today, there are over 4,600 open *Project Gunrunner* investigations throughout the United States looking into the firearm traffickers that bring such violence to Mexico.
- Since its 2006 inception, ATF's *Project Gunrunner* investigations have seized in excess of 10,000 firearms and 1.1 million rounds of ammunition destined for Mexico.
- In December 2009, ATF deployed Spanish eTrace, which allows our Mexican law enforcement partners and other Spanish-speaking nations to enter information about recovered crime guns into ATF's National Tracing Center. eTrace allows law enforcement representatives to electronically submit firearm trace requests, to retrieve completed trace results and to query firearm trace-related data in a real-time environment.
- *Project Gunrunner* proves that valuable investigative information is obtained when all crime guns are traced. Numerous illegal purchasers have been found and trafficking networks investigated and prosecuted.
- Since 2009, ATF has tripled its *Project Gunrunner* personnel in Mexico which has increased its capabilities for intelligence sharing and scene response. As a result, the Government of Mexico is able to perfect additional cases and prosecute offenders.
- As part of ATF's *Project Gunrunner* contributions within the Merida initiative, ATF continues to train Government of Mexico officials in firearms and explosives identification, firearms tracing procedures, post blast investigations, crisis negotiations, and canine explosive training.
- ATF has partnered with the Government of Mexico to create the **Combined Explosives Investigation Team (CEIT)**. This team is a deployable, bi-national unit composed of Mexican law enforcement officers, ATF Special Agents, and ATF Explosives Enforcement Officers. The team responds to, and investigates, the rapidly increasing number of incidents involving the use or recovery of improvised explosive devices (IED's) and Vehicle Bourne Improvised Explosive Devices (VBIED's) in Mexico.
- ATF personnel attached to the CEIT's are specialist Explosive Enforcement Officers (EEO's), physically located in various U.S. consular offices throughout Mexico. This allows broader coverage and a more rapid response wherever the scenes may be.

- ATF has partnered with Immigration and Customs Enforcement (ICE) and the Government of Mexico to form the DC Arms Group. Based in Washington, DC, this group is a multi-agency effort to coordinate strategic efforts of the participating agencies.
- Further *Project Gunrunner* statistics, FY 2006 – 2010 (only that information coded as Project Gunrunner, not ATF as a whole):
  - 2,451 defendants have been recommended for prosecution.
  - 809 defendants are serving an average of 104 months in prison and an additional 260 are under the supervision of the court for an average of 39 months
  - 300 defendants have been convicted and await their sentence.
  - 1,573 defendants (64% of all defendants recommended for prosecution) faced charges related to firearms trafficking.
  - ATF conducted 11,745 firearms licensee compliance inspections.
  - ATF Industry Operations Investigators (IOIs) identified 92,871 firearms that FFLs could not locate in inventory or account for by sale or other disposition. By working with industry members, IOIs located either the firearms or records to confirm the disposition of 76,436, or 82% of the missing firearms.
  - ATF's IOIs reviewed over 1.75 million firearm transaction records to both validate their correct and accurate completion as well as glean investigative leads regarding patterns of purchases.
- The cornerstone of Project Gunrunner is intelligence-driven firearms trafficking investigations. ATF gathers intelligence from FFL's, ballistic and forensic analysis, and tracing data, in addition to using traditional intelligence sources and methods. This information is shared with our partners from DEA, ICE, CBP, and our Mexican counterparts to form a multi-layered approach to disrupting firearms trafficking and drug-related violence.
- Project Gunrunner's objective is to deny Mexican drug cartels the "tools of the trade," which they employ to murder civilians, as well as political, military, and law enforcement figures, in order to strengthen their grip on the lucrative drug and firearms routes into and out of the United States. To this end, the Administration has looked to ATF to find solutions to shut down the firearms trafficking organizations affiliated with the Mexican cartels, and to reduce the violence associated with cartel activity on both sides of the border.
- Based on its combined regulatory and criminal enforcement authorities, ATF has the unique expertise required to investigate domestic and international weapons trafficking,

and the unparalleled capabilities and resources to develop actionable intelligence regarding the illegal trafficking of firearms and explosives.

- In April 2009, ATF developed the Gun Runner Impact Team (GRIT) initiative as a supplement 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, focuses on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico and information obtained from the inspection of Federal firearms licensees (FFLs). GRIT's deployments to Houston in 2009 and Phoenix in 2010 involved surges in ATF personnel of 80-100 employees for 100-120 days.

### **Expansion:**

- In 2009, ATF established new offices dedicated to Project Gunrunner firearms trafficking investigations in McAllen, Texas, El Centro, California, and Las Cruces, New Mexico, including a satellite office in Roswell, New Mexico. ATF also added new Gunrunner teams in Phoenix and Houston and added 12 new industry operations investigators (IOIs) to Southwest border offices. In addition, a total of four special agents were located in consulate offices in Juarez and Tijuana, Mexico to provide investigative support to the government of Mexico.
- These new Gunrunner offices are based both on ATF tracing and intelligence data, and that of National Drug Intelligence Center (NDIC) data confirming Mexican cartel centers of activity in the United States.
- As of August 2010, ATF has 224 special agents, 165 IOIs and 32 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, with plans for 2011 to open new Gunrunner offices in Sierra Vista, Arizona and Brownsville, Texas. Additional expansion plans for Mexico include the opening of three new offices located in Hermosillo, Guadalajara and Mérida, as well as adding additional staff to the ATF Mexico Country Office (MCO) in Mexico City.
- ATF has established an ES-1811, Country Attaché in Mexico City, Mexico. The SES-level Attaché will work closely with the AD and DAD, Field Operations, the Chief of the International Affairs Office, the Southwest border SACs, and others on matters pertaining to Mexico. The Attaché will significantly assist in developing overall strategies, goals, and objectives for ATF representation and operational activity in Mexico; conduct studies of criminal activities; and develop criteria for measuring and evaluating accomplishments, results, and effectiveness.

### **Deployment of eTrace in Mexico**

- eTrace provides for the electronic exchange of crime gun incident-related data in a secure Web-based environment. eTrace allows law enforcement officials to electronically submit their trace requests to ATF, monitor the progress of traces, retrieve completed trace results, and to query firearm trace related data in a real-time environment.
- Over 50 countries around the world trace firearms through ATF, and approximately 30 countries utilize the full benefits of eTrace.
- In December 2009, ATF deployed a Spanish version of eTrace to Mexico. This will improve Mexico's law enforcement tracing results and will assist Mexican authorities in developing investigative leads in their native language.
- In addition, eTrace will enable ATF and Mexican authorities to timely share intelligence and investigative leads, and undertake joint action in the investigations of cross-border firearms traffickers.
- ATF continues to work with the Government of Mexico to make firearms tracing in that country more comprehensive, thereby ensuring the accurate tracing of all known recovered/seized firearms.

**From:** [REDACTED]  
**Sent:** Tuesday, April 26, 2011 11:45 AM  
**To:** McDermond, James E.  
**CC:** [REDACTED], Office of Legislative Affairs  
**Subject:** fyi

Rep. Darrell Issa (R-CA), Chairman of the House Committee on Oversight and Government Reform, answers questions regarding ATF's 'Project Gunrunner', the Committee's role in investing 'Project Gunrunner', and the issuance of a subpoena to the ATF for documents relating to 'Project Gunrunner' and 'Operation Fast and Furious'.

<http://oversight.house.gov/>

Link to the video:

[http://www.youtube.com/watch?v=i-XqhOIYWf8&feature=player\\_embedded#at=117](http://www.youtube.com/watch?v=i-XqhOIYWf8&feature=player_embedded#at=117)

[REDACTED]  
DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives  
Chief - Office of Legislative Affairs

(b) (6) (mobile1)  
(mobile2)  
202.648 (b) (7)(C) (office)  
202.648.9708 (fax)

\*\*\*\*\*

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This letter responds to your request for information concerning Operation Fast and Furious, an ongoing criminal investigation into an extensive gun-trafficking enterprise. Operation Fast and Furious is part of ATF's initiative Project Gunrunner, which deals with weapons trafficking along the U.S. Southwest Border. As of March 2010, Project Gunrunner led to the arrest of 1,397 defendants — 850 of which had been convicted — and the seizure of more than 6,688 firearms.

The Fast and Furious investigation was opened over a year ago and approved by the ATF Phoenix Field Division and the United States Attorney's Office for the District of Arizona, consistent with established procedures for such matters. The investigation was subsequently approved by the multi-agency Organized Crime and Drug Enforcement Task Force Program. The purpose of the investigation is to dismantle a transnational organization believed to be responsible for trafficking weapons into Mexico, in part by prosecuting its leadership. The investigation is led by a dedicated team of federal prosecutors and ATF agents. To date, this investigation has resulted in an indictment charging 20 defendants with conspiracy to purchase hundreds of firearms from September 2009 to December 2010.

Allegations in the media and elsewhere suggest that Operation Fast and Furious was a failed effort. To the contrary, the investigation has dismantled a large, complex international firearms trafficking organization, and the investigation is still ongoing. Without the perseverance of this multi-agency task force, this sophisticated criminal network would still be trafficking hundreds of weapons into Mexico today and in the future.

Operation Fast and Furious neither involved a "sting" in Mexico nor any "controlled deliveries" of weapons into Mexico. At no time did ATF agents observe weapons from Operation Fast and Furious cross into Mexico. There were no undercover law enforcement officers involved in Operation Fast and Furious and ATF did not provide weapons to suspects in that investigation.

The Department of Justice has a long standing policy against the disclosure of non-public information about ongoing criminal investigations. This policy is based, in part, on the strong interest in protecting the effectiveness of ongoing law enforcement efforts. Therefore, I am unable to share with you any of the particular details of Operation Fast and Furious.

**From:** [REDACTED]  
**Sent:** Thursday, April 21, 2011 10:40 AM  
**To:** [REDACTED]  
**CC:** [REDACTED]  
**Subject:** FW: Letter to Marseille  
**Attachments:** Mexico letter.docx

[REDACTED]

Use this draft letter by Director Melson as the platform for your narrative. Apparently it is a response letter. Meld your narrative info with his letter and make sure to note any information we may need to verify for complete accuracy.

[REDACTED]

[REDACTED]

Deputy Chief  
ATF - Public Affairs Division  
Direct) 202-[REDACTED]  
Main) 202-[REDACTED]

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**From:** McDermond, James E.  
**Sent:** Thursday, April 21, 2011 10:35 AM  
**To:** [REDACTED]  
**Subject:** FW: Letter to Marseille

[REDACTED]

Attached is the draft letter created by the Director. Please compare your narrative to this draft.



Jim

\*\*\*\*\*

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---

**From:** Hoover, William J.  
**Sent:** Wednesday, April 20, 2011 7:21 AM  
**To:** McDermond, James E.  
**Subject:** FW: Letter to Marisella

Jim,

Please see the attached from the Director re our conversation last night. This is his shot at the narrative.

Thank you,

Billy

William J. Hoover  
Deputy Director  
Bureau of Alcohol, Tobacco, Firearms & Explosives  
O) 202-648-8710

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**From:** [REDACTED]  
**Sent:** Tuesday, April 19, 2011 9:58 PM  
**To:** Hoover, William J.  
**Cc:** Melson, Kenneth E.  
**Subject:** Letter to Marisella

this could be a start. All except a small part taken from DOJ responses to Congress. Ken.

This letter responds to your request for information concerning Operation Fast and Furious, an ongoing criminal investigation of an extensive gun-trafficking enterprise. Operation Fast and Furious is a part of Project Gunrunner, a broad ATF initiative to deal with weapons trafficking along the Southwest Border. As of March 2010, Project Gunrunner had led to the arrest of 1,397 defendants --850 of which had been convicted--and the seizure of over 6,688 firearms.

Operation Fast and Furious was opened over a year ago and approved by the ATF Phoenix Field Office and the United States Attorney's Office for the District of Arizona, consistent with established procedures for such matters. The investigation was subsequently approved by the multi-agency Organized Crime and Drug Enforcement Task Force Program. The purpose of the investigation is to dismantle a transnational organization believed to be responsible for trafficking weapons into Mexico, in part by prosecuting its leadership. The investigation is led by a dedicated team of Federal prosecutors and ATF agents. To date, this investigation has resulted in an indictment charging 20 defendants with conspiracy to purchase hundreds of firearms from September 2009 to December 2010.

Allegations in the media and elsewhere suggest that Operation Fast and Furious was a failed effort. To the contrary, the investigation has dismantled a large, complex, international firearms trafficking case, and the investigation has not concluded. Without the perseverance of this multi-agency task force, this sophisticated criminal network would still be trafficking hundreds of weapons into Mexico today and in the future.

Operation Fast and Furious neither involved a "sting" in Mexico nor any "controlled deliveries" of weapons into Mexico. At no time did ATF agents observe weapons from Operation Fast and Furious cross into Mexico. There were no undercover law enforcement officers involved in Operation Fast and Furious and ATF did not provide weapons to suspects in that investigation.

The Department of Justice has a long standing policy against the disclosure of non-public information about ongoing criminal investigations. This policy is based, in part, on the strong interest in protecting the effectiveness of ongoing law enforcement efforts. Therefore, I am unable to share with you any particular details of Operation Fast and Furious.

**From:** [REDACTED]  
**Sent:** Wednesday, April 20, 2011 11:22 PM  
**To:** [REDACTED]; [REDACTED]  
**Subject:** Fw: Briefing Requests on Gunrunner

???

\*\*\*\*\*

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**From:** [REDACTED]  
**To:** [REDACTED]  
**Sent:** Wed Apr 20 16:19:15 2011  
**Subject:** FW: Briefing Requests on Gunrunner

[REDACTED] were there any updated Gunrunner talking points drafted?

[REDACTED]  
ATF National Coordinator  
Southwest Border/Project Gunrunner

(202) [REDACTED]  
[REDACTED]@bell

**From:** [REDACTED]  
**To:** Burton, Faith (SMO); Wade, Jill C (SMO); Weich, Ron (SMO); Gaston, Molly (SMO)  
**Cc:** McDermond, James E.; [REDACTED] Axelrod, Matthew (ODAG) (SMO); [REDACTED]; Kornegay, Zina R.  
**Sent:** Mon Apr 11 11:51:33 2011  
**Subject:** RE: Briefing Requests on Gunrunner

We are awaiting some direction regarding a response. DP [REDACTED]

DP [REDACTED]  
DP [REDACTED] Realize that the lion's share of these "requests" are the Grassley/Issa letters. The multiple requests you see from Lugar and Warner are just "staple-ons" where they are forwarding a constituent's concerns (emails) for a response. I believe we have forwarded all of these to OLA.

Has the Lamar Smith response letter issued?

[REDACTED]  
DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives

[REDACTED]  
[REDACTED] (mobile1)  
[REDACTED] (mobile2)

\*\*\*\*\*

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---

**From:** Burton, Faith (SMO) [mailto:(b) (6)]  
**Sent:** Monday, April 11, 2011 11:42 AM  
**To:** [redacted]; Wade, Jill C (SMO); Weich, Ron (SMO); Gaston, Molly (SMO)  
**Cc:** McDermond, James E.; [redacted]; Axelrod, Matthew (ODAG) (SMO)  
**Subject:** RE: Briefing Requests on Gunrunner

[redacted] adding Matt Axelrod, who has the lead on these issues. How have you responded to these requests -- other than the briefings to SJC staff we provided?

---

**From:** [redacted] (ATF)  
**Sent:** Monday, April 11, 2011 11:37 AM  
**To:** Wade, Jill C (SMO); Weich, Ron (SMO); Burton, Faith (SMO); Gaston, Molly (SMO)  
**Cc:** McDermond, James E. (ATF); [redacted] (ATF)  
**Subject:** FW: Briefing Requests on Gunrunner

Here is an updated list of congressionals/briefing requests related to Project Gunrunner and/or the Fast & Furious case as of Apr 11th. Schiff and Chu were added due to verbal requests to ATF that were not captured in Capitol Correspond previously. Other members in bold represent recently received written requests.

<u>Member</u>	<u>Date of Request</u>
Representative Eliot Engel	11/15/2010
Senator Charles Grassley	02/09/2011
Senator Charles Grassley	02/16/2011
Senator Charles Grassley	03/04/2011
Senator Charles Grassley	03/01/2011
Senator Charles Grassley	01/27/2011
Senator Charles Grassley	01/31/2011

## Employee 5

<b>Representative Adam Schiff</b>	<b>02/09/2011</b>
Senator Mark Warner	02/11/2011
Senator Mark Warner	02/17/2011
<b>Senator Mark Warner</b>	<b>04/01/2011</b>
Representative Lamar Smith	03/09/2011
Senator Richard Lugar	02/24/2011
Senator Richard Lugar	03/17/2011
Senator Richard Lugar	03/17/2011
Senator Richard Lugar	03/17/2011
Senator Richard Lugar	03/17/2011
<b>Senator Richard Lugar</b>	<b>03/24/2011</b>
<b>Senator Richard Lugar</b>	<b>03/25/2011</b>
<b>Representative Judy Chu</b>	<b>03/03/2011</b>
Senator Patrick Leahy	03/09/2011
Representative Darrell Issa	03/16/2011
Representative Frank Wolf	03/23/2011
Senator Susan Collins	03/31/2011

From: [REDACTED]  
Sent: Employee 5, April 20, 2011 11:10:49 AM 233  
To: Weich, Ron (SMO); Agrast, Mark D. (SMO); 'Molly.Gastor [REDACTED] Burton, Faith  
(SMO); [REDACTED]; [REDACTED] McDermond, James E.  
Subject: Issa Letter?

Did Issa send a new letter?

\*\*\*\*\*

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The Department of Justice has a long standing policy against the disclosure of non-public information about ongoing criminal investigations. This policy is based, in part, on the strong interest in protecting the effectiveness of ongoing law enforcement efforts. Therefore, I am unable to share with you any particular details of Operation Fast and Furious.



## PATRICK J. LEAHY, VERMONT, CHAIRMAN

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# United States Senate

COMMITTEE ON THE JUDICIARY  
 WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*  
 KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

April 13, 2011

## VIA ELECTRONIC TRANSMISSION

The Honorable Eric H. Holder, Jr.  
 Attorney General  
 U.S. Department of Justice  
 950 Pennsylvania Avenue, N.W.  
 Washington, DC 20530

Dear Attorney General Holder:

At approximately 1:30 p.m. yesterday, my staff learned that the Justice Department was making four documents available at 2:00 pm for Chairman Darrell Issa's staff to review regarding the controversy over ATF's Project Gunrunner, Operation Fast and Furious, and the death of Border Patrol Agent Brian Terry. These documents are among those I requested in February of this year. Yet, the Justice Department refused to make them available for my staff to review. In fact, the Justice Department has produced not one single page of documents in response to my inquiries.

Thus far, I have not requested that Chairman Leahy join in any document requests, consider any subpoenas, or schedule any hearings into this matter in the Senate Judiciary Committee. Any such request would be unnecessary and duplicative of the process on the House side, so long as any documents provided there are also provided to the Senate Judiciary Committee at the same time.

The Department's failure to cooperate with my requests is especially troubling in light of the February 4, 2011, reply to my initial letter. In that reply, the Justice Department took the position that those allegations were "false" and specifically denied "that ATF 'sanctioned' or otherwise knowingly allowed the sale of assault weapons" to straw purchasers. The letter further claimed that "ATF makes every effort to interdict weapons that have been purchased illegally and prevent their transportation to Mexico."

I already provided evidence contradicting that denial in my February 9 and March 3 letters. In addition, attached you will find further documentation undermining the Department's assertion. Specifically, the documents are emails between ATF officials and a Federal Firearms Licensee (FFL) in Arizona. These emails demonstrate that ATF instructed gun dealers to engage in suspicious sales despite the dealers'

concerns. The emails refer to meetings between the FFL and the U.S. Attorney's office to address the concerns being raised by the FFL. ATF supervisor David Voth wrote on April 13, 2010:

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. ... However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into [in] detail.<sup>1</sup>

In response, the gun dealer expresses concern about potential future liability and sought something in writing to address the issue explicitly:

For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys.<sup>2</sup>

Following this email, the ATF arranged a meeting between the FFL and the U.S. Attorney's office. According to the FFL, the U.S. Attorney's office scheduled a follow-up meeting with the FFL, but asked that the FFL's attorney not be present.<sup>3</sup>

At the meeting on May 13, 2010, the U.S. Attorney's office declined to provide anything in writing but assured the gun dealer in even stronger terms that there were safeguards in place to prevent further distribution of the weapons after being purchased from his business.<sup>4</sup> As we now know, those assurances proved to be untrue. On June 17, 2010, the gun dealer wrote to the ATF to again express concerns after seeing a report on Fox News about firearms and the border:

The segment, if the information was correct, is disturbing to me. When you, [the Assistant U.S. Attorney], and I met on May 13th, I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. ... I want to help ATF with its investigation but not at the risk of agents' safety because I have some very close friends that are U.S. Border Patrol agents in southern AZ[.]<sup>5</sup>

---

<sup>1</sup> Email from ATF Group VII Supervisor David Voth to Cooperating FFL, Apr. 13, 2010 (Attached).

<sup>2</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Apr. 13, 2010 (Attached).

<sup>3</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>4</sup> *Id.*

<sup>5</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Jun. 17, 2010 (Attached).

Incredibly, the FFL sent this email six months before guns from the same ATF operation were found at the scene of Border Patrol Agent Brian Terry's murder. So, not only were the ATF agents who later blew the whistle predicting that this operation would end in tragedy, so were the gun dealers—even as ATF urged them to make the sales.

Furthermore, according to the FFL, there were “one or two” occasions on which his employees actually witnessed and recorded with surveillance cameras an exchange of money between the straw purchaser and another individual on the premises.<sup>6</sup> Despite this actual knowledge of a straw purchase, the dealer said ATF officials wanted him to proceed with the transaction.<sup>7</sup> However, his employees refused to process the sale.<sup>8</sup>

In light of this new evidence, the Justice Department's claim that the ATF never knowingly sanctioned or allowed the sale of assault weapons to straw purchasers is simply not credible. As you know, I have multiple document and information requests pending with various components of the Justice Department. Unfortunately, however, it appears that senior Department officials are not allowing the components to respond fully and directly.

Please provide written answers to the following questions by no later than April 20, 2011:

1. Do you stand by the assertion in the Department's reply that the ATF whistleblower allegations are “false” and specifically that ATF did not sanction or otherwise knowingly allow the sale of assault weapons to straw purchasers? If so, please explain why in light of the mounting evidence to the contrary.
2. Will you commit to providing the Senate Judiciary Committee with documents, or access to documents, simultaneously with the House Committee on Oversight and Government Reform? If not, please explain why not.

---

<sup>6</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

If you have any questions regarding this request, please have your staff contact Jason Foster at (202) 224-5225. Thank you for your prompt attention these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles E. Grassley".

Charles E. Grassley  
Ranking Member

Attachment

cc: Chairman Patrick Leahy  
U.S. Senate Committee on the Judiciary  
  
Chairman Darrell Issa  
U.S. House Committee on Oversight and Government Reform

Employee 5

# Ongoing ATF investigation

6 messages

[REDACTED] @usdoj.gov> Tue, Apr 13, 2010 at 9:24 AM

To: Cooperating FFL

Cc: ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. I totally understand and am not in a position to tell you how to run your business. However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into detail. We are working in conjunction with the United States Attorney's Office (Federal Prosecutors) to secure the most comprehensive case involving the different facets of this organization. If it puts you at ease I can schedule a meeting with the Attorney handling the case and myself to further discuss this issue. Just know that we cannot instruct you on how to run your business but your continued cooperation with our office has greatly aided the investigation thus far.

Thanks again and please let me know how I can be of service to you.

Respectfully,

[REDACTED]  
Group Supervisor

Phoenix Group VII

602-[REDACTED]

Cooperating FFL [REDACTED] Tue, Apr 13, 2010 at 1:29 PM

To: [REDACTED] @usdoj.gov>

Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

[REDACTED]

[REDACTED]

Employee 5

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items.

We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[Redacted signature block]

[Redacted block]

[Redacted block]

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Tue, Apr 13, 2010 at 1:29 PM

To: [Redacted]

Delivery to the following recipient failed permanently:

[Redacted recipient address]

Technical details of permanent failure:

Message rejected. Please visit [http://www.google.com/mail/help/bulk\\_mail.html](http://www.google.com/mail/help/bulk_mail.html) to review our Bulk Email Senders Guidelines.

[Redacted block]

[Redacted block]

[REDACTED]

From: Cooperating FFL  
To: [REDACTED] <[REDACTED]@usdoj.gov>  
Cc: Cooperating FFL [REDACTED] ATF Agent <[REDACTED]@usdoj.gov>, ATF Agent <[REDACTED]@usdoj.gov>, Cooperating FFL <[REDACTED]@usdoj.gov>

[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Employee 5

Cooperating FFL

[REDACTED]

Tue, Apr 13, 2010 at 1:31 PM

----- Forwarded message -----

From: Cooperating FFL  
Date: Tue, Apr 13, 2010 at 1:29 PM  
Subject: Re: Ongoing ATF investigation  
To: [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]  
<[REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov, [REDACTED]  
Cooperating FFL

[REDACTED]

Thu, Apr 15, 2010 at 9:23 AM

To: Cooperating FFL [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]  
[REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov

Cooperating FFL

We at ATF consider [REDACTED] Cooperating FFL [REDACTED] to be our ally in Project Gunrunner SWB Initiative and appreciate your cooperation with us in regards to this (and all) law enforcement matters. I have inquired from the Assistant United States Attorney (AUSA) handling this case as to his availability to meet with you next week. He is checking his schedule and I expect to hear from him soon.



Employee 5

294

Thanks again and please contact me any time with questions or concerns,

[Redacted]

Group Supervisor

Phoenix Group VII

602-[Redacted]

---

**From:** Cooperating FFL [Redacted]  
**Sent:** Tuesday, April 13, 2010 1:30 PM  
**To:** [Redacted]  
**Cc:** Cooperating FFL [Redacted]; ATF Agent [Redacted]; ATF Agent [Redacted]; ATF Agent [Redacted]; Cooperating FFL [Redacted]  
**Subject:** Re: Ongoing ATF investigation

[Redacted]

[Redacted]

---

Cooperating FFL [Redacted] Thu, Apr 15, 2010 at 10:39 AM  
**To:** [Redacted]@usdoj.gov>  
**Cc:** Cooperating FFL [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>

Thank you for the kind words and the continued support. We will continue handling the transactions as we have in the past until we meet. If there is anything you need in the interim please don't hesitate to ask.

See you soon.

Respectfully,

Cooperating FFL [Redacted]

[Redacted]

[Redacted]

Employee 5

# Fox News report

3 messages

Cooperating FFL

To: [redacted]@usdoj.gov>

Thu, Jun 17, 2010 at 11:56 AM

I hope this email finds you well.

As per our discussion about over communicating I wanted to share some concerns that came up. Tuesday night I watched a segment of a Fox News report about firearms and the border. The segment, if the information was correct, is disturbing to me. When you, Emory and I met on May 13th I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. I guess I am looking for a bit of reassurance that the guns are not getting south or in the wrong hands. I know it is an ongoing investigation so there is limited information you can share with me. But as I said in our meeting, I want to help ATF with its investigation but not at the risk of agents safety because I have some very close friends that are US Border Patrol agents in southern AZ as well as my concern for all the agents safety that protect our country. If possible please email me back and share with me any reassurances that you can.

As always thank you for your time and I send this email with all respect and a hart felt concern to do the right thing.

Respectfully,

Cooperating FFL

[redacted signature block]

[redacted signature block]

To: Cooperating FFL [redacted]@usdoj.gov>

Fri, Jun 18, 2010 at 2:25 PM

[redacted footer]

Employee 5

Cooperating FFL

Thanks for reaching out to me with your concerns. I would be happy to stop by and speak with you. If possible I have [redacted] next Tuesday, June 22, 2010. Any chance you are available that day around 10:00-10:30 am?

Thanks,

[redacted]

From: [redacted] Cooperating FFL  
Sent: Thursday, June 17, 2010 11:56 AM  
To: [redacted]  
Subject: Fox News report

[redacted]

Cooperating FFL  
Reply To: Cooperating FFL  
To: [redacted]@usdoj.gov

Mon, Jun 21, 2010 at 9:34 PM

I am back intown. If you are still free to meet on the 22nd [redacted] around 10 and there for a few hours. Please stop by if you are available, if not let me know when we can reschedule.

Thank you,

Cooperating FFL

Sent from my Verizon Wireless BlackBerry

From: [redacted]@usdoj.gov  
Date: Fri, 18 Jun 2010 17:25:25 -0400  
To: Cooperating FFL  
Subject: RE: Fox News report

[redacted]

[redacted]

**From:** [REDACTED]  
**Sent:** Thursday, April 14, 2011 9:11 AM  
**To:** [REDACTED]  
**Subject:** FW: Lamar Smith  
**Attachments:** Chairman Smith Response - 4 4 11.pdf

[REDACTED]  
DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives  
Chief - Office of Legislative Affairs

[REDACTED] (mobile1)  
[REDACTED] (mobile2)  
202 [REDACTED] (office)  
202.648.9708 (fax)

\*\*\*\*\*

**NOTICE:** This e-mail message and any attached files are intended solely for the use of the addressee(s) named above in connection with official business. This communication may contain Sensitive But Unclassified information that may be statutorily or otherwise prohibited from being released without appropriate approval. Any review, use, or dissemination of this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or the Department of Justice without express authorization is strictly prohibited.

---

**From:** Gaston, Molly (SMO) [mailto:[REDACTED]]  
**Sent:** Wednesday, April 13, 2011 3:00 PM  
**To:** [REDACTED]; Burton, Faith (SMO); Weich, Ron (SMO)  
**Cc:** [REDACTED]  
**Subject:** RE: Lamar Smith

---

**From:** [REDACTED] (ATF)  
**Sent:** Wednesday, April 13, 2011 2:53 PM  
**To:** Gaston, Molly (SMO); Burton, Faith (SMO); Weich, Ron (SMO)  
**Cc:** [REDACTED] (ATF)  
**Subject:** Lamar Smith

Did OLA respond to this?

[REDACTED]  
DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives  
Chief - Office of Legislative Affairs

[REDACTED] (mobile1)  
[REDACTED] (mobile2)  
202 [REDACTED] (office)  
202.648.9708 (fax)

From: [REDACTED]  
 Sent: Employee 5, April 14, 2011 9:09:43 AM  
 To: [REDACTED]; [REDACTED]  
 Subject: FW: Emailing: 2011-04-13 CEG to DOJ (ATF)

Attachments: 2011-04-13 CEG to DOJ (ATF).pdf

fyi

[REDACTED]  
 DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives  
 Chief - Office of Legislative Affairs

[REDACTED] (mobile1)  
 [REDACTED] (mobile2)  
 202.[REDACTED] (office)  
 202.648.9708 (fax)

\*\*\*\*\*

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-----Original Message-----

From: [REDACTED]  
 Sent: Thursday, April 14, 2011 7:34 AM  
 To: [REDACTED]; [REDACTED]; McDermond, James E.  
 Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

[REDACTED]  
 Acting Chief of Staff  
 ATF Office of the Director  
 O: 202-[REDACTED]  
 C: [REDACTED]

\*\*\*\*\*

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----- Original Message -----

From: Axelrod, Matthew (ODAG) [REDACTED]  
 To: Burke, Dennis (USAAZ) [REDACTED]; Cunningham, Patrick (USAAZ) [REDACTED]  
 <PCunningham@usa.doj.gov>; Melson, Kenneth E.; [REDACTED]; Hoover, William J.  
 Sent: Wed Apr 13 22:37:10 2011  
 Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

----- Original Message -----

From: Gaston, Molly (SMO)  
 Sent: Wednesday, April 13, 2011 10:17 PM  
 To: Burton, Faith (SMO); Axelrod, Matthew (ODAG); Colborn, Paul P (SMO)  
 Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

----- Original Message -----

From: Foster, Jason (Judiciary-Rep) [mailto:Jason\_Foster@judiciary-rep.senate.gov]  
Sent: ~~Employee 5~~ Tuesday, April 13, 2011 09:44 PM  
To: Weich, Ron (SMO)  
Cc: CEG (Judiciary-Rep) <CEG@judiciary-rep.senate.gov>; Virkstis, Matthew (Judiciary) <Matthew\_Virkstis@Judiciary-dem.senate.gov>; Castor, Stephen (Stephen.Castor@mail.house.gov) <Stephen.Castor@mail.house.gov>; Gaston, Molly (SMO)  
Subject: Emailing: 2011-04-13 CEG to DOJ (ATF)

305

Ron,

I appreciate the invitation below, and I do need to discuss with you some process concerns about the way forward on this. If there is a convenient time for you tomorrow, please let me know. Senator Grassley has asked me to personally convey some key points for consideration.

Also, attached please find a letter from Senator Grassley to Attorney General Holder. Please ensure that all official correspondence is sent in electronic format to ceg@judiciary-rep.senate.gov (cc'd above). Thanks.

Cordially,  
Jason A. Foster  
Chief Investigative Counsel

Charles E. Grassley, Ranking Member  
Committee on the Judiciary  
152 Dirksen Senate Office Building  
United States Senate

Direct: (202) 224-7142

---

From: Weich, Ron (SMO) [mailto: ]  
Sent: Tuesday, March 08, 2011 11:20 AM  
To: Davis, Kolan (Judiciary-Rep)  
Cc: Lari, Rita (Judiciary-Rep); Foster, Jason (Judiciary-Rep)  
Subject: RE: Letter to Senator Grassley, 3/8/11

Fine, up to you. I just want you to know that I am always available to discuss process concerns, even on matters where we can't get into substance.

PATRICK J. LEAHY, VERMONT, CHAIRMAN

HERB KOHL, WISCONSIN  
DIANNE FEINSTEIN, CALIFORNIA  
CHARLES E. SCHUMER, NEW YORK  
RICHARD J. DURBIN, ILLINOIS  
SHELDON WHITEHOUSE, RHODE ISLAND  
AMY KLOBUCHAR, MINNESOTA  
AL FRANKEN, MINNESOTA  
CHRISTOPHER A. COONS, DELAWARE  
RICHARD BLUMENTHAL, CONNECTICUT

CHARLES E. GRASSLEY, IOWA  
ORRIN G. HATCH, UTAH  
JON KYL, ARIZONA  
JEFF SESSIONS, ALABAMA  
LINDSEY O. GRAHAM, SOUTH CAROLINA  
JOHN CORNYN, TEXAS  
MICHAEL S. LEE, UTAH  
TOM COBURN, OKLAHOMA

**United States Senate**

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*  
KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

April 13, 2011

**VIA ELECTRONIC TRANSMISSION**

The Honorable Eric H. Holder, Jr.  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, DC 20530

Dear Attorney General Holder:

At approximately 1:30 p.m. yesterday, my staff learned that the Justice Department was making four documents available at 2:00 pm for Chairman Darrell Issa's staff to review regarding the controversy over ATF's Project Gunrunner, Operation Fast and Furious, and the death of Border Patrol Agent Brian Terry. These documents are among those I requested in February of this year. Yet, the Justice Department refused to make them available for my staff to review. In fact, the Justice Department has produced not one single page of documents in response to my inquiries.

Thus far, I have not requested that Chairman Leahy join in any document requests, consider any subpoenas, or schedule any hearings into this matter in the Senate Judiciary Committee. Any such request would be unnecessary and duplicative of the process on the House side, so long as any documents provided there are also provided to the Senate Judiciary Committee at the same time.

The Department's failure to cooperate with my requests is especially troubling in light of the February 4, 2011, reply to my initial letter. In that reply, the Justice Department took the position that those allegations were "false" and specifically denied "that ATF 'sanctioned' or otherwise knowingly allowed the sale of assault weapons" to straw purchasers. The letter further claimed that "ATF makes every effort to interdict weapons that have been purchased illegally and prevent their transportation to Mexico."

I already provided evidence contradicting that denial in my February 9 and March 3 letters. In addition, attached you will find further documentation undermining the Department's assertion. Specifically, the documents are emails between ATF officials and a Federal Firearms Licensee (FFL) in Arizona. These emails demonstrate that ATF instructed gun dealers to engage in suspicious sales despite the dealers'

concerns. The emails refer to meetings between the FFL and the U.S. Attorney's office to address the concerns being raised by the FFL. ATF supervisor David Voth wrote on April 13, 2010:

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. ... However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into [in] detail.<sup>1</sup>

In response, the gun dealer expresses concern about potential future liability and sought something in writing to address the issue explicitly:

For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys.<sup>2</sup>

Following this email, the ATF arranged a meeting between the FFL and the U.S. Attorney's office. According to the FFL, the U.S. Attorney's office scheduled a follow-up meeting with the FFL, but asked that the FFL's attorney not be present.<sup>3</sup>

At the meeting on May 13, 2010, the U.S. Attorney's office declined to provide anything in writing but assured the gun dealer in even stronger terms that there were safeguards in place to prevent further distribution of the weapons after being purchased from his business.<sup>4</sup> As we now know, those assurances proved to be untrue. On June 17, 2010, the gun dealer wrote to the ATF to again express concerns after seeing a report on Fox News about firearms and the border:

The segment, if the information was correct, is disturbing to me. When you, [the Assistant U.S. Attorney], and I met on May 13th, I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. ... I want to help ATF with its investigation but not at the risk of agents' safety because I have some very close friends that are U.S. Border Patrol agents in southern AZ[.]<sup>5</sup>

---

<sup>1</sup> Email from ATF Group VII Supervisor David Voth to Cooperating FFL, Apr. 13, 2010 (Attached).

<sup>2</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Apr. 13, 2010 (Attached).

<sup>3</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>4</sup> *Id.*

<sup>5</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Jun. 17, 2010 (Attached).



Incredibly, the FFL sent this email six months before guns from the same ATF operation were found at the scene of Border Patrol Agent Brian Terry's murder. So, not only were the ATF agents who later blew the whistle predicting that this operation would end in tragedy, so were the gun dealers—even as ATF urged them to make the sales.

Furthermore, according to the FFL, there were “one or two” occasions on which his employees actually witnessed and recorded with surveillance cameras an exchange of money between the straw purchaser and another individual on the premises.<sup>6</sup> Despite this actual knowledge of a straw purchase, the dealer said ATF officials wanted him to proceed with the transaction.<sup>7</sup> However, his employees refused to process the sale.<sup>8</sup>

In light of this new evidence, the Justice Department's claim that the ATF never knowingly sanctioned or allowed the sale of assault weapons to straw purchasers is simply not credible. As you know, I have multiple document and information requests pending with various components of the Justice Department. Unfortunately, however, it appears that senior Department officials are not allowing the components to respond fully and directly.

Please provide written answers to the following questions by no later than April 20, 2011:

1. Do you stand by the assertion in the Department's reply that the ATF whistleblower allegations are “false” and specifically that ATF did not sanction or otherwise knowingly allow the sale of assault weapons to straw purchasers? If so, please explain why in light of the mounting evidence to the contrary.
2. Will you commit to providing the Senate Judiciary Committee with documents, or access to documents, simultaneously with the House Committee on Oversight and Government Reform? If not, please explain why not.

---

<sup>6</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

If you have any questions regarding this request, please have your staff contact Jason Foster at (202) 224-5225. Thank you for your prompt attention these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles E. Grassley". The signature is stylized and somewhat cursive.

Charles E. Grassley  
Ranking Member

Attachment

cc: Chairman Patrick Leahy  
U.S. Senate Committee on the Judiciary  
  
Chairman Darrell Issa  
U.S. House Committee on Oversight and Government Reform

Employee 5

# Ongoing ATF investigation

6 messages

[REDACTED] @usdoj.gov> Tue, Apr 13, 2010 at 9:24 AM

To: Cooperating FFL

Cc: ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. I totally understand and am not in a position to tell you how to run your business. However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into detail. We are working in conjunction with the United States Attorney's Office (Federal Prosecutors) to secure the most comprehensive case involving the different facets of this organization. If it puts you at ease I can schedule a meeting with the Attorney handling the case and myself to further discuss this issue. Just know that we cannot instruct you on how to run your business but your continued cooperation with our office has greatly aided the investigation thus far.

Thanks again and please let me know how I can be of service to you.

Respectfully,

[REDACTED]

Group Supervisor

Phoenix Group VII

602-[REDACTED]

Cooperating FFL [REDACTED] Tue, Apr 13, 2010 at 1:29 PM

To: [REDACTED] @usdoj.gov>

Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

[REDACTED]

[REDACTED]

Employee 5

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items.

We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[Redacted signature block]

[Redacted block]

[Redacted block]

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Tue, Apr 13, 2010 at 1:29 PM

To: [Redacted]

Delivery to the following recipient failed permanently:

[Redacted recipient address]

Technical details of permanent failure:

Message rejected. Please visit [http://www.google.com/mail/help/bulk\\_mail.html](http://www.google.com/mail/help/bulk_mail.html) to review our Bulk Email Senders Guidelines.

[Redacted block]

[Redacted block]

[REDACTED]

From: Cooperating FFL  
To: [REDACTED]@usdoj.gov>  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov>, Cooperating FFL [REDACTED]@usdoj.gov>

[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Employee 5

Cooperating FFL

[REDACTED]

Tue, Apr 13, 2010 at 1:31 PM

----- Forwarded message -----

From: Cooperating FFL [REDACTED]  
Date: Tue, Apr 13, 2010 at 1:29 PM  
Subject: Re: Ongoing ATF investigation  
To: [REDACTED]@usdoj.gov  
Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]  
<[REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov, [REDACTED]  
Cooperating FFL [REDACTED]

[REDACTED]

Thu, Apr 15, 2010 at 9:23 AM

To: Cooperating FFL [REDACTED]@usdoj.gov  
Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]  
[REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov

Cooperating FFL

We at ATF consider [REDACTED] Cooperating FFL [REDACTED] to be our ally in Project Gunrunner SWB Initiative and appreciate your cooperation with us in regards to this (and all) law enforcement matters. I have inquired from the Assistant United States Attorney (AUSA) handling this case as to his availability to meet with you next week. He is checking his schedule and I expect to hear from him soon.

Employee 5

314

Thanks again and please contact me any time with questions or concerns,

[REDACTED]  
Group Supervisor

Phoenix Group VII

602-[REDACTED]

---

**From:** Cooperating FFL [REDACTED]  
**Sent:** Tuesday, April 13, 2010 1:30 PM  
**To:** [REDACTED]  
**Cc:** Cooperating FFL [REDACTED]; ATF Agent [REDACTED]; ATF Agent [REDACTED]; ATF Agent [REDACTED]; Cooperating FFL [REDACTED]  
**Subject:** Re: Ongoing ATF investigation

[REDACTED]  
[REDACTED]  
Cooperating FFL [REDACTED]

Thu, Apr 15, 2010 at 10:39 AM

**To:** [REDACTED]@usdoj.gov>  
**Cc:** Cooperating FFL [REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov>

Thank you for the kind words and the continued support. We will continue handling the transactions as we have in the past until we meet. If there is anything you need in the interim please don't hesitate to ask.

See you soon.

Respectfully,

Cooperating FFL [REDACTED]  
[REDACTED]

Employee 5

[REDACTED]

---

## Fox News report

3 messages

Cooperating FFL

To: [REDACTED]@usdoj.gov>

Thu, Jun 17, 2010 at 11:56 AM

I hope this email finds you well.

As per our discussion about over communicating I wanted to share some concerns that came up. Tuesday night I watched a segment of a Fox News report about firearms and the border. The segment, if the information was correct, is disturbing to me. When you, Emory and I met on May 13th I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. I guess I am looking for a bit of reassurance that the guns are not getting south or in the wrong hands. I know it is an ongoing investigation so there is limited information you can share with me. But as I said in our meeting, I want to help ATF with its investigation but not at the risk of agents safety because I have some very close friends that are US Border Patrol agents in southern AZ as well as my concern for all the agents safety that protect our country. If possible please email me back and share with me any reassurances that you can.

As always thank you for your time and I send this email with all respect and a hart felt concern to do the right thing.

Respectfully,

Cooperating FFL

[REDACTED]

[REDACTED]

---

To: Cooperating FFL [REDACTED]@usdoj.gov>

Fri, Jun 18, 2010 at 2:25 PM

[REDACTED]



Employee 5

Cooperating FFL

Thanks for reaching out to me with your concerns. I would be happy to stop by and speak with you. If possible I have [redacted] next Tuesday, June 22, 2010. Any chance you are available that day around 10:00-10:30 am?

Thanks,

[redacted]

From: [redacted] Cooperating FFL  
Sent: Thursday, June 17, 2010 11:56 AM  
To: [redacted]  
Subject: Fox News report

[redacted]

Cooperating FFL  
Reply-To: Cooperating FFL  
To: [redacted]; [redacted]@usdoj.gov

Mon, Jun 21, 2010 at 9:34 PM

I am back intown. If you are still free to meet on the 22nd [redacted] around 10 and there for a few hours. Please stop by if you are available, if not let me know when we can reschedule.

Thank you,

Cooperating FFL

Sent from my Verizon Wireless BlackBerry

From: [redacted]@usdoj.gov  
Date: Fri, 18 Jun 2010 17:25:25 -0400  
To: Cooperating FFL  
Subject: RE: Fox News report

[redacted]

[redacted]

From: [REDACTED]  
Sent: Employee 5, April 14, 2011 8:15:51 AM  
To: [REDACTED]; [REDACTED]; [REDACTED]  
Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

317

Attachments: 2011-04-13 CEG to DOJ (ATF).pdf

[REDACTED]  
Deputy Chief  
Legislative Affairs Division  
Bureau of ATF  
[REDACTED]

\*\*\*\*\*

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----- Original Message -----

From: [REDACTED]  
To: [REDACTED]; [REDACTED]; McDermond, James E.  
Sent: Thu Apr 14 07:34:21 2011  
Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

[REDACTED]  
Acting Chief of Staff  
ATF Office of the Director  
O: 202-[REDACTED]  
C: [REDACTED]

\*\*\*\*\*

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----- Original Message -----

From: Axelrod, Matthew (ODAG) (b) (6)  
To: Burke, Dennis (USAAZ) (b) (6); Cunningham, Patrick (USAAZ)  
(b) (6); Melson, Kenneth E.; [REDACTED]; Hoover, William J.  
Sent: Wed Apr 13 22:37:10 2011  
Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

----- Original Message -----

From: Gaston, Molly (SMO)  
Sent: Wednesday, April 13, 2011 10:17 PM  
To: Burton, Faith (SMO); Axelrod, Matthew (ODAG); Colborn, Paul P (SMO)  
Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

----- Original Message -----

From: Foster, Jason (Judiciary-Rep) [mailto:Jason\_Foster@judiciary-rep.senate.gov]  
Sent: Wednesday, April 13, 2011 09:44 PM  
To: Weich, Ron (SMO)

Cc: CEG (Judiciary-Rep) <CEG@judiciary-rep.senate.gov>; Virkstis, Matthew (Judiciary) <Matthew.Virkstis@Judiciary-dem.senate.gov>; Castor, Stephen (Stephen.Castor@mail.house.gov) <Stephen.Castor@mail.house.gov>; Gaston, Molly (SMO)  
Subject: Emailing: 2011-04-13 CEG to DOJ (ATF)

318

Ron,

I appreciate the invitation below, and I do need to discuss with you some process concerns about the way forward on this. If there is a convenient time for you tomorrow, please let me know. Senator Grassley has asked me to personally convey some key points for consideration.

Also, attached please find a letter from Senator Grassley to Attorney General Holder. Please ensure that all official correspondence is sent in electronic format to ceg@judiciary-rep.senate.gov (cc'd above). Thanks.

Cordially,  
Jason A. Foster  
Chief Investigative Counsel

Charles E. Grassley, Ranking Member  
Committee on the Judiciary  
152 Dirksen Senate Office Building  
United States Senate

Direct: (202) 224-7142

---

From: Weich, Ron (SMO) [mailto:(b) (6)]  
Sent: Tuesday, March 08, 2011 11:20 AM  
To: Davis, Kolan (Judiciary-Rep)  
Cc: Lari, Rita (Judiciary-Rep); Foster, Jason (Judiciary-Rep)  
Subject: RE: Letter to Senator Grassley, 3/8/11

Fine, up to you. I just want you to know that I am always available to discuss process concerns, even on matters where we can't get into substance.

## PATRICK J. LEAHY, VERMONT, CHAIRMAN

HERB KOHL, WISCONSIN  
 DIANNE FEINSTEIN, CALIFORNIA  
 CHARLES E. SCHUMER, NEW YORK  
 RICHARD J. DURBIN, ILLINOIS  
 SHELDON WHITEHOUSE, RHODE ISLAND  
 AMY KLOBUCHAR, MINNESOTA  
 AL FRANKEN, MINNESOTA  
 CHRISTOPHER A. COONS, DELAWARE  
 RICHARD BLUMENTHAL, CONNECTICUT

CHARLES E. GRASSLEY, IOWA  
 ORRIN G. HATCH, UTAH  
 JON KYL, ARIZONA  
 JEFF SESSIONS, ALABAMA  
 LINDSEY O. GRAHAM, SOUTH CAROLINA  
 JOHN CORNYN, TEXAS  
 MICHAEL S. LEE, UTAH  
 TOM COBURN, OKLAHOMA

## United States Senate

COMMITTEE ON THE JUDICIARY  
 WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*  
 KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

April 13, 2011

### VIA ELECTRONIC TRANSMISSION

The Honorable Eric H. Holder, Jr.  
 Attorney General  
 U.S. Department of Justice  
 950 Pennsylvania Avenue, N.W.  
 Washington, DC 20530

Dear Attorney General Holder:

At approximately 1:30 p.m. yesterday, my staff learned that the Justice Department was making four documents available at 2:00 pm for Chairman Darrell Issa's staff to review regarding the controversy over ATF's Project Gunrunner, Operation Fast and Furious, and the death of Border Patrol Agent Brian Terry. These documents are among those I requested in February of this year. Yet, the Justice Department refused to make them available for my staff to review. In fact, the Justice Department has produced not one single page of documents in response to my inquiries.

Thus far, I have not requested that Chairman Leahy join in any document requests, consider any subpoenas, or schedule any hearings into this matter in the Senate Judiciary Committee. Any such request would be unnecessary and duplicative of the process on the House side, so long as any documents provided there are also provided to the Senate Judiciary Committee at the same time.

The Department's failure to cooperate with my requests is especially troubling in light of the February 4, 2011, reply to my initial letter. In that reply, the Justice Department took the position that those allegations were "false" and specifically denied "that ATF 'sanctioned' or otherwise knowingly allowed the sale of assault weapons" to straw purchasers. The letter further claimed that "ATF makes every effort to interdict weapons that have been purchased illegally and prevent their transportation to Mexico."

I already provided evidence contradicting that denial in my February 9 and March 3 letters. In addition, attached you will find further documentation undermining the Department's assertion. Specifically, the documents are emails between ATF officials and a Federal Firearms Licensee (FFL) in Arizona. These emails demonstrate that ATF instructed gun dealers to engage in suspicious sales despite the dealers'

concerns. The emails refer to meetings between the FFL and the U.S. Attorney's office to address the concerns being raised by the FFL. ATF supervisor David Voth wrote on April 13, 2010:

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. ... However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into [in] detail.<sup>1</sup>

In response, the gun dealer expresses concern about potential future liability and sought something in writing to address the issue explicitly:

For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys.<sup>2</sup>

Following this email, the ATF arranged a meeting between the FFL and the U.S. Attorney's office. According to the FFL, the U.S. Attorney's office scheduled a follow-up meeting with the FFL, but asked that the FFL's attorney not be present.<sup>3</sup>

At the meeting on May 13, 2010, the U.S. Attorney's office declined to provide anything in writing but assured the gun dealer in even stronger terms that there were safeguards in place to prevent further distribution of the weapons after being purchased from his business.<sup>4</sup> As we now know, those assurances proved to be untrue. On June 17, 2010, the gun dealer wrote to the ATF to again express concerns after seeing a report on Fox News about firearms and the border:

The segment, if the information was correct, is disturbing to me. When you, [the Assistant U.S. Attorney], and I met on May 13th, I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. ... I want to help ATF with its investigation but not at the risk of agents' safety because I have some very close friends that are U.S. Border Patrol agents in southern AZ[.]<sup>5</sup>

---

<sup>1</sup> Email from ATF Group VII Supervisor David Voth to Cooperating FFL, Apr. 13, 2010 (Attached).

<sup>2</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Apr. 13, 2010 (Attached).

<sup>3</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>4</sup> *Id.*

<sup>5</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Jun. 17, 2010 (Attached).

Incredibly, the FFL sent this email six months before guns from the same ATF operation were found at the scene of Border Patrol Agent Brian Terry's murder. So, not only were the ATF agents who later blew the whistle predicting that this operation would end in tragedy, so were the gun dealers—even as ATF urged them to make the sales.

Furthermore, according to the FFL, there were “one or two” occasions on which his employees actually witnessed and recorded with surveillance cameras an exchange of money between the straw purchaser and another individual on the premises.<sup>6</sup> Despite this actual knowledge of a straw purchase, the dealer said ATF officials wanted him to proceed with the transaction.<sup>7</sup> However, his employees refused to process the sale.<sup>8</sup>

In light of this new evidence, the Justice Department's claim that the ATF never knowingly sanctioned or allowed the sale of assault weapons to straw purchasers is simply not credible. As you know, I have multiple document and information requests pending with various components of the Justice Department. Unfortunately, however, it appears that senior Department officials are not allowing the components to respond fully and directly.

Please provide written answers to the following questions by no later than April 20, 2011:

1. Do you stand by the assertion in the Department's reply that the ATF whistleblower allegations are “false” and specifically that ATF did not sanction or otherwise knowingly allow the sale of assault weapons to straw purchasers? If so, please explain why in light of the mounting evidence to the contrary.
2. Will you commit to providing the Senate Judiciary Committee with documents, or access to documents, simultaneously with the House Committee on Oversight and Government Reform? If not, please explain why not.

---

<sup>6</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

If you have any questions regarding this request, please have your staff contact Jason Foster at (202) 224-5225. Thank you for your prompt attention these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles E. Grassley".

Charles E. Grassley  
Ranking Member

Attachment

cc: Chairman Patrick Leahy  
U.S. Senate Committee on the Judiciary  
  
Chairman Darrell Issa  
U.S. House Committee on Oversight and Government Reform

Employee 5

# Ongoing ATF investigation

6 messages

[REDACTED] @usdoj.gov> Tue, Apr 13, 2010 at 9:24 AM

To: Cooperating FFL

Cc: ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. I totally understand and am not in a position to tell you how to run your business. However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into detail. We are working in conjunction with the United States Attorney's Office (Federal Prosecutors) to secure the most comprehensive case involving the different facets of this organization. If it puts you at ease I can schedule a meeting with the Attorney handling the case and myself to further discuss this issue. Just know that we cannot instruct you on how to run your business but your continued cooperation with our office has greatly aided the investigation thus far.

Thanks again and please let me know how I can be of service to you.

Respectfully,

[REDACTED]

Group Supervisor

Phoenix Group VII

602-[REDACTED]

Cooperating FFL [REDACTED] Tue, Apr 13, 2010 at 1:29 PM

To: [REDACTED] @usdoj.gov>

Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

[REDACTED]

[REDACTED]



Employee 5

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items.

We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[Redacted signature block]

[Redacted block]

[Redacted block]

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Tue, Apr 13, 2010 at 1:29 PM

To: [Redacted]

Delivery to the following recipient failed permanently:

[Redacted recipient address]

Technical details of permanent failure:

Message rejected. Please visit [http://www.google.com/mail/help/bulk\\_mail.html](http://www.google.com/mail/help/bulk_mail.html) to review our Bulk Email Senders Guidelines.

[Redacted block]

[Redacted block]

[REDACTED]

From: Cooperating FFL  
To: [REDACTED]@usdoj.gov>  
Cc: Cooperating FFL, ATF Agent, [REDACTED]@usdoj.gov>, ATF Agent, [REDACTED]@usdoj.gov>, Cooperating FFL

[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Employee 5

Cooperating FFL

[REDACTED]

Tue, Apr 13, 2010 at 1:31 PM

----- Forwarded message -----

From: Cooperating FFL  
Date: Tue, Apr 13, 2010 at 1:29 PM  
Subject: Re: Ongoing ATF investigation  
To: [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, Cooperating FFL

[REDACTED]

Thu, Apr 15, 2010 at 9:23 AM

To: Cooperating FFL [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov

Cooperating FFL

We at ATF consider [REDACTED] Cooperating FFL to be our ally in Project Gunrunner SWB Initiative and appreciate your cooperation with us in regards to this (and all) law enforcement matters. I have inquired from the Assistant United States Attorney (AUSA) handling this case as to his availability to meet with you next week. He is checking his schedule and I expect to hear from him soon.

Employee 5

327

Thanks again and please contact me any time with questions or concerns,

[Redacted]

Group Supervisor

Phoenix Group VII

602-[Redacted]

---

**From:** Cooperating FFL [Redacted]  
**Sent:** Tuesday, April 13, 2010 1:30 PM  
**To:** [Redacted]  
**Cc:** Cooperating FFL [Redacted]; ATF Agent [Redacted]; ATF Agent [Redacted]; ATF Agent [Redacted]; Cooperating FFL [Redacted]  
**Subject:** Re: Ongoing ATF investigation

[Redacted]

[Redacted]

---

Cooperating FFL [Redacted] Thu, Apr 15, 2010 at 10:39 AM  
**To:** [Redacted]@usdoj.gov>  
**Cc:** Cooperating FFL [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>

[Redacted]

Thank you for the kind words and the continued support. We will continue handling the transactions as we have in the past until we meet. If there is anything you need in the interim please don't hesitate to ask.

See you soon.

Respectfully,

Cooperating FFL [Redacted]

[Redacted]

[Redacted]

Employee 5

[Redacted]

[Redacted]

# Fox News report

3 messages

Cooperating FFL  
To [Redacted]@usdoj.gov>

Thu, Jun 17, 2010 at 11:56 AM

I hope this email finds you well.

As per our discussion about over communicating I wanted to share some concerns that came up. Tuesday night I watched a segment of a Fox News report about firearms and the border. The segment, if the information was correct, is disturbing to me. When you, Emory and I met on May 13th I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. I guess I am looking for a bit of reassurance that the guns are not getting south or in the wrong hands. I know it is an ongoing investigation so there is limited information you can share with me. But as I said in our meeting, I want to help ATF with its investigation but not at the risk of agents safety because I have some very close friends that are US Border Patrol agents in southern AZ as well as my concern for all the agents safety that protect our country. If possible please email me back and share with me any reassurances that you can.

As always thank you for your time and I send this email with all respect and a hart felt concern to do the right thing.

Respectfully,

Cooperating FFL  
[Redacted]

[Redacted]

[Redacted]

To: Cooperating FFL [Redacted]@usdoj.gov>

Fri, Jun 18, 2010 at 2:25 PM

[Redacted]

Employee 5

Cooperating FFL

Thanks for reaching out to me with your concerns. I would be happy to stop by and speak with you. If possible I have [redacted] next Tuesday, June 22, 2010. Any chance you are available that day around 10:00-10:30 am?

Thanks,

[redacted]

From: [redacted] Cooperating FFL  
Sent: Thursday, June 17, 2010 11:56 AM  
To: [redacted]  
Subject: Fox News report

[redacted]

Cooperating FFL  
Reply-To: Cooperating FFL  
To: [redacted]; [redacted]@usdoj.gov

Mon, Jun 21, 2010 at 9:34 PM

I am back intown. If you are still free to meet on the 22nd [redacted] around 10 and there for a few hours. Please stop by if you are available, if not let me know when we can reschedule.

Thank you,

Cooperating FFL

Sent from my Verizon Wireless BlackBerry

From: [redacted] [redacted]@usdoj.gov  
Date: Fri, 18 Jun 2010 17:25:25 -0400  
To: Cooperating FFL  
Subject: RE: Fox News report

[redacted]

[redacted]

From: McDermond, James E.  
Sent: Employee 5, April 14, 2011 8:05:51 AM  
To: [REDACTED]  
Subject: FW: Emailing: 2011-04-13 CEG to DOJ (ATF)

330

Attachments: 2011-04-13 CEG to DOJ (ATF).pdf

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-----Original Message-----

From: [REDACTED]  
Sent: Thursday, April 14, 2011 7:34 AM  
To: [REDACTED]; McDermond, James E.  
Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

[REDACTED]  
Acting Chief of Staff  
ATF Office of the Director  
O: 202-[REDACTED]  
C: [REDACTED]

\*\*\*\*\*

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To: Burke, Dennis (USAAZ) <(b) (6)>; Cunningham, Patrick (USAAZ) <(b) (6)>; Melson, Kenneth E.; [REDACTED]; Hoover, William J.  
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To: Burton, Faith (SMO); Axelrod, Matthew (ODAG); Colborn, Paul P (SMO)  
Subject: Fw: Emailing: 2011-04-13 CEG to DOJ (ATF)

----- Original Message -----

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Sent: Wednesday, April 13, 2011 09:44 PM  
To: Weich, Ron (SMO)  
Cc: CEG (Judiciary-Rep) <CEG@judiciary-rep.senate.gov>; Virkstis, Matthew (Judiciary) <Matthew\_Virkstis@Judiciary-dem.senate.gov>; Castor, Stephen (Stephen.Castor@mail.house.gov) <Stephen.Castor@mail.house.gov>; Gaston, Molly (SMO)  
Subject: Emailing: 2011-04-13 CEG to DOJ (ATF)

Ron,

**Employee 5**

331

I appreciate the invitation below, and I do need to discuss with you some process concerns about the way forward on this. If there is a convenient time for you tomorrow, please let me know. Senator Grassley has asked me to personally convey some key points for consideration.

Also, attached please find a letter from Senator Grassley to Attorney General Holder. Please ensure that all official correspondence is sent in electronic format to ceg@judiciary-rep.senate.gov (cc'd above). Thanks.

Cordially,

Jason A. Foster  
Chief Investigative Counsel

Charles E. Grassley, Ranking Member  
Committee on the Judiciary  
152 Dirksen Senate Office Building  
United States Senate

Direct: (202) 224-7142

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Subject: RE: Letter to Senator Grassley, 3/8/11

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## PATRICK J. LEAHY, VERMONT, CHAIRMAN

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 DIANNE FEINSTEIN, CALIFORNIA  
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 TOM COBURN, OKLAHOMA

## United States Senate

COMMITTEE ON THE JUDICIARY  
 WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*  
 KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

April 13, 2011

### VIA ELECTRONIC TRANSMISSION

The Honorable Eric H. Holder, Jr.  
 Attorney General  
 U.S. Department of Justice  
 950 Pennsylvania Avenue, N.W.  
 Washington, DC 20530

Dear Attorney General Holder:

At approximately 1:30 p.m. yesterday, my staff learned that the Justice Department was making four documents available at 2:00 pm for Chairman Darrell Issa's staff to review regarding the controversy over ATF's Project Gunrunner, Operation Fast and Furious, and the death of Border Patrol Agent Brian Terry. These documents are among those I requested in February of this year. Yet, the Justice Department refused to make them available for my staff to review. In fact, the Justice Department has produced not one single page of documents in response to my inquiries.

Thus far, I have not requested that Chairman Leahy join in any document requests, consider any subpoenas, or schedule any hearings into this matter in the Senate Judiciary Committee. Any such request would be unnecessary and duplicative of the process on the House side, so long as any documents provided there are also provided to the Senate Judiciary Committee at the same time.

The Department's failure to cooperate with my requests is especially troubling in light of the February 4, 2011, reply to my initial letter. In that reply, the Justice Department took the position that those allegations were "false" and specifically denied "that ATF 'sanctioned' or otherwise knowingly allowed the sale of assault weapons" to straw purchasers. The letter further claimed that "ATF makes every effort to interdict weapons that have been purchased illegally and prevent their transportation to Mexico."

I already provided evidence contradicting that denial in my February 9 and March 3 letters. In addition, attached you will find further documentation undermining the Department's assertion. Specifically, the documents are emails between ATF officials and a Federal Firearms Licensee (FFL) in Arizona. These emails demonstrate that ATF instructed gun dealers to engage in suspicious sales despite the dealers'

concerns. The emails refer to meetings between the FFL and the U.S. Attorney's office to address the concerns being raised by the FFL. ATF supervisor David Voth wrote on April 13, 2010:

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. ... However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into [in] detail.<sup>1</sup>

In response, the gun dealer expresses concern about potential future liability and sought something in writing to address the issue explicitly:

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Following this email, the ATF arranged a meeting between the FFL and the U.S. Attorney's office. According to the FFL, the U.S. Attorney's office scheduled a follow-up meeting with the FFL, but asked that the FFL's attorney not be present.<sup>3</sup>

At the meeting on May 13, 2010, the U.S. Attorney's office declined to provide anything in writing but assured the gun dealer in even stronger terms that there were safeguards in place to prevent further distribution of the weapons after being purchased from his business.<sup>4</sup> As we now know, those assurances proved to be untrue. On June 17, 2010, the gun dealer wrote to the ATF to again express concerns after seeing a report on Fox News about firearms and the border:

The segment, if the information was correct, is disturbing to me. When you, [the Assistant U.S. Attorney], and I met on May 13th, I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. ... I want to help ATF with its investigation but not at the risk of agents' safety because I have some very close friends that are U.S. Border Patrol agents in southern AZ[.]<sup>5</sup>

---

<sup>1</sup> Email from ATF Group VII Supervisor David Voth to Cooperating FFL, Apr. 13, 2010 (Attached).

<sup>2</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Apr. 13, 2010 (Attached).

<sup>3</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>4</sup> *Id.*

<sup>5</sup> Email from Cooperating FFL to ATF Group VII Supervisor David Voth, Jun. 17, 2010 (Attached).

Incredibly, the FFL sent this email six months before guns from the same ATF operation were found at the scene of Border Patrol Agent Brian Terry's murder. So, not only were the ATF agents who later blew the whistle predicting that this operation would end in tragedy, so were the gun dealers—even as ATF urged them to make the sales.

Furthermore, according to the FFL, there were “one or two” occasions on which his employees actually witnessed and recorded with surveillance cameras an exchange of money between the straw purchaser and another individual on the premises.<sup>6</sup> Despite this actual knowledge of a straw purchase, the dealer said ATF officials wanted him to proceed with the transaction.<sup>7</sup> However, his employees refused to process the sale.<sup>8</sup>

In light of this new evidence, the Justice Department's claim that the ATF never knowingly sanctioned or allowed the sale of assault weapons to straw purchasers is simply not credible. As you know, I have multiple document and information requests pending with various components of the Justice Department. Unfortunately, however, it appears that senior Department officials are not allowing the components to respond fully and directly.

Please provide written answers to the following questions by no later than April 20, 2011:

1. Do you stand by the assertion in the Department's reply that the ATF whistleblower allegations are “false” and specifically that ATF did not sanction or otherwise knowingly allow the sale of assault weapons to straw purchasers? If so, please explain why in light of the mounting evidence to the contrary.
2. Will you commit to providing the Senate Judiciary Committee with documents, or access to documents, simultaneously with the House Committee on Oversight and Government Reform? If not, please explain why not.

---

<sup>6</sup> Telephone interview with Cooperating FFL, Apr. 5, 2011.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

If you have any questions regarding this request, please have your staff contact Jason Foster at (202) 224-5225. Thank you for your prompt attention these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles E. Grassley".

Charles E. Grassley  
Ranking Member

Attachment

cc: Chairman Patrick Leahy  
U.S. Senate Committee on the Judiciary  
  
Chairman Darrell Issa  
U.S. House Committee on Oversight and Government Reform

Employee 5

# Ongoing ATF investigation

6 messages

[REDACTED] @usdoj.gov> Tue, Apr 13, 2010 at 9:24 AM

To: Cooperating FFL [REDACTED]

Cc: ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. I totally understand and am not in a position to tell you how to run your business. However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into detail. We are working in conjunction with the United States Attorney's Office (Federal Prosecutors) to secure the most comprehensive case involving the different facets of this organization. If it puts you at ease I can schedule a meeting with the Attorney handling the case and myself to further discuss this issue. Just know that we cannot instruct you on how to run your business but your continued cooperation with our office has greatly aided the investigation thus far.

Thanks again and please let me know how I can be of service to you.

Respectfully,

[REDACTED]

Group Supervisor

Phoenix Group VII

602-[REDACTED]

Cooperating FFL [REDACTED] Tue, Apr 13, 2010 at 1:29 PM

To: [REDACTED] @usdoj.gov>

Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, ATF Agent [REDACTED] @usdoj.gov>, Cooperating FFL [REDACTED]

[REDACTED]

[REDACTED]

Employee 5

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items.

We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[Redacted signature block]

[Redacted block]

[Redacted block]

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Tue, Apr 13, 2010 at 1:29 PM

To: [Redacted]

Delivery to the following recipient failed permanently:

[Redacted recipient address]

Technical details of permanent failure:

Message rejected. Please visit [http://www.google.com/mail/help/bulk\\_mail.html](http://www.google.com/mail/help/bulk_mail.html) to review our Bulk Email Senders Guidelines.

[Redacted block]

[Redacted block]

[REDACTED]

From: Cooperating FFL  
To: [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov,  
ATF Agent [REDACTED]@usdoj.gov,  
Cooperating FFL [REDACTED]@usdoj.gov,

[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Employee 5

Cooperating FFL

[REDACTED]

Tue, Apr 13, 2010 at 1:31 PM

----- Forwarded message -----

From: Cooperating FFL  
Date: Tue, Apr 13, 2010 at 1:29 PM  
Subject: Re: Ongoing ATF investigation  
To: [REDACTED] <[REDACTED]@usdoj.gov>  
Cc: Cooperating FFL, ATF Agent <[REDACTED]@usdoj.gov>, ATF Agent <[REDACTED]@usdoj.gov>, ATF Agent <[REDACTED]@usdoj.gov>, ATF Agent <[REDACTED]@usdoj.gov>  
Cooperating FFL

[REDACTED]

Thu, Apr 15, 2010 at 9:23 AM

To: Cooperating FFL <[REDACTED]@usdoj.gov>  
Cc: Cooperating FFL, ATF Agent <[REDACTED]@usdoj.gov>, ATF Agent <[REDACTED]@usdoj.gov>, ATF Agent <[REDACTED]@usdoj.gov>

Cooperating FFL

We at ATF consider [REDACTED] Cooperating FFL to be our ally in Project Gunrunner SWB Initiative and appreciate your cooperation with us in regards to this (and all) law enforcement matters. I have inquired from the Assistant United States Attorney (AUSA) handling this case as to his availability to meet with you next week. He is checking his schedule and I expect to hear from him soon.



Employee 5

340

Thanks again and please contact me any time with questions or concerns,

[Redacted]

Group Supervisor

Phoenix Group VII

602-[Redacted]

---

**From:** Cooperating FFL [Redacted]  
**Sent:** Tuesday, April 13, 2010 1:30 PM  
**To:** [Redacted]  
**Cc:** Cooperating FFL [Redacted]; ATF Agent [Redacted]; ATF Agent [Redacted]; ATF Agent [Redacted]; Cooperating FFL [Redacted]  
**Subject:** Re: Ongoing ATF investigation

[Redacted]

[Redacted]

---

Cooperating FFL [Redacted] Thu, Apr 15, 2010 at 10:39 AM  
**To:** [Redacted]@usdoj.gov>  
**Cc:** Cooperating FFL [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>

[Redacted]

Thank you for the kind words and the continued support. We will continue handling the transactions as we have in the past until we meet. If there is anything you need in the interim please don't hesitate to ask.

See you soon.

Respectfully,

Cooperating FFL [Redacted]

[Redacted]

[Redacted]

Employee 5

# Fox News report

3 messages

Cooperating FFL

To: [redacted] <[redacted]@usdoj.gov>

Thu, Jun 17, 2010 at 11:56 AM

I hope this email finds you well.

As per our discussion about over communicating I wanted to share some concerns that came up. Tuesday night I watched a segment of a Fox News report about firearms and the border. The segment, if the information was correct, is disturbing to me. When you, Emory and I met on May 13th I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. I guess I am looking for a bit of reassurance that the guns are not getting south or in the wrong hands. I know it is an ongoing investigation so there is limited information you can share with me. But as I said in our meeting, I want to help ATF with its investigation but not at the risk of agents safety because I have some very close friends that are US Border Patrol agents in southern AZ as well as my concern for all the agents safety that protect our country. If possible please email me back and share with me any reassurances that you can.

As always thank you for your time and I send this email with all respect and a hart felt concern to do the right thing.

Respectfully,

Cooperating FFL

[redacted signature block]

[redacted signature block]

To: Cooperating FFL <[redacted]@usdoj.gov>

Fri, Jun 18, 2010 at 2:25 PM

[redacted footer]

Employee 5

Cooperating FFL

Thanks for reaching out to me with your concerns. I would be happy to stop by and speak with you. If possible I have [redacted] next Tuesday, June 22, 2010. Any chance you are available that day around 10:00-10:30 am?

Thanks,

[redacted]  

---

**From:** [redacted] Cooperating FFL  
**Sent:** Thursday, June 17, 2010 11:56 AM  
**To:** [redacted]  
**Subject:** Fox News report

[redacted]  

---

**Cooperating FFL**  
**Reply-To:** Cooperating FFL  
**To:** [redacted] <[redacted]@usdoj.gov>

Mon, Jun 21, 2010 at 9:34 PM

[redacted]  
I am back intown. If you are still free to meet on the 22nd [redacted] around 10 and there for a few hours. Please stop by if you are available, if not let me know when we can reschedule.

Thank you,

Cooperating FFL

Sent from my Verizon Wireless BlackBerry

[redacted]  

---

**From:** [redacted] <[redacted]@usdoj.gov>  
**Date:** Fri, 18 Jun 2010 17:25:25 -0400  
**To:** Cooperating FFL  
**Subject:** RE: Fox News report

[redacted]

- **Office of Field Operations**
- **Office of Enforcement Programs and Services**
- **Office of Public and Governmental Affairs**
- **Office of Strategic Intelligence and Information**
- **Office of Professional Responsibility and Security Operations**
- **Office of Management**
- **Office of Science and Technology**
- **Office of Professional Responsibility and Security Operations**
- **Office of Chief Counsel**
- **Office of Training and Professional Development**

**Please provide the POC's name to Assistant Director Melanie Stinnett by COB on Friday April 1, 2011.**

The POC is to ensure that all persons who may have information or a need to know about this directive are appropriately notified and instructed on their responsibility in a timely fashion. Also, the POC has the responsibility to notify Assistant Director Stinnett if (1) any additional ESI related to this investigation is discovered; (2) personnel involved in this directive are leaving the division, office, directorate or ATF; (3) the division, office or directorate will perform imminent data destruction; (4) the directorate will replace or discard equipment preserving ESI in this matter.

Of particular importance will be ensuring that no ESI is erased through routine destruction. If any ESI relating to Operation Fast and Furious has been purged as a result of routine destruction (*i.e.*, the aging process, separation from employment, etc) please, to the extent possible, find the dates of such purge and the information which would have been subject to destruction.

Please note that the failure to comply with this directive and/or the failure to maintain records, documents and information could negatively impact the Bureau, therefore please err on the side of retaining documents and information. Employees who fail to comply with their duties as outlined above will be subject to disciplinary action up to and including removal. Please note that this directive is in effect until you are notified that the hold has been terminated.

Thank you for your attention to this matter. If you have any questions concerning this directive, please contact Assistant Director Melanie Stinnett.

## ESI PRESERVATION DIRECTIVE FOR ATF OPERATION FAST AND FURIOUS

Pursuant to ATF Order 1340.4 (Preserving and Producing Bureau Records, Documents and Information Subject to the Legal Process) and the Preservation Directive issued on March 28, 2011, the Office of Chief Counsel (Litigation) requests your assistance in locating and retaining electronically stored information (ESI) relevant to ATF's firearms trafficking investigation known as Operation Fast and Furious.

Information that is relevant to the operation includes, but is not limited to: (1) N-FORCE records relating to Operation Fast and Furious, case number 785115-10-0004; (2) N-SPECT records relating to Operation Fast and Furious and the following Federal Firearms Licensees:

[REDACTED] (3) E-TRACE records relating to Operation Fast and Furious; (4) Firearms Tracing System records relating to Operation Fast and Furious; and (5) Any emails to/from the work accounts of all ATF Headquarters and Phoenix Field Division personnel regarding Operation Fast and Furious, from the time period October 1, 2009 until the present.

Any identifiable data on network drives (e.g., U:\drive; G:\drive; S:\drive) should be captured immediately and copied to another drive for preservation. Three weeks from the date of this Directive, please once again capture and copy this data to another drive for preservation. This material does not replace any material that may have been previously captured and should be identifiable by date that it was captured.

Of particular importance will be ensuring that no ESI is erased through routine destruction. If any ESI related to the individuals named above and/or case number 785115-10-0004 has been purged as a result of routine destruction (*i.e.*, the aging process, separation from employment, etc) please, to the extent possible, find the dates of such purge and the information which would have been subject to destruction.

Note that this directive is in effect until the Office of Chief Counsel notifies you that the hold has been terminated.

Thank you for your assistance in this matter. If you have any questions or concerns, please contact Assistant Director Melanie Stinnett.

**From:** [REDACTED]  
**Sent:** Tuesday, April 12, 2011 10:18 PM  
**To:** [REDACTED]; McDermond, James E.  
**CC:** [REDACTED]; Chait, Mark R.; [REDACTED]  
**Subject:** Re: Draft letter to Issa for tomorrow

Ok

[REDACTED] Division Chief Firearms Operations Division  
202-[REDACTED] Cell [REDACTED]

\*\*\*\*\*

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**From:** [REDACTED]  
**To:** McDermond, James E.  
**Cc:** [REDACTED]; [REDACTED]; Chait, Mark R.; [REDACTED]  
**Sent:** Tue Apr 12 22:11:24 2011  
**Subject:** Fw: Draft letter to Issa for tomorrow

Fyi. See below

\*\*\*\*\*

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---

**From:** Axelrod, Matthew (ODAG)  
**To:** Burke, Dennis (USAAZ) ; Cunningham, Patrick (USAAZ) ; Melson, Kenneth E.; [REDACTED]; Hoover, William J.; [REDACTED]  
**Cc:** Burton, Faith (SMO); Colborn, Paul P (SMO); Gaston, Molly (SMO)  
**Sent:** Tue Apr 12 19:22:39 2011  
**Subject:** Draft letter to Issa for tomorrow

Attached is a draft letter responding to Chairman Issa's letter of yesterday. We need to send it tomorrow, to coincide with the return date of the subpoena. Please review for accuracy and get me any comments/edits by noon tomorrow EST. Sorry for the quick turnaround time. DP

DP

DP

Thanks, all.

Matt

<<issa subpoena response 4-12-11.docx>>

Matthew S. Axelrod

Associate Deputy Attorney General

Office of the Deputy Attorney General

U.S. Department of Justice

Desk (b) (6)

Cell (b) (6)

**From:** [REDACTED]  
**Sent:** Tuesday, April 12, 2011 10:11 PM  
**To:** McDermond, James E.  
**CC:** [REDACTED]; [REDACTED]; Chait, Mark R.; [REDACTED]; [REDACTED]  
**Subject:** Fw: Draft letter to Issa for tomorrow  
**Attachments:** issa subpoena response 4-12-11.docx

Fyi. See below

\*\*\*\*\*

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---

**From:** Axelrod, Matthew (ODAG)  
**To:** Burke, Dennis (USAAZ); Cunningham, Patrick (USAAZ); Melson, Kenneth E.; [REDACTED]; Hoover, William J.; [REDACTED]  
**Cc:** Burton, Faith (SMO); Colborn, Paul P (SMO); Gaston, Molly (SMO)  
**Sent:** Tue Apr 12 19:22:39 2011  
**Subject:** Draft letter to Issa for tomorrow

Attached is a draft letter responding to Chairman Issa's letter of yesterday. We need to send it tomorrow, to coincide with the return date of the subpoena. Please review for accuracy and get me any comments/edits by noon tomorrow EST. Sorry for the quick turnaround time. DP [REDACTED]

DP [REDACTED]

DP [REDACTED]

Thanks, all.

Matt

<<issa subpoena response 4-12-11.docx>>

Matthew S. Axelrod

Associate Deputy Attorney General

Office of the Deputy Attorney General

U.S. Department of Justice

Desk (b) (6) [REDACTED]

Cell (b) (6) [REDACTED]



**From:** [REDACTED]  
**Sent:** Monday, April 11, 2011 7:49 PM  
**To:** [REDACTED]; [REDACTED]  
**Subject:** Fw: Letter from Chairman Issa  
**Attachments:** 4-11-2011 Letter.pdf

Fyi

\*\*\*\*\*

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---

**From:** [REDACTED]  
**To:** McDermond, James E.; [REDACTED]; Hoover, William J.; Rubenstein, Steve R.; Weich, Ron (SMO)  
**Cc:** [REDACTED]  
**Sent:** Mon Apr 11 19:48:47 2011  
**Subject:** Fw: Letter from Chairman Issa

Fyi. I have confirmed receipt.

---

**From:** Pinto, Ashok  
**To:** Melson, Kenneth E.  
**Cc:** [REDACTED] Burton, Faith (SMO); Gaston, Molly (SMO)  
**Sent:** Mon Apr 11 18:24:28 2011  
**Subject:** Letter from Chairman Issa

Dear Acting Director Melson:

Attached is a letter from Chairman Issa. Please confirm receipt of this message.

Sincerely,

Ashok Pinto

Ashok M. Pinto  
U.S. House of Representatives  
Committee on Oversight and Government Reform  
Darrell Issa, Chairman  
(202) 225-5074

From: [REDACTED]  
Sent: Employee 5, April 08, 2011 2:31:57 PM  
To: [REDACTED]  
Subject: FW: 2011-04-08 CEG to ATF (agent contacts)

562

Attachments: 2011-04-08 CEG to ATF (agent contacts).pdf

fyi

[REDACTED]  
DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives  
Chief - Office of Legislative Affairs

[REDACTED] (mobile1)  
[REDACTED] (mobile2)  
202. [REDACTED] (office)  
202.648.9708 (fax)

\*\*\*\*\*

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-----Original Message-----

From: Foster, Jason (Judiciary-Rep) [mailto:Jason\_Foster@judiciary-rep.senate.gov]  
Sent: Friday, April 08, 2011 11:04 AM  
To: Rasnake, Gregory R.; Hoover, William J.; Melson, Kenneth E.  
Cc: CEG (Judiciary-Rep); Castor, Stephen (Stephen.Castor@mail.house.gov); Virkstis, Matthew (Judiciary)  
Subject: 2011-04-08 CEG to ATF (agent contacts)

Please find attached a letter from Senator Grassley. Please ensure that all formal correspondence on this matter is sent electronically in PDF format to ceg@judiciary-rep.senate.gov (cc'd above). Please confirm receipt, and contact me with any questions regarding this letter. Thanks.

Cordially,  
Jason A. Foster  
Chief Investigative Counsel

Charles E. Grassley, Ranking Member  
Committee on the Judiciary  
152 Dirksen Senate Office Building  
United States Senate

(202) 224-5225

This letter responds to your request for information concerning Operation Fast and Furious, an ongoing criminal investigation into an extensive gun-trafficking enterprise. Operation Fast and Furious is part of ATF's initiative Project Gunrunner, which deals with weapons trafficking along the U.S. Southwest Border. As of March 2010, Project Gunrunner led to the arrest of 1,397 defendants — 850 of which had been convicted — and the seizure of more than 6,688 firearms.

The Fast and Furious investigation was opened over a year ago and approved by the ATF Phoenix Field Division and the United States Attorney's Office for the District of Arizona, consistent with established procedures for such matters. The investigation was subsequently approved by the multi-agency Organized Crime and Drug Enforcement Task Force Program. The purpose of the investigation is to dismantle a transnational organization believed to be responsible for trafficking weapons into Mexico, in part by prosecuting its leadership. The investigation is led by a dedicated team of federal prosecutors and ATF agents. To date, this investigation has resulted in an indictment charging 20 defendants with conspiracy to purchase hundreds of firearms from September 2009 to December 2010.

Allegations in the media and elsewhere suggest that Operation Fast and Furious was a failed effort. To the contrary, the investigation has dismantled a large, complex international firearms trafficking organization, and the investigation is still ongoing. Without the perseverance of this multi-agency task force, this sophisticated criminal network would still be trafficking hundreds of weapons into Mexico today and in the future.

Operation Fast and Furious neither involved a "sting" in Mexico nor any "controlled deliveries" of weapons into Mexico. At no time did ATF agents observe weapons from Operation Fast and Furious cross into Mexico. There were no undercover law enforcement officers involved in Operation Fast and Furious and ATF did not provide weapons to suspects in that investigation.

The Department of Justice has a long standing policy against the disclosure of non-public information about ongoing criminal investigations. This policy is based, in part, on the strong interest in protecting the effectiveness of ongoing law enforcement efforts. Therefore, I am unable to share with you any of the particular details of Operation Fast and Furious.

This letter responds to your request for information concerning Operation Fast and Furious, an ongoing criminal investigation into an extensive gun-trafficking enterprise. Operation Fast and Furious is part of ATF's initiative Project Gunrunner, which deals with weapons trafficking along the U.S. Southwest Border. As of March 2010, Project Gunrunner led to the arrest of 1,397 defendants — 850 of which had been convicted — and the seizure of more than 6,688 firearms.

The Fast and Furious investigation was opened over a year ago and approved by the ATF Phoenix Field Division and the United States Attorney's Office for the District of Arizona, consistent with established procedures for such matters. The investigation was subsequently approved by the multi-agency Organized Crime and Drug Enforcement Task Force Program. The purpose of the investigation is to dismantle a transnational organization believed to be responsible for trafficking weapons into Mexico, in part by prosecuting its leadership. The investigation is led by a dedicated team of federal prosecutors and ATF agents. To date, this investigation has resulted in an indictment charging 20 defendants with conspiracy to purchase hundreds of firearms from September 2009 to December 2010.

Allegations in the media and elsewhere suggest that Operation Fast and Furious was a failed effort. To the contrary, the investigation has dismantled a large, complex international firearms trafficking organization, and the investigation is still ongoing. Without the perseverance of this multi-agency task force, this sophisticated criminal network would still be trafficking hundreds of weapons into Mexico today and in the future.

Operation Fast and Furious neither involved a "sting" in Mexico nor any "controlled deliveries" of weapons into Mexico. At no time did ATF agents observe weapons from Operation Fast and Furious cross into Mexico. There were no undercover law enforcement officers involved in Operation Fast and Furious and ATF did not provide weapons to suspects in that investigation.

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This letter responds to your request for information concerning Operation Fast and Furious, an ongoing criminal investigation of an extensive gun-trafficking enterprise. Operation Fast and Furious is a part of Project Gunrunner, a broad ATF initiative to deal with weapons trafficking along the Southwest Border. As of March 2010, Project Gunrunner had led to the arrest of 1,397 defendants --850 of which had been convicted--and the seizure of over 6,688 firearms.

Operation Fast and Furious was opened over a year ago and approved by the ATF Phoenix Field Office and the United States Attorney's Office for the District of Arizona, consistent with established procedures for such matters. The investigation was subsequently approved by the multi-agency Organized Crime and Drug Enforcement Task Force Program. The purpose of the investigation is to dismantle a transnational organization believed to be responsible for trafficking weapons into Mexico, in part by prosecuting its leadership. The investigation is led by a dedicated team of Federal prosecutors and ATF agents. To date, this investigation has resulted in an indictment charging 20 defendants with conspiracy to purchase hundreds of firearms from September 2009 to December 2010.

Allegations in the media and elsewhere suggest that Operation Fast and Furious was a failed effort. To the contrary, the investigation has dismantled a large, complex, international firearms trafficking case, and the investigation has not concluded. Without the perseverance of this multi-agency task force, this sophisticated criminal network would still be trafficking hundreds of weapons into Mexico today and in the future.

Operation Fast and Furious neither involved a "sting" in Mexico nor any "controlled deliveries" of weapons into Mexico. At no time did ATF agents observe weapons from Operation Fast and Furious cross into Mexico. There were no undercover law enforcement officers involved in Operation Fast and Furious and ATF did not provide weapons to suspects in that investigation.

The Department of Justice has a long standing policy against the disclosure of non-public information about ongoing criminal investigations. This policy is based, in part, on the strong interest in protecting the effectiveness of ongoing law enforcement efforts. Therefore, I am unable to share with you any particular details of Operation Fast and Furious.

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-6074  
FACSIMILE (202) 225-3974  
MINORITY (202) 225-6051

<http://oversight.house.gov>

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JIM JORDAN, OHIO  
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LAWRENCE J. BRADY  
STAFF DIRECTOR

April 20, 2011

Mr. Kenneth E. Melson  
Acting Director  
Bureau of Alcohol, Tobacco, Firearms, and Explosives  
99 New York Avenue, NE  
Washington, DC 20226

Dear Acting Director Melson:

The Committee on Oversight and Government Reform issued a subpoena to you on March 31, 2011. The subpoena instructed you to produce documents pertaining to Project Gunrunner and Operation Fast and Furious, conducted by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). I wrote to you on April 11, 2011 to reiterate that, “[a]bsent a valid assertion of executive privilege over the materials sought, I expect you to produce the things identified in the March 31, 2011, subpoena’s schedule by the return date.”<sup>1</sup> The April 13, 2011 deadline for compliance has passed without production of any documents.

I am disappointed that you have failed to produce any documents that would meet your legal obligations by the subpoena’s April 13th deadline. Instead of documents, after the deadline passed, I received a letter from Assistant Attorney General Ronald Weich. Mr. Weich did not assert a claim of executive privilege in withholding all documents from the Committee. Instead, the Department’s response again restated its lack of production was due solely to the Department’s internal policy relating to “ongoing law enforcement investigations,” “pending criminal investigations,” “on-going criminal investigations,” and “open criminal investigative files.”<sup>2</sup> Absent a claim of executive privilege, these vague assertions are not a valid basis for your decision to withhold documents.

<sup>1</sup> Letter from Rep. Darrell E. Issa, Chairman, H. Comm. on Oversight & Gov’t Reform (OGR), to Kenneth E. Melson, Acting Director, ATF (Apr. 11, 2011).

<sup>2</sup> Letter from Ronald Weich, Assistant Attorney General, DOJ, to Rep. Darrell E. Issa, OGR Chairman (Apr. 13, 2011) (hereinafter Weich Letter).

Mr. Weich's April 13, 2011 letter focuses almost exclusively on a general Department policy regarding pending criminal investigations. It is unclear to which specific criminal investigations Mr. Weich is referring. Such a blanket prohibition, if accepted, would conceal the entirety of Project Gunrunner and Operation Fast and Furious from legitimate congressional scrutiny. This is unacceptable. As a co-equal branch of government, Congress has a right, even a constitutional obligation, to conduct oversight of the Executive Branch, including the Department of Justice.

Over the past 85 years, the U.S. Supreme Court has consistently ruled the investigatory power of Congress is essential to the legislative function,<sup>3</sup> and the Court has gradually expanded that power.<sup>4</sup> Pointedly, the Supreme Court has also weighed in on the Department of Justice's internal policy of withholding documents to Congress that pertain to open criminal investigations:

It may be conceded that Congress is without authority to compel disclosure for the purpose of aiding the prosecution of pending suits; but the authority of that body, directly or through its committees to require pertinent disclosures in aid of its own constitutional power is not abridged because the information sought to be elicited may also be of use in such suits.<sup>5</sup>

The Department's internal policy to withhold documents from what it labels pending criminal investigations may not deprive Congress from obtaining those same documents if they are pertinent to a congressional investigation – particularly in a matter involving allegations that reckless and inappropriate decisions by top Justice Department officials may have contributed to the deaths of U.S. and Mexican citizens.

Let me be clear. The Committee is not seeking these documents from the Department of Justice in furtherance of the prosecution of pending suits. Rather, we are seeking these documents in furtherance of the proper use of our constitutional authority. Sometimes, we may take a deferential approach to the Department when we are both investigating a third-party's wrongdoing. Here, however, we are not conducting a concurrent investigation *with* the Department of Justice, but rather an independent investigation *of* the Department of Justice – specifically, of allegations that the reckless and inappropriate decisions of Department officials have created a serious public safety hazard. We are asking for documents that relate to decisions such officials made. Congress is legally entitled to all of these documents.

There are several prominent examples of Congress investigating the conduct of the Department of Justice while the Department proceeded simultaneously with criminal or civil probes:

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<sup>3</sup> *McGrain v. Daugherty*, 273 U.S. 135 (1927).

<sup>4</sup> *Watkins v. United States*, 354 U.S. 178 (1957); *Barenblatt v. United States*, 360 U.S. 109 (1959).

<sup>5</sup> *Sinclair v. United States*, 279 U.S. 263 (1929).

- Starting in 1922, Congress investigated “charges of misfeasance and nonfeasance in the Department of Justice”<sup>6</sup> at the same time that the Department of Justice failed to prosecute meritorious cases against Department of Interior employees stemming from the Teapot Dome Scandal.
- In 1992, a House subcommittee investigated a Department of Justice plea bargain regarding environmental crimes committed by the company that managed the Rocky Flats nuclear weapons facility.<sup>7</sup>
- In 2004, the House Committee on Government Reform investigated allegations that agents in the FBI’s Boston regional office knowingly permitted informants to commit nearly two dozen murders while they were acting as informants. At the time of the congressional investigation, cases were still pending against the Department of Justice.<sup>8</sup>

In each of these instances, Congress was able to obtain a substantial amount of responsive documents to aid its investigation. There is no constitutional, statutory, or case law authority that permits the Department of Justice to withhold documents from Congress due to the pendency of a criminal probe.

Assistant Attorney General Weich’s most recent letter also noted that the Department of Justice “made available documents for review prior to [the subpoena deadline].”<sup>9</sup> This statement, however, is misleading. The Department made only four documents available for an *in camera* review at Department of Justice headquarters. The viewing consisted of the following materials:

1. Southwest Border Initiative Project Gunrunner, December 2007.
2. ATF’s Project Gunrunner and OCDETF (Organized Crime Drug Enforcement Task Force).
3. Memorandum to all ADs and all Field Ops Personnel, from AD Field Ops.
4. Project Gunrunner – A Cartel Focused Strategy, September 2010.

These documents were quite general and largely unhelpful as none of them directly pertain to Operation Fast and Furious. This is not surprising considering that the Department of Justice believes it is “not in a position to disclose such documents, nor can [DOJ] confirm or deny the

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<sup>6</sup> *McGrain*, 273 U.S. at 151.

<sup>7</sup> See *Environmental Crimes at the Rocky Flats Nuclear Weapons Facility: Hearings before the Subcomm. on Investigations and Oversight of the House Committee on Science, Space, and Technology*, 102nd Cong., 2d Sess., Vols. I and II (1992).

<sup>8</sup> *Everything Secret Degenerates: The FBI’s Use of Murderers as Informants*, H. Rept. 108-414, 108th Cong., 2d Sess. (2004).

<sup>9</sup> Weich Letter, *supra* note 2.



existence of records in [its] ongoing investigative files.”<sup>10</sup> Undeterred by the Department’s refusal to produce documents, the Committee has been able to confirm independently that such documents do in fact exist. Attached to this letter are several documents the Committee has obtained indicating not only that the Department and ATF were aware that straw purchasers were consistently and illegally buying assault rifles and other weapons, but that they also failed to prevent their disappearance. Tragically, some of these weapons ATF represented it was tracking ended up at crime scenes, including at the locations of the murders of Border Patrol Agent Brian Terry and Immigrations and Customs Enforcement Officer Jaime Zapata.

Attachment 1 is a January 13, 2010 e-mail from an ATF employee containing a list of 42 names added to the Suspect Person Database. One of these names is Jaime Avila. Attachment 2 shows a Suspect Gun Summary for three WASR-10 rifles that Jaime Avila bought just three days later, on January 16, 2010. These guns were entered into ATF’s database on January 19, 2010. Attachment 3 is a Significant Information Report regarding the murder of Brian Terry. The Report states that “[t]wo (2) of the AK-47 variant rifles purchased by AVILA on 01/16/2010 were recovered in the area during” the search after Terry’s murder. This document demonstrates that ATF knew straw purchasers were acquiring weapons and failed to track those weapons. As an apparent result, a U.S. federal agent lost his life.

Attachment 4 shows the results of three Firearms Trace Summaries for Ranferi Osorio and Kelvin Morrison, his neighbor. One of the weapons recovered at the murder scene of Jaime Zapata was traced to a purchase made by Otilio Osorio, Ranferi’s brother.<sup>11</sup> The Attachment shows that not only did Ranferi Osorio and Kelvin Morrison purchase assault rifles, but these weapons had shown up at crime scenes, as indicated by the “Time to Crime” section of the Firearms Trace Summary. Both the Department and ATF knew that weapons were turning up at crime scenes, yet did not act. This is even more egregious when read in conjunction with an e-mail from Group VII Supervisor David Voth, as shown in Attachment 5. In the e-mail, Voth says:

[W]ithout being dramatic we have a sense of urgency with regards to this investigation. Our subjects purchased 359 firearms during the month of March alone, to include numerous Barrett .50 caliber rifles. I believe we are righteous in our plan to dismantle this entire organization and to rush in to arrest any one person without taking in to account the entire scope of the conspiracy would be ill advised to the overall good of the mission.

As a result of this “plan,” another U.S. federal agent may have also lost his life.

Attachment 6 presents a summary of the number of firearms purchased with ATF’s knowledge during the pendency of Operation Fast and Furious. The amount of firearms is a staggering 1,500 (minimum) heavy-duty weapons. Attachment 7 is an e-mail exchange between a Federal Firearms Licensee (FFL) and ATF in which the FFL expresses concern over the

<sup>10</sup> Letter from Assistant Attorney General Ronald Weich to OGR Chairman Darrell E. Issa (Apr. 8, 2011).

<sup>11</sup> See Press Release, Department of Justice, Three Dallas-Area Men Arrested on Federal Firearms Charges Related to Trafficking Firearms to a Mexican Drug Cartel (Mar. 1, 2011).

frequency of guns sold, and the strong possibility guns sold to straw purchasers would end up in Mexico or “in the hands of bad guys.” ATF, in conjunction with the Department of Justice, assures the FFL that there are safeguards in place to prevent this from happening. This claim is belied, however, by an e-mail (Attachment 8) showing that ATF knew that many of these 1,500 firearms would “eventually be used in criminal activity.” As clearly seen in Attachment 9, the Group VII Supervisor was fully aware that violence in Mexico was extremely high, yet failed to alter ATF’s approach. Attachment 10 is a forceful e-mail indicating that officials at ATF headquarters were “paying close attention” to Fast and Furious. Contained in Attachment 11 are detailed Reports of Investigation tracking suspected straw purchasers as part of Fast and Furious. These reports preceded the murders of Brian Terry and Jaime Zapata by several months.

It is nearly unfathomable that our government would allow straw purchasers to illegally acquire automatic weapons and transport them into Mexico, in furtherance of an ATF-led and -inspired investigation. As I understand Department of Justice operations, such programs would require the approval of top officials. The Committee’s experience in dealing with the Department is that it is a deliberate, methodical organization and is not agile. As such, officials at the highest levels of the Department more than likely made these decisions – with all due, if misguided, consideration.

Efforts by the Department of Justice and ATF to stonewall the Committee in its investigation by erroneously, but matter-of-factly, citing an internal department policy as a preventative measure for denying access to documents have only enhanced suspicions that such officials have played a role in reckless decisions that have put lives at risk. The Committee continues to pursue this matter vigorously, in part, because concerned individuals have indicated they do not have confidence in the Department’s ability to review the actions of its own top officials. The attachments to this letter represent but a small sample of myriad relevant and responsive documents.

The Committee’s request for documents has been pending since March 16, 2011. Senator Charles Grassley’s requests have been pending since January. Even if a legal basis did exist for withholding documents, the first step in evaluating this argument and the basis for a meaningful conversation between the Committee and the Department of Justice would be the production of a log of documents responsive to the subpoena with a specific explanation as to why you cannot produce each document. The Department has failed to provide any such log. Without such a log, the Committee is unable to consider the validity of any potential claim of privilege.

While I am certainly sensitive to protecting the integrity of pending criminal investigations, the Department has not provided information to substantiate its claims or produced other documents unrelated to specific cases. Therefore, I am hereby informing you that the Committee intends to enforce the subpoena issued to you on March 31, 2011. If you do not comply with the subpoena, the Committee will be forced to commence contempt proceedings.

Employee 5  
Mr. Kenneth E. Melson  
April 20, 2011  
Page 6

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If you have any questions about this matter, please contact Ashok Pinto or Henry Kerner of the Committee staff at (202) 225-5074.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrell Issa", written over a horizontal line.

Darrell Issa  
Chairman

Enclosures

cc: The Honorable Elijah E. Cummings, Ranking Member

The Honorable Charles E. Grassley, Ranking Member,  
U.S. Senate, Committee on the Judiciary

# **ATTACHMENT 1**

From: [Redacted]  
Sent: Wednesday, January 13, 2010 10:39 AM  
To: [Redacted]  
Cc: [Redacted]  
Subject: Suspect Person Entries - IN# 785115-10-[Redacted] (VCAB# [Redacted])  
Attachments: Suspect Person Entries - IN# 785115-10-[Redacted] (VCAB# [Redacted]).pdf; FTS Queries - IN# 785115-10-[Redacted] (VCAB# [Redacted]).pdf; OSII-Survey Form (3) (2).pdf; FIREARMSDATA RESTRICTIONS - FY09.pdf

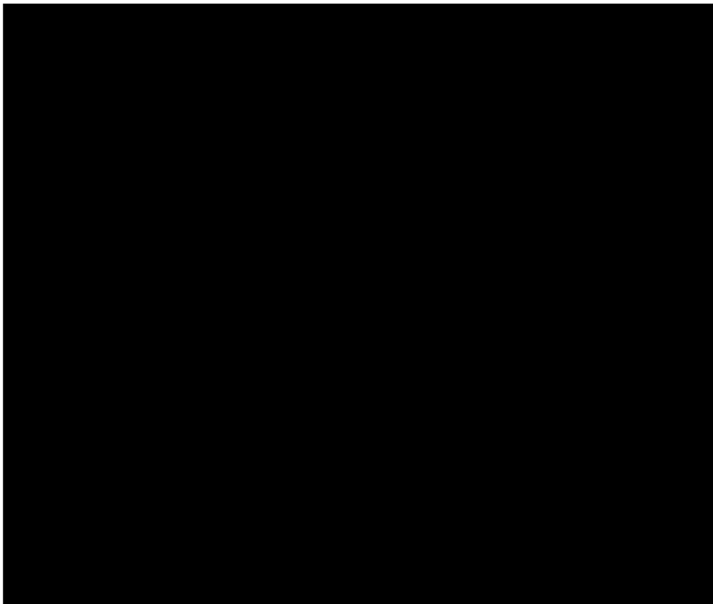
Dear [Redacted],

Per your request, [Redacted] have been added to the Suspect Person Database for IN# 785115-10-[Redacted]. Attached are PDF files based on queries executed in the Firearms Tracing System (FTS), and a Suspect Person Information Report revealing the information currently entered into the Suspect Person Database for this investigation. Please see below for a summary of the information found within the FTS.

By entering these subjects into the Suspect Person Database, queries of the FTS will be conducted on a monthly basis and any new associations will be forwarded to you. If you should have any questions or need assistance, please feel free to contact me at the number below.

When information is provided by e-mail, a copy is also provided to the Intelligence Group Supervisor and designated FIST (Field Intelligence Support Team) member.

Last Name	First Name	Middle Name	DOB	Traces	Multiple Sale Reports	# of firearms in M/S	Suspect Gun Reports	# of Suspect Guns
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Please be advised that the Consolidated Appropriations Act of 2009, Public L. 111-8, which became effective on March 12, 2009, restricts the disclosure of any part of the contents of the Firearms Tracing System or any information required to be kept by Federal Firearms Licensees pursuant to 18 USC 923(g), or required to be reported pursuant to 18 USC 923(g)(3) and 923(g)(7).

The information, which is being provided per your request, is for official law enforcement use only and may only be disseminated by the Bureau of Alcohol, Tobacco, Firearms and Explosives to a Federal, State, local, tribal, or foreign law enforcement agency, or a Federal, State, or local prosecutor, solely in connection with and for use in a criminal investigation or prosecution; or a Federal agency for a national security or intelligence purpose. This disclosure restriction shall not be construed to prevent the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or the publication of statistical aggregate data regarding firearms traffickers and trafficking channels, firearms misuse, felons, and trafficking investigations. If you have questions regarding these restrictions please contact ATF legal counsel prior to disclosing any of the information provided in this correspondence outside of ATF.

Please complete the attached OSII Customer Satisfaction Survey form. Click on the "Mail" box located at the bottom of the form and then click on "Send".

Sincerely,

  
Program Analyst  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
Office of Strategic Intelligence and Information  
Violent Crime Intelligence Division  
Violent Crime Analysis Branch  
Main Office #: (304)   
Direct #: (304)   
Fax #: (304) 

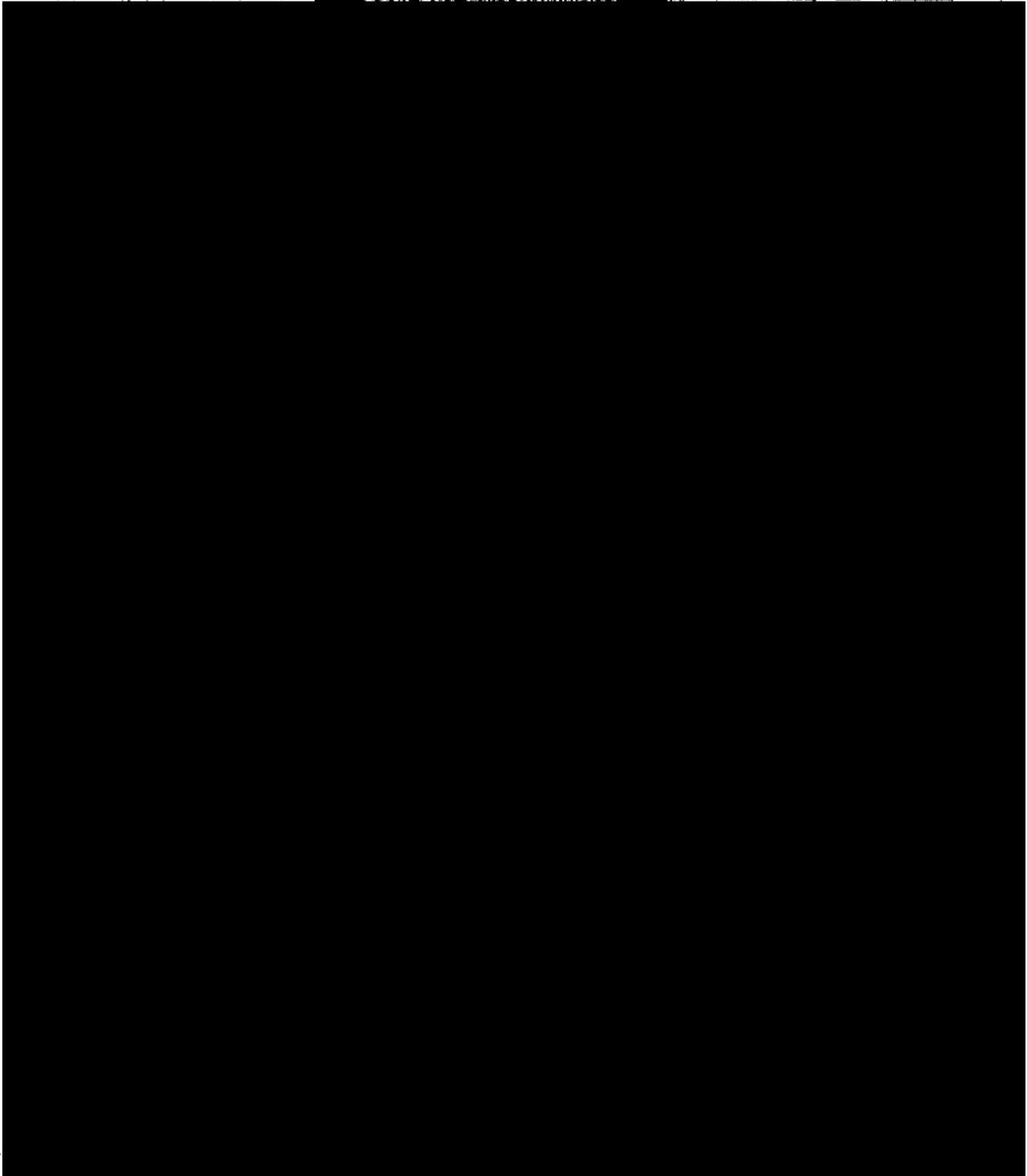
# **ATTACHMENT 2**

DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]  
Print: [REDACTED]



SUSPECT GUN SUMMARY





# **ATTACHMENT 3**

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

Significant Information Report

DATE: 12/16/2010

FROM: Phoenix Field Division

FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785115-10- [REDACTED]

CASE TITLE: [REDACTED]

SPECIAL AGENTS: [REDACTED]

TELEPHONE NUMBER: [REDACTED]

(602) [REDACTED]

SYNOPSIS OF INCIDENT/ACTIVITY

Arrest of [REDACTED]

NARRATIVE OF INCIDENT/ACTIVITY

On January 16, 2010, [REDACTED] purchased three (3) AK-47 variant rifles from a Phoenix area PFL. On December 15, 2010, after the shooting death of a U.S. Border Patrol agent in Southern Arizona, law enforcement officers/agents conducted a search of the area. Two (2) of the AK-47 variant rifles purchased by [REDACTED] on 01/16/2010 were recovered in the area during this search.

On December 15, 2010, ATF agents located [REDACTED] and subsequently interviewed and arrested him on charges stemming from this January 16, 2010, firearm purchase. In summary, [REDACTED] admitted to ATF agents that he straw purchased these firearms for an unidentified Hispanic male.

[REDACTED] was held overnight and ATF agents have prepared a criminal complaint for [REDACTED] on firearm charges relating to the straw purchase of the three (3) AK-47 variant rifles on 01/16/2010 and are presenting it to a Federal Magistrate today (12/16/10).

# **ATTACHMENT 4**

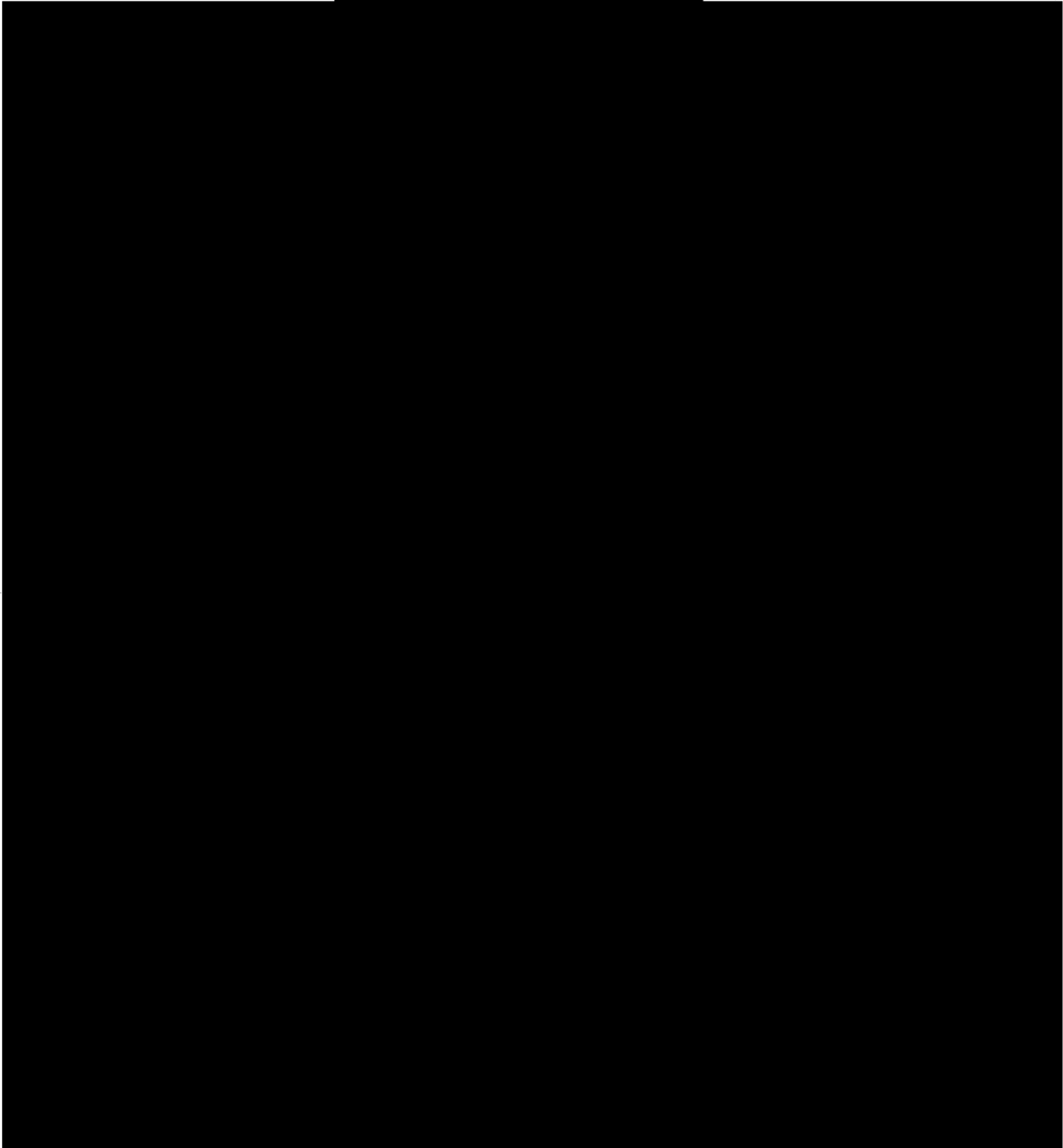
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER



Phone:(800) [REDACTED] Fax:(800) [REDACTED]

Print Date: [REDACTED]

**FIREARMS TRACE SUMMARY**



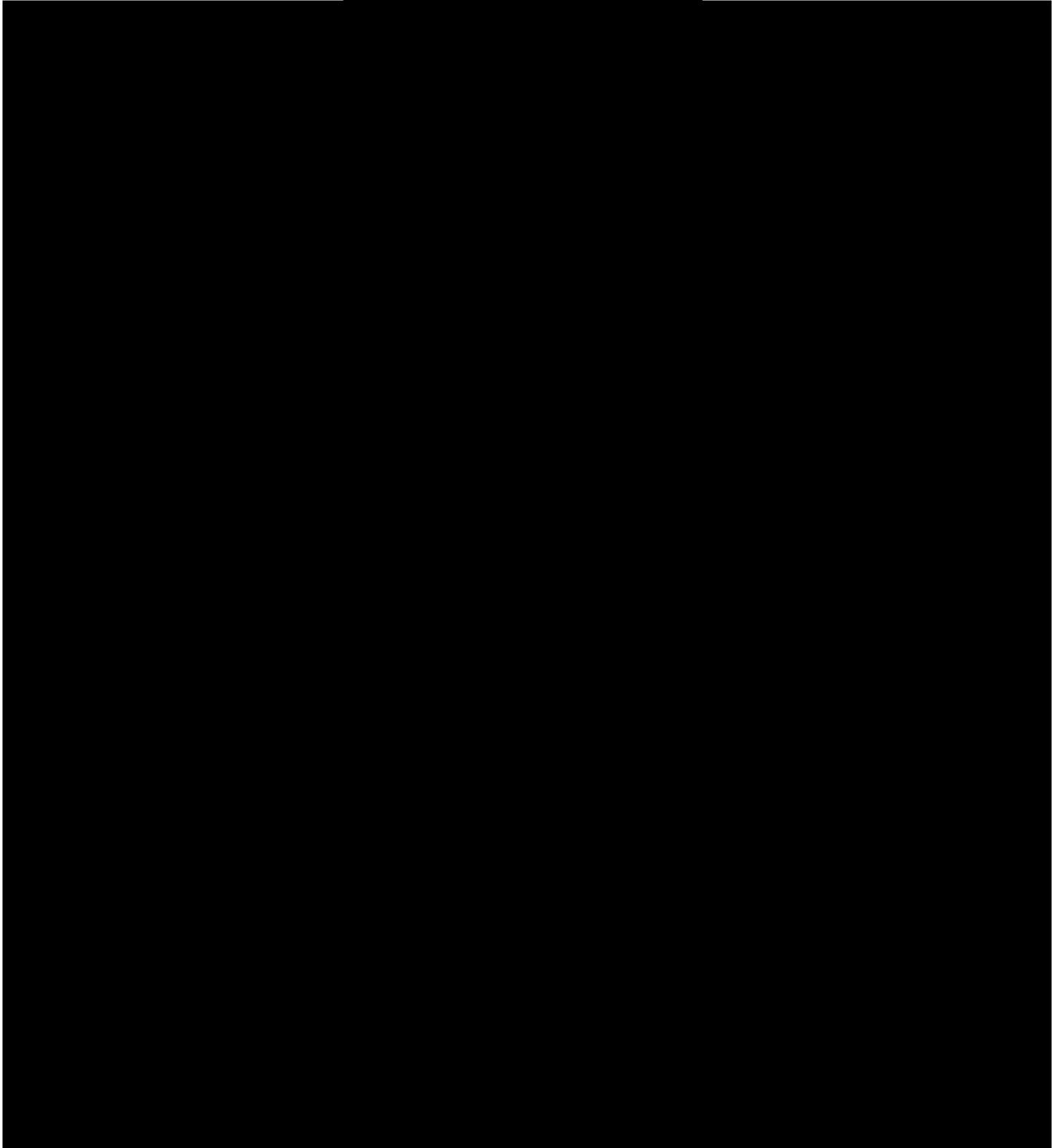
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER

Phone:(800) [REDACTED] Fax:(800) [REDACTED]

Print Date: [REDACTED]



**FIREARMS TRACE SUMMARY**



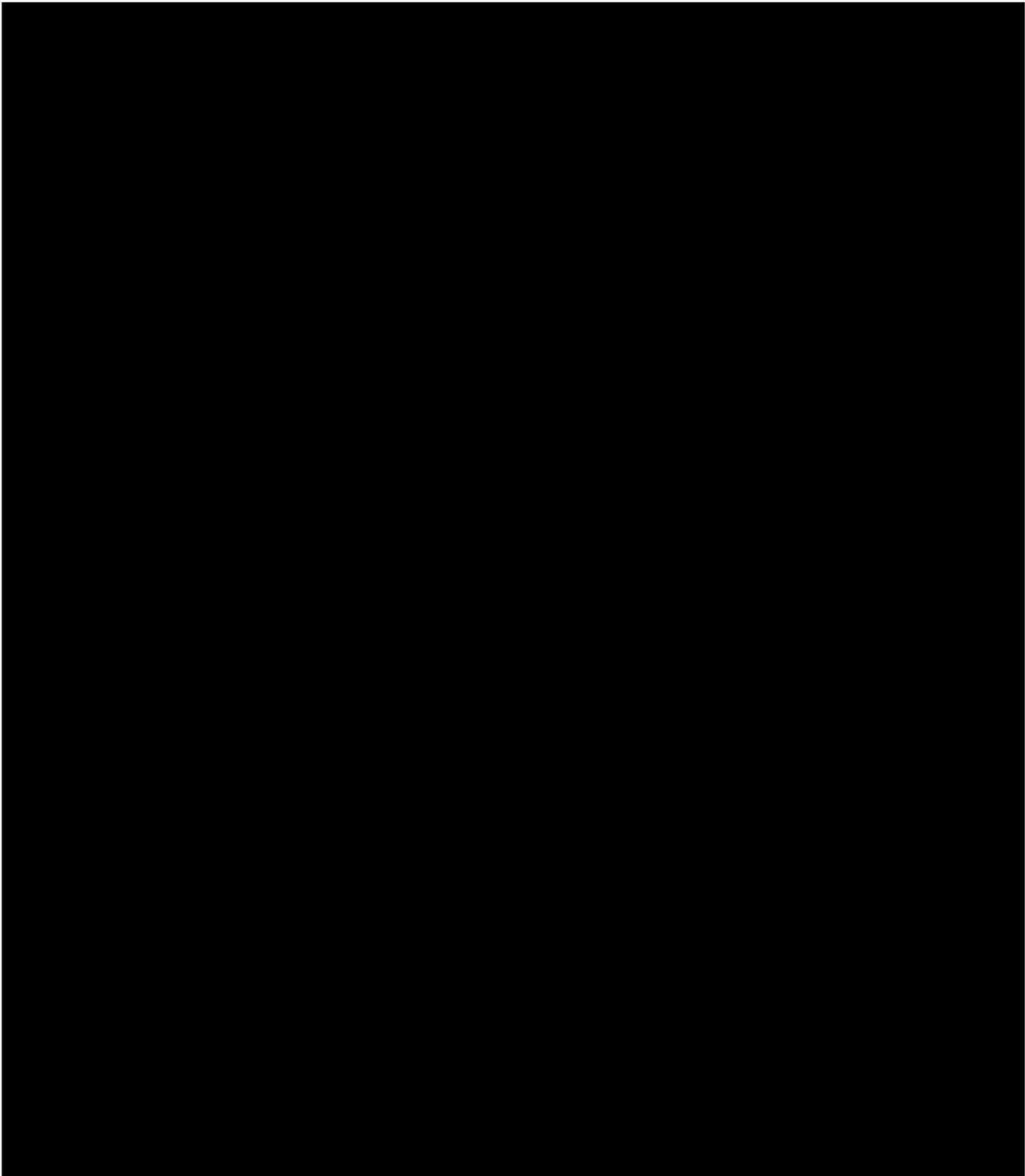
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]



**FIREARMS TRACE SUMMARY**



FOR OFFICIAL USE ONLY

# **ATTACHMENT 5**

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Friday, April 02, 2010 10:31 AM  
**To:** Hurley, Emory (USAAZ); Gillett, George T. Jr.  
**Co:** Phoee-Group VII  
**Subject:** No pressure but perhaps an increased sense of urgency...

958 killed in March 2010 (Most violent month since 2005)

937 killed in January 2010

842 killed in December 2009

187 murders in March, including 11 policemen

I hope this e-mail is well received in that it is not intended to imply anything other than that the violence in Mexico is severe and without being dramatic we have a sense of urgency with regards to this investigation. Our subjects purchased 359 firearms during the month of March alone, to include numerous Barrett .50 caliber rifles. I believe we are righteous in our plan to dismantle this entire organization and to rush in to arrest any one person without taking in to account the entire scope of the conspiracy would be ill advised to the overall good of the mission. I acknowledge that we are all in agreement that to do so properly requires patience and planning. In the event however that there is anything we can do to facilitate a timely response or turnaround by others we should communicate our sense of urgency with regard to this matter.

Thanks for everyone's continued support in this endeavor,

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602 [REDACTED]



# **ATTACHMENT 6**

### Phoenix Group VII

(GRIT/SWB Firearms Trafficking)

785115-10-0004, Operation Fast and Furious: This OCDETF case is a large scale firearms trafficking case with the firearms being recovered either in the Republic of Mexico or on/near the US/Mexico border (El Paso, TX, Nogales, AZ, Douglas, AZ, etc.) To date over 1,500 firearms have been purchased since October 2009 for over one million (\$1,000,000.00) cash in over-the-counter transactions at various Phoenix area FFLs. [REDACTED]

[REDACTED] case against various individuals but more specifically to make the bigger connection to the Mexican Cartel/Drug Trafficking Organization (DTO) obtaining these firearms for the best possible case and the most severe charges when it is time to indict this case.

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

# **ATTACHMENT 7**



[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[REDACTED]

[REDACTED]

[REDACTED]

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Tue, Apr 13, 2010 at 1:29 PM

To: [REDACTED]

Delivery to the following recipient failed permanently:

[REDACTED]

Technical details of permanent failure:

Message rejected. Please visit [http://www.google.com/mail/help/bulk\\_mail.html](http://www.google.com/mail/help/bulk_mail.html) to review our Bulk Email Senders Guidelines.

[REDACTED]

[REDACTED]

[REDACTED]

From: Cooperating FFL  
To: [REDACTED]@usdoj.gov>  
Cc: Cooperating FFL [REDACTED] ATF Agent [REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov>, Cooperating FFL [REDACTED] ATF Agent [REDACTED]@usdoj.gov>

[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[REDACTED]

Tue, Apr 13, 2010 at 1:31 PM

----- Forwarded message -----

From: Cooperating FFL  
Date: Tue, Apr 13, 2010 at 1:29 PM  
Subject: Re: Ongoing ATF investigation  
To: [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, Cooperating FFL

[REDACTED]

Thu, Apr 15, 2010 at 9:23 AM

To: Cooperating FFL [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov

Cooperating FFL

We at ATF consider [REDACTED] Cooperating FFL to be our ally in Project Gunrunner SWB Initiative and appreciate your cooperation with us in regards to this (and all) law enforcement matters. I have inquired from the Assistant United States Attorney (AUSA) handling this case as to his availability to meet with you next week. He is checking his schedule and I expect to hear from him soon.

Thanks again and please contact me any time with questions or concerns,

[Redacted]  
Group Supervisor

Phoenix Group VII

602-[Redacted]

---

**From:** Cooperating FFL [Redacted]  
**Sent:** Tuesday, April 13, 2010 1:30 PM  
**To:** [Redacted]  
**Cc:** Cooperating FFL [Redacted], ATF Agent [Redacted], ATF Agent [Redacted], ATF Agent [Redacted], Cooperating FFL [Redacted]  
**Subject:** Re: Ongoing ATF Investigation

[Redacted]  
[Redacted]

---

Cooperating FFL [Redacted] Thu, Apr 15, 2010 at 10:39 AM  
**To:** [Redacted]@usdoj.gov  
**Cc:** Cooperating FFL [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>, ATF Agent [Redacted]@usdoj.gov>

[Redacted]

Thank you for the kind words and the continued support. We will continue handling the transactions as we have in the past until we meet. If there is anything you need in the interim please don't hesitate to ask.

See you soon.

Respectfully,

Cooperating FFL [Redacted]

[Redacted]



**Fox News report**

3 messages

Cooperating FFL

To: [redacted] <[redacted]@usdoj.gov>

Thu, Jun 17, 2010 at 11:56 AM

I hope this email finds you well.

As per our discussion about over communicating I wanted to share some concerns that came up. Tuesday night I watched a segment of a Fox News report about firearms and the border. The segment, if the information was correct, is disturbing to me. When you, Emory and I met on May 13th I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. I guess I am looking for a bit of reassurance that the guns are not getting south or in the wrong hands. I know it is an ongoing investigation so there is limited information you can share with me. But as I said in our meeting, I want to help ATF with its investigation but not at the risk of agents safety because I have some very close friends that are US Border Patrol agents in southern AZ as well as my concern for all the agents safety that protect our country. If possible please email me back and share with me any reassurances that you can.

As always thank you for your time and I send this email with all respect and a hart felt concern to do the right thing.

Respectfully,

Cooperating FFL

[redacted signature block]

[redacted content block]

To: Cooperating FFL <[redacted]@usdoj.gov>

Fri, Jun 18, 2010 at 2:25 PM

[redacted footer block]

Cooperating FFL

Thanks for reaching out to me with your concerns. I would be happy to stop by and speak with you. If possible I have [redacted] in [redacted] next Tuesday, June 22, 2010. Any chance you are available that day around 10:00-10:30 am?

Thanks,

---

From: [redacted] Cooperating FFL  
Sent: Thursday, June 17, 2010 11:56 AM  
To: [redacted]  
Subject: Fox News report

---

Cooperating FFL  
Replv-To: Cooperating FFL  
To: [redacted] <[redacted]@usdoj.gov>

Mon, Jun 21, 2010 at 9:34 PM

I am back intown. If you are still free to meet on the 22nd [redacted] around 10 and there for a few hours. Please stop by if you are available, if not let me know when we can reschedule.

Thank you,

Cooperating FFL

Sent from my Verizon Wireless BlackBerry

---

From: [redacted] <[redacted]@usdoj.gov>  
Date: Fri, 18 Jun 2010 17:25:25 -0400  
To: Cooperating FFL  
Subject: RE: Fox News report

[redacted]

# **ATTACHMENT 8**

From: [REDACTED]  
Sent: Thursday, June 17, 2010 8:09 AM  
To: [REDACTED]  
Cc: [REDACTED]  
Subject: RE: Suspect Databases #LE1001715  
Attachments: SGF23171.pdf; Suspect Person.doc

Good Morning, [REDACTED]

I am not sure if you received an answer to your inquiry as to the "SUSPECT" Databases.

The Suspect Person Database, this is handled by the Violent Crime Analysis Branch (VCAB). I have attached a copy of both submission forms for your review and completion. For additional information on Suspect "Person", please contact [REDACTED] or [REDACTED] for additional assistance at VCAB; phone 304-[REDACTED].

Suspect Gun - Entries made to this program are firearms that have "NOT" been recovered by law enforcement but suspected to eventually be used in criminal activity.

Once the firearms are entered in the system, you will receive a report, representative of the firearm information that was provided. For the trace to be a "hit", all of the weapon information must match; that is, the manufacturer, weapon type, caliber and serial number. If the NTC receives a Trace request for any of the firearms submitted, the Suspect Gun Program will advise you upon email notification to include Requestor information. It is part of our procedures of Suspect Gun to obtain the Suspect Gun Case Status when an incoming Trace is submitted to the NTC on an Active Suspect Gun Case, regardless of the Trace requestor. At this point the trace will be held pending upon written verification from the Suspect Gun case agent.

The Suspect Gun Database is beneficial to the law enforcement in providing investigative leads when dealing with firearms trafficking and straw purchasers. This information can also be shared between law enforcement agencies for comparing records or ongoing investigations. Checking trace requests against the Suspect Gun Database also saves valuable time in processing trace requests.

If you are submitting a large list of firearms it would be best to have an attached Word or Excel document detailing the FFL, identifying each firearm (complete weapon description), include the purchaser (if available), purchase date (if available) and FFL involved (if available) for the purchase.

Please be advised that the Suspect Gun Program requires an active ATF investigation number for entry into the Suspect Gun Database. Gun Database (general IN numbers, case 765065-07-[REDACTED], are no longer accepted). Also indicate whether or not the National Tracing Center (NTC) can release Trace history to other requestors.

Please note that an updated Suspect Gun Submission form has been attached for future submissions which can be faxed to 800-[REDACTED] or emailed directly to our Suspect Gun email box through outlook at [REDACTED].

All information regarding this Theft, Multiple Sale and/or any other Trace requests can be obtained by using eTrace. In the event that you do not have access, access can be requested by contacting the E-Trace Administrator at 304-[REDACTED] or via email at [REDACTED]. In the event that you do not have access, access can be requested by contacting the Law Enforcement Support Branch at 304-[REDACTED] or 800-[REDACTED].

# **ATTACHMENT 9**

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Monday, May 03, 2010 11:13 AM  
**To:** Phoe-Group VII  
**Subject:** Just an FYI...

➤ April was the second most violent month during the Calderon administration with 1,231 executions. This is more than twice that accumulated in the same month in 2009 (560 dead) and five times that of 2008 (270).

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602- [REDACTED]

# **ATTACHMENT 10**

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Friday, March 12, 2010 7:34 PM  
**To:** Phoe-Group VII  
**Subject:** Monday Morning Meeting, Strike force 9:30am

To all;

It has been brought to my attention that there may be a schism developing amongst the group. This is the time we all need to pull together not drift apart. We are all entitled to our respective (albeit different) opinions however we all need to get along and realize that we have a mission to accomplish.

I am thrilled and proud that our Group is the first ATF Southwest Border Group in the country to be [REDACTED]. On that note I thank everyone for their efforts thus far and applaud the results we have achieved in a short amount of time.

Whether you care or not people of rank and authority at HQ are paying close attention to this case and they also believe we (Phoenix Group VII) are doing what they envisioned the Southwest Border Groups doing. It may sound cheesy but we are "The tip of the ATF spear" when it comes to Southwest Border Firearms Trafficking.

We need to resolve our issues at this meeting. I will be damned if this case is going to suffer due to petty arguing, rumors or other adolescent behavior.

I don't know what all the issues are but we are all adults, we are all professionals, and we have a exciting opportunity to use the biggest tool in our law enforcement tool box. If you don't think this is fun you're in the wrong line of work - period! This is the pinnacle of domestic U.S. law enforcement techniques. After this the tool box is empty. Maybe the Maricopa County Jail is hiring detention officers and you can get paid \$30,000 (instead of \$100,000) to serve lunch to inmates all day.

One last point is that we have many of our brother and sister ATF agents coming into town to assist us on this case. We have to put our best effort forward and lead by example. No one wants to leave their families behind, or leave their case work behind to come help someone who does even appreciate their sacrifice.

We need to get over this bump in the road once and for all and get on with the mission at hand. This can be the most fun you have with ATF, the only one limiting the amount of fun we have is you!

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602 [REDACTED]



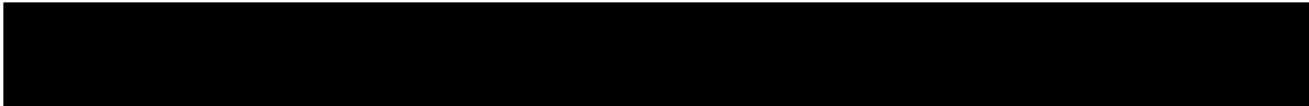
# **ATTACHMENT 11**

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

### Report of Investigation

Title of Investigation: [REDACTED]	Investigation Number: 786115-10-[REDACTED]	Report Number: 1
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#### SUMMARY OF EVENTS:

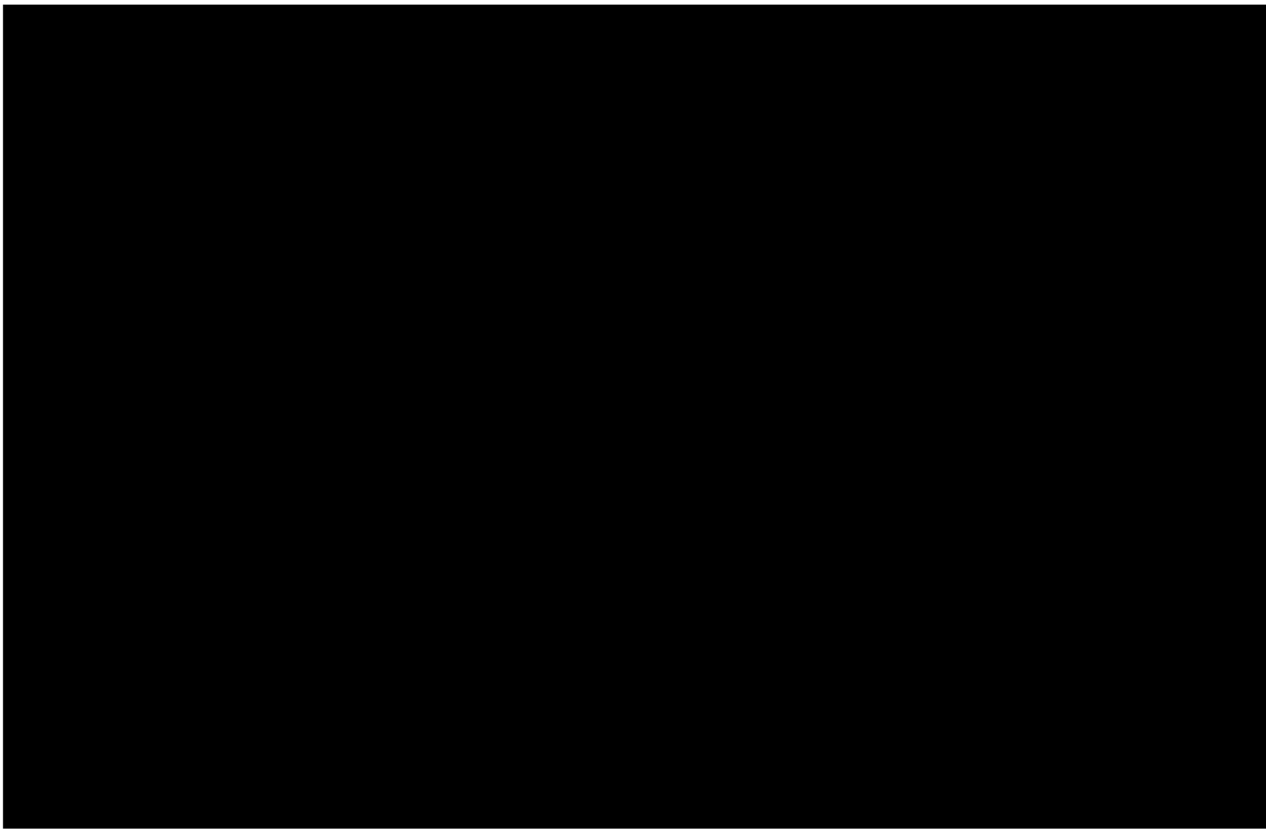


#### NARRATIVE:

1.

2.

3.

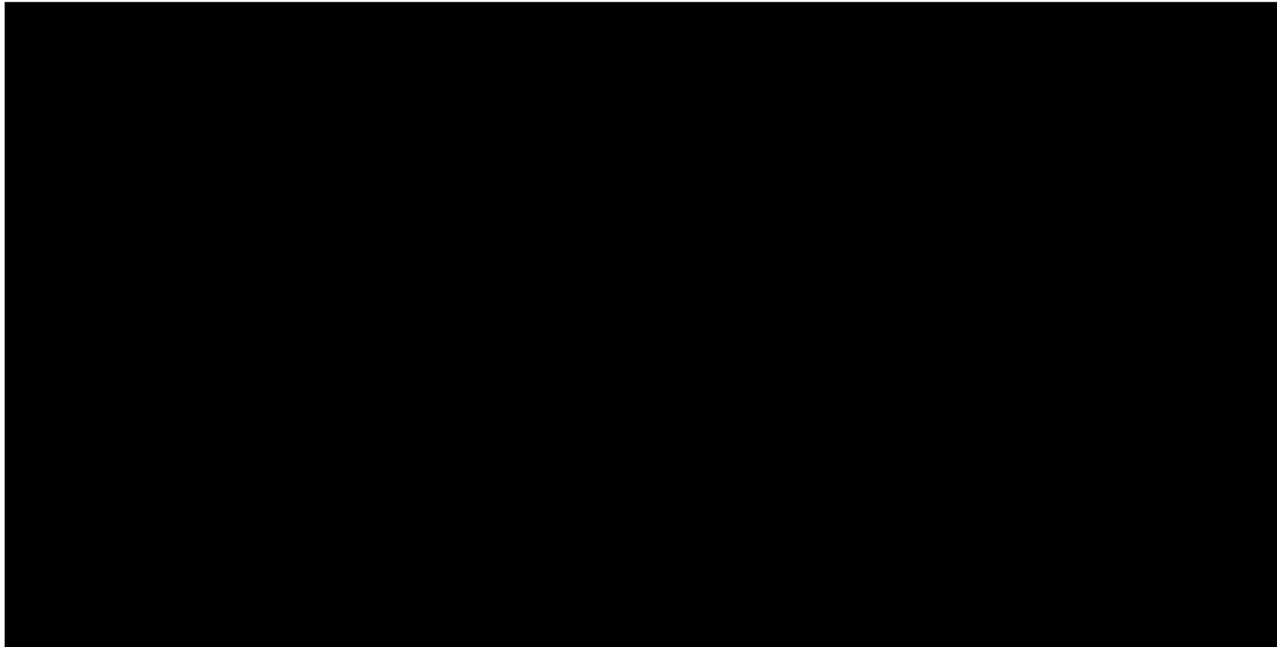


Prepared by: [REDACTED]	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
Authorized by: [REDACTED]	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Nowell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:

Title of Investigation: [REDACTED]	Investigation Number: 785415-10 [REDACTED]	Report Number: [REDACTED]
---------------------------------------	---	------------------------------

4.

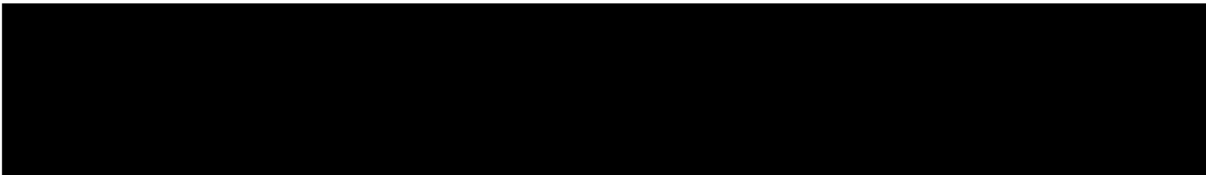
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**ATTACHMENTS:**

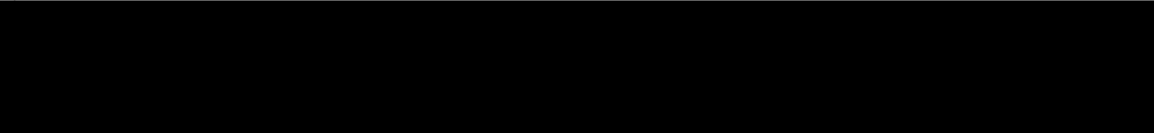
1.

2.



**EXHIBITS:**

1.

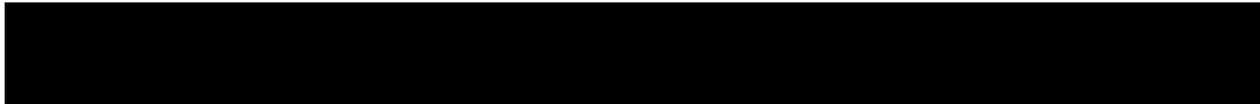


U.S. Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives

### Report of Investigation

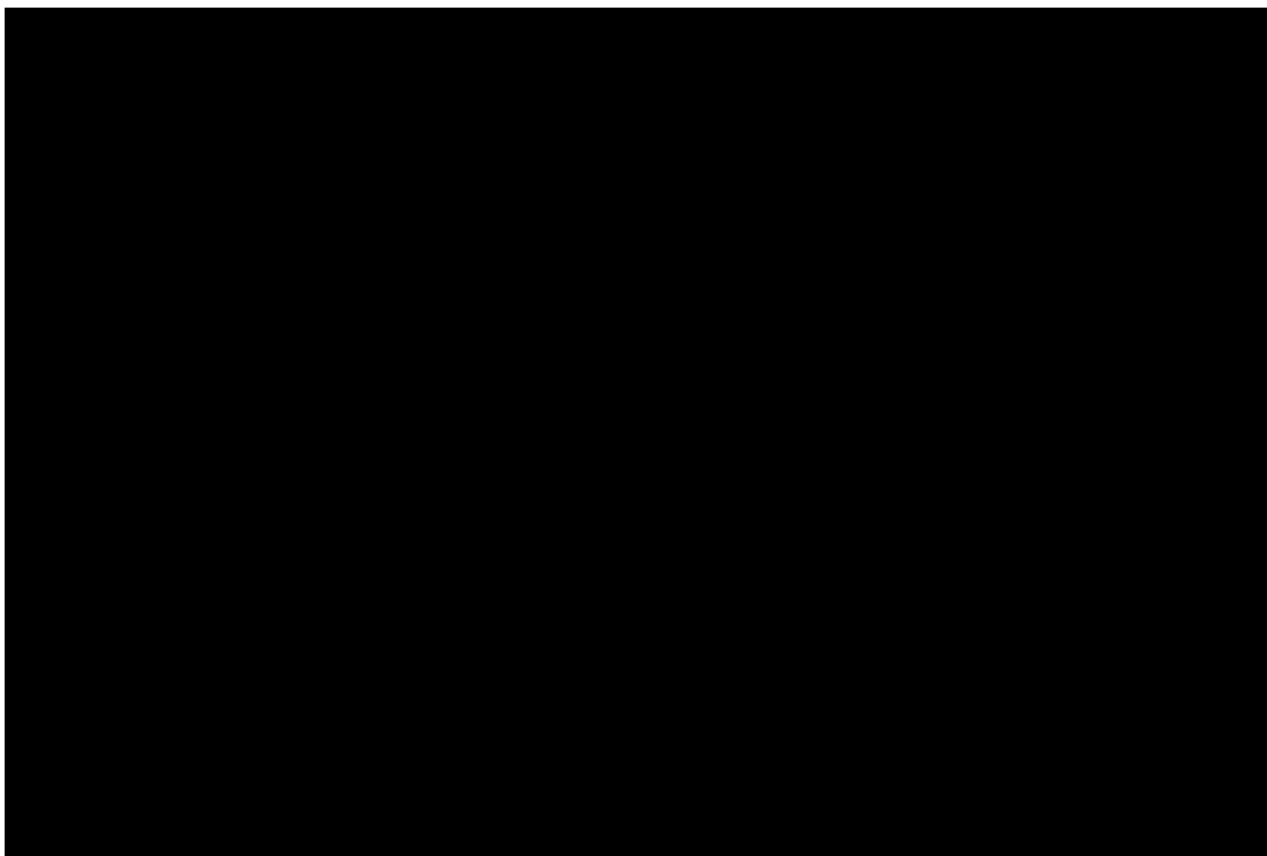
Title of Investigation: [REDACTED]	Investigation Number: 785115-10 [REDACTED]	Report Number: [REDACTED]
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#### SUMMARY OF EVENT:



#### NARRATIVE:

- 1.
- 2.
- 3.
- 4.



Prepared by: [REDACTED]	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
[REDACTED]	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Newell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:

Title of Investigation: [REDACTED]	Investigation Number: 785115-10 [REDACTED]	Report Number: [REDACTED]
---------------------------------------	---	------------------------------



**ATTACHMENTS:**

1. [REDACTED]

**EXHIBITS:**

2. [REDACTED]
3. [REDACTED]

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

### Report of Investigation

Title of investigation: [REDACTED]	Investigation Number: 786416-10 [REDACTED]	Report Number: 1
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#### SUMMARY OF EVENT:

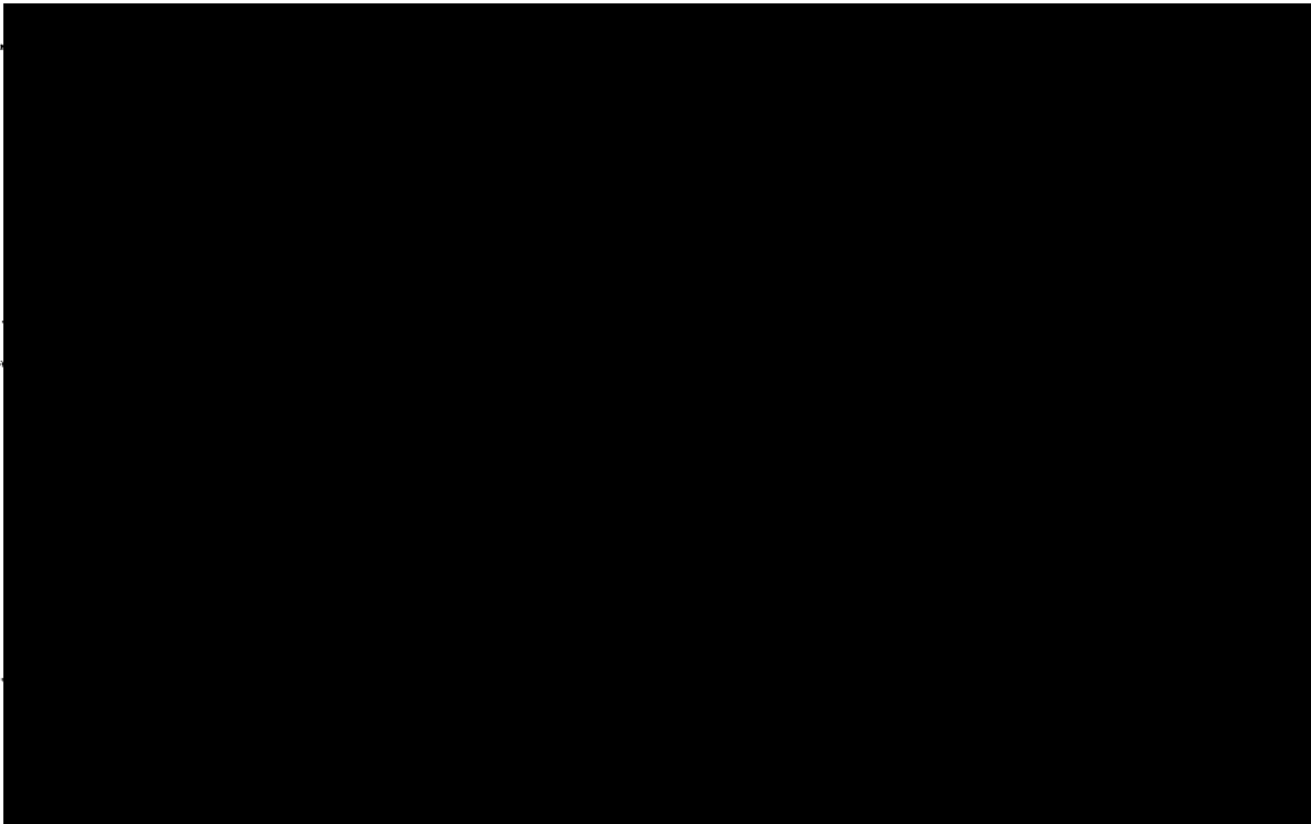


#### NARRATIVE:

1.

2.

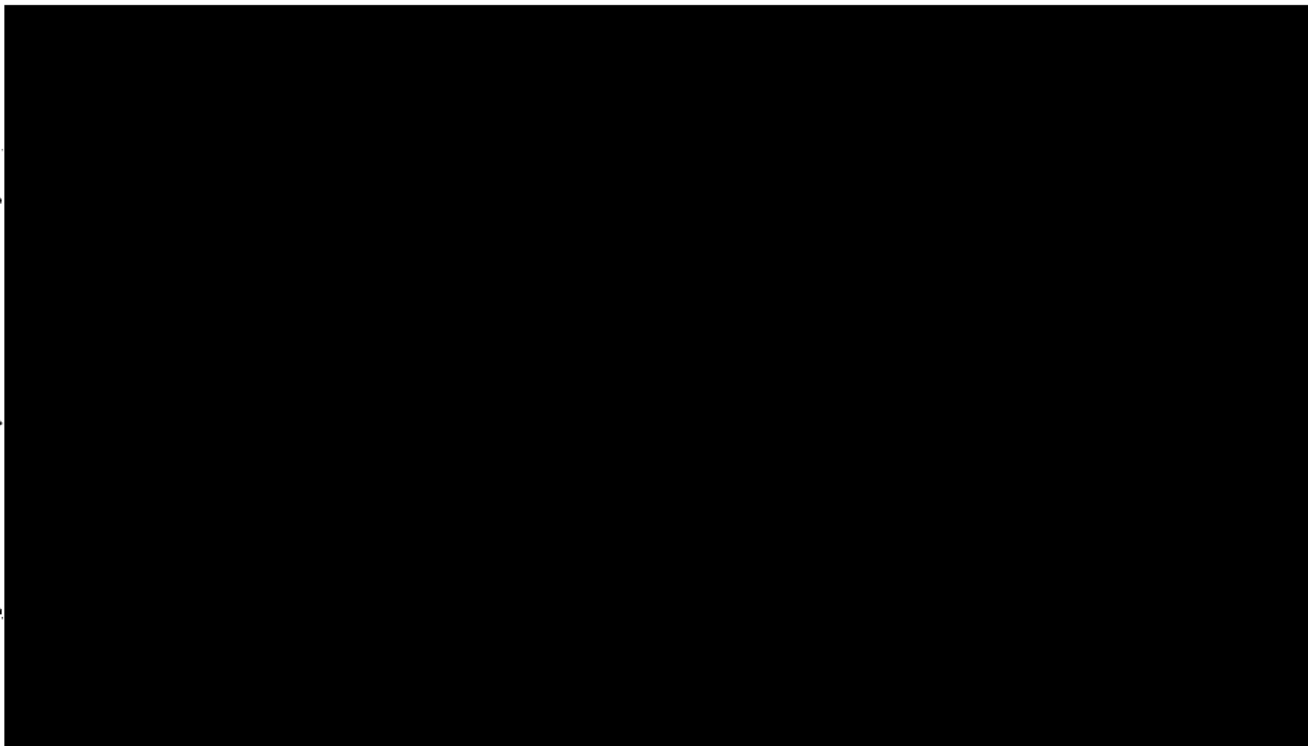
3.



Prepared by: [REDACTED]	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
Authorized by: [REDACTED]	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Newell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:

Title of Investigation: [REDACTED]	Investigation Number: 785115-10 [REDACTED]	Report Number: 1
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- 4.
- 5.
- 6.



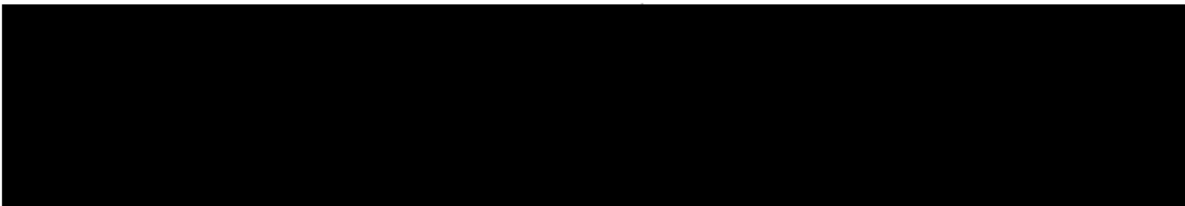
**ATTACHMENTS:**

- I.



**EXHIBITS:**

- \*
- \*



**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

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MIKE KELLY, PENNSYLVANIA

LAWRENCE J. BRADY  
STAFF DIRECTOR

April 20, 2011

Mr. Kenneth E. Melson  
Acting Director  
Bureau of Alcohol, Tobacco, Firearms, and Explosives  
99 New York Avenue, NE  
Washington, DC 20226

Dear Acting Director Melson:

The Committee on Oversight and Government Reform issued a subpoena to you on March 31, 2011. The subpoena instructed you to produce documents pertaining to Project Gunrunner and Operation Fast and Furious, conducted by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). I wrote to you on April 11, 2011 to reiterate that, “[a]bsent a valid assertion of executive privilege over the materials sought, I expect you to produce the things identified in the March 31, 2011, subpoena’s schedule by the return date.”<sup>1</sup> The April 13, 2011 deadline for compliance has passed without production of any documents.

I am disappointed that you have failed to produce any documents that would meet your legal obligations by the subpoena’s April 13th deadline. Instead of documents, after the deadline passed, I received a letter from Assistant Attorney General Ronald Weich. Mr. Weich did not assert a claim of executive privilege in withholding all documents from the Committee. Instead, the Department’s response again restated its lack of production was due solely to the Department’s internal policy relating to “ongoing law enforcement investigations,” “pending criminal investigations,” “on-going criminal investigations,” and “open criminal investigative files.”<sup>2</sup> Absent a claim of executive privilege, these vague assertions are not a valid basis for your decision to withhold documents.

<sup>1</sup> Letter from Rep. Darrell E. Issa, Chairman, H. Comm. on Oversight & Gov’t Reform (OGR), to Kenneth E. Melson, Acting Director, ATF (Apr. 11, 2011).

<sup>2</sup> Letter from Ronald Weich, Assistant Attorney General, DOJ, to Rep. Darrell E. Issa, OGR Chairman (Apr. 13, 2011) (hereinafter Weich Letter).



Mr. Weich's April 13, 2011 letter focuses almost exclusively on a general Department policy regarding pending criminal investigations. It is unclear to which specific criminal investigations Mr. Weich is referring. Such a blanket prohibition, if accepted, would conceal the entirety of Project Gunrunner and Operation Fast and Furious from legitimate congressional scrutiny. This is unacceptable. As a co-equal branch of government, Congress has a right, even a constitutional obligation, to conduct oversight of the Executive Branch, including the Department of Justice.

Over the past 85 years, the U.S. Supreme Court has consistently ruled the investigatory power of Congress is essential to the legislative function,<sup>3</sup> and the Court has gradually expanded that power.<sup>4</sup> Pointedly, the Supreme Court has also weighed in on the Department of Justice's internal policy of withholding documents to Congress that pertain to open criminal investigations:

It may be conceded that Congress is without authority to compel disclosure for the purpose of aiding the prosecution of pending suits; but the authority of that body, directly or through its committees to require pertinent disclosures in aid of its own constitutional power is not abridged because the information sought to be elicited may also be of use in such suits.<sup>5</sup>

The Department's internal policy to withhold documents from what it labels pending criminal investigations may not deprive Congress from obtaining those same documents if they are pertinent to a congressional investigation – particularly in a matter involving allegations that reckless and inappropriate decisions by top Justice Department officials may have contributed to the deaths of U.S. and Mexican citizens.

Let me be clear. The Committee is not seeking these documents from the Department of Justice in furtherance of the prosecution of pending suits. Rather, we are seeking these documents in furtherance of the proper use of our constitutional authority. Sometimes, we may take a deferential approach to the Department when we are both investigating a third-party's wrongdoing. Here, however, we are not conducting a concurrent investigation *with* the Department of Justice, but rather an independent investigation *of* the Department of Justice – specifically, of allegations that the reckless and inappropriate decisions of Department officials have created a serious public safety hazard. We are asking for documents that relate to decisions such officials made. Congress is legally entitled to all of these documents.

There are several prominent examples of Congress investigating the conduct of the Department of Justice while the Department proceeded simultaneously with criminal or civil probes:

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<sup>3</sup> *McGrain v. Daugherty*, 273 U.S. 135 (1927).

<sup>4</sup> *Watkins v. United States*, 354 U.S. 178 (1957); *Barenblatt v. United States*, 360 U.S. 109 (1959).

<sup>5</sup> *Sinclair v. United States*, 279 U.S. 263 (1929).

- Starting in 1922, Congress investigated “charges of misfeasance and nonfeasance in the Department of Justice”<sup>6</sup> at the same time that the Department of Justice failed to prosecute meritorious cases against Department of Interior employees stemming from the Teapot Dome Scandal.
- In 1992, a House subcommittee investigated a Department of Justice plea bargain regarding environmental crimes committed by the company that managed the Rocky Flats nuclear weapons facility.<sup>7</sup>
- In 2004, the House Committee on Government Reform investigated allegations that agents in the FBI’s Boston regional office knowingly permitted informants to commit nearly two dozen murders while they were acting as informants. At the time of the congressional investigation, cases were still pending against the Department of Justice.<sup>8</sup>

In each of these instances, Congress was able to obtain a substantial amount of responsive documents to aid its investigation. There is no constitutional, statutory, or case law authority that permits the Department of Justice to withhold documents from Congress due to the pendency of a criminal probe.

Assistant Attorney General Weich’s most recent letter also noted that the Department of Justice “made available documents for review prior to [the subpoena deadline].”<sup>9</sup> This statement, however, is misleading. The Department made only four documents available for an *in camera* review at Department of Justice headquarters. The viewing consisted of the following materials:

1. Southwest Border Initiative Project Gunrunner, December 2007.
2. ATF’s Project Gunrunner and OCDETF (Organized Crime Drug Enforcement Task Force).
3. Memorandum to all ADs and all Field Ops Personnel, from AD Field Ops.
4. Project Gunrunner – A Cartel Focused Strategy, September 2010.

These documents were quite general and largely unhelpful as none of them directly pertain to Operation Fast and Furious. This is not surprising considering that the Department of Justice believes it is “not in a position to disclose such documents, nor can [DOJ] confirm or deny the

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<sup>6</sup> *McGrain*, 273 U.S. at 151.

<sup>7</sup> See *Environmental Crimes at the Rocky Flats Nuclear Weapons Facility: Hearings before the Subcomm. on Investigations and Oversight of the House Committee on Science, Space, and Technology*, 102nd Cong., 2d Sess., Vols. I and II (1992).

<sup>8</sup> *Everything Secret Degenerates: The FBI’s Use of Murderers as Informants*, H. Rept. 108-414, 108th Cong., 2d Sess. (2004).

<sup>9</sup> Weich Letter, *supra* note 2.

existence of records in [its] ongoing investigative files.”<sup>10</sup> Undeterred by the Department’s refusal to produce documents, the Committee has been able to confirm independently that such documents do in fact exist. Attached to this letter are several documents the Committee has obtained indicating not only that the Department and ATF were aware that straw purchasers were consistently and illegally buying assault rifles and other weapons, but that they also failed to prevent their disappearance. Tragically, some of these weapons ATF represented it was tracking ended up at crime scenes, including at the locations of the murders of Border Patrol Agent Brian Terry and Immigrations and Customs Enforcement Officer Jaime Zapata.

Attachment 1 is a January 13, 2010 e-mail from an ATF employee containing a list of 42 names added to the Suspect Person Database. One of these names is Jaime Avila. Attachment 2 shows a Suspect Gun Summary for three WASR-10 rifles that Jaime Avila bought just three days later, on January 16, 2010. These guns were entered into ATF’s database on January 19, 2010. Attachment 3 is a Significant Information Report regarding the murder of Brian Terry. The Report states that “[t]wo (2) of the AK-47 variant rifles purchased by AVILA on 01/16/2010 were recovered in the area during” the search after Terry’s murder. This document demonstrates that ATF knew straw purchasers were acquiring weapons and failed to track those weapons. As an apparent result, a U.S. federal agent lost his life.

Attachment 4 shows the results of three Firearms Trace Summaries for Ranferi Osorio and Kelvin Morrison, his neighbor. One of the weapons recovered at the murder scene of Jaime Zapata was traced to a purchase made by Otilio Osorio, Ranferi’s brother.<sup>11</sup> The Attachment shows that not only did Ranferi Osorio and Kelvin Morrison purchase assault rifles, but these weapons had shown up at crime scenes, as indicated by the “Time to Crime” section of the Firearms Trace Summary. Both the Department and ATF knew that weapons were turning up at crime scenes, yet did not act. This is even more egregious when read in conjunction with an e-mail from Group VII Supervisor David Voth, as shown in Attachment 5. In the e-mail, Voth says:

[W]ithout being dramatic we have a sense of urgency with regards to this investigation. Our subjects purchased 359 firearms during the month of March alone, to include numerous Barrett .50 caliber rifles. I believe we are righteous in our plan to dismantle this entire organization and to rush in to arrest any one person without taking in to account the entire scope of the conspiracy would be ill advised to the overall good of the mission.

As a result of this “plan,” another U.S. federal agent may have also lost his life.

Attachment 6 presents a summary of the number of firearms purchased with ATF’s knowledge during the pendency of Operation Fast and Furious. The amount of firearms is a staggering 1,500 (minimum) heavy-duty weapons. Attachment 7 is an e-mail exchange between a Federal Firearms Licensee (FFL) and ATF in which the FFL expresses concern over the

<sup>10</sup> Letter from Assistant Attorney General Ronald Weich to OGR Chairman Darrell E. Issa (Apr. 8, 2011).

<sup>11</sup> See Press Release, Department of Justice, Three Dallas-Area Men Arrested on Federal Firearms Charges Related to Trafficking Firearms to a Mexican Drug Cartel (Mar. 1, 2011).

frequency of guns sold, and the strong possibility guns sold to straw purchasers would end up in Mexico or “in the hands of bad guys.” ATF, in conjunction with the Department of Justice, assures the FFL that there are safeguards in place to prevent this from happening. This claim is belied, however, by an e-mail (Attachment 8) showing that ATF knew that many of these 1,500 firearms would “eventually be used in criminal activity.” As clearly seen in Attachment 9, the Group VII Supervisor was fully aware that violence in Mexico was extremely high, yet failed to alter ATF’s approach. Attachment 10 is a forceful e-mail indicating that officials at ATF headquarters were “paying close attention” to Fast and Furious. Contained in Attachment 11 are detailed Reports of Investigation tracking suspected straw purchasers as part of Fast and Furious. These reports preceded the murders of Brian Terry and Jaime Zapata by several months.

It is nearly unfathomable that our government would allow straw purchasers to illegally acquire automatic weapons and transport them into Mexico, in furtherance of an ATF-led and -inspired investigation. As I understand Department of Justice operations, such programs would require the approval of top officials. The Committee’s experience in dealing with the Department is that it is a deliberate, methodical organization and is not agile. As such, officials at the highest levels of the Department more than likely made these decisions – with all due, if misguided, consideration.

Efforts by the Department of Justice and ATF to stonewall the Committee in its investigation by erroneously, but matter-of-factly, citing an internal department policy as a preventative measure for denying access to documents have only enhanced suspicions that such officials have played a role in reckless decisions that have put lives at risk. The Committee continues to pursue this matter vigorously, in part, because concerned individuals have indicated they do not have confidence in the Department’s ability to review the actions of its own top officials. The attachments to this letter represent but a small sample of myriad relevant and responsive documents.

The Committee’s request for documents has been pending since March 16, 2011. Senator Charles Grassley’s requests have been pending since January. Even if a legal basis did exist for withholding documents, the first step in evaluating this argument and the basis for a meaningful conversation between the Committee and the Department of Justice would be the production of a log of documents responsive to the subpoena with a specific explanation as to why you cannot produce each document. The Department has failed to provide any such log. Without such a log, the Committee is unable to consider the validity of any potential claim of privilege.

While I am certainly sensitive to protecting the integrity of pending criminal investigations, the Department has not provided information to substantiate its claims or produced other documents unrelated to specific cases. Therefore, I am hereby informing you that the Committee intends to enforce the subpoena issued to you on March 31, 2011. If you do not comply with the subpoena, the Committee will be forced to commence contempt proceedings.

Employee 5  
Mr. Kenneth E. Melson  
April 20, 2011  
Page 6

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If you have any questions about this matter, please contact Ashok Pinto or Henry Kerner of the Committee staff at (202) 225-5074.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrell Issa", written over a horizontal line.

Darrell Issa  
Chairman

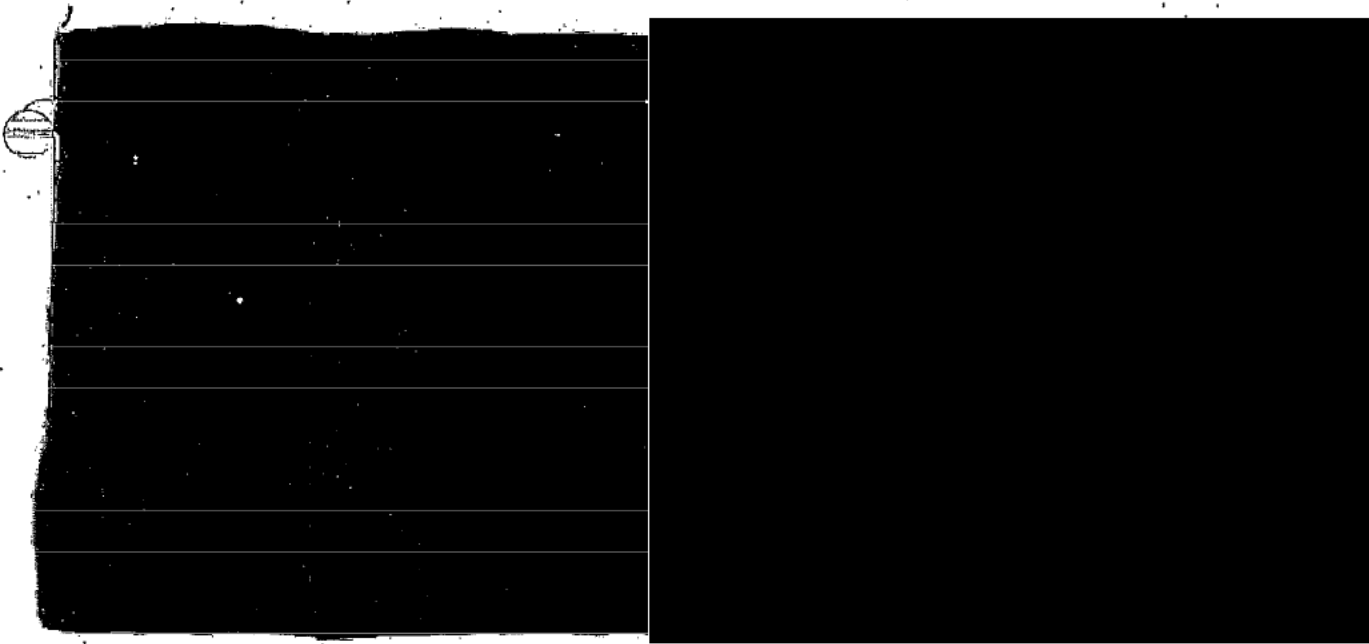
Enclosures

cc: The Honorable Elijah E. Cummings, Ranking Member

The Honorable Charles E. Grassley, Ranking Member,  
U.S. Senate, Committee on the Judiciary

# **ATTACHMENT 1**





Please be advised that the Consolidated Appropriations Act of 2009, Public L. 111-8, which became effective on March 12, 2009, restricts the disclosure of any part of the contents of the Firearms Tracing System or any information required to be kept by Federal Firearms Licensees pursuant to 18 USC 923(g), or required to be reported pursuant to 18 USC 923(g)(3) and 923(g)(7).

The information, which is being provided per your request, is for official law enforcement use only and may only be disseminated by the Bureau of Alcohol, Tobacco, Firearms and Explosives to a Federal, State, local, tribal, or foreign law enforcement agency, or a Federal, State, or local prosecutor, solely in connection with and for use in a criminal investigation or prosecution; or a Federal agency for a national security or intelligence purpose. This disclosure restriction shall not be construed to prevent the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or the publication of statistical aggregate data regarding firearms traffickers and trafficking channels, firearms misuse, felons, and trafficking investigations. If you have questions regarding these restrictions please contact ATF legal counsel prior to disclosing any of the information provided in this correspondence outside of ATF.

Please complete the attached OSII Customer Satisfaction Survey form. Click on the "Mail" box located at the bottom of the form and then click on "Send".

Sincerely,

[Redacted]  
 Program Analyst  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Office of Strategic Intelligence and Information  
 Violent Crime Intelligence Division  
 Violent Crime Analysis Branch  
 Main Office #: (304) [Redacted]  
 Direct #: (304) [Redacted]  
 Fax #: (304) [Redacted]



# **ATTACHMENT 2**

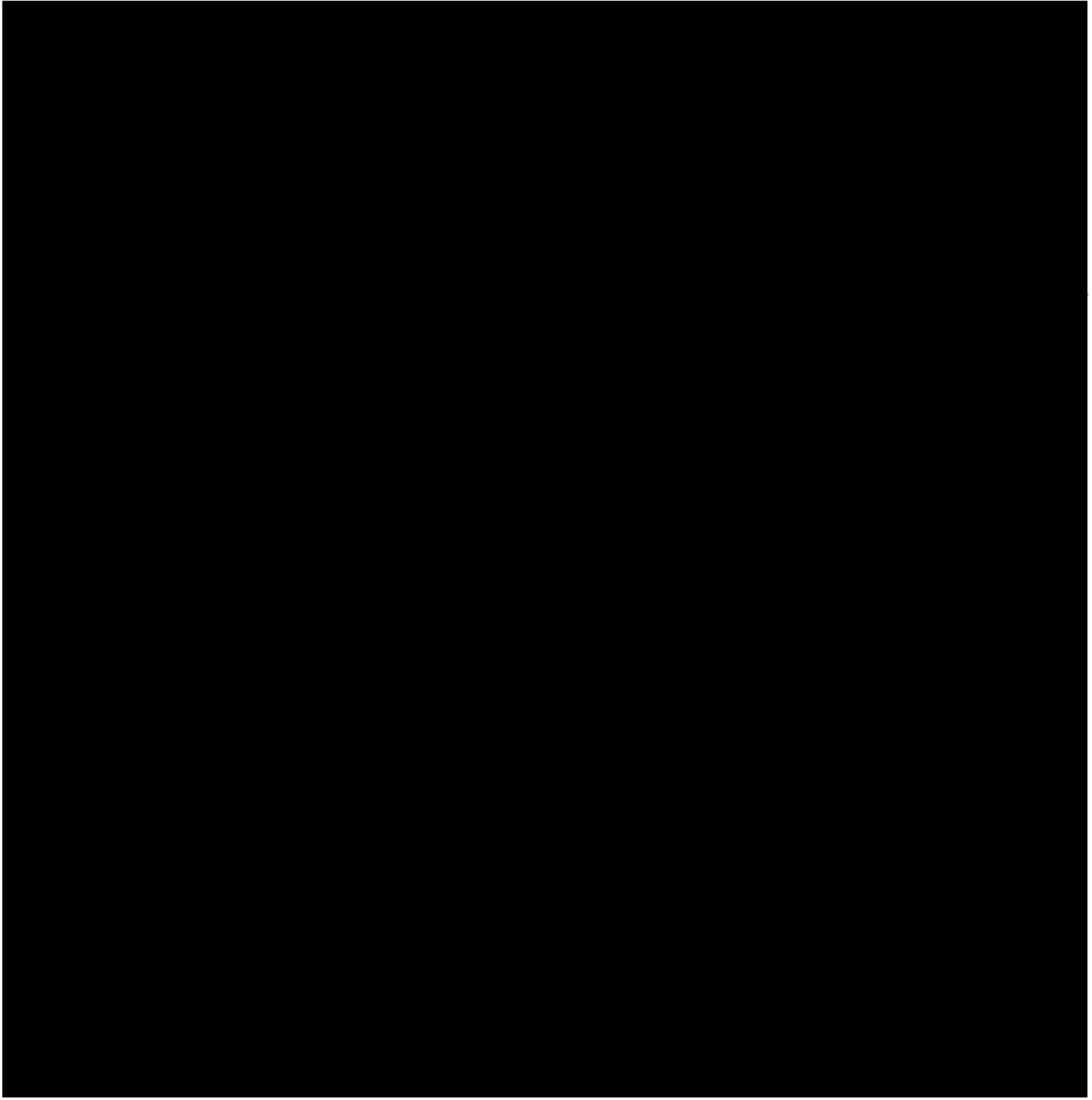
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print: [REDACTED]



SUSPECT GUN SUMMARY



# **ATTACHMENT 3**

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

Significant Information Report

DATE: 12/16/2010

FROM: Phoenix Field Division

FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785115-10- [REDACTED]

CASE TITLE: [REDACTED]

SPECIAL AGENTS: [REDACTED]

TELEPHONE NUMBER: [REDACTED]

(602) [REDACTED]

SYNOPSIS OF INCIDENT/ACTIVITY

Arrest of [REDACTED]

NARRATIVE OF INCIDENT/ACTIVITY

On January 16, 2010, [REDACTED] purchased three (3) AK-47 variant rifles from a Phoenix area PFL. On December 15, 2010, after the shooting death of a U.S. Border Patrol agent in Southern Arizona, law enforcement officers/agents conducted a search of the area. Two (2) of the AK-47 variant rifles purchased by [REDACTED] on 01/16/2010 were recovered in the area during this search.

On December 15, 2010, ATF agents located [REDACTED] and subsequently interviewed and arrested him on charges stemming from this January 16, 2010, firearm purchase. In summary, [REDACTED] admitted to ATF agents that he straw purchased these firearms for an unidentified Hispanic male.

[REDACTED] was held overnight and ATF agents have prepared a criminal complaint for [REDACTED] on firearm charges relating to the straw purchase of two three (3) AK-47 variant rifles on 01/16/2010 and are presenting it to a Federal Magistrate today (12/16/10).

# **ATTACHMENT 4**

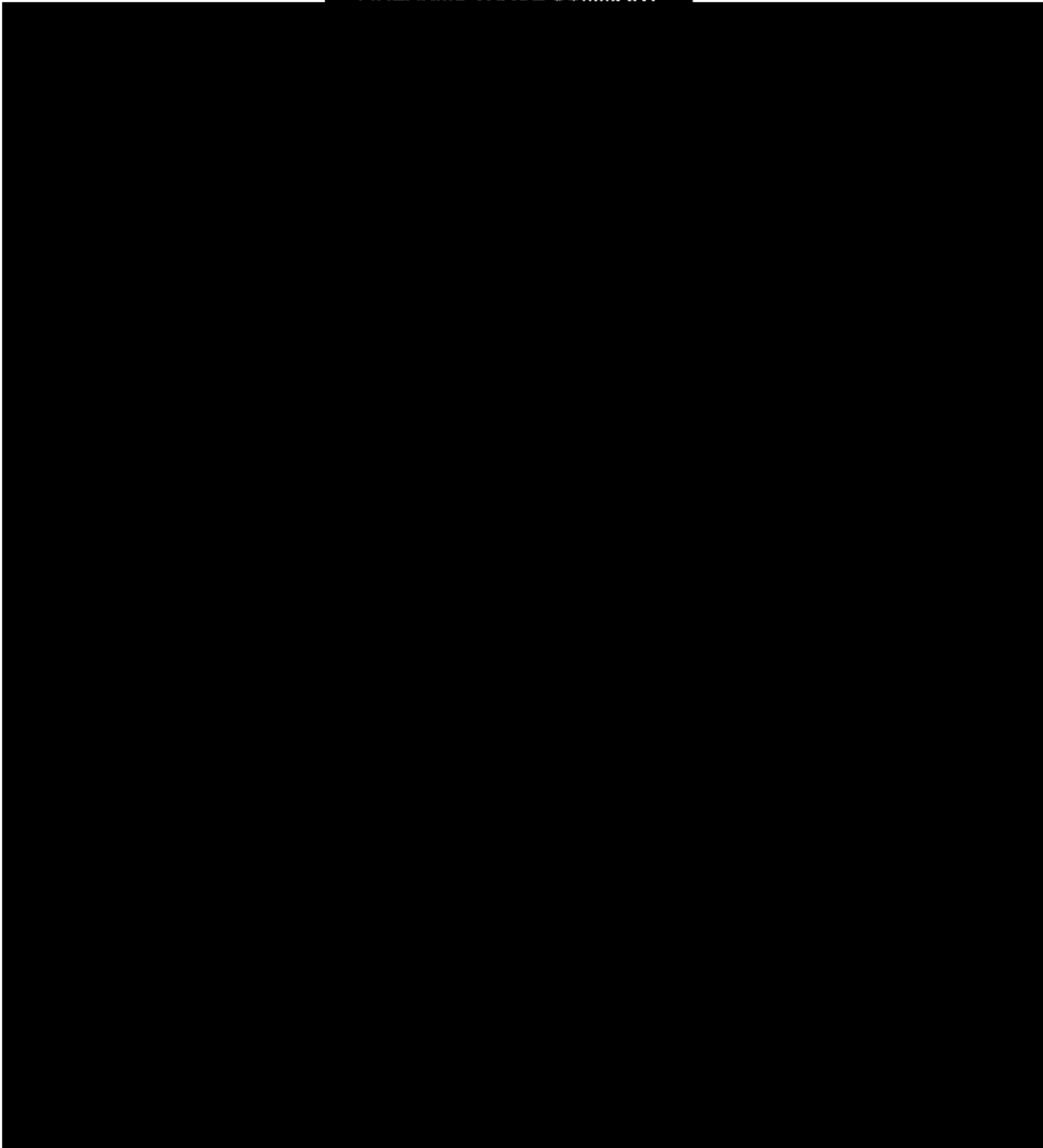
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER



Phone:(800) [REDACTED] Fax:(800) [REDACTED]

Print Date: [REDACTED]

**FIREARMS TRACE SUMMARY**



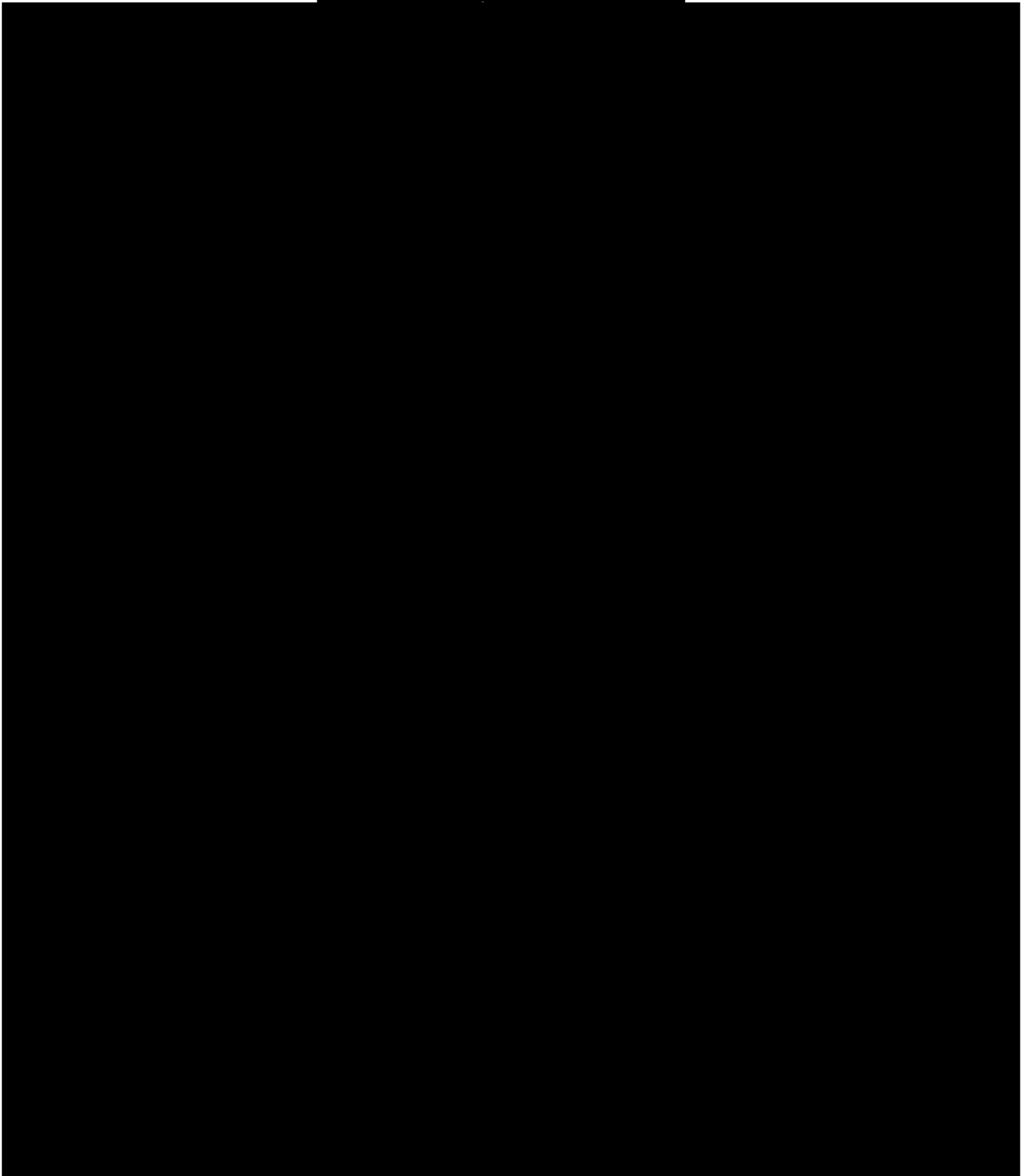
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER

Phone:(800) [REDACTED] Fax:(800) [REDACTED]

Print Date: [REDACTED]



**FIREARMS TRACE SUMMARY**



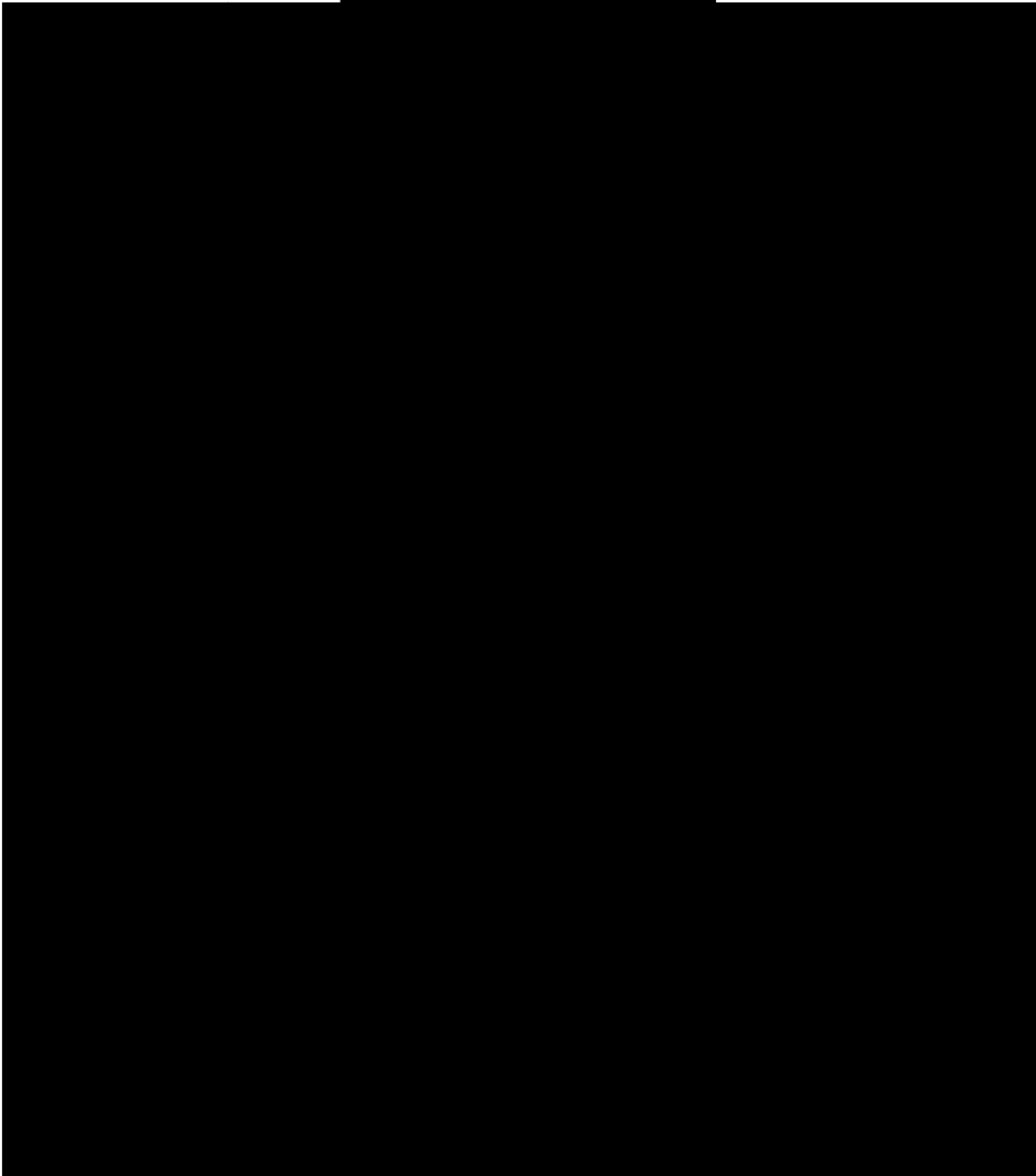
DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES  
NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]



**FIREARMS TRACE SUMMARY**





# **ATTACHMENT 5**

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Friday, April 02, 2010 10:31 AM  
**To:** Hurley, Emory (USAAZ); Gillett, George T. Jr.  
**Co:** Phoee-Group VII  
**Subject:** No pressure but perhaps an increased sense of urgency...

[REDACTED]

958 killed in March 2010 (Most violent month since 2005)

937 killed in January 2010

842 killed in December 2009

[REDACTED]

187 murders in March, including 11 policemen

I hope this e-mail is well received in that it is not intended to imply anything other than that the violence in Mexico is severe and without being dramatic we have a sense of urgency with regards to this investigation. Our subjects purchased 359 firearms during the month of March alone, to include numerous Barrett .50 caliber rifles. I believe we are righteous in our plan to dismantle this entire organization and to rush in to arrest any one person without taking in to account the entire scope of the conspiracy would be ill advised to the overall good of the mission. I acknowledge that we are all in agreement that to do so properly requires patience and planning. In the event however that there is anything we can do to facilitate a timely response or turnaround by others we should communicate our sense of urgency with regard to this matter.

Thanks for everyone's continued support in this endeavor,

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602 [REDACTED]

# **ATTACHMENT 6**

### Phoenix Group VII

(GRIT/SWB Firearms Trafficking)

785115-10-0004, Operation Fast and Furious: This OCDETF case is a large scale firearms trafficking case with the firearms being recovered either in the Republic of Mexico or on/near the US/Mexico border (El Paso, TX, Nogales, AZ, Douglas, AZ, etc.) To date over 1,500 firearms have been purchased since October 2009 for over one million (\$1,000,000.00) cash in over-the-counter transactions at various Phoenix area FFLs. [REDACTED]

[REDACTED] case against various individuals but more specifically to make the bigger connection to the Mexican Cartel/Drug Trafficking Organization (DTO) obtaining these firearms for the best possible case and the most severe charges when it is time to indict this case.

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

# **ATTACHMENT 7**

# Ongoing ATF investigation

6 messages

**To:** Cooperating FFL [redacted]@usdoj.gov> Tue, Apr 13, 2010 at 9:24 AM  
**Cc:** ATF Agent [redacted]@usdoj.gov>, ATF Agent [redacted]@usdoj.gov>, ATF Agent [redacted]@usdoj.gov>  
 Cooperating FFL [redacted]

I understand that the frequency with which some individuals under investigation by our office have been purchasing firearms from your business has caused concerns for you. I totally understand and am not in a position to tell you how to run your business. However, if it helps put you at ease we (ATF) are continually monitoring these suspects using a variety of investigative techniques which I cannot go into detail. We are working in conjunction with the United States Attorney's Office (Federal Prosecutors) to secure the most comprehensive case involving the different facets of this organization. If it puts you at ease I can schedule a meeting with the Attorney handling the case and myself to further discuss this issue. Just know that we cannot instruct you on how to run your business but your continued cooperation with our office has greatly aided the investigation thus far.

Thanks again and please let me know how I can be of service to you.

Respectfully,

[redacted]  
 Group Supervisor  
 Phoenix Group VII  
 602-[redacted]

**To:** Cooperating FFL [redacted]@usdoj.gov> Tue, Apr 13, 2010 at 1:29 PM  
**Cc:** Cooperating FFL [redacted]@usdoj.gov>, ATF Agent [redacted]@usdoj.gov>, ATF Agent [redacted]@usdoj.gov>, ATF Agent [redacted]@usdoj.gov>, Cooperating FFL [redacted]@usdoj.gov>

[redacted]  
 [redacted]  
 [redacted]

[Redacted]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,

Cooperating FFL

[Redacted signature block]

[Redacted block]

[Redacted block]

Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Tue, Apr 13, 2010 at 1:29 PM

To: [Redacted]

Delivery to the following recipient failed permanently:

[Redacted recipient address]

Technical details of permanent failure:

Message rejected. Please visit [http://www.google.com/mail/help/bulk\\_mail.html](http://www.google.com/mail/help/bulk_mail.html) to review our Bulk Email Senders Guidelines.

[Redacted block]

[Redacted block]

[REDACTED]

**From:** Cooperating FFL  
**To:** [REDACTED] @usdoj.gov  
**Cc:** Cooperating FFL [REDACTED] ATF Agent [REDACTED] @usdoj.gov,  
ATF Agent [REDACTED] @usdoj.gov, ATF Agent [REDACTED] @usdoj.gov,  
Cooperating FFL [REDACTED]

[REDACTED]

Let me start by saying thank you for the email and as always we will do what we can to continue to work with you and the ATF on Project Gun Runner. Our goal is to develop a system to get you (ATF) what you need in the most efficient manner possible. For us, we were hoping to put together something like a letter of understanding to alleviate concerns of some type of recourse against us down the road for selling these items. We just want to make sure we are cooperating with ATF and that we are not viewed as selling to bad guys. If you and the case Attorney are free to meet some time this week or next, that would be great. I am out of town Friday of this week and have meetings Thursday afternoon but am open other than that and I am open next week. Please let me know what would work best for you.

Thank you again and I look forward to meeting.

Respectfully,



Cooperating FFL

[REDACTED]

Tue, Apr 13, 2010 at 1:31 PM

----- Forwarded message -----

From: Cooperating FFL  
Date: Tue, Apr 13, 2010 at 1:29 PM  
Subject: Re: Ongoing ATF investigation  
To: [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, Cooperating FFL

[REDACTED]

Thu, Apr 15, 2010 at 9:23 AM

To: Cooperating FFL, [REDACTED]@usdoj.gov  
Cc: Cooperating FFL, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov, ATF Agent [REDACTED]@usdoj.gov

Cooperating FFL

We at ATF consider [REDACTED] Cooperating FFL to be our ally in Project Gunrunner SWB Initiative and appreciate your cooperation with us in regards to this (and all) law enforcement matters. I have inquired from the Assistant United States Attorney (AUSA) handling this case as to his availability to meet with you next week. He is checking his schedule and I expect to hear from him soon.

Thanks again and please contact me any time with questions or concerns,

[REDACTED]  
Group Supervisor

Phoenix Group VII

602-[REDACTED]

---

**From:** Cooperating FFL [REDACTED]  
**Sent:** Tuesday, April 13, 2010 1:30 PM  
**To:** [REDACTED]  
**Cc:** Cooperating FFL [REDACTED], ATF Agent [REDACTED], ATF Agent [REDACTED], ATF Agent [REDACTED], Cooperating FFL [REDACTED]  
**Subject:** Re: Ongoing ATF Investigation

[REDACTED]  
[REDACTED]

---

Cooperating FFL [REDACTED] Thu, Apr 15, 2010 at 10:39 AM  
**To:** [REDACTED]@usdoj.gov  
**Cc:** Cooperating FFL [REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov>, ATF Agent [REDACTED]@usdoj.gov>

Thank you for the kind words and the continued support. We will continue handling the transactions as we have in the past until we meet. If there is anything you need in the interim please don't hesitate to ask.

See you soon.

Respectfully,

Cooperating FFL [REDACTED]

[REDACTED]

**Fox News report**

3 messages

Cooperating FFL

To: [redacted] <[redacted]@usdoj.gov>

Thu, Jun 17, 2010 at 11:56 AM

I hope this email finds you well.

As per our discussion about over communicating I wanted to share some concerns that came up. Tuesday night I watched a segment of a Fox News report about firearms and the border. The segment, if the information was correct, is disturbing to me. When you, Emory and I met on May 13th I shared my concerns with you guys that I wanted to make sure that none of the firearms that were sold per our conversation with you and various ATF agents could or would ever end up south of the border or in the hands of the bad guys. I guess I am looking for a bit of reassurance that the guns are not getting south or in the wrong hands. I know it is an ongoing investigation so there is limited information you can share with me. But as I said in our meeting, I want to help ATF with its investigation but not at the risk of agents safety because I have some very close friends that are US Border Patrol agents in southern AZ as well as my concern for all the agents safety that protect our country. If possible please email me back and share with me any reassurances that you can.

As always thank you for your time and I send this email with all respect and a hart felt concern to do the right thing.

Respectfully,

Cooperating FFL

[redacted signature block]

[redacted content block]

To: Cooperating FFL <[redacted]@usdoj.gov>

Fri, Jun 18, 2010 at 2:25 PM

[redacted footer]

Cooperating FFL

Thanks for reaching out to me with your concerns. I would be happy to stop by and speak with you. If possible I have [redacted] in [redacted] next Tuesday, June 22, 2010. Any chance you are available that day around 10:00-10:30 am?

Thanks,

---

From: [redacted] Cooperating FFL  
Sent: Thursday, June 17, 2010 11:56 AM  
To: [redacted]  
Subject: Fox News report

---

Cooperating FFL  
Reply-To: Cooperating FFL  
To: [redacted] <[redacted]@usdoj.gov>

Mon, Jun 21, 2010 at 9:34 PM

I am back intown. If you are still free to meet on the 22nd [redacted] around 10 and there for a few hours. Please stop by if you are available, if not let me know when we can reschedule.

Thank you,

Cooperating FFL

Sent from my Verizon Wireless BlackBerry

---

From: [redacted] <[redacted]@usdoj.gov>  
Date: Fri, 18 Jun 2010 17:25:25 -0400  
To: Cooperating FFL  
Subject: RE: Fox News report

[redacted]

# **ATTACHMENT 8**

From: [REDACTED]  
Sent: Thursday, June 17, 2010 8:09 AM  
To: [REDACTED]  
Cc: [REDACTED]  
Subject: RE: Suspect Databases #LE1001715  
Attachments: SGF23171.pdf; Suspect Person.doc

Good Morning, [REDACTED]

I am not sure if you received an answer to your inquiry as to the "SUSPECT" Databases.

The Suspect Person Database, this is handled by the Violent Crime Analysis Branch (VCAB). I have attached a copy of both submission forms for your review and completion. For additional information on Suspect "Person", please contact [REDACTED] or [REDACTED] for additional assistance at VCAB; phone 304-[REDACTED].

Suspect Gun - Entries made to this program are firearms that have "NOT" been recovered by law enforcement but suspected to eventually be used in criminal activity.

Once the firearms are entered in the system, you will receive a report, representative of the firearm information that was provided. For the trace to be a "hit", all of the weapon information must match; that is, the manufacturer, weapon type, caliber and serial number. If the NTC receives a Trace request for any of the firearms submitted, the Suspect Gun Program will advise you upon email notification to include Requestor information. It is part of our procedures of Suspect Gun to obtain the Suspect Gun Case Status when an incoming Trace is submitted to the NTC on an Active Suspect Gun Case, regardless of the Trace requestor. At this point the trace will be held pending upon written verification from the Suspect Gun case agent.

The Suspect Gun Database is beneficial to the law enforcement in providing investigative leads when dealing with firearms trafficking and straw purchasers. This information can also be shared between law enforcement agencies for comparing records or ongoing investigations. Checking trace requests against the Suspect Gun Database also saves valuable time in processing trace requests.

If you are submitting a large list of firearms it would be best to have an attached Word or Excel document detailing the FFL, identifying each firearm (complete weapon description), include the purchaser (if available), purchase date (if available) and FFL involved (if available) for the purchase.

Please be advised that the Suspect Gun Program requires an active ATF investigation number for entry into the Suspect Gun Database. Gun Database (general IN numbers, case 765065-07-[REDACTED], are no longer accepted). Also indicate whether or not the National Tracing Center (NTC) can release Trace history to other requestors.

Please note that an updated Suspect Gun Submission form has been attached for future submissions which can be faxed to 800-[REDACTED] or emailed directly to our Suspect Gun email box through outlook at [REDACTED].

All information regarding this Theft, Multiple Sale and/or any other Trace requests can be obtained by using eTrace. In the event that you do not have access, access can be requested by contacting the E-Trace Administrator at 304-[REDACTED] or via email at [REDACTED]. In the event that you do not have access, access can be requested by contacting the Law Enforcement Support Branch at 304-[REDACTED] or 800-[REDACTED].

# **ATTACHMENT 9**

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Monday, May 03, 2010 11:13 AM  
**To:** Phoe-Group VII  
**Subject:** Just an FYI...

➤ April was the second most violent month during the Calderon administration with 1,231 executions. This is more than twice that accumulated in the same month in 2009 (560 dead) and five times that of 2008 (270).

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602- [REDACTED]



# **ATTACHMENT 10**

[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Friday, March 12, 2010 7:34 PM  
**To:** Phoe-Group VII  
**Subject:** Monday Morning Meeting, Strike force 9:30am

To all;

It has been brought to my attention that there may be a schism developing amongst the group. This is the time we all need to pull together not drift apart. We are all entitled to our respective (albeit different) opinions however we all need to get along and realize that we have a mission to accomplish.

I am thrilled and proud that our Group is the first ATF Southwest Border Group in the country to be [REDACTED]. On that note I thank everyone for their efforts thus far and applaud the results we have achieved in a short amount of time.

Whether you care or not people of rank and authority at HQ are paying close attention to this case and they also believe we (Phoenix Group VII) are doing what they envisioned the Southwest Border Groups doing. It may sound cheesy but we are "The tip of the ATF spear" when it comes to Southwest Border Firearms Trafficking.

We need to resolve our issues at this meeting. I will be damned if this case is going to suffer due to petty arguing, rumors or other adolescent behavior.

I don't know what all the issues are but we are all adults, we are all professionals, and we have a exciting opportunity to use the biggest tool in our law enforcement tool box. If you don't think this is fun you're in the wrong line of work - period! This is the pinnacle of domestic U.S. law enforcement techniques. After this the tool box is empty. Maybe the Maricopa County Jail is hiring detention officers and you can get paid \$30,000 (instead of \$100,000) to serve lunch to inmates all day.

One last point is that we have many of our brother and sister ATF agents coming into town to assist us on this case. We have to put our best effort forward and lead by example. No one wants to leave their families behind, or leave their case work behind to come help someone who does even appreciate their sacrifice.

We need to get over this bump in the road once and for all and get on with the mission at hand. This can be the most fun you have with ATF, the only one limiting the amount of fun we have is you!

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
602 [REDACTED]

# **ATTACHMENT 11**

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

### Report of Investigation

Title of Investigation: [REDACTED]	Investigation Number: 786115-10-[REDACTED]	Report Number: 1
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#### SUMMARY OF EVENTS:

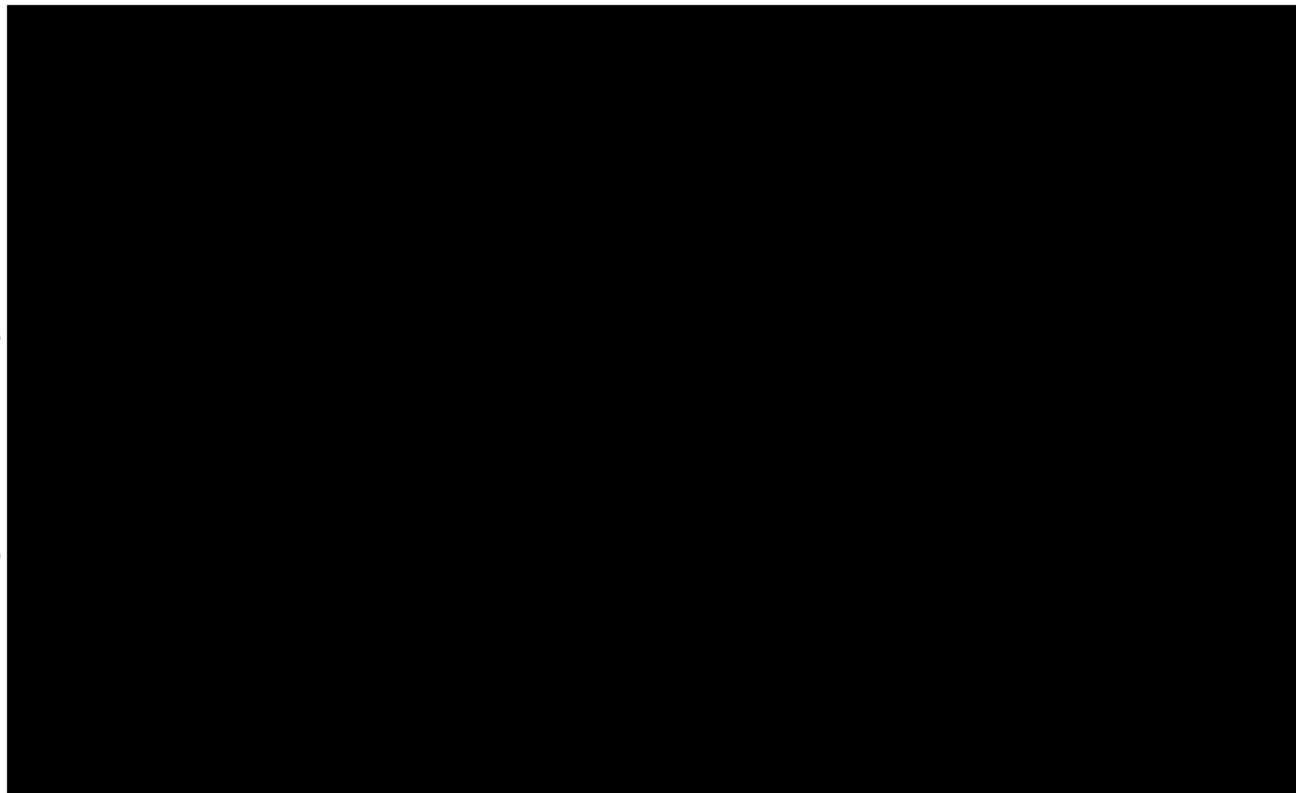


#### NARRATIVE:

1.

2.

3.

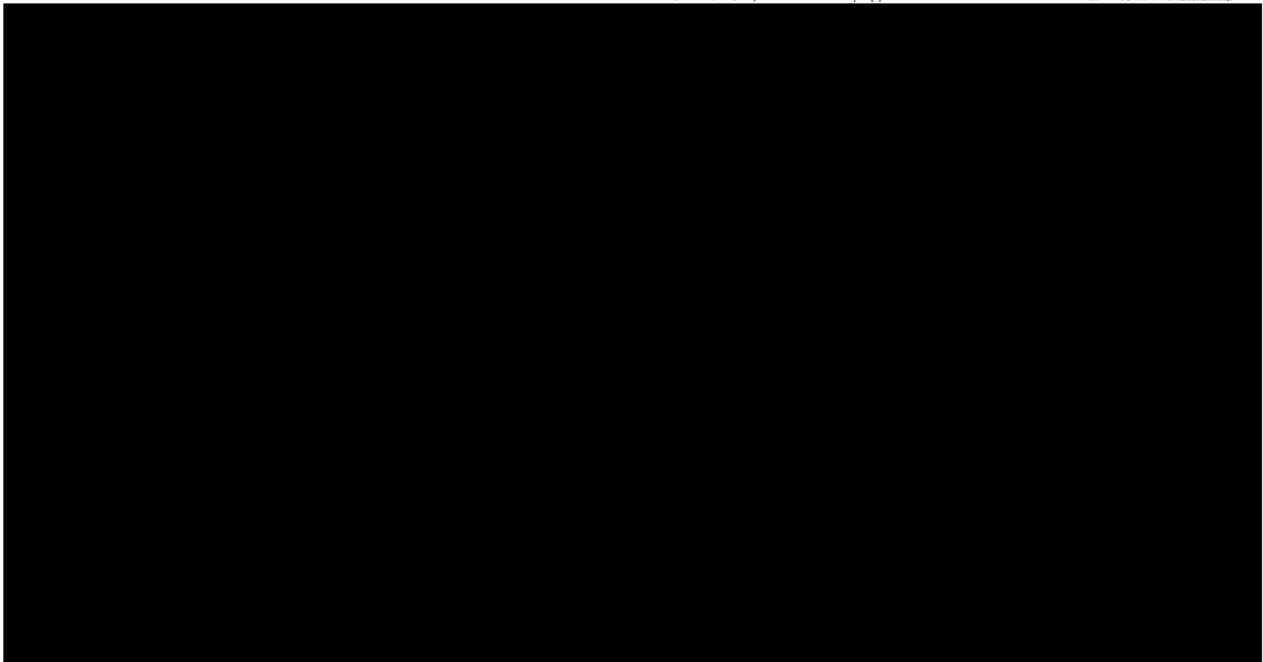


Prepared by: [REDACTED]	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
Approved by: [REDACTED]	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Nowell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:

Title of Investigation: [REDACTED]	Investigation Number: 785415-10 [REDACTED]	Report Number: 1
---------------------------------------	---	---------------------

4.

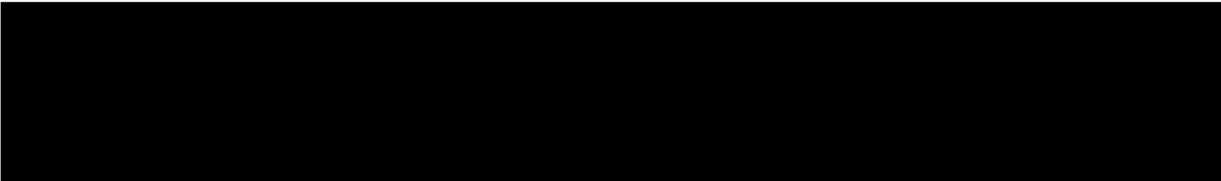
5.



**ATTACHMENTS:**

1.

2.



**EXHIBITS:**

1.

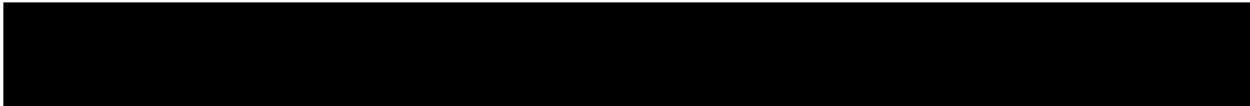


U.S. Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives

### Report of Investigation

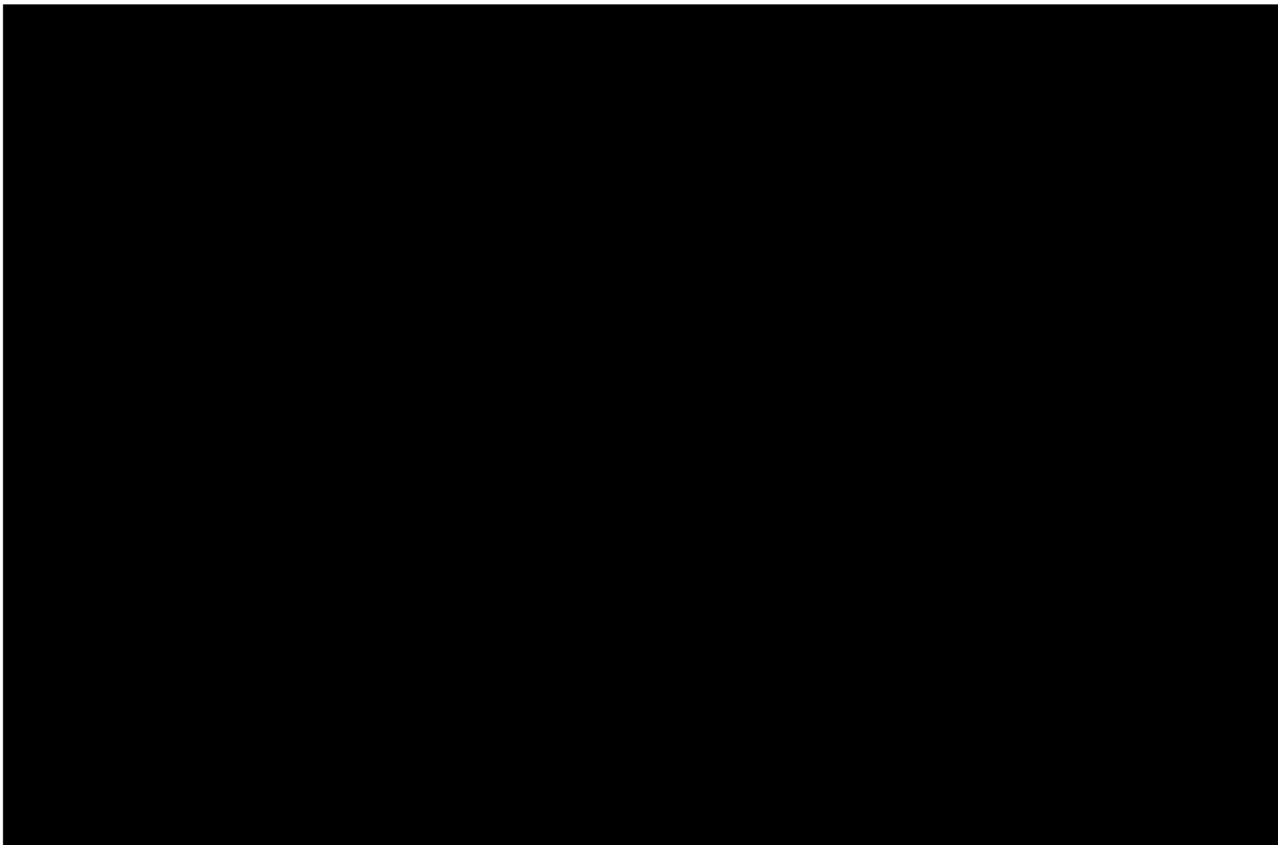
Title of Investigation: [REDACTED]	Investigation Number: 785115-10 [REDACTED]	Report Number: [REDACTED]
---------------------------------------	---	------------------------------

#### SUMMARY OF EVENT:



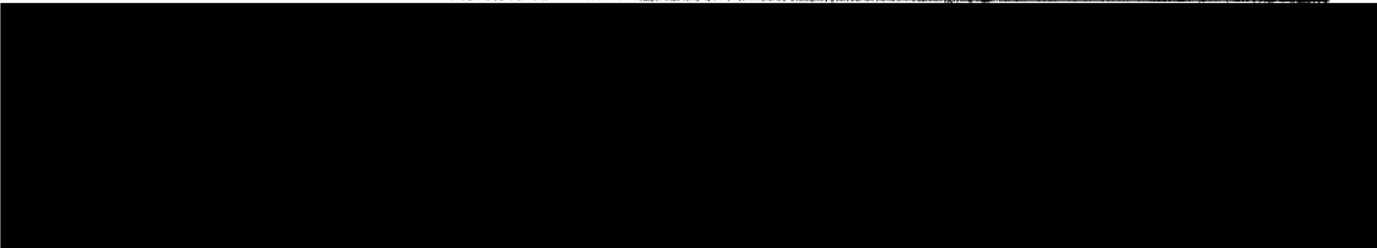
#### NARRATIVE:

- 1.
- 2.
- 3.
- 4.



Prepared by: [REDACTED]	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
Reviewed by: [REDACTED]	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Newell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:

Title of Investigation: [REDACTED]	Investigation Number: 785115-10 [REDACTED]	Report Number: [REDACTED]
---------------------------------------	---	------------------------------



**ATTACHMENTS:**

1. [REDACTED]

**EXHIBITS:**

2. [REDACTED]
3. [REDACTED]

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

### Report of Investigation

Title of investigation: [REDACTED]	Investigation Number: 786416-10 [REDACTED]	Report Number: 1
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#### SUMMARY OF EVENT:

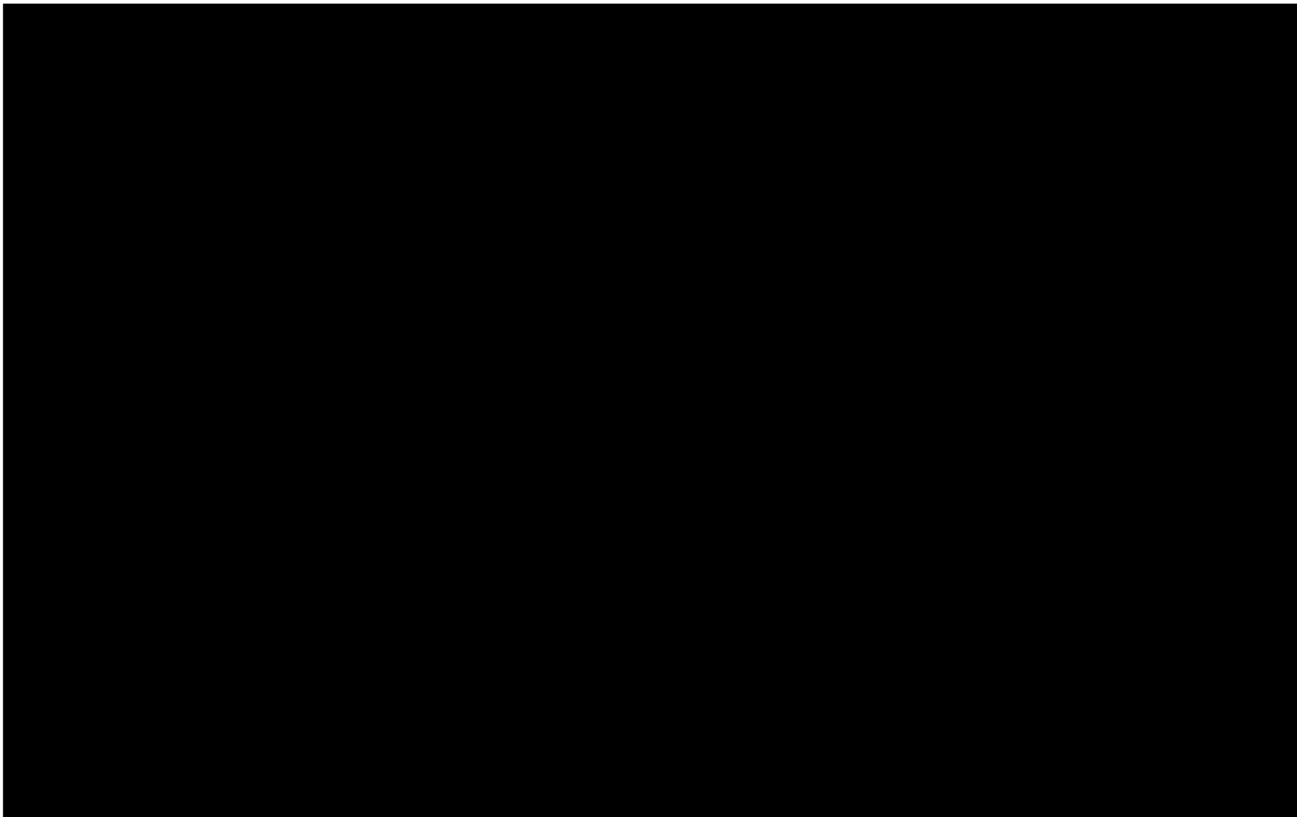


#### NARRATIVE:

1.

2.

3.



Prepared by: [REDACTED]	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
Authorized by: [REDACTED]	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Newell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:



Title of Investigation: [REDACTED]	Investigation Number: 785115-10 [REDACTED]	Report Number: 1
---------------------------------------	---	---------------------

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

**ATTACHMENTS:**

- I. [REDACTED]

**EXHIBITS:**

- \* [REDACTED]
- \* [REDACTED]

**From:** [REDACTED]  
**Sent:** Friday, April 15, 2011 7:34 PM  
**To:** [REDACTED]  
**Subject:** Re: update with DEA case

Ok can you call the house [REDACTED]..also were we aware of these purchases in the F&F case?

[REDACTED]  
Chief  
ATF Public Affairs Division

---

**From:** [REDACTED]  
**To:** [REDACTED]  
**Sent:** Fri Apr 15 19:30:55 2011  
**Subject:** RE: update with DEA case

I can explain the beginning of 2<sup>nd</sup> paragraph if you want to call me... I'm at my desk...

[REDACTED]  
Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 [REDACTED] Cel [REDACTED]

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\*\*\*\*\*

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---

**From:** [REDACTED]  
**Sent:** Friday, April 15, 2011 7:30 PM  
**To:** [REDACTED]  
**Subject:** Re: update with DEA case

Thank you!  
[REDACTED]  
Chief  
ATF Public Affairs Division

\*\*\*\*\*

**NOTICE: This e-mail message and any attached files are intended solely for the use of the addressee(s) named above in connection with official business. This communication may contain Sensitive But Unclassified information that may be statutorily or otherwise prohibited from being released without appropriate approval. Any review, use, or dissemination of this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or the Department of Justice without express authorization is strictly prohibited.**

---

**From:** [REDACTED]  
**To:** [REDACTED]  
**Sent:** Fri Apr 15 18:33:37 2011  
**Subject:** FW: update with DEA case

FYI – This is for information only. The details are being gathered by PFD. I discussed with SAC Newell that this might lead to some media inquiries and you should be aware.

[REDACTED]  
Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648. [REDACTED] Cell [REDACTED]

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---

**From:** Newell, William D.  
**Sent:** Friday, April 15, 2011 4:08 PM  
**To:** [REDACTED]  
**Subject:** Fw: update with DEA case

FYI

\*\*\*\*\*

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**From:** Brandon, Thomas E.  
**To:** Chait, Mark R.; McMahon, William G.; Newell, William D.; Needles, James R.  
**Cc:** Atteberry, Thomas G.  
**Sent:** Fri Apr 15 16:05:30 2011  
**Subject:** FW: update with DEA case

FYI

\*\*\*\*\*

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---

**From:** [REDACTED]  
**Sent:** Friday, April 15, 2011 3:48 PM  
**To:** Atteberry, Thomas G.; Brandon, Thomas E.  
**Subject:** update with DEA case

Gentlemen,

DEA case originated in April of 2010. They conducted [REDACTED] seized (all numbers approximate) 3 million in currency, 84 kilos of cocaine, 10 pounds of meth.

The call the other day to SA [REDACTED] was in regards to 46 firearms and 4 empty gun boxes (FN 5.7mm). Of those 46 firearms, 40 appear to come back to suspects of the Fast and Furious investigation. Of those 40 firearms they originate from 7 straw purchasers, 4 of whom have already been indicted and arrested. [REDACTED]

[REDACTED] Yet the DEA lists it as being recovered in this event so we might have to verify a few serial numbers or there may be something else going on here? Of the 4 empty FN gun boxes 3 were purchased by 2 different straw purchasers from Fast and Furious, both who have been indicted and arrested. (The plastic gun box has a serial number sticker on the outside of the box.)

At 2 other locations (which to the best of my knowledge SA [REDACTED] was not called on?) the DEA also recovered firearms from Fast and Furious:

[REDACTED]

[REDACTED]

In summary 47 of the 60 firearms appear to be purchased by suspects associated with Fast & Furious, and 3 of the 4 empty gun boxes appear to be purchased by suspects associated with Fast & Furious.

Thanks,

[REDACTED]  
Group Supervisor  
Phoenix Group VII  
[REDACTED]

**From:** [REDACTED]  
**Sent:** Friday, April 15, 2011 7:29 PM  
**To:** [REDACTED]  
**Subject:** Re: update with DEA case

Thank you!

[REDACTED]  
Chief  
ATF Public Affairs Division

---

**From:** [REDACTED]  
**To:** [REDACTED]  
**Sent:** Fri Apr 15 18:33:37 2011  
**Subject:** FW: update with DEA case

FYI – This is for information only. The details are being gathered by PFD. I discussed with SAC Newell that this might lead to some media inquiries and you should be aware.

[REDACTED]  
Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 [REDACTED] Cell [REDACTED]

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FYI

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[REDACTED]

[REDACTED]

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Thanks,

[REDACTED]  
Group Supervisor  
Phoenix Group VII

[REDACTED]



This letter responds to your request for information concerning Operation Fast and Furious, an ongoing criminal investigation into an extensive gun-trafficking enterprise. Operation Fast and Furious is part of ATF's initiative Project Gunrunner, which deals with weapons trafficking along the U.S. Southwest Border. As of March 2010, Project Gunrunner led to the arrest of 1,397 defendants — 850 of which had been convicted — and the seizure of more than 6,688 firearms.

The Fast and Furious investigation was opened over a year ago and approved by the ATF Phoenix Field Division and the United States Attorney's Office for the District of Arizona, consistent with established procedures for such matters. The investigation was subsequently approved by the multi-agency Organized Crime and Drug Enforcement Task Force Program. The purpose of the investigation is to dismantle a transnational organization believed to be responsible for trafficking weapons into Mexico, in part by prosecuting its leadership. The investigation is led by a dedicated team of federal prosecutors and ATF agents. To date, this investigation has resulted in an indictment charging 20 defendants with conspiracy to purchase hundreds of firearms from September 2009 to December 2010.

Allegations in the media and elsewhere suggest that Operation Fast and Furious was a failed effort. To the contrary, the investigation has dismantled a large, complex international firearms trafficking organization, and the investigation is still ongoing. Without the perseverance of this multi-agency task force, this sophisticated criminal network would still be trafficking hundreds of weapons into Mexico today and in the future.

Operation Fast and Furious neither involved a "sting" in Mexico nor any "controlled deliveries" of weapons into Mexico. At no time did ATF agents observe weapons from Operation Fast and Furious cross into Mexico. There were no undercover law enforcement officers involved in Operation Fast and Furious and ATF did not provide weapons to suspects in that investigation.

The Department of Justice has a long standing policy against the disclosure of non-public information about ongoing criminal investigations. This policy is based, in part, on the strong interest in protecting the effectiveness of ongoing law enforcement efforts. Therefore, I am unable to share with you any of the particular details of Operation Fast and Furious.

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

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

**Case Background**

The Phoenix Group VII Field Office is leading an investigation entitled "Operation Fast & Furious" in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through "straw" purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

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

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

Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of 42 individuals in this investigation. (b) (5), (b) (7)(A)

**(b) (5), (b) (7)(A)**

On December 3<sup>rd</sup> SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

**List of Defendants Referred to USAO for Prosecution:**

**(b) (5), (b) (7)(C)**



**Proposed Charges:**

1. (b) (5)
2. (b) (5)
3. (b) (5)
4. (b) (5)
5. (b) (5)
6. (b) (5)
7. (b) (5)
8. (b) (5)
9. (b) (5)
10. (b) (5)
11. (b) (5)
12. (b) (5)
13. (b) (5)
14. (b) (5)
15. (b) (5)

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

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It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are proactive measures taken by the agents assigned to Phoenix Group VII.

**List of Defendants Referred to USAO for Prosecution:**

(b) (5), (b) (7)(C)

**(b) (5), (b) (7)(C)**

Proposed Charges:

1. **(b) (5)**
2. **(b) (5)**
3. **(b) (5)**
4. **(b) (5)**
5. **(b) (5)**
6. **(b) (5)**
7. **(b) (5)**
8. **(b) (5)**
9. **(b) (5)**
10. **(b) (5)**
11. **(b) (5)**



12. (b) (5) [Redacted]

13. (b) (5) [Redacted]

14. (b) (5) [Redacted]

15. (b) (5) [Redacted]

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast &amp; 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, Manuel Osorio Arellances DOB: 8-4-76, was shot in the exchange of gunfire and is believed to be the individual who shot and killed Agent Terry but that has not been confirmed. A fifth suspect is still believed to be at large

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which 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) (P.L. 111-117), (b) (7)(C)**

**(b) (3) (P.L. 111-117), (b) (7)(C)**

Sensitive But Unclassified -- For Official Use Only

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located (b) (7)(C) and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, (b) (7)(C)

(b) (7)(C)

(b) (7)(C)

This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

(b) (7)(C) was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).

Sensitive But Unclassified -- For Official Use Only

Phoenix Press Conference Key Messages and Talking Points:  
(Some will be specific to Fast and Furious and some will address all the cases)

**Key Messages:**

Since the second GRIT initiative ended in August, 2009 the Phoenix Field Division has continued to proactively address firearms trafficking to Mexico in support of ATF's Project Gun Runner

These investigations demonstrate the commitment on the part of ATF and its Federal, State, Local, Tribal and International partners to address the criminal activity involved in the trafficking of firearms to Mexico

These investigations address the key goals of ATF's Southwest border firearms trafficking strategy which are:

- Prevent violent crime
- Ensure the safety of the communities situated along the Southwest Border
- Disrupt and dismantle the firearms trafficking networks responsible for the diversion of firearms from lawful commerce and into the hands of the Mexican Drug Trafficking Organizations (DTOs)

These investigations all involved tireless effort on the part of ATF employees using a wide variety of investigative methods to fully identify those responsible for trafficking firearms to Mexico

ATF's firearms tracing system, eTrace, played a key role in assisting in identifying the individuals involved in violating Federal firearms laws in these investigations

In all of these cases a large number of certain types of rifles, such as AR and AK variants with detachable magazines were purchased by straw purchasers as part of complex firearms trafficking organizations and then recovered in violent crimes in Mexico, according to ATF trace data, investigative experience, and Mexican law enforcement official reports

Substantiates the fact that Mexican DTOs and other associated criminal groups operating along the SWB are actively pursuing "weapons of choice" in U.S. commercial firearms market

These cases demonstrate the ongoing trafficking of firearms by Mexican DTOs and other associated groups operating in Arizona and the need for the reporting of multiple sales for certain types of rifles in order to ferret out those intent on providing firearms to these criminal groups

**Talking Points:**

(Using the “Ws” method – you can change if you desire)

**What:**

- Proactive investigations focused on eliminating the entire firearms trafficking network, not just the straw purchasers
- ATF led firearms trafficking investigations into several firearms trafficking networks based in metro Phoenix
- Some initiated as early as October, 2009
- OCDETF Strike Force effort.
- Multi-agency (ICE, IRS, DEA, Phoenix PD)
- Almost exclusively "weapons of choice" which we have openly discussed many times before
- Alleged violations of Federal firearms laws by individuals involved in the illegal acquisition and transfer of firearms, money laundering, etc (the USAO will cover specific charges per case in more detail). Thus we should only state what is in the indictment when it comes to numbers of firearms. The indictment for Fast and Furious will not have the total number of firearms trafficked. Note: We have seized 352 firearms here in the U.S. in our effort to stop the trafficking while still making the larger case, and about 250 have been seized in Mexico. We will update the numbers again next week.

**Who:**

- Metro Phoenix area based complex firearms trafficking organizations

For Fast and Furious:

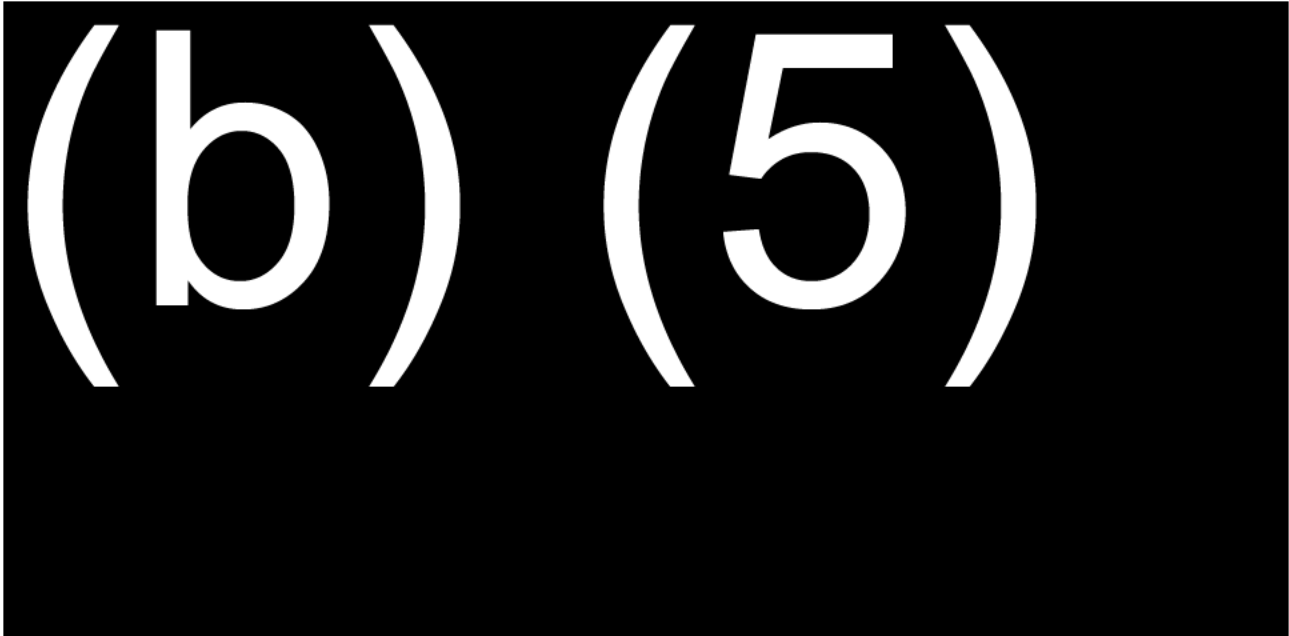
- (b) (7)(C)
- Firearms primarily destined for Sinaloa DTO (based on traces, seizures in Mexico and other investigative data gathered during investigations)
- A large group of straw purchasers (b) (7)(C) were used extensively to spread out purchases and evade detection (another time to address Multiple Sale on Long Guns issue)

**How:**

- Trafficking organizations used a large number of straw purchasers to spread out sales
- Shows straw purchases and the use of straw purchasers is still a major issue (lack of criminal history, need money, unlimited resource, etc)
- Firearms were purchased at numerous FFLs in the metro area

- Firearms were trafficked to Mexico in a variety of ways but mainly in small loads using vehicles crossing into Mexico via POEs

**For Internal ATF Use Only:**



**LAW ENFORCEMENT SENSITIVE****OPERATION: THE FAST AND THE FURIOUS****A. BACKGROUND / FACTS ABOUT THE INVESTIGATION**

**I. BASIS FOR INITIATING THIS CASE** – The states of Texas, California, Arizona and New Mexico supply 75% of all firearms illegally trafficked into the Republic of Mexico. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has identified the Phoenix, Arizona area as being one of the top five metropolitan areas where firearms and ammunition are obtained for this purpose. Furthermore, a majority of all Consolidate Priority Organized Target (CPOT) related investigations originate in the Southwest Organized Crime Drug Enforcement Task Force (OCDETF) region due to its proximity to the international border between the United States of America and the Republic of Mexico (Mexico). Major Mexican Drug Trafficking Organizations (DTO) are heavily represented on the CPOT list as posing a serious drug threat to the United States (U.S.).

The drug violence in Mexico has escalated with the expansion of the cartels' arsenals. The cartels are presently purchasing high caliber rifles, and anti-tank weapons. In addition to the rise in the number of killings, from 6,252 in 2008, to 7,025 through October 2009, the violence has escalated in other important ways that are more difficult to measure. Mexican drug violence is just as brutal as ever. Beheadings have now become a regular occurrence, with one of the most noteworthy incidents being the 11 mutilated bodies of alleged drug dealers found in Caborca, Sonora in July 2009.

**(b) (7)(A), (b) (7)(C)**

**(b) (7)(A), (b) (7)(C)**

**LAW ENFORCEMENT SENSITIVE**

LAW ENFORCEMENT SENSITIVE

(b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C)

LAW ENFORCEMENT SENSITIVE



LAW ENFORCEMENT SENSITIVE

(b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C)

LAW ENFORCEMENT SENSITIVE

Page 3 of 7

(b) (7)(A), (b) (7)(C)

2. CPOT AND RPOT LINK (b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C)

3. IMPACT OF DISMANTLING/DISRUPTING THE (b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C)

4. TARGETED ORGANIZATION

(b) (7)(A), (b) (7)(C)

LAW ENFORCEMENT SENSITIVE

(b) (7)(A)

5. PRINCIPAL TARGETS OF INVESTIGATION AND THEIR ROLES

(b) (7)(A), (b) (7)(C)

6. CONNECTION TO TERRORIST GROUPS, NATIONAL GANGS, AND / OR

(b) (7)(A)

LAW ENFORCEMENT SENSITIVE

Page 5 of 7

## LAW ENFORCEMENT SENSITIVE

7. EXTENT OF PUBLIC CORRUPTION - (b) (7)(A)

(b) (7)(A)

B. INVESTIGATIVE TECHNIQUES AND GOALS

(b) (7)(A), (b) (7)(C)

(b) (7)(A), (b) (7)(C), (b) (7)(E)

(b) (7)(A), (b) (7)(C), (b) (7)(E)

LAW ENFORCEMENT SENSITIVE

Page 6 of 7

LAW ENFORCEMENT SENSITIVE

(b) (7)(A), (b) (7)(C)

C. MANPOWER/RESOURCE REQUIREMENTS

(b) (7)(A), (b) (7)(E)

LAW ENFORCEMENT SENSITIVE

Page 7 of 7

# Organized Crime Drug Enforcement Task Forces

## Investigation Initiation Form

OCDETF Investigation No.

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THE FAST AND THE FURIOUS

Operation Name

Name: Agency: Telephone: Email:

Case Attorney: (b) (7)(A), (b) (7)(C)

Case Agents(s): (b) (7)(A), (b) (7)(C)

# LAW ENFORCEMENT SENSITIVE



The attached information must be protected and not released to unauthorized individuals.

Investigation Initiation Form  
Organized Crime  
Drug Enforcement Task Forces

**LAW ENFORCEMENT SENSITIVE**

OCDETF Investigation No. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

(Assigned by AUSA Coordinator)

Federal Judicial District Initiating this Investigation: District of Arizona

Special Operations Division (SOD) Coordinator (b) (7)(E)

If yes: SOD Staff Coordinator (b) (7)(C)

Have you received any product from the OCDETF Fusion Center regarding this case? (other than the initial Rapid Enforcement Review) (b) (7)(E)

Did the OCDETF Fusion Center assist you with asset seizures for this case? (b) (7)(E)

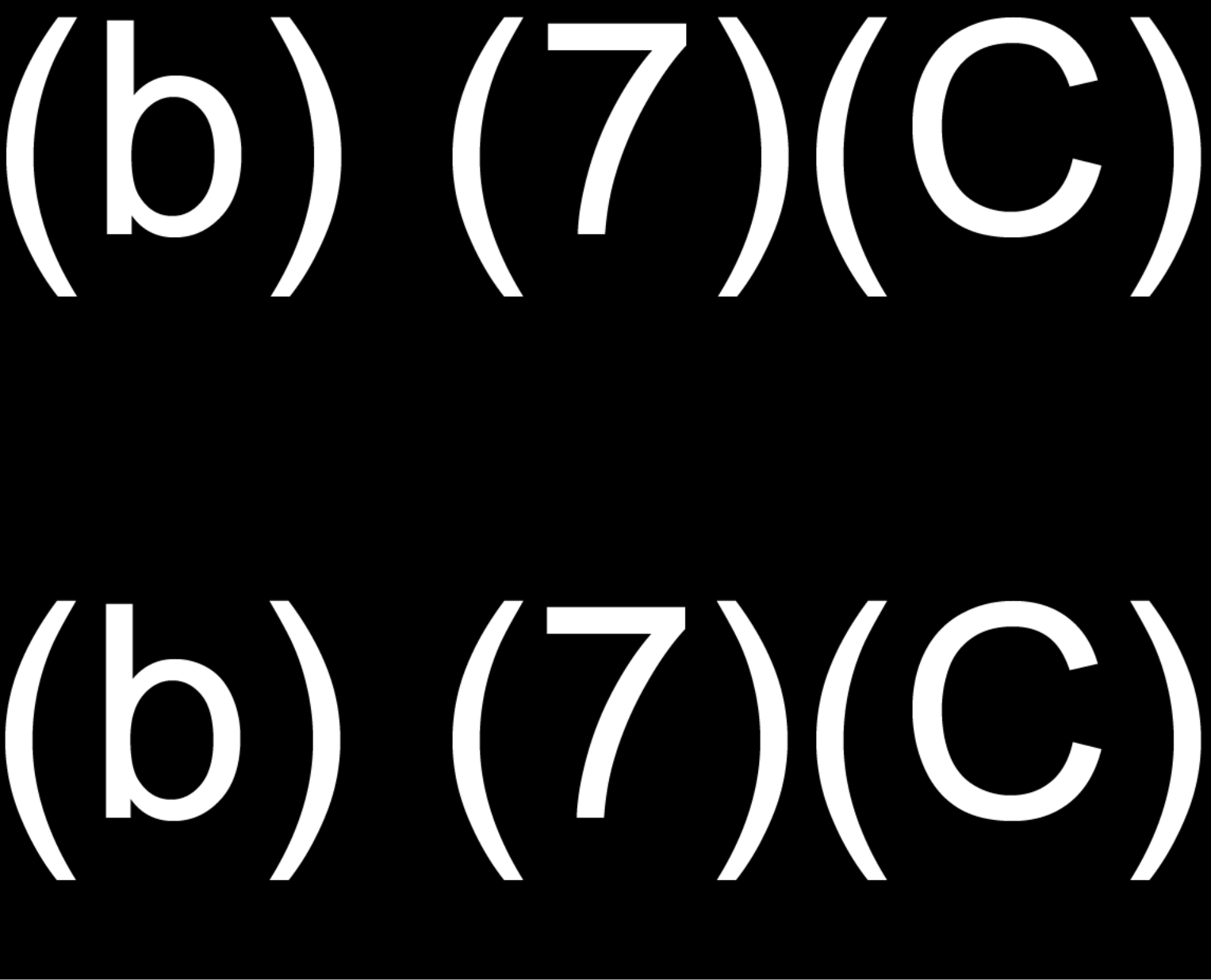
HIDTA Participation: Yes  No  HIFCA Participation: (b) (7)(E)

**I. Targeted Organization** (N/A if name of organization is unknown)

Name: (b) (7)(C) Operation (Code) Name: The Fast and the Furious

**II. Prospective Defendants** (If more than thirty, attach "Prospective Defendants Supplement" (OCDETF Form S-3))

Name (last, first, middle initial)	Non-U.S. Citizen (indicate with an X)	Alien Registration Number	DOB	SSN	FBI #	Leadership Role (indicate with an x)
------------------------------------	---------------------------------------	---------------------------	-----	-----	-------	--------------------------------------



# (b) (7)(C)

13)

14)

15)

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FORM USA-244/Oct 09

**LAW ENFORCEMENT SENSITIVE**

Investigation Initiation Form  
Organized Crime  
Drug Enforcement Task Forces

**LAW ENFORCEMENT SENSITIVE**

Page 2

OCDETF Investigation No.

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(Assigned by AUSA Coordinator)

**III. Agency Involvement** Check all boxes which apply and enter personnel commitment and agency case numbers, if available.

Note: Agency case numbers for Federal agencies must be submitted by the time of the first Interim Report (that is, within six months of the initiation of the OCDETF investigation).

Agency	# of Full Time Personnel	# of Part Time Personnel	Agency Case Number	Associated Agency Case Number(s)
--------	--------------------------	--------------------------	--------------------	----------------------------------

**(b) (7)(A), (b) (7)(E)**

(b) (7)(A), (b) (7)(E)

<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>	State/Local Prosecutors (List Agencies)			
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>	Foreign Law Enforcement (List Agencies)			
<input type="checkbox"/>				
<input type="checkbox"/>				
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Does this investigation anticipate requesting State and Local Overtime Funding?

Yes  No

If yes, please indicate funding source

DOJ  Treasury  Other \_\_\_\_\_

If yes, please indicate an **estimated** amount for the current fiscal year. (Note-State and Local Overtime Funding must still be submitted through the separate appropriate process for approval.)

(b) (7)(A), (b) (7)(E)

LAW ENFORCEMENT SENSITIVE

Investigation Initiation Form  
Organized Crime  
Drug Enforcement Task Forces

LAW ENFORCEMENT SENSITIVE

OCDETF Investigation No. 

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(Assigned by AUSA Coordinator)

Was this investigation **initiated** by an OCDETF Co-located Task Force/Strike Force? Yes  No

If yes, check all that apply:

- New York  Houston  Florida/Panama Express  Puerto Rico/Caribbean Corridor
- Atlanta  Boston  San Diego/MMTF  Phoenix

Was this investigation **linked** to an OCDETF Co-located Task Force/Strike Force?

(b) (7)(A), (b) (7)(E)

If yes, check all that apply:

(b) (7)(A), (b) (7)(E)

Does this investigation currently involve coordinated, simultaneous operational/prosecutorial activity in: (place check all that apply)

(b) (7)(A), (b) (7)(E)

S W A Z P 0 4 7 4

**IV. Drugs Under Investigation**  
*(Check all that apply)*

**V. Organization Description**

(b) (7)(A), (b) (7)(C), (b) (7)(E)

LAW ENFORCEMENT SENSITIVE

Investigation Initiation Form  
Organized Crime  
Drug Enforcement Task Forces

LAW ENFORCEMENT SENSITIVE

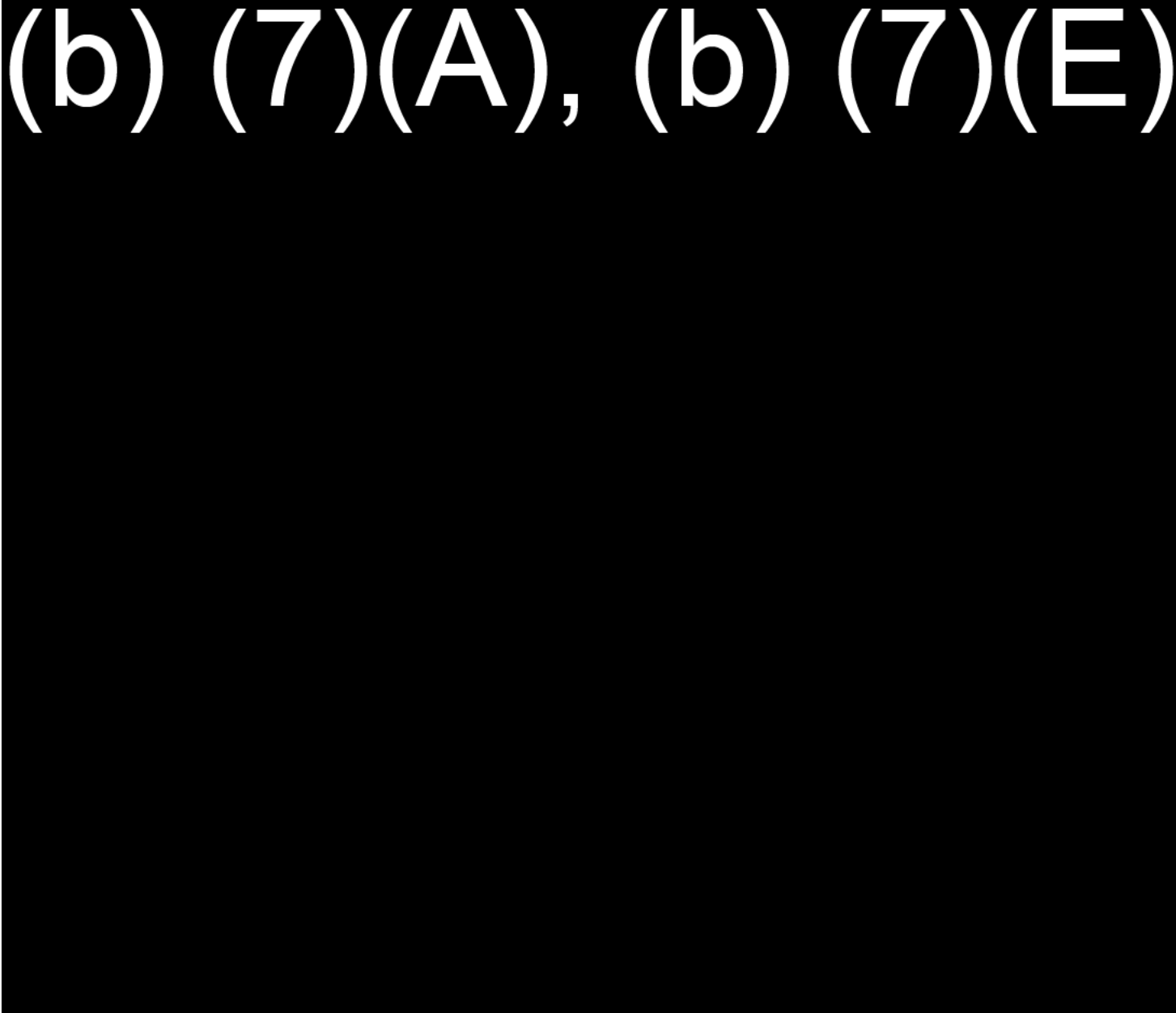
OCDETF Investigation No.

[Grid for OCDETF Investigation No.]

(Assigned by AUSA Coordinator)

**VI. Investigative Techniques Used to Date Supervised by your District: (check all that apply)**

(b) (7)(A), (b) (7)(E)



LAW ENFORCEMENT SENSITIVE

Investigation Initiation Form  
Organized Crime  
Drug Enforcement Task Forces

LAW ENFORCEMENT SENSITIVE

Page 5

OCDETF Investigation No.

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(Assigned by AUSA Coordinator)

VII. REQUIRED DATABASE CHECKLIST FOR OCDETF IIF

Name of Agent  
 Agency  
 Telephone Number  
 OCDETF Operation Name  
 Judicial District

(b) (7)(A), (b) (7)(C)

826

**REQUIRED DATABASE CHECKS**

DATABASE	DATE REQUESTED	DATE COMPLETED		
(b) (7)(A), (b) (7)(E)				

**OPTIONAL DATABASE CHECKS**

While not required for OCDETF approval, please provide information, if checks were completed.

DATABASE	DATE COMPLETED	
(b) (7)(A), (b) (7)(E)		

**VIII. SPECIAL OPERATIONS DIVISION (SOD) WORKSHEET**

Date Prepared: (MM/DD/YYYY)

01/20/2010

Prepared By:

Agency:

Telephone:

(b) (7)(A), (b) (7)(C)

(If Yes) SOD Operation Name:

Communication Devices previously submitted to SOD: Yes  No

(If Yes, answer the following)

Submitted By:

Agency:

Telephone:

(b) (7)(A), (b) (7)(C)

Date Submitted to SOD: (MM/DD/YYYY)

01/21/2010

**COMMUNICATIONS DEVICES**

(NOT Previously Submitted to SOD)

Type of Device (Designate by letter)

(A) Cell Phone

(B) Hard-line

(C) Pager

(D) Calling Card

(E) Satellite

(F) FAX

(G) E-mail

(H) Other

NAME of TARGET	Type	Number (with area code)	Type	Number (with area code)	Type	Number (with area code)

**LAW ENFORCEMENT SENSITIVE**

Investigation Initiation Form  
 Organized Crime  
 Drug Enforcement Task Forces

**LAW ENFORCEMENT SENSITIVE**

OCDETF Investigation No.

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(Assigned by AUSA Coordinator)

Answer all questions below thoroughly, but concisely.

**A. BACKGROUND/FACTS ABOUT THE CASE**

1. What is the basis for initiating this case?
2. If the target organization is linked to, or has the potential to link to, a CPOT or RPOT, explain the available evidence to substantiate the connection.
3. How would disruption or dismantlement of this organization impact the CPOT or RPOT?
4. Provide the following information about the targeted organization:
  - a) Name
  - b) Geographic scope. (Note: the organization should operate in multiple districts and/or have a link to a nationwide or international drug trafficking organization.)
  - c) Number of participants.
  - d) Criminal activities involved (i.e., money laundering, drug production, transportation and/or distribution, drug related violence, public corruption, tax fraud, etc.).
  - e) Type and quantity of drugs involved and estimated annual supply capacity of the organization.
  - f) Describe drug trafficking methods.
  - g) Describe money laundering methods including a summary of the results of the financial investigation to date.
5. Identify the principal targets and their roles in the organization (i.e., organization head, supplier, transporter, broker, financier, distributor, enforcer, etc.).
6. Explain any connections to terrorist organizations, national gangs or other organized criminal groups.
7. What is the nature and extent of public corruption, if any?

**B. INVESTIGATIVE TECHNIQUES AND GOALS**

1. What are the overall goals and objectives of this investigation?
2. List: (a) planned financial investigative steps; and (b) planned investigative techniques beyond those listed in Part VI, above.
3. What is the potential for asset seizures? Describe these assets and list the properties and/or the names of businesses subject to potential seizure, and identify the relationship of the properties to the target(s) or criminal activities.
4. What, if any, connection does this case have to other investigations, districts or regions? What contact has been made with those other jurisdictions?
5. What, if any, assistance has the OCDETF Fusion Center provided to this investigation that has substantially contributed to investigative/prosecution efforts? Please be specific about any results from the OCDETF Fusion Center's support (e.g. identification of additional assets and/or associates, additional charges in indictment, etc.)

**C. PERSONNEL/RESOURCE REQUIREMENTS**

1. Explain the investigative responsibilities of each agency participating in this investigation.

**LAW ENFORCEMENT SENSITIVE**

**LAW ENFORCEMENT SENSITIVE**

OCDETF Investigation No.

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**X. Approvals**

Initiating District			Regional Coordination Group		
PRINT NAME	INITIAL	DATE	AUSA Coordinator Signature:		
U.S. Attorney or Designee					Date
SAC or Designee			ATF		Date
			DEA		Date
ATF			FBI		Date
DEA			ICE		Date
FBI			IRS		Date
ICE			USCG		Date
IRS			USMS		Date
USCG			Other		Date
USMS					
Other					

If an agency disagrees with this proposal, which has been approved by majority vote, please indicate below and attach a dissenting statement.  
 Dissenting Agency: \_\_\_\_\_

**To be completed by the Regional Coordination Group:**

Was this investigation generated as a result of an approved OCDETF Strategic Initiative?  
 Yes  No

If yes, identify the initiative number: 

S	I						
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If this case is connected to an RPOT in another region, please identify region: \_\_\_\_\_

OCDETF Executive Office  
 Reviewed/Computer Entry:  
 Initials \_\_\_ Date \_\_\_\_

**LAW ENFORCEMENT SENSITIVE**

**LAW ENFORCEMENT SENSITIVE**

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

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

**Case Background**

The Phoenix Group VII Field Office is leading an investigation entitled "Operation Fast & Furious" in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through "straw" purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

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

(b) (7)(E)

Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.



Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of 42 individuals in this investigation. (b) (5), (b) (7)(A)

(b) (5), (b) (7)(A)

On December 3<sup>rd</sup> SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

**List of Defendants Referred to USAO for Prosecution:**

(b) (5), (b) (7)(C)



**Proposed Charges:**

1. (b) (5)
2. (b) (5)
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15. (b) (5)

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

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

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

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**(b) (5), (b) (7)(A)**

(b) (5), (b) (7)(A)

On December 3<sup>rd</sup> SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and lead the AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are proactive measures taken by the agents assigned to Phoenix Group VII.

**List of Defendants Referred to USAO for Prosecution:**

(b) (5), (b) (7)(C)

**(b) (5), (b) (7)(C)**

Proposed Charges:

1. **(b) (5)**
2. **(b) (5)**
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11. **(b) (5)**

12 (b) (5) [Redacted]

13 (b) (5) [Redacted]

14 (b) (5) [Redacted]

15 (b) (5) [Redacted]

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast &amp; 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, Manuel Osorio Arellances DOB: 8-4-76, was shot in the exchange of gunfire and is believed to be the individual who shot and killed Agent Terry but that has not been confirmed. A fifth suspect is still believed to be at large

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which 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) (P.L. 111-117), (b) (7)(C)**

**(b) (3) (P.L. 111-117), (b) (7)(C)**



Sensitive But Unclassified -- For Official Use Only

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located (b) (7)(C) and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, (b) (7)(C)

(b) (7)(C)

(b) (7)(C)

This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

(b) (7)(C) was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).

Sensitive But Unclassified -- For Official Use Only

Phoenix Press Conference Key Messages and Talking Points:  
(Some will be specific to Fast and Furious and some will address all the cases)

**Key Messages:**

Since the second GRIT initiative ended in August, 2009 the Phoenix Field Division has continued to proactively address firearms trafficking to Mexico in support of ATF's Project Gun Runner

These investigations demonstrate the commitment on the part of ATF and its Federal, State, Local, Tribal and International partners to address the criminal activity involved in the trafficking of firearms to Mexico

These investigations address the key goals of ATF's Southwest border firearms trafficking strategy which are:

- Prevent violent crime
- Ensure the safety of the communities situated along the Southwest Border
- Disrupt and dismantle the firearms trafficking networks responsible for the diversion of firearms from lawful commerce and into the hands of the Mexican Drug Trafficking Organizations (DTOs)

These investigations all involved tireless effort on the part of ATF employees using a wide variety of investigative methods to fully identify those responsible for trafficking firearms to Mexico

ATF's firearms tracing system, eTrace, played a key role in assisting in identifying the individuals involved in violating Federal firearms laws in these investigations

In all of these cases a large number of certain types of rifles, such as AR and AK variants with detachable magazines were purchased by straw purchasers as part of complex firearms trafficking organizations and then recovered in violent crimes in Mexico, according to ATF trace data, investigative experience, and Mexican law enforcement official reports

Substantiates the fact that Mexican DTOs and other associated criminal groups operating along the SWB are actively pursuing "weapons of choice" in U.S. commercial firearms market

These cases demonstrate the ongoing trafficking of firearms by Mexican DTOs and other associated groups operating in Arizona and the need for the reporting of multiple sales for certain types of rifles in order to ferret out those intent on providing firearms to these criminal groups

**Talking Points:**

(Using the “Ws” method – you can change if you desire)

**What:**

- Proactive investigations focused on eliminating the entire firearms trafficking network, not just the straw purchasers
- ATF led firearms trafficking investigations into several firearms trafficking networks based in metro Phoenix
- Some initiated as early as October, 2009
- OCDETF Strike Force effort.
- Multi-agency (ICE, IRS, DEA, Phoenix PD)
- Almost exclusively "weapons of choice" which we have openly discussed many times before
- Alleged violations of Federal firearms laws by individuals involved in the illegal acquisition and transfer of firearms, money laundering, etc (the USAO will cover specific charges per case in more detail). Thus we should only state what is in the indictment when it comes to numbers of firearms. The indictment for Fast and Furious will not have the total number of firearms trafficked. Note: We have seized 352 firearms here in the U.S. in our effort to stop the trafficking while still making the larger case, and about 250 have been seized in Mexico. We will update the numbers again next week.

**Who:**

- Metro Phoenix area based complex firearms trafficking organizations

For Fast and Furious:

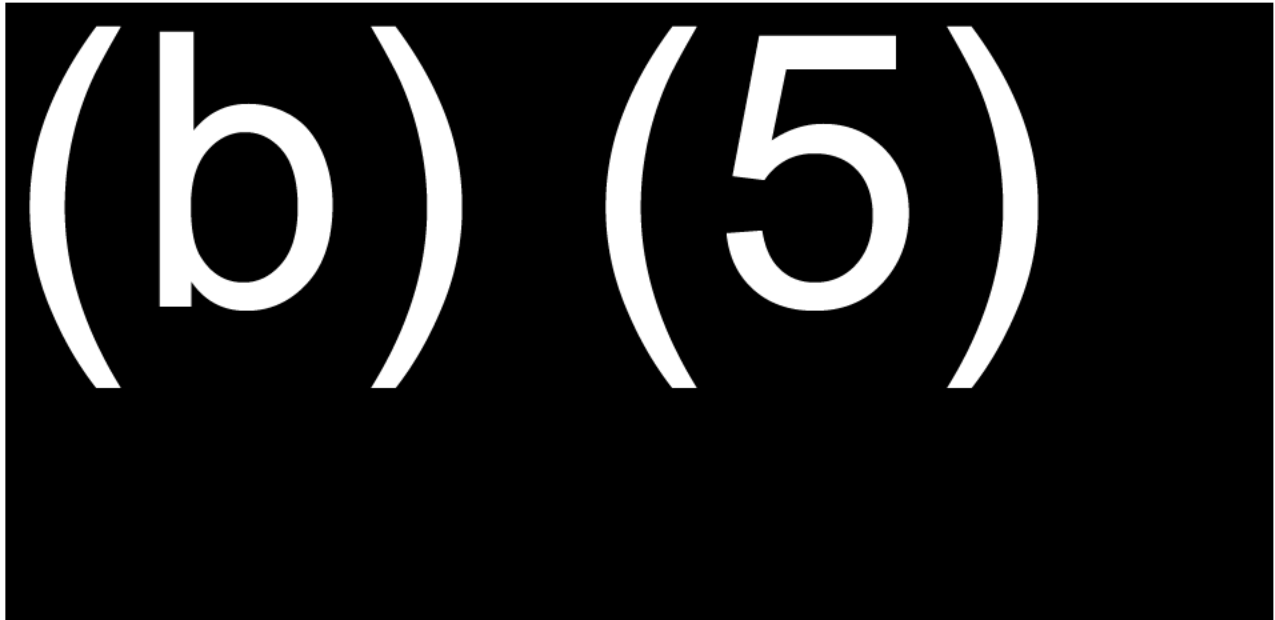
- (b) (7)(C)
- Firearms primarily destined for Sinaloa DTO (based on traces, seizures in Mexico and other investigative data gathered during investigations)
- A large group of straw purchasers (b) (7)(C) were used extensively to spread out purchases and evade detection (another time to address Multiple Sale on Long Guns issue)

**How:**

- Trafficking organizations used a large number of straw purchasers to spread out sales
- Shows straw purchases and the use of straw purchasers is still a major issue (lack of criminal history, need money, unlimited resource, etc)
- Firearms were purchased at numerous FFLs in the metro area

- Firearms were trafficked to Mexico in a variety of ways but mainly in small loads using vehicles crossing into Mexico via POEs

**For Internal ATF Use Only:**



1 DENNIS K. BURKE  
2 United States Attorney  
3 District of Arizona

4 (b) (7)(C)  
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7 UNITED STATES DISTRICT COURT  
8 DISTRICT OF ARIZONA

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PURPOSE OF AFFIDAVIT

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1 DENNIS K. BURKE  
2 United States Attorney  
3 District of Arizona

4 (b) (7)(C)

6 UNITED STATES DISTRICT COURT  
7 DISTRICT OF ARIZONA

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1 DENNIS K. BURKE  
United States Attorney  
District of Arizona

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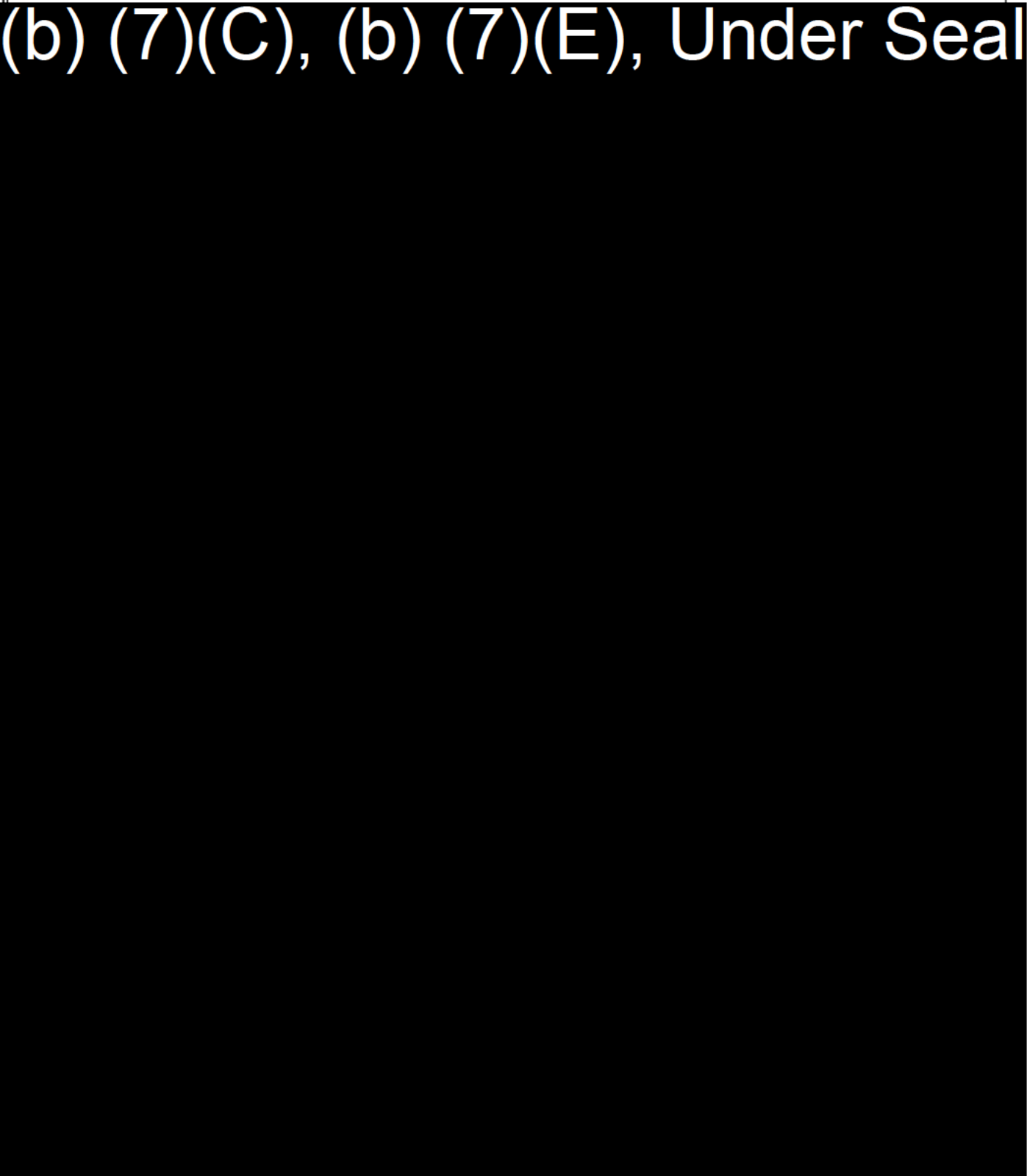
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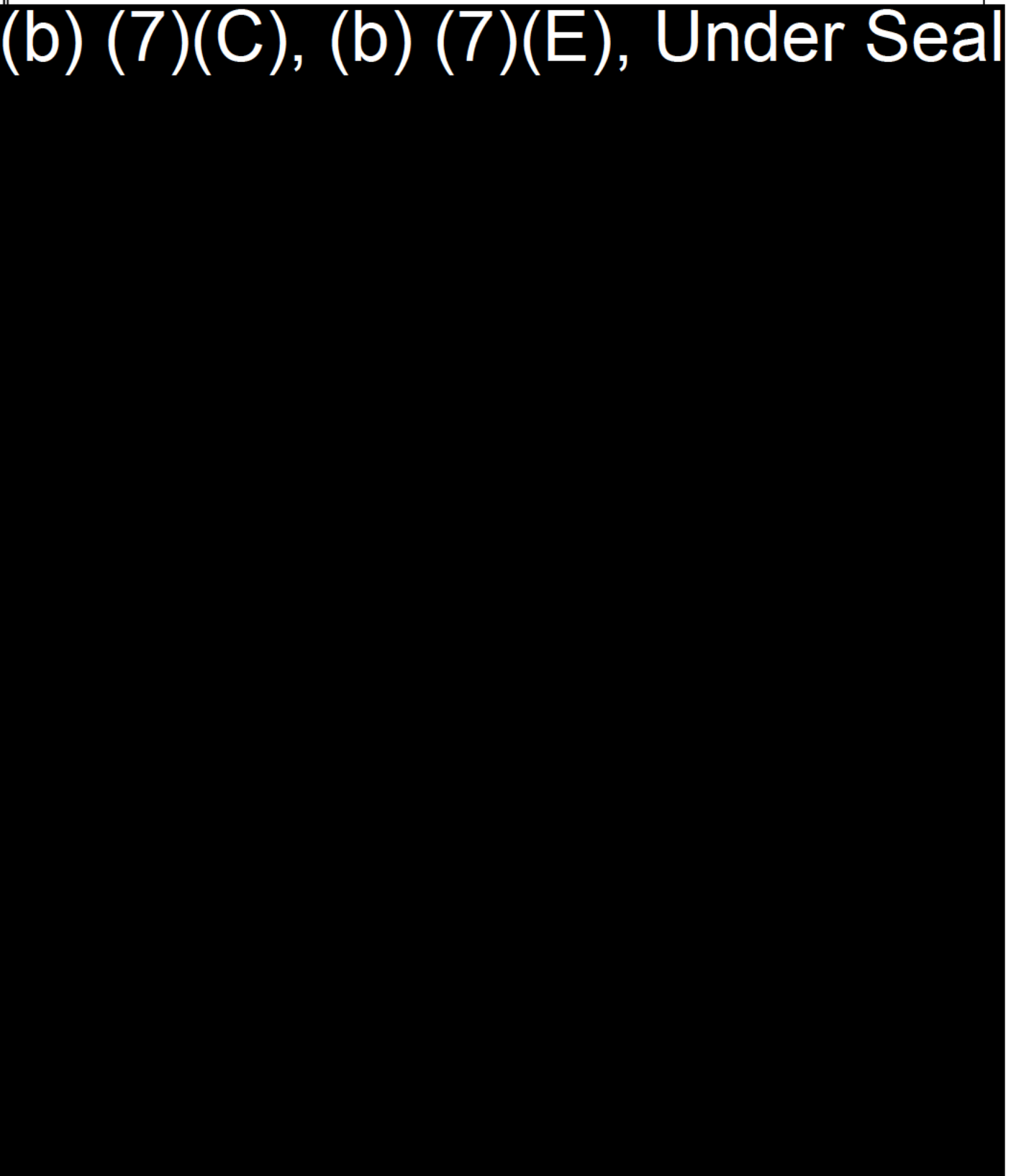
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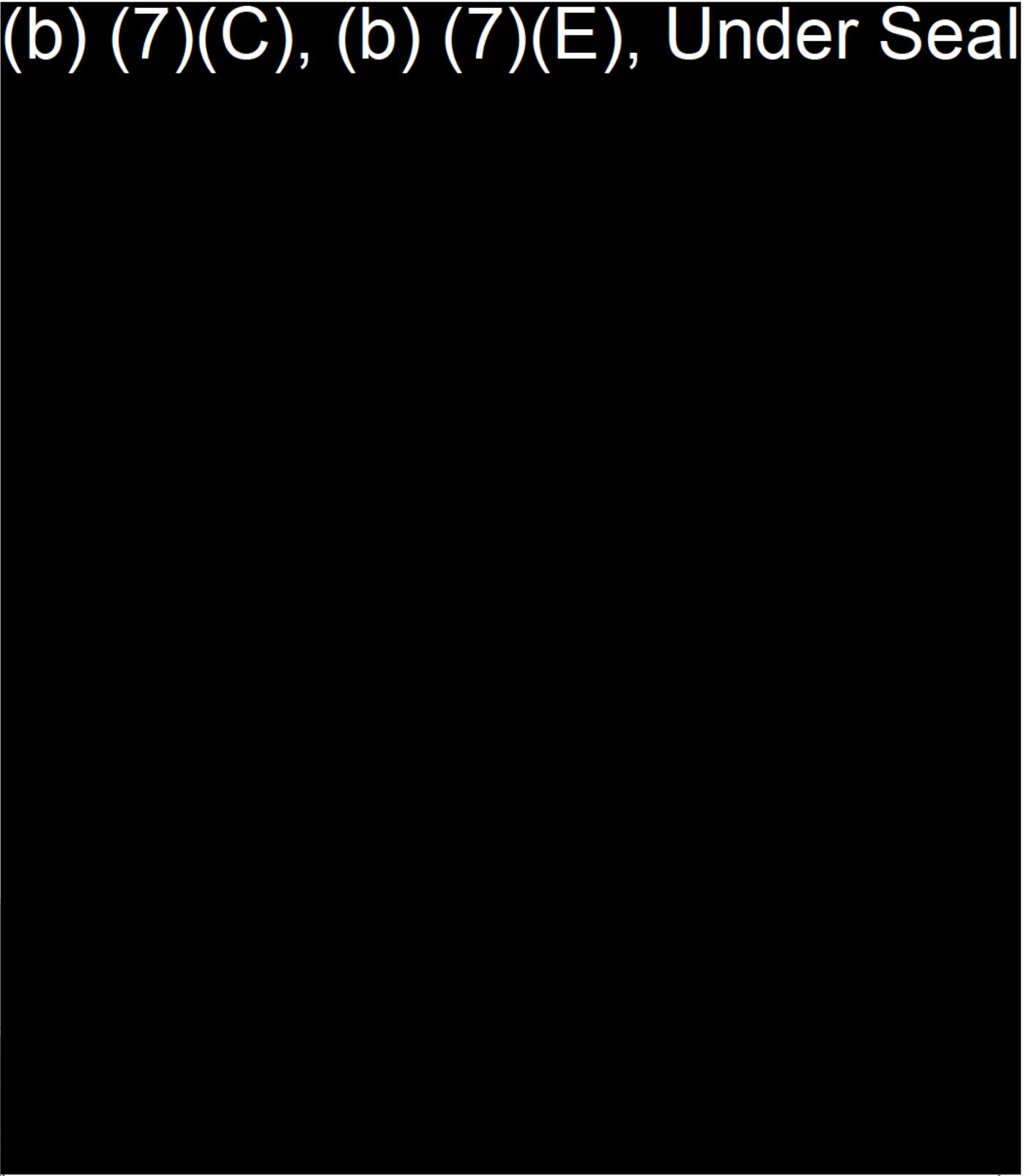
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**EXHIBIT A**

**Subject:** Call in re Gunrunner Talkers/One Pager for Hill use/distribution....

**Location:** Call in number to follow.

**Start:** 2/26/2013 6:11 PM

**End:** 2/26/2013 6:11 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (b) (7)(C)  
(b) (7)(C)  
Potter, Mark W.; (b) (7)(C)

**Resources:** Call in number to follow.

When: Tuesday, April 05, 2011 2:30 PM-3:00 PM (GMT-05:00) Eastern Time (US & Canada).

Where: Call in number to follow.

Note: The GMT offset above does not reflect daylight saving time adjustments.

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- *Project Gunrunner*, implemented in 2006 as ATF's southwest border strategy, works in conjunction with its domestic and international law enforcement partners to identify, disrupt and dismantle the firearms trafficking infrastructure of criminal organizations operating in Mexico and along the border.
- Though primarily a border strategy, *Project Gunrunner* has targeted and prosecuted firearms trafficking organizations in all parts of the United States, from Minnesota to Florida to all our border states, where ATF tracing data and intelligence has provided valuable leads in identifying individuals bent on providing guns to the cartels.
- Today, there are over 4,600 open *Project Gunrunner* investigations throughout the United States looking into the firearm traffickers that bring such violence to Mexico.
- Since its 2006 inception, ATF's *Project Gunrunner* investigations have seized in excess of 10,000 firearms and 1.1 million rounds of ammunition destined for Mexico.
- In December 2009, ATF deployed Spanish eTrace, which allows our Mexican law enforcement partners and other Spanish-speaking nations to enter information about recovered crime guns into ATF's National Tracing Center. eTrace allows law enforcement representatives to electronically submit firearm trace requests, to retrieve completed trace results and to query firearm trace-related data in a real-time environment.
- *Project Gunrunner* proves that valuable investigative information is obtained when all crime guns are traced. Numerous illegal purchasers have been found and trafficking networks investigated and prosecuted.
- Since 2009, ATF has tripled its *Project Gunrunner* personnel in Mexico which has increased its capabilities for intelligence sharing and scene response. As a result, the Government of Mexico is able to perfect additional cases and prosecute offenders.
- As part of ATF's *Project Gunrunner* contributions within the Merida initiative, ATF continues to train Government of Mexico officials in firearms and explosives identification, firearms tracing procedures, post blast investigations, crisis negotiations, and canine explosive training.
- ATF has partnered with the Government of Mexico to create the **Combined Explosives Investigation Team (CEIT)**. This team is a deployable, bi-national unit composed of Mexican law enforcement officers, ATF Special Agents, and ATF Explosives Enforcement Officers. The team responds to, and investigates, the rapidly increasing number of incidents involving the use or recovery of improvised explosive devices (IED's) and Vehicle Bourne Improvised Explosive Devices (VBIED's) in Mexico.
- ATF personnel attached to the CEIT's are specialist Explosive Enforcement Officers (EEO's), physically located in various U.S. consular offices throughout Mexico. This allows broader coverage and a more rapid response wherever the scenes may be.

- ATF has partnered with Immigration and Customs Enforcement (ICE) and the Government of Mexico to form the DC Arms Group. Based in Washington, DC, this group is a multi-agency effort to coordinate strategic efforts of the participating agencies.
- Further *Project Gunrunner* statistics, FY 2006 – 2010 (only that information coded as Project Gunrunner, not ATF as a whole):
  - 2,451 defendants have been recommended for prosecution.
  - 809 defendants are serving an average of 104 months in prison and an additional 260 are under the supervision of the court for an average of 39 months
  - 300 defendants have been convicted and await their sentence.
  - 1,573 defendants (64% of all defendants recommended for prosecution) faced charges related to firearms trafficking.
  - ATF conducted 11,745 firearms licensee compliance inspections.
  - ATF Industry Operations Investigators (IOIs) identified 92,871 firearms that FFLs could not locate in inventory or account for by sale or other disposition. By working with industry members, IOIs located either the firearms or records to confirm the disposition of 76,436, or 82% of the missing firearms.
  - ATF's IOIs reviewed over 1.75 million firearm transaction records to both validate their correct and accurate completion as well as glean investigative leads regarding patterns of purchases.
- The cornerstone of Project Gunrunner is intelligence-driven firearms trafficking investigations. ATF gathers intelligence from FFL's, ballistic and forensic analysis, and tracing data, in addition to using traditional intelligence sources and methods. This information is shared with our partners from DEA, ICE, CBP, and our Mexican counterparts to form a multi-layered approach to disrupting firearms trafficking and drug-related violence.
- Project Gunrunner's objective is to deny Mexican drug cartels the "tools of the trade," which they employ to murder civilians, as well as political, military, and law enforcement figures, in order to strengthen their grip on the lucrative drug and firearms routes into and out of the United States. To this end, the Administration has looked to ATF to find solutions to shut down the firearms trafficking organizations affiliated with the Mexican cartels, and to reduce the violence associated with cartel activity on both sides of the border.
- Based on its combined regulatory and criminal enforcement authorities, ATF has the unique expertise required to investigate domestic and international weapons trafficking,

and the unparalleled capabilities and resources to develop actionable intelligence regarding the illegal trafficking of firearms and explosives.

- In April 2009, ATF developed the Gun Runner Impact Team (GRIT) initiative as a supplement 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, focuses on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico and information obtained from the inspection of Federal firearms licensees (FFLs). GRITs deployments to Houston in 2009 and Phoenix in 2010 involved surges in ATF personnel of 80-100 employees for 100-120 days.

### **Expansion:**

- In 2009, ATF established new offices dedicated to Project Gunrunner firearms trafficking investigations in McAllen, Texas, El Centro, California, and Las Cruces, New Mexico, including a satellite office in Roswell, New Mexico. ATF also added new Gunrunner teams in Phoenix and Houston and added 12 new industry operations investigators (IOIs) to Southwest border offices. In addition, a total of four special agents were located in consulate offices in Juarez and Tijuana, Mexico to provide investigative support to the government of Mexico.
- These new Gunrunner offices are based both on ATF tracing and intelligence data, and that of National Drug Intelligence Center (NDIC) data confirming Mexican cartel centers of activity in the United States.
- As of August 2010, ATF has 224 special agents, 165 IOIs and 32 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, with plans for 2011 to open new Gunrunner offices in Sierra Vista, Arizona and Brownsville, Texas. Additional expansion plans for Mexico include the opening of three new offices located in Hermosillo, Guadalajara and Mérida, as well as adding additional staff to the ATF Mexico Country Office (MCO) in Mexico City.
- ATF has established an ES-1811, Country Attaché in Mexico City, Mexico. The SES-level Attaché will work closely with the AD and DAD, Field Operations, the Chief of the International Affairs Office, the Southwest border SACs, and others on matters pertaining to Mexico. The Attaché will significantly assist in developing overall strategies, goals, and objectives for ATF representation and operational activity in Mexico; conduct studies of criminal activities; and develop criteria for measuring and evaluating accomplishments, results, and effectiveness.

### **Deployment of eTrace in Mexico**

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- ATF continues to work with the Government of Mexico to make firearms tracing in that country more comprehensive, thereby ensuring the accurate tracing of all known recovered/seized firearms.

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Potter, Mark W.; (b) (7)(C)

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Gunrunner  
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Potter, Mark W.; (b) (7)(C)

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Where: Call in number to follow.

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Subject: Accepted: Phoenix  
Location: Employee 3 Director's Office

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Start: 2/26/2013 6:11 PM  
End: 2/26/2013 6:11 PM  
Show Time As: Busy

Recurrence: (none)

Required Attendees: (b) (7)(C)

Resources: Director's Office

Subject: Accepted: Phoenix  
Location: Employee 3 Director's Office

4179

Start: 2/26/2013 6:11 PM  
End: 2/26/2013 6:11 PM  
Show Time As: Busy

Recurrence: (none)

Required Attendees: (b) (7)(C)  
Resources: Director's Office

**From:**  
**To:** Gaston, Molly (SMO)  
**Subject:** RE: ISSA RESPONSE - OIG REPORTS  
**Attachments:** ATF FY 2010 Congressional Budget to DEPT.doc

Molly/Faith

ATF FY 10 Congressional Budget – Public – see page 48 and following  
ATF FY 11 Congressional Budget – Public – see page

**(b) (7)(C)**

Acting Chief of Staff  
Office of the Director  
O: 202-648-<sup>(b) (7)(C)</sup>  
C: **(b) (7)(C)**  
HQ Room 5 S 100

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**From:** Gaston, Molly (SMO) [mailto:**(b) (7)(C)**]  
**Sent:** Friday, April 01, 2011 5:13 PM  
**To:** **(b) (7)(C)**; Burton, Faith (SMO)  
**Subject:** RE: ISSA RESPONSE - OIG REPORTS

Please send if you think they are responsive. And it's been really helpful that each of your cover letters describe the degree of sensitivity regarding each document. Thanks so much.

---

**From:** **(b) (7)(C)** (ATF)  
**Sent:** Friday, April 01, 2011 2:40 PM  
**To:** Burton, Faith (SMO); Gaston, Molly (SMO)  
**Subject:** ISSA RESPONSE - OIG REPORTS

Faith/Molly:

Attached are the OIG reports on Gunrunner – they are responsive to the “genesis” documents question and are public.

Do you want budget request documents related to Gunrunner?

**(b) (7)(C)**

Acting Chief of Staff  
Office of the Director  
O: 202-648-<sup>(b) (7)(C)</sup>  
C: **(b) (7)(C)**  
HQ Room 5 S 100

# Congressional Budget Submission

## Fiscal Year 2010



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April 2009

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## **I. Overview for the Bureau of Alcohol, Tobacco, Firearms and Explosives**

### **A. Summary of Budget Request**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) requests \$1,114,772,000 in Direct Salaries and Expenses and 5,025 full time equivalents (FTE) for FY 2010. This request includes \$1,077,783,000 and 4,979 FTE for current services and \$36,989,000 and 46 FTE in program enhancements. In addition, ATF requests \$6,000,000 for construction of explosives ranges at the ATF National Center for Explosives Training and Research. The FY 2010 request supports ATF's and the Department of Justice's priorities to reduce violent crime, detect and prevent terrorism and enforce the Federal firearms and explosives laws.

In support of these priorities, this budget request focuses upon ATF's capabilities to:

- Combat violent firearms crimes and firearms trafficking;
- Stem the flow of illegally trafficked firearms and associated violence along the Southwest Border region and other areas of the U.S.;
- Assist State and local law enforcement agencies in fighting violent crimes involving firearms and explosives;
- Reduce the incidence and impact of violent gang activity involving firearms and explosives in our communities;
- Disrupt and prevent the use of firearms and explosives in terrorist acts;
- Disseminate and leverage our technical expertise in explosives, IEDs, and post-blast investigations by providing advanced training for State, local, international and U.S. military personnel;
- Advance information and intelligence sharing among law enforcement agencies and the Intelligence Community with enhanced information technology; and
- Improve efficiencies in managing financial and human resources.

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address:

[http://www.usdoj.gov/jmd/2010justification/.](http://www.usdoj.gov/jmd/2010justification/)

### **B. Mission and Strategic Goals**

ATF is the U.S. law enforcement agency dedicated to protecting our Nation from the illicit use of firearms and explosives in violent crime and acts of terrorism. ATF protects our communities from violent criminals and criminal organizations by investigating and preventing the illegal use and trafficking of firearms, the illegal use and improper storage of explosives, acts of arson and bombings, and the illegal diversion of alcohol and tobacco products.

ATF regulates the firearms and explosives industries from manufacture and/or importation through retail sale to ensure that Federal Firearms Licensees (FFLs) and Federal Explosives

Licensees and permittees (FELs) conduct business in compliance with all applicable laws and regulations.

ATF is the Federal agency charged with enforcing the provisions of the Gun Control Act (GCA) and the National Firearms Act (NFA); the two major laws enacted by Congress to respond directly to firearms violence. In addition, ATF has oversight of the importation of arms, ammunitions, and implements of war as authorized by the Arms Export Control Act. ATF also enforces the Safe Explosives Act of 2002 (SEA) which expanded the scope of the Federal explosives regulations administered by ATF by placing controls on the intrastate movement of explosives and mandating that all persons who receive explosives obtain a Federal permit and undergo a background check.

The genesis of our laws, the long-standing focus of our programs, the nature of the cases we submit for prosecution, and years of anecdotal evidence clearly illustrate that we best serve our country working at the frontline to reduce violent crime. This is our specialty, our niche. All of our programs are designed first and foremost to impact violent crime. This is the proper role for ATF in the Department of Justice and reflects how we best contribute, given the realities of a post 9/11 redirection of many departmental assets to counter terrorism.

ATF's regulatory and enforcement missions are interwoven to provide a comprehensive approach in reducing violent crime, protecting the public and preventing terrorism. The integrated efforts of our agents, Industry Operations Investigators (IOIs,) attorneys, scientists, financial auditors, and administrative professionals allow ATF to effectively identify, investigate, and recommend for prosecution violators of the Federal firearms and explosives laws and ensure that licensees and permittees are operating within established laws and regulations. This synergy is further enhanced by external partnerships with other Federal, State, local and international law enforcement entities.

ATF has long recognized the clear link between the availability of criminally possessed firearms and violent crime. We also recognize that by the time a firearm reaches the criminal "market" we have to dedicate more resources to overcome its effects on the U.S. and global community. Using only a market-based approach to violent crime reduction is incomplete. To reduce violent crime, we must also concentrate on the sources of illegal firearms that fuel violence across the U.S., on our borders, and abroad. This is the essence of our firearms trafficking, violence reduction, and Southwest Border strategies.

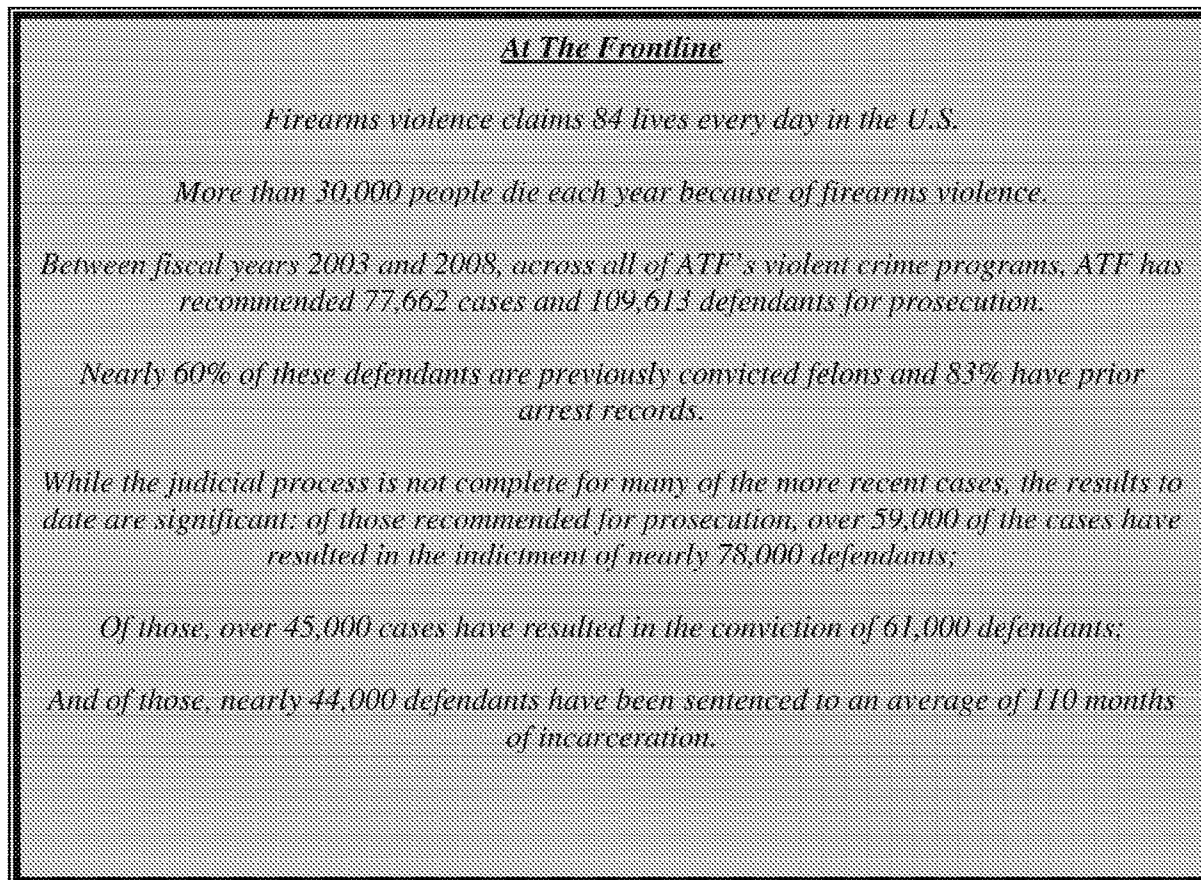
**ATF Strategic Priority:** Reduce violent firearms crimes by strengthening firearms trafficking intelligence gathering, analysis, inspection and investigative activity.

**ATF Strategic Priority:** Make our communities safer by expanding our efforts to identify, target, and dismantle those criminal gangs and organizations that utilize firearms, arson, and explosives in furtherance of violent criminal activity.

**DOJ Strategic Goal 2:** Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People

## Objective 2.2: Reduce the threat, incidence, and prevalence of violent crime

Among all DOJ components, ATF's expertise pertaining to the firearms and explosives makes us an integral part of the law enforcement community's response to violent crime and preventing acts of terrorism.



These exceptional results in addressing violent crime are based upon ATF's authority to enforce Federal firearms laws and regulations. The Bureau also regulates the firearms industry to ensure FFLs conduct business in compliance with all applicable laws and regulations. ATF's regulatory function is a key component in the effort to stem the flow of firearms to prohibited persons and criminal organizations.

### **ATF's Integrated Violence Reduction Strategy**

Firearms-related violent crime is not a simple problem to combat; it is fueled by a variety of causes that vary from region to region. Common elements, however, do exist. Chief among these is the close relationship between firearms violence and the unlawful diversion of firearms from legal commerce into the hands of prohibited individuals. To break this link, ATF employs its Integrated Violence Reduction Strategy (IVRS). IVRS is a comprehensive, integrated set of programs involving the vigorous enforcement of the firearms laws to remove violent offenders from our communities, keep firearms from prohibited possessors, eliminate illegal weapons

transfers, halt illegal sources of firearms and pursue outreach and prevention efforts. The IVRS builds upon traditional enforcement efforts with state-of-the-art ballistic imaging technology, firearms tracing, and intelligence/information sharing.

This is accomplished by:

- Partnering with law enforcement agencies and prosecutors at all levels to develop focused enforcement strategies to investigate, arrest, and prosecute violent offenders and illegal domestic and international firearms traffickers.
- Providing assistance and leadership within the law enforcement community to effectively solve violent crimes using specialized resources, technology, and training.
- Conducting training programs for State and local law enforcement partners focused on firearms tracking, trafficking, and prosecution strategies.
- Collaborating with FFLs to promote the proper recordkeeping and business practices that help prevent the acquisition of firearms by prohibited persons.
- Preventing violence through community outreach.

### **Reducing Violence through the Interdiction and Prevention of Firearms Trafficking**

Reducing firearms trafficking on a broader, nationwide basis is a principal means of reducing violent crime. ATF's firearms trafficking strategy focuses on shutting off the sources of firearms to violent offenders, from both commercial and secondary markets such as gun shows. Since there is no legal way for a convicted felon, a drug trafficker, or a juvenile gang member to obtain a firearm, these offenders rely on firearms traffickers (those persons and organizations willing to sell firearms without regard to the law) to make quality firearms readily available. A criminal's need for a "firearms trafficker" is a consequence of the laws enacted at the Federal, State, and local level to control the sale, possession, and use of firearms. Firearms trafficking investigations are inherently of Federal interest due to their interstate and international nature. These investigations most often exceed the jurisdictional boundaries and authorities of State and local law enforcement. ATF is uniquely suited to address firearms trafficking by virtue of its statutory authority and long experience in enforcing Federal firearms laws and regulating the firearms industry.

ATF's strategy addresses the on-going movement of firearms from legal to illegal commerce and from source area to market area. Failure to adequately resource this strategy limits ATF's ability to close down sources of illegally trafficked firearms, thus allowing violent criminals to obtain the weapons through trafficking schemes. As counterintuitive as it may seem, ATF agents, IOIs and Federal prosecutors working together in a source area -- thousands of miles from a criminal market area -- may have as big an effect (perhaps even bigger) on violent crime and gang violence in a market area than do local police and prosecutors. This is equally true of firearms trafficking on the Southwest Border. In both instances, the agents and prosecutors targeting the firearms traffickers in the source areas are disarming the violent criminals and gangs in the market areas. When viewed nationally, dismantling a gun trafficking organization providing

scores of guns to any of dozens of major cities and/or gangs will have a major impact on reducing the nation's overall violent crime rate.

ATF approaches firearms violence from two distinct fronts: industry regulation and criminal investigation. To this end, ATF investigates FFL applicants to determine their eligibility to engage in the business and to educate them about their recordkeeping responsibilities. ATF conducts compliance inspections of current FFLs; and collaborates with industry on voluntary compliance efforts. ATF employs approximately 700 field based IOIs responsible for investigating the approximately 113,019 firearms licensees of all types (53,472 of which are collectors of specialty firearms, e.g., curios and relics).

ATF regulates the manufacture, importation, and sale of firearms in the U.S. and qualifies individuals who wish to engage in the firearms industry by licensing their business operation; ensuring that prohibited persons do not enter the firearms industry nor gain access to firearms, and providing guidelines for maintaining records for each acquisition and sale of a firearm. Through this regulatory framework, ATF establishes the process that allows for the tracking of each firearm from its point of manufacture or importation to the point of first retail sale, a process known as "tracing." By tracing every recovered firearm, ATF is able to discern patterns of names, locations, and weapon types that provide invaluable leads aiding in the identification of persons engaged in the diversion of firearms into illegal commerce.

ATF operates the National Tracing Center (NTC) which is the only law enforcement entity able to trace firearms from their manufacture to the point of first retail sale. Crime gun trace data shows that there are geographic "market areas" where crime guns are recovered and "source areas" that provide firearms to those markets. In firearms trafficking cases, investigative techniques vary depending on whether the investigation begins in a market or source area. In either case, firearms trafficking investigations can be complex and time consuming. They range from simple "straw purchase" investigations wherein a non-prohibited purchaser buys a firearm on behalf of, or at the direction, of a prohibited purchaser to illegal dealing at gun shows and other locations; from dishonest FFLs; to armed robberies of gun stores; from the theft of interstate shipments of firearms; to large-scale illegal firearms trafficking organizations.

### *At The Frontline*

#### *Firearms Trafficking*

*From FY 2003 through FY 2008, ATF recommended prosecution of over 10,600 cases and 18,800 defendants for firearms trafficking related offenses involving an estimated 336,400 weapons.*

*In FY 2007-08, ATF conducted an integrated training program focusing on firearms tracing, trafficking, and enforcement strategies to 8,388 State, local, and other Federal law enforcement personnel.*

## **Reducing Violence on the Southwest Border – Project Gunrunner**

Our firearms trafficking strategy complements our continued focus on the deployment of resources to specific localities where there is a high incidence of gang and gun violence. Through firearms trafficking interdiction efforts, ATF decreases the availability of illicit firearms and recommends for prosecution those who illegally supply firearms to prohibited possessors. Violent gang members are often involved in firearms trafficking, both for potential profit and in furtherance of drug trafficking and other crimes. The immediacy of the violence fueled by firearms trafficking is demonstrated in the crisis on our Southwest Border. Recent trends have shown an increase in the number of firearms recovered in Mexico, and these firearms fuel the growing violence along the border, including the brutal murders of literally hundreds of law enforcement officers and government officials.

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. Over 90 percent of the crime guns used in Mexico originates from sources in the U.S. In the Southwest Border States, ATF's primary role is to stem the illegal trafficking of weapons across the border and to reduce the firearms driven violence now occurring on both sides of the international boundary. ATF is focused on shutting off the sources of firearms to violent offenders and criminal organizations, from both commercial dealers using "straw purchasers" and secondary markets such as gun shows. In partnership with other U.S. agencies and the Government of Mexico, ATF's Project Gunrunner focuses on deploying resources on the Southwest Border to investigate the sources of firearms identified from trace data supplied by its Mexican counterparts. The trace data is derived from firearms recovered in the Mexican "market" areas.

Firearms tracing, in particular the expansion of the e-Trace firearms tracing system, is a critical component of Project Gunrunner in Mexico. In 2008, ATF deployed eTrace technology to the nine U.S. consulates in Mexico. ATF provided extensive training to Mexican law enforcement personnel on firearms tracing and trafficking techniques. ATF and the government of Mexico have discussed (and continue to discuss) decentralizing the firearms tracing process in order to deploy a Spanish-language eTrace to other Mexican law enforcement agencies.

In the past two years, ATF seized thousands of firearms headed to Mexico. Trends indicate that the firearms illegally crossing the U.S.-Mexico border are becoming more powerful. ATF analyzed firearms seizures in Mexico from FY 2005 to FY 2007 and identified the following weapons of choice most commonly used by drug traffickers: 9mm pistols; .38 Super pistols; 5.7mm pistols; .45-caliber pistols; AR-15 type rifles, and AK-47 type rifles.

Most of the firearms violence in Mexico is perpetrated by Drug Trafficking Organizations (DTOs.) DTOs are vying for control of drug trafficking routes to the U.S. and engaging in turf battles for disputed distribution territories. DTOs operating in Mexico rely on firearms from illicit suppliers to enforce and maintain their narcotics operations. Intelligence indicates these criminal organizations have tasked their money laundering, distribution and transportation infrastructures with reaching into the U.S. to acquire firearms and ammunition. These Mexican DTOs are among the leading gun trafficking organizations operating in the U.S.

ATF currently has approximately 145 agents, 60 IOIs, and 12 forensic auditors assigned to Project Gunrunner, as part of a broad plan to increase strategic coverage of and disrupt the firearms trafficking corridors operating along the border. Additionally, ATF has dedicated four Intelligence Research Specialists (IRSs) and a special agent intelligence officer to intelligence collection, analysis, and information sharing.

### *At The Frontline*

- *Between fiscal year 2005 and the end of the first quarter of 2009, ATF has had significant impact on the trafficking in the Southwest Border states.*
- *509 cases involving 1,105 defendants have been recommended for prosecution.*
- *To date, 754 defendants have been arrested, 708 defendants have been indicted, 437 defendants have been convicted, and 348 defendants have been sentenced to an average of 72 months incarceration.*
- *169 of the cases and 536 of the defendants recommended for prosecution involve gang related offenses.*
- *177 cases have charged violations related to the trafficking of an estimated 7,600 firearms. Sixty of these cases involved gang related trafficking of over 1,250 firearms.*
- *In all investigations, over 4,100 firearms have been seized and are no longer available to violent criminals and gang members.*

Internationally, ATF works with other agencies to prevent firearms from reaching the hands of drug traffickers, organized crime members, and terrorist organizations. ATF has primary jurisdiction over the importation of firearms, ammunition and implements of war under the Arms Export Control Act (AECA), and has shared jurisdiction over firearms exports with the Department of Homeland Security and the Department of State's Office of Munitions Control.

### **Reducing Violent Gang Crime**

Since its creation as a Bureau in 1972, ATF has established itself as a lead Federal agency in the investigation of violent gang-related crime. With a long history of focusing on violent crime, ATF has unique statutory authority over the "tools of the trade" that make gangs a threat to public safety. These tools include guns in the hands of felons and prohibited persons, and weapons and explosives used to retaliate against rivals and witnesses. ATF's core missions—enforcing laws that prohibit the criminal misuse of firearms and explosives, and investigating acts of arson—have placed it at the center of gang investigations, including those of well-known

street gangs like the Crips and Bloods, organized criminal Asian gangs, white supremacists, outlaw motorcycle organizations, violent Hispanic gangs like Mara Salvatrucha (MS-13), and innumerable neighborhood-based gangs. ATF's anti-gang strategy includes enforcing Federal statutes such as the Racketeer Influenced and Corrupt Organizations Act (RICO) and the Armed Career Criminal statute.

ATF has long recognized the clear link between the availability of criminally possessed firearms and violent crime. ATF's focus on violent firearms related crime provides a strong link to the investigation of criminal street gangs. ATF reduces violent crime by targeting and dismantling gangs that pose the greatest threat to public safety, investigating, infiltrating, and dismantling gangs which range from outlaw motorcycle organizations like the Hells Angels and Mongols; international gangs like MS-13; national gangs like the Crips or the Bloods, and the local "drug crews" that afflict many communities.

Using the IVRS concept of our integrated strategy to address violent firearms crime, ATF introduced Violent Crime Impact Teams (VCITs) in 2004. Focused primarily in urban areas and working with local law enforcement partners, VCITs identify hot spots of violent firearms crime and target, investigate, arrest, and prosecute the "worst of the worst" criminals. These efforts produce long-term reductions in firearms violence in communities by removing violent offenders from the streets for long periods of incarceration rather than merely shifting the violence to adjacent neighborhoods. The teams focus on a small area and flood it with the integrated resources of the VCIT partners. ATF's VCIT program is the logical "market area" complement to its firearms trafficking strategy.



### At The Frontline

- *Criminal gangs are active within all 50 States, the District of Columbia, and the Commonwealths.*
- *Approximately 1 million gang members belong to more than 20,000 gangs.*
- *Criminal gangs commit as much as 80% of the crime in communities, according to law enforcement sources.*
- *Gangs traffic illicit narcotics supplied by and through Mexico based drug trafficking organizations.*
- *The FY 2009 National Gang Threat Assessment reports that 94.3 percent of gang-related homicides involved the use of a firearm.*
- *VCIFs are currently active in 31 cities*
- *Through this initiative, ATF and its law enforcement partners have arrested more than 15,130 gang members, drug dealers, felons-in-possession of a firearm, and "worst of the worst" violent criminals and recovered more than 18,700 firearms.*
- *The teams have obtained convictions against nearly 3,000 defendants.*

ATF agents work with other Federal, State, and local law enforcement to identify the most violent gang members and target these offenders first, using undercover operations, surveillance, wiretaps, and the controlled purchase of drugs, guns, explosives, and other contraband to identify and attack the gang's hierarchy.

### At The Frontline

- *In FY 2008, ATF referred over 4,100 gang members and their associates for prosecution.*
- *In fiscal years 2003 through 2008, an average of 11% of all ATF cases and 17% of all defendants referred for prosecution (8,754 cases and 19,238 defendants) involved allegations of gang-related criminal conduct.*
- *Many of these cases involve firearms and RICO violations, as well as violations of explosives laws.*

## **Reducing Violent Crime through Effective Regulation of the Firearms Industry**

As firearms violence continues to erode the quality of life in our communities, ATF has the unique ability to combat this threat from another front. The fair and effective regulation of the firearms industry is a key component of ATF's firearms enforcement efforts. ATF has sole Federal regulatory authority over FFLs businesses authorized to engage in the manufacture, importation, and/or sales of firearms in the U.S. ATF licenses those who enter the firearms business, prescribes the manner by which they must operate, and defines the records they must keep for the acquisition and sale of each firearm.

ATF's Federal Firearms Licensing Center (FFLC) is responsible for issuing licenses to legitimate firearms manufacturers, importers, and dealers. ATF works with the FBI to screen firearms license applicants for Federal prohibitions such as felony convictions, drug use, illegal alien status, mental history, minimum age requirement, etc. To help prevent individuals from buying firearms by falsely claiming to be an FFL, ATF provides licensees access to a database entitled "FFL EZ Check," which allows FFLs to verify the legitimacy of the licensee with whom they are doing business before shipping or disposing of the firearm.

ATF's IOIs determine the eligibility of applicants to engage in the business and educate them about their recordkeeping responsibilities in the conduct of qualification inspections. ATF also conducts compliance inspections of current FFLs; and collaborates with the industry on voluntary compliance efforts. ATF employs approximately 700 field based IOIs responsible for investigating approximately 113,019 firearms licensees of all types (53,472 of which are collectors of specialty firearms, e.g., curios and relics).

Through this regulatory framework, ATF establishes the "paper trail" to track each firearm from its point of manufacture or importation to the point of its first retail sale, a process known as "firearms tracing." ATF operates the NTC, which is the only entity able to trace firearms from their manufacture or importation to the point of first retail sale. Every firearm recovered by law enforcement and subsequently traced, enables ATF to discern patterns that provide invaluable leads to aid in identifying the diversion of firearms into illegal commerce. In addition to ensuring compliance with the Federal requirements for gun sales/purchases and the National Instant Criminal Background Check System (NICS) ATF inspections focus on identifying criminals who illegally purchase firearms

### At The Frontline

- *During compliance inspections conducted in 2008, ATF investigators identified over 116,000 firearms that FFLs could not locate in inventory or account for by sale or other disposition.*
- *By working with industry members, IOIs reduced this number to approximately 22,770 unaccounted for firearms. ATF IOIs improved the success rate of potential firearms traces of previously unaccounted firearms by 81 percent.*
- *Although this is a significant improvement, over 22,000 firearms remained missing and continue to pose a threat to public safety.*
- *In fiscal year 2008, ATF conducted 11,169 compliance inspections.*
- *More than 44 percent of the licensees inspected were determined to be in full compliance with the law and regulations and no violations were cited.*
- *Approximately 100 Federal firearms licenses were revoked or denied renewal due to willful violations of the GCA. This figure is less than one percent of the number of licensees inspected.*
- *In the 11,169 compliance inspections conducted in FY 2008, ATF reviewed nearly 1.5 million firearms transfer records for legal sufficiency and validated over 273,000 National Instant Check submissions.*

Proper and timely recordkeeping by FFLs is critical to the success of a crime gun trace and is required for all firearms acquired and transferred by licensees. Failing to account for firearms is a serious public safety concern because unaccounted firearms cannot be traced. ATF's FFL inspection program includes using tracing information to detect indicators of illegal firearms trafficking, and leads investigators to conduct inspections of specific dealers.

ATF IOIs conduct inspections of FFLs to ensure compliance with the law and regulations and to assist them with the implementation of business practices designed to improve compliance with the GCA. If violations are discovered during the course of an FFL inspection, ATF has several tools available to encourage compliance. These include issuing a Report of Violations, sending a Warning Letter, and holding a Warning Conference with the industry member. On rare occasions, ATF encounters a licensee who, despite ATF's efforts, fails to comply with the laws and regulations and who 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.

As authorized by the Arms Export Control Act, ATF also regulates the importation of firearms, ammunition and implements of war into the U.S. ATF approves or denies applications to import items by domestic businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after having lived abroad. ATF also provides technical advice to the public regarding import requirements applicable to firearms, ammunition and implements of war.

These efforts focus on reducing the sources of firearms to violent offenders by finding and prosecuting firearms traffickers. Firearms trafficking investigations are inherently Federal activities due to their interstate and international nature. ATF is uniquely suited to address firearms trafficking by virtue of its statutory authority as outlined above and long experience in enforcing Federal firearms laws and regulating the firearms industry.

### **Reducing Violent Crime through Regulation of Specified Classes of Weapons**

In the wake of prohibition, the National Firearms Act (NFA) was enacted in 1934 to address growing concerns about organized crime and violence. The NFA regulates the manufacture, possession, and transfer of a limited group of firearms considered especially dangerous including machineguns, sawed-off shotguns and rifles, silencers, other concealable firearms, and destructive devices such as bazookas, bombs, missiles, and grenades. The NFA requires the Attorney General to maintain a central registry of firearms covered by the statute. The statute also prohibits the transfer or making of NFA firearms without prior approval and imposes a tax on the transfer and making of such firearms.

ATF maintains the National Firearms Registration and Transfer Record (NFRTR,) the central registry of all NFA firearms in the U.S. There are more than 2.1 million firearms registered in the NFRTR. In FY 2008, ATF processed 970,000 NFA transactions. Through ATF's investigation program of licensees, agents (and IOIs) determine the lawfulness of the making, possession, or transfer of recovered machineguns, silencers, and other such weapons using information in the NFRTR. U.S. Attorneys' Offices nationwide also rely on NFRTR information for court certificates or testimony. Each year, NFA Branch personnel prepare more than 400 certificates for court cases.

### **Reducing Violent Firearm Crime with National Information Sharing**

Intelligence and information sharing are a key component of the IVRS strategy. As with fingerprints, every firearm has unique identifying characteristics. The barrel of a weapon leaves distinct markings on a bullet or projectile and the breech mechanism leaves distinct markings on the cartridge case. Using these markings, firearms examiners are able to examine bullets and cartridge casings to determine if they were expelled from the same firearm. Historically, this was a tedious, time-consuming, and in many cases, nearly impossible process for firearms examiners to compare suspect bullets and cartridge casings recovered at disparate crime scenes, or from a recovered firearm to the vast inventory of recovered or test-fired evidentiary projectiles and casings. Further, the severe stress and eyestrain on the firearms examiner slowed the process.

Realizing the examination techniques were antiquated, ATF recognized the potential benefits to law enforcement that innovative computerized, crime-fighting technology can provide. ATF's National Integrated Ballistics Information Network (NIBIN) Program is the only ballistic imaging system operating in the U.S., primarily supporting State and local law enforcement. This equipment allows firearms technicians to acquire digital images of the markings made by a firearm on bullets and cartridge casings. The images then undergo automated initial comparison. If a high-confidence "match" or "hit" emerges, firearms examiners compare the original

evidence to confirm a match. By minimizing the amount of non-matching evidence that firearms examiners must inspect to find a confirmable match, the NIBIN system enables law enforcement agencies to discover links between crimes more quickly, including links that would have been lost without this technology.

ATF deploys Integrated Ballistic Identification System (IBIS) equipment to Federal, State, and local law enforcement agencies for their use to image and compare crime gun evidence. By funding and supporting this program, ATF makes it possible to share intelligence across jurisdictional boundaries, enabling Federal, State, and local law enforcement agencies to work together in the fight against violent crime. More than 174 law enforcement agencies nationwide participate in this program, and IBIS equipment is installed at 203 sites. Nearly 1.3 million pieces of evidence have been imaged in the system. To date, over 25,000 “hits” have been logged, many of them yielding investigative information not obtainable by other means. The investigative information provided by NIBIN supplies pieces to a puzzle for investigators in solving seemingly unrelated crimes.

ATF’s NTC is another key tool in fighting violent crime. Each year, the NTC traces hundreds of thousands of recovered crime guns for law enforcement; in FY 2008, the NTC traced 312,520 recovered firearms for law enforcement offices in over 50 different countries. The NTC is the only repository of all crime gun trace data, multiple handgun sales information, stolen firearms information, suspect gun information, and over 100 million firearms transaction records from out-of-business FFLs. Taken together, the data allows ATF to identify recurring patterns and trends indicative of illegal firearms trafficking and pass that information on to law enforcement. Analysis of the collective crime gun trace histories can assist communities in developing focused strategies or programs that address specific factors identified as contributing to armed crime. The NTC also ensures that ATF agents can access its data through e-Trace, a web-based input and query engine available to all law enforcement agencies.

Intelligence gathered from tracing crime guns provides leads on illegal firearms traffickers and others involved in violent firearms crime, such as criminal gang members. ATF data identifies “hot spots” of criminal activity, and locates the sources of weapons used in these areas—the source of which may be in other States or across the country. Analysis and examination of crime gun data helps identify illegal firearms traffickers who supply arms to criminals. ATF uses this data to perfect its own criminal investigations, and transmits information to State and local law enforcement to support those agencies in their fight against violent crime.

### **Reducing Violent Firearm Crime Globally Through International Policy Development and Partnership**

At the request of the Department of State, ATF advocates the firearms policies of the Department of Justice and the U.S. in international forums such as the United Nations and the Organization of American States. ATF ensures that the international firearms agreements in which the U.S. participates are consistent with U.S. laws, regulations, policies, and practices. The United Nations Program of Action, the Organization of American States Convention on Firearms, and the International Tracing Instrument are just a few of the agreements in which ATF represented the interests of the U.S. Government.

### *At The Frontline*

- To confront the escalating firearms-violence problem along the Southwest border, in FY 2007-08, ATF provided firearms-trafficking training to more than 885 Mexican police and prosecutors.*
- Every year, ATF provides weapons and firearms-related training to more than 1,000 police officials served by the International Law Enforcement Academies across the globe. In Africa, Eastern Europe, Asia, and Latin America, this training focuses on firearms trafficking and other violent-crime problems impacting each region.*

ATF enforces the NFA, as well as the import provisions of the AECA and works closely with the DHS to monitor firearms imports and NFA exports to ensure that their international movement is consistent with the law. ATF is the principal DOJ component involved in efforts to combat the illicit manufacturing and trafficking of firearms, their parts and components, and ammunition and explosives in a number of international forums including the United Nations and the Organization of American States (OAS) and maintains close liaison with the Department of State.

These efforts, which include the negotiation of legally and politically binding agreements and model regulations, prevent the diversion and misuse of dangerous commodities by terrorists. Additionally, ATF participates in the DHS's Interagency Incident Management Group and the State Department's International Law Enforcement Academy program (ILEA), which encourages cooperation among participating countries and other U.S. Government agencies. Currently, an ATF special agent serves as the Deputy Director at the ILEA in Bangkok, Thailand. In addition, ATF has assigned a liaison officer to EUROPOL in The Hague, The Netherlands.

ATF, through its international offices, has implemented bilateral initiatives to help reduce violent crime at home and in neighboring countries. For example, firearms publications and posters in French and English advise Canadian and U.S. citizens traveling between these countries to be aware of pertinent firearms laws, requirements, and associated penalties. ATF's Canadian Office, along with the NIBIN Program Office at ATF Headquarters, was also instrumental in developing a memorandum of understanding (MOU) with Canadian officials related to ballistic tracing and interconnectivity of data systems. The MOU facilitates sharing leads and other information in real time and exploiting ballistic evidence recovered at crime scenes. The Attorney General and the Canadian Minister for Public Safety at the 9th Annual Canadian-U.S. Cross Border Crime Forum signed this MOU on November 16, 2006.

**ATF Strategic Priority:** Advance domestic and international explosives expertise, to prevent, detect, and investigate acts of violent crime and terrorism and to enhance public safety.

**DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security**

Objective 1.2: Strengthen partnerships to prevent, deter, and respond to terrorist incidents.

The terrorist attacks of September 11, 2001 highlighted the importance of ATF's role in enforcing the criminal and regulatory provisions of Federal firearms and explosives laws, and in preventing and deterring the use of firearms and explosives by criminals and terrorists.

ATF plays a key role in DOJ's counterterrorism responsibilities as set forth in the National Implementation Plan for the War on Terror (NIP) and in DOJ's supporting plan for the NIP. The impact of ATF's investigative and regulatory programs includes the detection and deterrence of terrorist's use of firearms, explosives and other conventional weapons. Through regulation of firearms and explosives commerce and through its investigative and criminal enforcement activities, ATF prevents prohibited persons from acquiring and possessing firearms and explosives, which could be used in acts of terrorism. ATF also disrupts the illegal trafficking of alcohol and tobacco products, the proceeds of which have been traced to terrorist organizations.

**Reducing Violent Crime Involving Explosives and Bombings**

Most of the bombings that occur in the U.S. are criminal in nature and fall under the jurisdiction of ATF. ATF also responds to and helps investigate the remaining explosives incidents that are classified as "terrorist bombings" since all terrorist bombings are criminal acts. These include incidents classified as domestic terrorism, such as acts by animal- or environmental-rights extremists.

**At The Frontline**

*Since 1978, ATF has investigated more than 25,000 bombings and attempted bombings, more than 1,000 accidental explosions and more than 21,000 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of improved explosives devices.*

### At The Frontline

- *Between 1992 and 2008, 98.5 percent of the 26,919 bombing incidents in the U.S. were determined to be criminal acts.*
- *Using a broad definition of terrorism (to include hate groups, animal rights, and reproductive rights motivations,) 405 incidents or 1.5% of the total, were identified as terrorist related.*
- *Since 1978, ATF has investigated more than 25,000 bombings and attempted bombings, more than 1,000 accidental explosions and more than 21,000 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of improved explosives devices.*

Criminal bombings and the illegal use of explosives are a threat to public safety at home and abroad. A common trend emerging in explosives and bombing incidents is the increased use of IEDs. The Internet has made the knowledge and supplies needed to construct an IED available to a broader range of the public than ever before, including those who would use that knowledge to commit violent crimes. Many of the materials required to produce an explosive device are common household goods, available with minimal or no regulation. U.S. law enforcement needs to continue to adapt our regulatory and investigative practices to address this new reality.

### At The Frontline

- *ATF has provided pre- and post-blast investigative training to **more than 3,000 military and DoD civilian personnel**, both domestically and in Iraq, Afghanistan and other overseas posts of duty.*
- *ATF agents are the only law enforcement personnel assigned to the Joint Improvised Explosives Devices Defeat Organization (JIEDDO), both at Ft. Irwin, California and in Crystal City, Virginia.*
- *At the request of the Department of Defense and State/local law-enforcement agencies, ATF has developed the only comprehensive "Homemade Explosives" training course, covering the identification, processing, and disposal of the dangerous chemicals used to manufacture IEDs.*

Since 1968, ATF has identified and adapted to emerging threats that involve explosives. ATF regulates the explosives industry and investigates bombings, arsons, thefts, and recoveries of explosives, and the criminal misuse of explosives. ATF is recognized for its expertise in



bombing and explosives investigations and in the reconstruction of explosives incidents. ATF's agents and forensic personnel are highly trained in the investigation of post-blast scenes. Together, they train Federal, State, local, tribal, and international law enforcement agencies in methods and techniques to solve such crimes.

ATF's explosives and arson jurisdiction is based on Title XI of the Organized Crime Control Act of 1970 and its amendments including the Safe Explosives Act. The original legislation was modeled after the GCA and, like the GCA the explosives law prohibits persons with certain disabilities, such as felons, from receiving or possessing explosives. The law establishes a system of controls over commerce in explosives by making it a crime to engage in the business of manufacturing, importing, and dealing explosives without a license and requires all licensees to maintain certain records. The law requires that any person who receives explosives for personal use, whether interstate or intrastate, must obtain a permit from ATF, and requires that explosives be stored in compliance with regulations.

As an integral part of ATF's overall violent crime reduction strategy, ATF's Explosives Program provides vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. ATF's National Response Team (NRT) consists of highly trained agents, forensic chemists, engineers, Explosives Enforcement Officers (EEOs,) electrical engineers, fire protection engineers, canine handlers, and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT conducts investigations

### *At The Frontline*

*Since 1978, the NRT has responded to more than 600 significant incidents throughout the United States, including the Oklahoma City Bombing; the 1993 World Trade Center bombing; and the September 11, 2001 attack on the Pentagon.*

*In FY 2008, the NRT responded to 19 incidents that caused \$410 million in property damage*

with State and local officers in fire and explosives incidents by providing examinations of the scene, interviews, assistance with the resulting investigations, and expert court testimony.

### *At The Frontline*

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ATF also provides NRT support to security preparedness efforts at the Olympics, the National Governor's Conference, the Super Bowl, and other National Special Security Events. ATF's International Response Team (IRT), through an agreement with the Department of State, deploys in support of Diplomatic Security Service and foreign government requests to investigate explosive and arson incidents.

There is a strong link between explosives and terrorism. As our understanding of terrorist tactics grows, so does the range of tools and techniques employed by the terrorists. Therefore, it is critically important that we have effective intelligence and robust information sharing practices, and that we use innovative research, training, and investigative tactics to meet this evolving threat.

ATF's expertise in detecting, preventing, investigating, and responding to firearms, explosives, and arson crimes and conducting state-of-the-art forensic analyses of criminal evidence is a particularly valuable asset in efforts to keep citizens and neighborhoods safe. This comprehensive expertise significantly contributes to the Global War on Terrorism by supporting national counterterrorism strategies and by establishing partnerships with members of the law enforcement, public safety, scientific, industry, academic and intelligence communities.

ATF's analytical and forensic technology resources and knowledge are available to agencies at every level of government, domestically as well as internationally, to assist in preventing, detecting, disrupting, and prosecuting criminal activity and terrorism. To complete our mission, ATF relies upon information sharing partnerships with other domestic and international law enforcement agencies to provide accurate and timely intelligence support. ATF also uses partnerships in all aspects of its regulatory enforcement, training, and forensic mission areas and works with the industries it regulates to prevent violence and safeguard the public while minimizing regulatory constraints that hinder legitimate business.

ATF participates in a number of efforts and activities that support the Attorney General's counterterrorism efforts, including supporting the Law Enforcement Information Sharing Program (LEISP) with both investigative and intelligence resources.

ATF fully supports Government anti-terrorism efforts and in particular, the FBI-led Joint Terrorism Task Force (JTTF). Currently, ATF has 60 agents assigned fulltime to the 103 JTTFs throughout the country. In addition, we have one agent assigned to the National JTTF at FBI

Headquarters. Because of this participation, ATF has played an important part in a number of terrorism cases that involved firearms smuggling, bombings, illegal explosive possession, and tobacco diversions.

ATF's support to departmental efforts to prevent terrorist attacks extends beyond our nation's boundaries. In order to remain at the forefront of emerging terrorist trends, ATF also supports the Department of Defense's Combined Explosives Exploitation Cells (CEXC) program, which was established to document, collect, process, and serve as a repository for physical evidence recovered from detonations of IEDs in Iraq. Since March 2005, ATF has deployed 36 explosives experts internationally to Iraq to provide onsite investigative assistance in processing post-blast incidents directed at U.S. and allied forces.

To further exploit the work of CEXC, ATF supports the Terrorist Explosive Device Analytical Center (TEDAC). The TEDAC is a DOD program managed by a combined DOJ leadership team composed of the FBI and ATF. This joint DOJ-DOD program is supported by ATF and FBI agents, intelligence analysts, certified explosives specialists, and other personnel with specialized training. Collectively, they assist in the technical and forensic exploitation of evidence and triggering mechanisms recovered from IED detonations and render safes in Iraq and Afghanistan. The exploitation of the recovered evidence is a time consuming process in which every IED component part is identified and documented in an IED database. Additionally these examinations identify the assembly characteristics and functionality of the IEDs. ATF is a managing partner in the TEDAC and has assigned 19 permanent employees (with a commitment of 26 by the end of the year) and nine contract employees to support the analysis of improvised explosive devices (IED) from Iraq and Afghanistan in an effort to identify bombers and prevent further attacks.

TEDAC has also established partnerships in the explosives arena with the New Scotland Yard, Anti-Terrorist Branch. A New Scotland Yard Anti-Terrorism detective has been placed in the TEDAC to create an information exchange between the U.S. and the United Kingdom to help deter future terrorist bomb attacks. Research partnerships between forensic scientists from both agencies are underway to examine new homemade explosives used by terrorists. Those explosives are being characterized for their explosive properties and effects and for forensic evidentiary value.

ATF has strategically placed assets in the Western Hemisphere, forming a first line of defense and early warning presence to address terrorism and other transnational threats such as gangs and firearms-related violence arising from DTOs.

ATF's international offices in Canada, Mexico, and Colombia work in close partnership with law enforcement counterparts in those countries to combat criminal activity, firearms trafficking schemes and acts of terrorism. ATF's NTC traces thousands of U.S.-sourced firearms recovered in crimes in over 50 different countries in order to provide investigative leads leading to illegal trafficking sources. Successes include the establishment of the Center for Anti-Explosives Information and Firearms Tracing (CIARA) in Colombia, which is a firearms and explosives tracing center modeled after ATF's NTC Division and the U.S. Bomb Data Center. CIARA is

the first of its kind in South America and will serve as a model for such centers in Central and South America as well as the Caribbean Basin.

At the request of the State Department, ATF strategically utilizes its IRT to provide technical and investigative assistance in international explosives and fire incidents. The IRT has responded to 27 incidents since its inception in 1991, and in April 2007, the IRT responded to Paramaribo, Suriname, to assist with rendering safe an explosive device.

### **Reducing Violent Crime Involving Explosives and Bombing through Effective Training and Research - ATF National Center for Explosives Training and Research**

Established as a result of the 2002 Homeland Security Act, the ATF National Center for Explosives Training and Research (NCETR)'s mission is to deliver basic and advanced courses on a variety of explosives topics to ATF personnel, law enforcement partners, the U.S. military, and other Federal agencies. Currently operating at Fort A. P. Hill in Bowling Green, Virginia, the NCETR provides a means of consolidating ATF explosives expertise and research, developing and enhancing technical knowledge, and building partnerships for the dissemination of this knowledge across State, local and Federal law enforcement agencies.

Congress appropriated funds to construct a permanent facility for NCETR at Redstone Arsenal in Huntsville, Alabama. This facility, under construction and scheduled for completion in 2010, will consist of three explosives ranges, eight classrooms, laboratories, a conference facility and office space for ATF personnel and for partners from the Federal, State, local and international law enforcement and explosives communities. The first of the explosives ranges were available for training/research activity in August 2008.

The NCETR will be a center for the management and execution of ATF's explosives related training, research, and information sharing programs and initiatives. Upon completion, the NCETR facility will provide the highest-quality training experience and scientific research for those on the front lines of efforts to prevent and investigate bombings. The concept fits squarely within ATF's explosives mission and supports the mission and strategic goals of DOJ and ATF. The NCETR facility will be a world-class explosives training facility for all levels of government and we fully expect that the interagency explosives community will derive significant benefits from the facility.

Upon its scheduled completion in 2010, the NCETR will consist of three explosives ranges, eight classrooms, laboratories, a conference facility, and office space for ATF personnel and for partners from throughout the Federal, State, local and international law-enforcement and explosives communities. Establishment of the NCETR at Redstone Arsenal will enable ATF to bring together under one roof its explosives training, research, and information-sharing activities, affording maximum synergy across these inter-related disciplines. Additionally, the planned presence at the NCETR of training and research partners from across the domestic and international communities will enhance U.S. Government efforts to foster collaboration and to successfully combat violent crime and terrorism.

The demand for training and other support from ATF explosives experts, both for ATF personnel and personnel from other Federal, State, and local agencies, continues to increase. One of the premier NCETR programs, the Advanced Explosives Destruction Techniques (AEDT) course has been presented to 371 students in the last three years and still has a backlog of over 900 State and local law enforcement personnel seeking this training. ATF has historically sought to meet this demand by using multiple training sites, often borrowed, throughout the country. This approach is simply insufficient to deliver all the training and explosives support needed.

Among the primary focuses of the planned facility for the NCETR will be to provide state-of-the-art explosives training for ATF agents, ATF IOIs, ATF Explosives Enforcement Officers and for law-enforcement and other first-responders from throughout the Federal, State, local, and international explosives communities. Training that will continue to serve as a cornerstone of the NCETR curriculum will include courses such as “Advanced Explosives Destruction Techniques,” “Post-Blast Investigation Techniques,” and “Advanced Explosives Training for IOIs.” Another of the missions of the NCETR will be to promote and conduct research that will improve ATF’s ability and the ability of our law enforcement partners to investigate bombings, prevent diversion, and ensure the safe and secure storage of explosives. Additionally, the NCETR will have onsite data and information-sharing resources of the U.S. Bomb Data Center. Integrating ATF’s explosives training, research and information-sharing functions at the NCETR will improve efficiencies within ATF and will enhance our efforts in each of these inter-related explosives disciplines.

Establishing the NCETR facility at Redstone Arsenal will provide a variety of benefits. It will enable ATF to create a facility at which our explosives training, research, and information-sharing activities can be fully integrated under one roof, providing maximum synergy across these inter-related explosives disciplines. Additional range and classroom space will enable ATF to address the backlog of demand from State, local and international law enforcement agencies for its advanced post-blast and other explosives training classes. The explosives ranges, laboratories, and office space will also provide an additional location at which members of the interagency explosives research community can collaborate on and conduct testing.

Furthermore, bringing together partners (and their associated knowledge bases) from throughout the Federal, State, local and international explosives communities will not only enhance ATF’s mission, but the missions of other agencies as well. We anticipate fully that the interagency explosives community will be able to derive significant benefits from using the facilities of the NCETR to further their own explosives research, training, and information-sharing initiatives.

Additionally, NCETR will have onsite access to the data and information-sharing resources of the U.S. Bomb Data Center (USBDC). Integrating ATF’s explosives training, research, and information-sharing functions at NCETR will improve efficiencies within ATF and will enhance its efforts in each of these explosives disciplines. The new facility will improve cooperation and information sharing across agency boundaries.

## Reducing Violent Explosives and Bombing Crime with National and International Information Sharing

### *At The Frontline*

- *In 2008, ATF led efforts to provide explosives training for police forces in Pakistan. Within weeks, ATF-trained Pakistani officers were called upon to apply their new skills in conducting the investigation of the large-scale terrorist bombing of the Marriott hotel in Islamabad.*
- *ATF is playing a lead role in developing an explosives range for use by the students attending the International Law Enforcement Academy in Gaborone, Botswana. This will enable ATF to provide essential explosives training prior to the 2010 World Cup in South Africa.*

ATF developed a collaborative, information-sharing portal for the sharing of explosives-related technical information. The portal, used by 40 member countries, is used by bomb data centers that are members of the International Bomb Data Center Working Group (IBDCWG). Its objective is to share technical information to address critical incidents, involving criminal use of explosives or other means, and planned or actual terrorist attacks. The portal also includes the ability to exchange encrypted information in live “chat” forums.

ATF is at the forefront of efforts to create and maintain explosives databases that identify components used in terrorist IED triggering devices. The TEDAC database, the International Terrorist Bombing Information System (ITBIS), houses international terrorist bombing information and IED technical data from Iraq and Afghanistan. The database stores information about IEDs and components, and is used to identify similarities between devices and components collected by federal agencies, international governments, and the military. This electronic comparison quickly identifies previously used electronic components to determine whether two or more IEDs have the same “signature” or common origin, thus providing leads for further investigative or preventive work. The explosives components database will also be utilized in conjunction with coalition partners (United Kingdom, Australia, etc.) to create an international network of IED information, centralized at TEDAC, to suppress global terrorist bombings.

The information and trends developed through ATF’s participation in CEXC and TEDAC are further exploited through participation in the Joint Improvised Explosives Device Defeat Organization (JIEDDO) and through the post-blast training provided to members of the U.S. armed forces both here and abroad. These key undertakings contribute significantly to force protection measures undertaken by our armed forces.

The U.S. Bomb Data Center (USBDC) is the sole repository for arson and explosives related incident data, having been established by statute and by authority of the Attorney General. Its purpose is to collect data and to provide investigators with analytical products to assist in the investigation of the criminal misuse of explosives and acts of arson.

ATF has been collecting, storing, and analyzing data on explosives and arson incidents since 1976. ATF, through the U.S. Department of the Treasury, was mandated by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives. This authority, as contained in 18 U.S.C. § 846(b) and delegated to ATF by the Secretary of the Treasury, was moved with ATF to the authority of the Attorney General by the Homeland Security Act of 2002.

The mission and goals of the USBDC are to collect, analyze and disseminate timely information and relevant tactical and statistical intelligence within ATF, as well as to external State, local, other Federal, tribal, military, and international partners. The USBDC provides statistical analyses of current trends and patterns to assist field elements in preventing the criminal misuse of explosives.

The USBDC maintains the country's most comprehensive collection of data describing arson and explosives related incidents. The USBDC contains information on more than 180,000 arson and explosives incidents investigated by ATF and other Federal, State, and local law enforcement and fire investigation agencies. The USBDC's Bomb Arson Tracking System (BATS) is the explosives and arson investigators' link to the USBDC and all the information that is maintained there. Investigators can use BATS to perform trend analysis and compare incidents for similarities in motives, device components, suspects, and crime methodologies for possible investigative leads nationwide. Images of arson scenes, improvised explosive devices (IEDs) and crime scenes can be shared through the BATS' secure web connection.

Investigators are able to capture details of bomb and arson cases, including the area of origin or device placement, casualties, dollar losses, fire descriptors, collateral crimes, device components and descriptions of how the device was delivered. BATS also includes a functionality that allows investigators to use the program as a case management system, allowing them to build their investigation in BATS, while maintaining critical operational security.

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and in foreign countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and foreign countries cooperate in the tracing endeavor by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only Federal agency authorized access to these records.

The USBDC has the responsibility for tracing and maintaining the official records for the theft and recovery of foreign and domestic commercial explosives, military explosives and ordnance and other munitions. The USBDC maintains a unique set of data associated with the tracing of explosives products from the manufacture to the end user in support of criminal investigations. Building strong partnerships with the Department of Defense (DOD) and the commercial explosives industry has allowed the USBDC to trace stolen and recovered explosives to their origin, including movement in interstate and international commerce.

## Preventing Violent Crime Involving Explosives

To assist in the prevention of explosives incidents, ATF trains explosives detection canines (EDC) and handlers for its use and for other Federal, State, local, and international partners, the latter in partnership with the State Department's Office of Anti-Terrorism Assistance program.

ATF's world-recognized canine training program produces extremely reliable, mobile, and accurate explosives and accelerant detection canines that are able to assist law enforcement and fire investigators worldwide. The Accelerant Detection Canine Program places accelerant detection canines with State and local agencies to support their arson investigation activities. The Explosives Detection Canine Program (EDCP) trains explosives detection canines for use overseas and domestically in the war against terrorism. ATF works with agencies that have received ATF-certified explosives detection and accelerant detection canines and supports those who are without canine services in their communities.

ATF's canine training incorporates the research and development of the National Laboratory and the technical expertise of ATF explosives experts into a training regimen that produces an extremely reliable, mobile, accurate, and durable explosives detection tool, capable of assisting law enforcement with the escalating explosives threat faced by communities worldwide.

### *At The Frontline*

- *There are 34 ATF-trained explosives detection canine teams with ATF special agent canine handlers.*
- *There are currently 111 ATF-trained explosives detection canine teams deployed throughout the U.S. with local, State or other Federal agencies, as well as in 21 foreign countries.*
- *In addition, there are 71 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada.*
- *Since 1991, ATF has trained 595 explosives detection canines and 127 accelerant detection canines.*
- *ATF has trained 380 explosive detection canines for foreign partners*
- *ATF is working with the Department of Defense to train more than 300 military working canines to detect odors associated with "homemade explosives." This effort is of critical importance to combating the IED threat in Iraq and Afghanistan.*
- *ATF has developed the cutting-edge Suicide Bomber Initiative, which will combine canine and tactical assets to confront the threat posed by terrorist bombers.*
- *ATF has trained/tested 691 canine teams in the National Odor Recognition Test nationwide.*



Congress has recognized the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection.

ATF is also at the forefront of combating terrorism through such innovative programs as training other Federal, State, local, and international law enforcement explosives detection canines in peroxide explosives, utilizing its years of experience training its own ATF-certified explosives detection canine teams on the substances.

### **Reducing Violent Crime through Effective Regulation of the Explosives Industry**

ATF's enforcement of explosives laws and regulations helps prevent thefts and the acquisition and use of explosives for criminal or terrorist purposes.

*At The Frontline*

- *The U.S. produces or imports approximately six billion pounds of explosive materials annually.*
- *Each year, eight billion pounds of ammonium nitrate are produced, of which half is used for explosives.*
- *Illegal use of these materials threatens the Nation's public safety.*
- *In FY 2008 ATF:*
- *Conducted 4,393 Explosives Licensee and permittee Compliance Inspections that identified and corrected 1,868 public safety violations.*
- *Completed 1,293 FEL Applicant Inspections*
- *Processed 3,561 FEL Applications (New & Renewal)*
- *Completed 68,645 Explosives Employee/Possessor Background Checks*
- *Completed 3,231 Explosives Responsible Persons Background Checks*

ATF is the only Federal law enforcement agency that regulates the storage of explosives. ATF's criminal and regulatory programs are a key means by which the U.S. Government enforces Federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings. Federal law requires that any manufacturer, importer, or dealer of explosives must have a Federal explosives license, and anyone who acquires for use or transports explosives must hold a Federal explosives permit or license. ATF enforces the Safe Explosives Act of 2002 (SEA) which reflected Congressional intent to close a loophole in the regulation of explosives commerce. In order to prevent prohibited persons from gaining access to explosive materials,

the SEA expanded the scope of the Federal explosives regulations administered by ATF by placing controls on the intrastate movement of explosives and mandating background checks on employees who possess explosive materials in the course of their employment with explosives licensees and permittees. The SEA also requires that all persons who receive explosives obtain a Federal permit that includes a background check.

The Federal Explosives Licensing Center (FELC) screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF established standards for the storage of explosives materials and related record keeping requirements to ensure explosives accountability and traceability to which licensees and permittees must adhere. ATF's IOIs conduct compliance inspections of the 11,163 explosives licensees and permittees nationwide to prevent diversion and promote the safe and secure storage of explosives. IOIs also detect and assist in the investigations of the theft, loss, and diversion of explosives.

### **Alcohol and Tobacco Regulation**

The illegal diversion of tobacco products presents a two-fold problem. Governments are deprived of due revenue and organized criminal groups (including terrorist organizations) gain substantial profits from contraband tobacco. Domestic tax losses from tobacco diversion are estimated in the billions of dollars.

ATF enforces Federal criminal statutes that address the diversion of tobacco products in avoidance of Federal, State, local, and/or foreign tax revenue, including the Contraband Cigarette Trafficking Act (CCTA.) Organized crime groups and individuals with ties to terrorist organizations increasingly engage in illegal trafficking of tobacco products. The proliferation of large-volume trafficking across international borders and interstate commerce to avoid taxes provides increased funding to terrorist organizations and traditional criminal enterprises. This trafficking also robs Federal and State governments of important tax-based funding. An estimated \$3.5 billion in tax revenue is lost annually to States and the Federal Government because of the diversion of tobacco products.

Current investigations have identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies used to support their organizations and activities. Diversion activities often generate tremendous cash profits that are laundered and used to further other unlawful schemes, such as narcotics and firearms trafficking. As an example, ATF conducted two contraband cigarette trafficking cases in which individuals were convicted of Material Support to a Terrorist Organization. The individuals in the two cases that were convicted of the "Material Support" charge were members of Hezbollah.

Criminals have long exploited the differences among tax rates for alcohol and cigarettes by illegally producing, distributing, and smuggling alcohol and cigarettes into domestic and international high tax jurisdictions areas, activities collectively referred to as diversion.

### *At The Frontline*

*During FY 2008, ATF opened approximately 160 investigations into the diversion of alcohol and tobacco products, recommending the prosecution of approximately 223 defendants and seizing approximately \$2.25 million in criminal contraband and an additional \$10,800,000 in criminally derived proceeds.*

Alcohol diversion raises images of prohibition-era moonshiners and bootleggers. While moonshiners still exist, more complex alcohol diversion schemes have developed in recent times. Diversion schemes have included the diversion of distilled spirits from the U.S. to the former Soviet countries and to European Union countries. In many of these cases, distilled spirits are mislabeled as industrial products to perpetrate the fraud. In some instances, alleged industrial alcohol is diverted for beverage purposes.

ATF's primary jurisdiction relating to tobacco is the CCTA (CCTA). The CCTA makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of State tax payment for the State in which the cigarettes are found (if a State tax stamp is required).

ATF investigates the trafficking of contraband (non-tax paid) and counterfeit tobacco products that deprive State governments of billions of dollars in tax revenue annually and have been found to be a funding source for terrorism. Through the successful prosecution and plea agreements in these complex investigations, millions of dollars in defrauded State excise tax revenues are returned to the affected States.

ATF agents have unique experience and expertise in the criminal laws related to alcohol and tobacco diversion. The large cost gap between the regulated and diverted commodities generates enormous profits for criminal organizations engaged in diversion and related frauds. The diversion of these commodities robs Federal and State governments of millions of dollars in taxes and, in the case of counterfeit or tampered goods may endanger the public health. Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attract less scrutiny and have a reduced risk of apprehension while still offering high potential profits. In addition, immense profits and relatively low penalties attract organized crime and fundraisers for terrorist groups.

#### **FY 2010 Request and Current Services/Adjustments to Base (ATB):**

Each of ATF's programs is essential to reducing violent crime, preventing terrorism, and protecting the Nation. ATF's unique regulatory authority of the firearms and explosives industries provides strong support to accomplishment of its law enforcement mission.

ATF's mission supports the priorities of the Attorney General under the Department's Strategic Goals 1 and 2, to "Prevent Terrorism and Promote the Nation's Security" and "Prevent Crime,

Enforce Federal Laws, and Represent the Rights of the American People.” ATF’s Congressional budget request totals \$1,114,772,000 and 5,025 FTE, which includes \$1,077,783,000 and 4,979 FTE for the FY 2010 current services level. The 2010 request includes \$17,989,000 and 92 FTE for Southwest Border enforcement efforts and \$19,000,000 for operations and infrastructure costs associated with the National Center for Explosives Training and Research (NCETR). The request also includes \$6,000,000 for construction of two explosives ranges at the NCETR.

**ATF Resource Profile FY 2010**

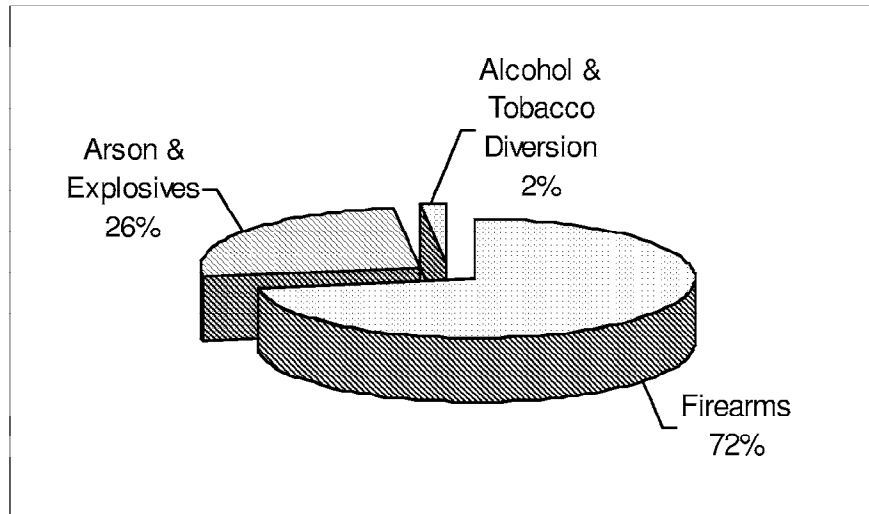
**Resources in Support of DOJ Strategic Goals 1 & 2**

<b>Decision Unit</b>	<b>FY 2008 Enacted FTE</b>	<b>FY 2008 Enacted (\$000)</b>	<b>FY 2009 Likely Enacted FTE</b>	<b>FY 2009 Likely Enacted (\$000)</b>	<b>FY 2010 Request FTE</b>	<b>FY 2010 Request (\$000)</b>
Firearms	3,474	\$708,550	3,547	\$759,035	3,614	\$802,636
Arson and Explosives	1,316	\$255,865	1,320	\$274,096	1,321	\$289,841
Alcohol and Tobacco Diversion	90	\$19,682	90	\$21,084	90	\$22,295
<b>Subtotal ATF S&amp;E</b>	<b>4,880</b>	<b>\$984,097</b>	<b>4,957</b>	<b>\$1,054,215</b>	<b>5,025</b>	<b>\$1,114,772</b>
Construction	0	23,500	0	0	0	6,000
<b>Total ATF S&amp;E and Construction</b>	<b>4,880</b>	<b>\$1,007,597</b>	<b>4,957</b>	<b>\$1,054,215</b>	<b>5,025</b>	<b>\$1,120,772</b>

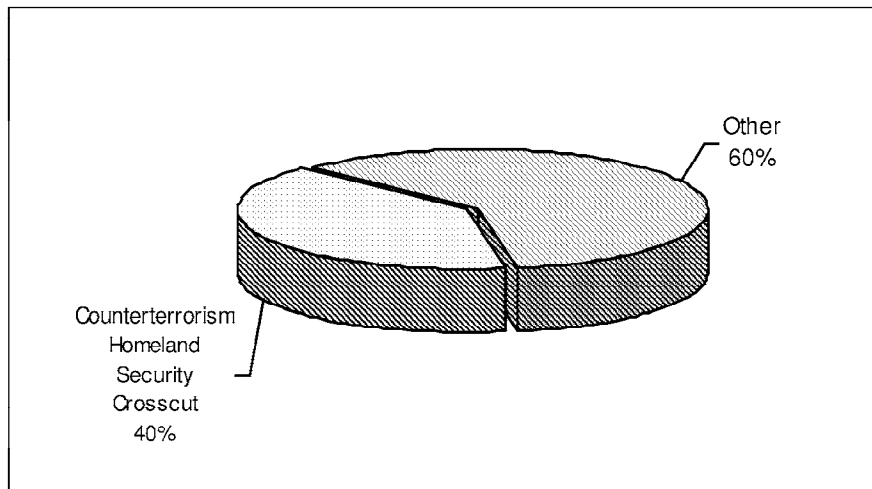
### S&E Resources in Support of DOJ Strategic Goals 1 & 2

#### By Decision Units and Counterterrorism Crosscut

##### Decision Units



##### ATF Homeland Security Counterterrorism Crosscut



## II. Summary of Program Changes

Item Name	Description				Page
	S & E and Construction	Pos.	FTE	Dollars (\$000)	
Southwest Border Enhancement (S&E)	This initiative is part of the Department of Justice strategy to reduce cross border weapons trafficking and the extremely high level of violence associated with these activities. This initiative supports a concerted strategy to meet the threats that affect the U.S. – Mexico border, and ATF’s primary role in this strategy is to stem the illegal trafficking in weapons across the border and to reduce firearms driven violence occurring on both sides of the border. This initiative supports establishment of 2 Project Gunrunner teams in the Southwest Border region.	92	46	\$17,989	48
NCETR (S&E)	This initiative will provide basic infrastructure, including, furniture, office equipment, audio-visual equipment, training equipment, classroom information technology assets and laboratory equipment, as well as relocation moves, expanded training and operational maintenance.	0	0	\$19,000	74
NCETR (Construction)	This initiative will complete the conversion of two additional explosives ranges at the NCETR.	0	0	\$6,000	74

### III. Appropriations Language and Analysis of Appropriations Language

**FY 2010**

#### **Appropriations Language and Analysis of Appropriations Language**

##### **Salaries and Expenses**

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives, including the purchase of not to exceed 822 vehicles for police-type use, of which 650 shall be for replacement only; not to exceed \$40,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and for provision of laboratory assistance to State and local law enforcement agencies, with or without reimbursement, [~~\$1,054,215,000~~] ~~\$1,114,772,000~~, of which not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by section 924(d)(2) of title 18, U.S. Code; and of which *not to exceed* \$10,000,000 shall remain available until expended: Provided, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by FFLs: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the U.S. to implement an amendment or amendments to 27 CFR 478.118 or to change the definition of "Curios or relics" in 27 CFR 478.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, U.S. Code: Provided further, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments in fiscal year [2009]2010: Provided further, That, beginning in fiscal year [2009] 2010 and thereafter, no funds appropriated under this or any other Act may be used to disclose part or all of the contents of the Firearms Trace System database maintained by the National Trace Center of the Bureau of Alcohol, Tobacco, Firearms and Explosives or any information required to be kept by licensees pursuant to section 923(g) of title 18, U.S. Code, or required to be reported pursuant to paragraphs (3) and (7) of such section 923(g), except to: (1) a Federal, State, local, tribal, or foreign law enforcement agency, or a Federal, State, or local prosecutor, solely in connection with and for use in a criminal investigation or prosecution; or (2) a Federal agency for a national security or intelligence purpose; and all such data shall be immune from legal process, shall not be subject to subpoena or other discovery, shall be inadmissible in evidence, and shall not be used, relied on, or disclosed in any manner, nor shall testimony or other evidence be permitted based on the data, in a civil action in any State (including the District of Columbia) or Federal court or in an administrative proceeding other than a proceeding commenced by the Bureau of Alcohol, Tobacco,



Firearms and Explosives to enforce the provisions of chapter 44 of such title, or a review of such an action or proceeding; except that this proviso shall not be construed to prevent: (A) the disclosure of statistical information concerning total production, importation, and exportation by each licensed importer (as defined in section 921(a)(9) of such title) and licensed manufacturer (as defined in section 921(1)(10) of such title); (B) the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or (C) the publication of annual statistical reports on products regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives, including total production, importation, and exportation by each licensed importer (as so defined) and licensed manufacturer (as so defined), or statistical aggregate data regarding firearms traffickers and trafficking channels, or firearms misuse, felons, and trafficking investigations: Provided further, That no funds made available by this or any other Act shall be expended to promulgate or implement any rule requiring a physical inventory of any business licensed under section 923 of title 18, U.S. Code: Provided further, That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code: Provided further, That no funds authorized or made available under this or any other Act may be used to deny any application for a license under section 923 of title 18, U.S. Code, or renewal of such a license due to a lack of business activity, provided that the applicant is otherwise eligible to receive such a license, and is eligible to report business income or to claim an income tax deduction for business expenses under the Internal Revenue Code of 1986.

*Recommended change to the General Provisions -- Department of Justice:*

*Amends section 206*

*The Attorney General is authorized to extend through September 30, 2011, the Personnel Management Demonstration Project transferred to the Attorney General pursuant to section 1115 of the Homeland Security Act of 2002, Public Law 107-296 (6 U.S.C. 533) without limitation on the number of employees or the positions covered.*

### **Analysis of Appropriations Language**

- *Would extend the pay demonstration project for one year through September 30, 2011 without limit on the number of employees or the positions covered.*

### *Construction*

*For necessary expenses to construct or acquire buildings and sites by purchase, or as otherwise authorized by law (including equipment for such buildings); conversion and extension of federally-owned buildings and property; and preliminary planning and design or projects; \$6,000,000, to remain available until expended.*

## IV. Decision Unit Justification

### A. Firearms

<b>Firearms TOTAL</b>	<b>Perm Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2008 Enacted w/Rescissions	3,546	3,474	708,550
2008 Supplementals	0	0	1,000
2008 Enacted w/Rescissions and Supplementals	3,546	3,474	709,550
2009 Likely Enacted	3,594	3,547	759,035
Adjustments to Base and Technical Adjustments	1	21	25,612
2010 Current Services	3,595	3,568	784,647
2010 Program Increases	92	46	17,989
2010 Request	3,687	3,614	802,636
<b>Total Change 2009-2010</b>	<b>93</b>	<b>67</b>	<b>43,601</b>

#### 1. Program Description

Firearms-related violent crime is not a simple problem to combat; it is fueled by a variety of causes that vary from region to region. Common elements, however, do exist. Chief among these is the close relationship between firearms violence and the unlawful diversion of firearms from legal commerce into the hands of prohibited individuals. To break this link, ATF employs its Integrated Violence Reduction Strategy (IVRS), a comprehensive and integrated set of programs involving the vigorous enforcement of the firearms laws to remove violent offenders from our communities, keep firearms from prohibited possessors, eliminate illegal weapons transfers, halt illegal sources of firearms and pursue outreach and prevention efforts. The IVRS builds upon traditional enforcement efforts with the use of state-of-the-art ballistic imaging technology, firearms tracing, and intelligence/information sharing.

This is accomplished by:

- Partnering with law enforcement agencies and prosecutors at all levels to develop focused enforcement strategies to investigate, arrest, and prosecute violent offenders and illegal domestic and international firearms traffickers.
- Providing assistance and leadership within the law enforcement community to effectively solve violent crimes using specialized resources, technology, and training.
- Working in cooperation with FFLs to promote the proper recordkeeping and business practices that help prevent the acquisition of firearms by prohibited persons.
- Preventing violence through community outreach.

#### *Firearms*

ATF pursues an integrated regulatory and enforcement strategy designed to reduce violent crime. ATF's IVRS removes violent offenders from our communities, keeps firearms from prohibited possessors, eliminates illegal weapons transfers, and prevents firearms violence through

community outreach. The IVRS builds upon traditional enforcement efforts with the use of state-of-the-art ballistic imaging technology, firearms tracing, and intelligence/information sharing.

ATF's criminal investigative efforts focus on violent crime, domestic and international firearms traffickers, violent gangs, armed violent offenders, and career criminals.

### ***Firearms Trafficking***

The goal of ATF's illegal firearms trafficking enforcement efforts is to reduce violent crime. We investigate and arrest individuals and organizations who illegally supply firearms to prohibited individuals. We deter the diversion of firearms from lawful commerce into the illegal market with enforcement strategies and technology.

Our firearms trafficking strategy complements our continued focus on the deployment of resources to specific localities where there is a high incidence of gang and gun violence. ATF's Violent Crime Impact Team (VCIT) program, a vital component of the Department's Project Safe Neighborhood (PSN) and gang enforcement strategies, is a particularly effective example of how focused law enforcement in violence-plagued, gang-infected communities can reduce violent crime in America.

### ***Gangs***

ATF reduces violent crime by targeting and dismantling those gangs that pose the greatest threat to public safety. ATF's focus on violent firearms related crime provides a strong link to the investigation of criminal street gangs. Gangs use guns to terrorize communities, enforce territorial boundaries, retaliate against rivals and witnesses, and facilitate their criminal enterprises. ATF has wide-ranging experience investigating, infiltrating, and dismantling gangs ranging from outlaw motorcycle organizations like the Hells Angels and Mongols; international gangs like MS-13; national gangs like the Crips or the Bloods; and local "drug crews" that afflict many communities,

The VCIT approach is one of many tools ATF has to address gang violence. ATF's VCITs are an integrated Federal, State, and local law enforcement initiative focused on removing the most violent criminals and criminal organizations from the community. VCIT identifies, disrupts, arrests, and prosecutes the criminals and gangs responsible for violent crime in targeted hot spots.

### ***Firearms Industry Regulation***

ATF has sole Federal regulatory authority over FFLs authorized to engage in the business of manufacturing, importing, or selling firearms in the U.S. ATF qualifies those who enter the firearms business, licenses them, prescribes the manner in which they must operate, and defines the records they must keep for the acquisition and sale of each firearm.

Through this regulatory framework, ATF establishes the “paper trail” that tracks each firearm from its point of manufacture or importation to the point of its first retail sale, a process known as “firearms tracing.” ATF operates the National Tracing Center (NTC), which is the only entity able to trace firearms from their manufacture to the point of first retail sale. When every firearm recovered by law enforcement is traced, ATF is able to discern patterns that provide invaluable leads that aid in identifying the diversion of firearms into illegal commerce. In addition to ensuring compliance with the Federal requirements for gun sales/purchases and the National Instant Check System, ATF investigations focus on identifying criminals who illegally purchase firearms.

The fair and effective regulation of the firearms industry is a key component of ATF’s firearms enforcement efforts. To this end, ATF inspects FFL applicants to determine their eligibility and to educate them about their responsibilities, conducts compliance investigations of current FFLs, and works with industry on voluntary compliance efforts. ATF employs approximately 700 field based IOIs who are responsible for inspecting 113,019 firearms licensees of all types (53,472 of which are collectors of specialty firearms, e.g., curios and relics). In FY 2008, these IOIs inspected more than 11,100 active FFLs.

ATF’s Federal Firearms Licensing Center is responsible for issuing licenses to legitimate firearms manufacturers, importers, and dealers. ATF works with the FBI to thoroughly screen firearms license applicants for Federal prohibitors such as felony convictions, drug use, illegal alien status, mental history, minimum age requirement, etc. To help prevent individuals from buying firearms by falsely claiming to be FFLs, ATF now gives its licensees access to a database entitled “FFL EZ Check,” which allows FFLs to verify the legitimacy of the licensee with whom they are doing business before shipping or disposing of the firearm.

ATF also regulates the importation of firearms into the U.S. ATF approves or denies applications to import firearms and ammunition by domestic firearms businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after having lived abroad. The Bureau also registers importers of firearms, ammunition, firearms parts, and other defense articles pursuant to the import provisions of the Arms Export Control Act. ATF provides technical advice to the public regarding import requirements applicable to firearms or ammunition.

### ***Southwest Border – Project Gunrunner***

ATF is deploying its resources strategically on the Southwest Border to deny firearms, the “tools of the trade,” to criminal organizations in Mexico and along the border, and to combat firearms-related violence affecting communities on both sides of the border. In partnership with other U.S. agencies and with the Government of Mexico, ATF refined its Southwest Border strategy. ATF developed Project Gunrunner to stem the flow of firearms into Mexico and thereby deprive the DTO’s of weapons. The initiative seeks to focus ATF’s investigative, intelligence and training resources to suppress the firearms trafficking to Mexico and stem the firearms-related violence on both sides of the border.

Firearms tracing, in particular the expansion of the eTrace firearms tracing system, is a critical component of Project Gunrunner in Mexico. In 2008, ATF deployed eTrace technology in the nine U.S. consulates in Mexico. ATF has conducted discussions with the government of Mexico regarding the decentralization of the firearms tracing process to deploy Spanish-language eTrace to other Mexico agencies.

In the past two years, ATF has seized thousands of firearms headed to Mexico. Trends indicate the firearms illegally crossing the U.S.-Mexico border are becoming more powerful. ATF has analyzed firearms seizures in Mexico from FY 2005-07 and identified the following weapons most commonly used by drug traffickers: 9mm pistols, .38 Super pistols, 5.7mm pistols, .45-caliber pistols, AR-15 type rifles; and AK-47 type rifles.

Most of the firearms violence in Mexico is perpetrated by DTOs who are vying for control of drug trafficking routes to the U.S. and engaging in turf battles for disputed distribution territories. Hundreds of Mexican citizens and law enforcement personnel have become casualties of the firearms related violence. DTOs operating in Mexico rely on firearms suppliers 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 are among the leading gun trafficking organizations operating in the U.S.

ATF has dedicated approximately 100 agents and 25 IOIs to the Southwest Border initiative over the past two years. Additionally, ATF has dedicated four IRSSs and one special agent intelligence officer to the collection, analysis, and sharing of information. ATF has recently assigned agents to Las Cruces, N.M.; Yuma, Ariz.; as well as El Paso, Laredo, Houston, Brownsville, San Antonio, Corpus Christi and McAllen, Texas. New IOIs have been assigned to Houston, McAllen, and San Antonio. These assignments are part of a broad plan to increase the strategic coverage and disrupt the firearms trafficking corridors operating along the border.

ATF's involvement is critical to the Administration's and the Department's Southwest Border Southwest Border strategy. 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. ATF's industry regulation and criminal investigation programs make a significant contribution to reducing cross-border drug and weapons trafficking and the extremely high level of violence associated with these activities. We have proposed the investment of additional resources to meet the threats that affect the U.S. - Mexico border, and to address U.S.-based firearms trafficking related to the illicit international drug market.

### ***National Integrated Ballistics Information Network (NIBIN)***

The NIBIN Program is the only ballistic imaging system that operates in the U.S., and primarily supports State and local law enforcement. ATF deploys Integrated Ballistic Identification System (IBIS) equipment to Federal, State, and local law enforcement agencies for their use to image and compare crime gun evidence. More than 174 law enforcement agencies nationwide participate in this program, and IBIS equipment is installed at 203 sites. Nearly 1.3 million pieces of evidence have been imaged in the system. To date, over 24,946 "hits" have been

logged, many of them yielding investigative information not obtainable by other means. The investigative information provided by NIBIN supplies pieces to a puzzle for investigators in solving seemingly unrelated crimes. This program facilitates information sharing across jurisdictional boundaries and allows law enforcement agencies to discover links between crimes.

### ***International Policy***

At the request of the Department of State, ATF advocates the firearms policies of the Department of Justice and the U.S. in international forums such as the United Nations and the Organization of American States. ATF ensures that the international firearms agreements in which the U.S. participates are consistent with U.S. laws, regulations, policies, and practices. The United Nations Program of Action, the Organization of American States Convention on Firearms, and the International Tracing Instrument are just a few of the agreements in which ATF protected the policies of the U.S. in international settings.

### ***Firearms Tracing***

ATF's NTC is the country's only crime-gun tracing 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. Congressional restrictions currently prevent the release of firearms trace information to anyone other than law enforcement agencies.

### ***NTC Programs***

**eTrace:** This is a web-based tracing system that ATF developed to allow law enforcement agencies to securely submit trace requests via the Internet, as well as receive trace results and perform limited analysis of the data. Currently, approximately 2,000 law enforcement agencies use eTrace to submit their trace requests to the NTC, including law enforcement agencies from 10 foreign countries.

**Suspect Gun:** 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 it is recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.

**Firearms Theft:** FFLs are required to report the theft or loss of firearms in their inventory to ATF so that when they are recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.

**Interstate Theft:** Interstate carriers can voluntarily report the theft or loss of firearms in transit so that if they are recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.

***Obliterated Serial Number:*** Allows law enforcement agencies to submit firearms trace requests with partial serial numbers from crime guns recovered with obliterated serial numbers in order to identify the crime gun and develop investigative leads.

***International Tracing:*** 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.

***Out-Of-Business Records:*** When an FFL discontinues business, the FFL must send their firearms transactions records to the NTC. The NTC receives an average of 1.2 million out-of-business records per month and is the only repository for these records within the U.S.

***Multiple Sales Program:*** 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 140,000 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.

***Record Search Requests:*** 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.

***Certified Trace Requests:*** The NTC certifies firearms trace records and FFL out-of-business records for ATF and U.S. prosecutors for criminal court purposes. All information is validated for accuracy.

***Demand Letter Project:*** The NTC sends certified demand letters to non-compliant FFLs who repeatedly fail to respond to firearms trace requests within the required timeframe, and to FFLs who repeatedly sell firearms with short time-to-crime traces. (The time-to-crime is the period between the sale of a firearm and the use of that firearm in a crime.)

The NTC is located on a 10-acre secure site in Martinsburg, W.Va. This facility also houses ATF's Violent Crime Analysis Branch, Firearms Technology Branch, Firearms Testing Range, Brady Operations Branch, ATF's Gun Vault Collection, the Federal Explosives Licensing Center, Imports Branch, NFA Branch, and will soon house the Federal Firearms Licensing Center.

### ***National Firearms Act (NFA) Enforcement***

NFA requires registration and payment of a tax for the making or transfer of the following types of firearms: machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as "any other weapons." The NFA requires that firearms manufacturers, importers, and manufacturers register the NFA firearms they make or import, and that ATF approve in advance all NFA firearms transfers and exports. The NFA also imposes a tax on the making and transfer of NFA firearms and requires manufacturers, importers, and

dealers to pay a special occupational tax. ATF processes all applications to manufacture, transfer, and register NFA firearms and notices of NFA firearms manufactured or imported. The registration information is captured in the National Firearms Registration and Transfer Record (NFRTR), and is used to support ATF's field efforts to inspect firearms licensees and conduct criminal investigations. ATF also continually provides technical information to the industry and the public concerning compliance with the NFA.

### ***Importation of Firearms***

ATF regulates the importation of firearms, ammunition, and other defense-related articles through the issuance of import permits. ATF also regulates the importation of firearms and ammunition by nonimmigrant aliens. ATF maintains close liaison with the Department of State and U.S. Customs and Border Protection to ensure that the permits issued do not conflict with the foreign policy and national security interests of the U.S.

### ***ATF Partnerships with the Firearms Industry***

ATF updates members of the regulated firearms community of statutory, regulatory, and policy changes that affect their day-to-day operations. Seminars are routinely held with industry associations such as the National Firearms Act Trade and Collectors Association, Firearms and Ammunition Importers Roundtable, National Shooting Sports Foundation, National Pawnbrokers Association, the National Association of Arms Shows, and other industry groups. ATF publishes and distributes open letters to importers of firearms, ammunition, and other regulated commodities advising them of important issues that impact their operations. ATF also publishes pertinent articles in its semi-annual *FFL Newsletter* and conducts seminars for licensees at various locations.

“Don’t Lie for the Other Guy” is a successful outreach program developed jointly by ATF and the National Shooting Sports Foundation (NSSF). Designed to train FFLs in the detection and avoidance of illegal straw purchases, “Don’t Lie for the Other Guy” also educates the public about the serious consequences of being involved in straw purchases.



## 2. PERFORMANCE AND RESOURCES TABLE

2. PERFORMANCE AND RESOURCES TABLE											
<b>Decision Unit: Firearms</b>											
<b>DOJ Strategic Goal/Objective: Goal 2, Objective 2.2</b>											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
<b>Workload</b>											
Number of firearms compliance inspections completed (QSR measure)		6,650		11,169		9,000		0		9,000	
Number of firearms investigations initiated during fiscal year <sup>1</sup>		25,000		22,830		25,000		0		25,000	
<b>Total Costs and FTE.</b>		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		3,474	\$708,550	3,348	\$729,835	3,547	\$759,035	67	\$43,601	3,614	\$802,636
<b>Program Activity</b>	<b>Criminal Enforcement</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		2,804	\$620,583	2,674	\$612,815	2,833	\$637,332	61	\$39,494	2,894	\$676,826
OUTCOME Measure	Number of gang related defendants (PART)	4,100		3,790		4,100		(150)		3,950	
Performance Measure	Number of defendants who are involved in trafficking (PART)	3,225		2,664		3,225		125		3,350	
OUTPUT Measure	Number of defendants in investigations referred for prosecution who are felons in possession of firearms <sup>2</sup> (PART)	8,000		7,210		8,000		700		8,700	

<sup>1</sup> This figure includes all firearms investigations, including NICS investigations forwarded to ATF field offices from ATF's Brady Operations Branch.

<sup>2</sup> This measure specifically reflects ATF defendants convicted under Title 18 of the U.S. Code, Section 922(g) (1). This section prohibits possession of a firearm by persons convicted of a crime punishable by imprisonment for a term exceeding one year. The measure has been re-worded to be consistent with PART Web. It was previously worded as "Number and Percentage of defendants who are prohibited possessors of firearms." However, for reporting purposes actual percentages will be provided when made available for years percentage targets were set.

<b>WORKLOAD/ RESOURCES</b>		<b>Final Target</b>		<b>Actual</b>		<b>Projected</b>		<b>Changes</b>		<b>Requested (Total)</b>	
<b>Program Activity</b>	<b>Criminal Enforcement</b>	<b>FY 2008</b>		<b>FY 2008</b>		<b>FY 2009 Enacted</b>		<b>Current Services Adjustments and FY 2010 Program Change</b>		<b>FY 2010 Request</b>	
Performance Measure	Percentage of firearms investigations resulting in a referral for criminal prosecution. (PART, PAR)	58%		47%		59%		1%		60%	
OUTCOME Measure	Percentage of firearms investigations involving the recovery of crime guns (PART)	32%		51% <sup>3</sup>		34%		2%		36%	
<b>Program Activity</b>	<b>Regulatory Compliance</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		<b>670</b>	<b>\$87,967</b>	<b>674</b>	<b>\$117,020</b>	<b>714</b>	<b>\$121,703</b>	<b>6</b>	<b>\$4,107</b>	<b>720</b>	<b>\$125,810</b>
Performance Measure	Reduction in unaccounted firearms based on total recall inspection (PART, QSR)	75%		88%		77%		0		93%	
EFFICIENCY Measure	Percent of firearms traces completed within nine days (PART, QSR)	67%		65%		68%		0		68%	
OUTCOME Measure	Increase pawn brokers' compliance rate with Federal firearms laws and regulations <sup>3</sup> (PART)	53%		TBD		57%		3%		60%	

<sup>3</sup> Revised methodology used to calculate the Percentage of Firearms Investigations Involving the Recovery of Crime Guns starting with FY 2008 Projected Actual. Since a random sampling will be done again in 2009 the results for the 2008 actuals would not be statistically valid. This measure was new for FY 2007 introduced during the 2007 Firearms PART process and the baseline was established with the 2005 actuals, results will not be statistically valid until 2009 when another random sampling is completed.

## 2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Number of gang related defendants	N/A	1,123	2,010	3,136	3,821	4,381	4,100	3,790	4,100	3,950
Performance Measure	Number of defendants who are involved in trafficking	N/A	2,380	2,957	3,253	3,017	3,457	3,225	2,664	3,225	3,350
OUTPUT Measure	Number of defendants in investigations referred for prosecution who are felons in possession of firearms	N/A	8,034	8,944	9,388	8,655	8,069	8,000	7,210	8,000	8,700
OUTCOME Measure	Percentage of firearms investigations resulting in a referral for criminal prosecution.	N/A	N/A	N/A	55%	57%	57%	58%	47%	59%	60%
OUTCOME Measure	Percentage of firearms investigations involving the recovery of crime guns	N/A	N/A	N/A	26%	30%	30%	32%	51%	34%	36%

## 2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Reduction in unaccounted firearms based on total recall	N/A	85%	90%	90%	91%	90%	75%	88%	77%	93%
OUTCOME Measure	Increase pawn brokers' compliance rate with Federal firearms laws and regulations	N/A	N/A	N/A	41%	N/A (FY09)	N/A (FY09)	53%	TBD	57%	60%
EFFICIENCY Measure	Percent of firearms traces completed within nine days	N/A	48%	61%	58%	68%	67%	67%	65%	68%	68%

### **3. Performance, Resources, and Strategies**

ATF's jurisdiction, skills, and assets provide a focused, flexible, and balanced approach to reducing violent crime, fighting unlawful firearms use and firearms trafficking while protecting the public's legitimate access to firearms. ATF specializes in investigations involving sources of illegal crime guns, the illegal acquisition of firearms, possession, use, and trafficking of firearms at the national and international level. Through its VCIT program, ATF dedicates resources to crime gun market areas in an effort to further reduce violent crime. ATF continually strives to align its assets to maximize performance through the leveraging of technical, scientific, legal expertise, and partnerships with other law enforcement agencies.

#### **a. Performance Plan and Report for Outcomes**

Ensuring the integrity of the records maintained by FFLs in the conduct of business is another key element of preventing violent firearms crime and ensuring that investigators have the tools needed to do their jobs. Although comprising only a small percentage of the more than 113,019 licensees, those who willfully disregard the laws and regulations represent a significant threat to public safety. To ensure all FFLs operate in accordance with the law, ATF is focused on improving its compliance procedures, which are essential to ensure that (a) prohibited individuals do not obtain firearms licenses, and (b) firearms are not illegally diverted from legal to illegal markets. ATF will measure reductions in instances of violations among FFLs to ensure that its regulatory efforts (i.e., inspection and education) are having the desired impact. Where problems are discovered, appropriate actions will be taken.

#### **b. Strategies to Accomplish Outcomes**

Violent firearms crime and firearms trafficking continue to plague the Nation and our international neighbors. As the agency responsible for enforcing Federal firearms laws, ATF leads the fight to reduce violent firearms crime domestically. To achieve the performance goals outlined for FYs 2009 and 2010, as well as the long-term goals into FY 2015, ATF will depend on a strategy balanced between incremental increases in personnel and the maximization of resources through the leveraging of partnerships, technology, and expertise. ATF will continue to strive to meet the demands and requirements placed by the Administration and the Department in connection with various domestic and international initiatives under national counterterrorism strategies and other U.S. government policy measures. ATF will need to create innovative solutions and use technology in its strategies to accomplish the Bureau's ambitious goals and meet national and Department priorities.

In order to address the increasing crime rate on the national level, ATF must build upon its investigative expertise and past successes. Through the IVRS, ATF addresses domestic firearms violence nationwide. ATF works closely with other Federal, State, and local agencies to prevent armed offenders from victimizing the American public, to end illegal gun sales, apprehend illegal possessors, and ensure industry adherence to applicable laws and regulations.

To maintain the integrity of the licensee population and ensure they are operating within law and regulation, ATF is working to update procedures, including those involving the selection of licensees for inspection, as well as license revocation for those who violate the law.

As mentioned earlier, ATF's strategic success in reducing violent firearms crime depends upon the effective use of technology. ATF continues to improve its data quality and data capabilities so that timely and integrated information is available for all ATF employees to do their jobs, and to share this information when appropriate and when authorized by law with their Federal partners, industry members, stakeholders, and the general public. ATF plans to integrate all of its firearms enforcement and licensing systems and explosives systems so that information can be cross-referenced and can be accessed expeditiously, using a National Information Exchange Model (NIEM)-compliant data architecture and the ATF Knowledge Online portal as a front end. ATF's NTC is working with firearms manufacturers and wholesalers through electronic linkups to decrease completion time and reduce costs associated with traces. Through NIBIN, ATF also provides automated ballistic comparison capabilities to hundreds of agencies nationwide.

ATF's enforcement and industry operations strategies are complemented by various outreach efforts. ATF presentations to schoolchildren and the general public promote public safety and prevent violence. ATF offers training and other services to employees of other Federal, State, and local agencies to improve their professional capabilities.

ATF participates in numerous multi-agency initiatives, including the JTTF, as well as efforts within the Department of Justice to coordinate regional, national, and transnational criminal investigations and prosecutions against major criminal organizations and terrorists at home and abroad. In addition, ATF has representatives assigned at various law enforcement and intelligence agencies such as CIA, Defense Intelligence Agency (DIA), FBI, DHS, and Department of State.

Sharing technology and information is an important element in the success of law enforcement operations. The Gang Targeting, Enforcement, and Coordination Center (GangTECC) is one example of this type of coordinated effort. This task force develops law enforcement strategies and facilitates operations across agency lines aimed at dismantling national and transnational violent gangs. GangTECC coordinates overlapping investigations conducted by different agencies, encourages the sharing of tactical and strategic intelligence between law enforcement agencies, and serves as a coordinating center for multi-jurisdictional gang investigations involving Federal law enforcement agencies. Additionally, ATF is implementing computer applications that will allow field employees greater access to needed data, provide an electronic interface with the FBI for submission of fingerprints and retrieval of results, and facilitate the sharing of domestic intelligence information with the Department of Homeland Security.

Finally, ATF partners with various law enforcement and prosecutorial entities in conducting innovative regional cross-training in firearms enforcement for agents, officers, and attorneys, as well as training in firearms trafficking and tracing to enforcement agencies through the ATF foreign offices in Mexico, Canada, and Colombia. ATF has an international presence through its commitment of resources and expertise to the delivery of specialized training, investigative and technical assistance, and the strategic placement of personnel. ATF has assigned liaison officers

to INTERPOL in Lyon, France, and to EUROPOL at The Hague, The Netherlands. The placement of these officers facilitates the efficient exchange of information and expertise with the international law enforcement community. These partnerships throughout the world have increased information and technology sharing and strengthened terrorist and transnational criminal investigations between ATF and our international colleagues.

### **c. Results of Program Assessment Rating Tool (PART) Reviews**

OMB evaluated ATF's firearms enforcement program during the FY 2007 PART process. OMB assessed the effectiveness of ATF's firearms programs with a rating of "adequate." ATF developed improvement plans to be implemented in the firearms program:

- ATF will develop an evaluation strategy that subjects the program to external, rigorous, and thorough, regularly scheduled independent evaluations.
- ATF will continue to work with the Department and OMB on legislative proposals regarding graduated sanctions for FFLs when they are found to be non-compliant. Graduated sanctions for FFL non-compliance are included in the proposed "Violent Crime and Anti-Terrorism Act of 2007."
- ATF will ensure that all financial management related material weaknesses identified are corrected in an expeditious and comprehensive manner.
- ATF will develop ambitious and/or challenging targets for the annual performance measures associated with its firearms program.

Subsequent to this evaluation, ATF was again audited in FY 2008 under the Chief Financial Officer's Act. The auditors removed the prior cited financial management material weakness after that audit. ATF's firearms programs continue to receive positive overall assessments for purpose, resource utilization, strategic planning, program management, and program results.

## Program Increases

**Item Name:** **Project Gunrunner - Southwest Border Enforcement**

Budget Decision Unit(s): Firearms

Strategic Goal(s) & Objective(s): Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security, Objectives 1.1 and 1.2

Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People, Objectives 2.1 and 2.2

Organizational Program: Firearms

Component Ranking of Item: Item 1 of 2

Program Increase: Positions: 92 Agt: 34 FTE: 46 Dollars: \$17,989,000

### Description of Item

ATF requests 92 positions (26 domestic and eight foreign agents, 45 IOIs , three Investigative Analysts (IAs), eight IRSs, and two firearms enforcement officers), 46 FTE, and \$17,989,000 to address U.S.-based firearms trafficking fueling the violence along the Southwest Border. This includes the following emphasis:

- 41 IOIs(IOI) and \$3,897,000 to be added to understaffed offices in the Dallas, Houston, Phoenix, and Los Angeles Field Divisions.
- 25 agents, four IOIs, two IAs, four IRSs and \$7,668,000 to establish Project Gunrunner Teams in El Paso, TX, and Tucson, AZ. The new field offices will allow ATF to more effectively address firearms trafficking and gang-related firearms violence that continues along the Southwest Border.
- Eight agents and \$ 4,988,000 to assign two agents to each of the existing DEA offices in Guadalajara, Monterrey, Hermosillo, and Mazatlan, Mexico to work locally with and provide direct support to Mexican law enforcement officials on firearm-trafficking-related issues.
- \$616,000 to purchase armored vehicles and tracking devices to ensure the safety of ATF personnel
- Four IRSs, one IA, one special agent/intelligence officer, and \$647,000 to be added to the ATF Southwest Border Unit, located at the El Paso Intelligence Center, to focus on the intelligence and analytical collection management efforts.
- Two Firearms Enforcement Officers and \$173,000 to assist in the identification and classification of recovered firearms.



### Justification

The Southwest Border initiative brings together the resources of DOJ's various law enforcement components to reduce cross border drug and weapons 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 illegal trafficking in weapons across the border and to reduce the firearms driven violence occurring on both sides of the border.

ATF approaches firearms violence from two distinct fronts: industry regulation and criminal investigation. ATF regulates the manufacture, importation, and sale of firearms in the U.S. ATF qualifies persons who wish to engage in these businesses, licenses them, proscribes the manner in which they must operate, and defines the records they must keep for the acquisition and sale of each firearm. Through this regulatory framework, ATF establishes the "paper trail" that allows us to track each firearm from its point of manufacture or importation through the point of first retail sale, a process known as "tracing." By tracing every recovered firearm, ATF is able to discern patterns of names, locations, and weapon types that provide invaluable leads that aid in the identification of persons engaged in the diversion of firearms into illegal commerce. ATF has sole regulatory authority over FFLs, and manages the NTC, which is able to trace firearms from their manufacture to the point of first retail sale.

### **Southwest Border IOI Understaffing**

ATF has four field divisions that operate along the Southwest Border in support of this strategy: Dallas, Houston, Phoenix, and Los Angeles. Besides being contiguous to the Southwest Border, the areas of responsibility covered by these divisions are the source areas for a vast majority of the firearms that are recovered along the Southwest Border. All four of these divisions are significantly understaffed. Based on a review of current field office staffing, ATF has identified that the above noted four field divisions are understaffed by 70 IOIs. The current staffing level precludes ATF's ability to identify and interdict more firearms trafficking organizations through its inspection program. Funding for the requested 41 positions would allow ATF to more fully staff its Southwest Border offices and focus more readily on firearms trafficking and the associated violent crime that occurs along the Southwest Border.

ATF's IOIs carry out its industry regulation functions. By ensuring that those engaged in the business of manufacturing, importing and selling firearms are in compliance with law and regulation, the IOIs are the first line of defense in preventing the movement of firearms to persons who are prohibited from possessing them. Through their inspection processes, IOIs routinely examine the licensee's books and records for illegal transactions or a series of transactions, which would suggest the possible diversion of firearms. By ensuring the availability and accuracy of licensee records, the IOIs establish the critical foundation for many firearms trafficking criminal cases.

There are over 6,600 FFLs along the Southwest Border, and ATF does not have sufficient IOIs to properly inspect the FFLs on a regular basis. With the addition of 41 IOIs to the four affected

field divisions, ATF will be able to inspect nearly all retail dealers and pawnbrokers in the source areas of Texas and Arizona once every two years instead of once every four years. With only a slight staffing addition, the Los Angeles Division will be staffed to a level that permits inspections once every two years.” More frequent inspection of licensees will yield critical early leads for our criminal investigators. The requested resources will strengthen industry oversight in the region and provide greater focus to identify purchasers, traffickers, and non-compliant licensees that may be sources of trafficked firearms.

ATF will dedicate resources to operate understaffed offices in each of the following field divisions:

<b>Field Division</b>	<b>IOI</b>
Dallas	12
Houston	14
Los Angeles	3
Phoenix	12
<b>Sub-total</b>	<b>41</b>

### **Project Gunrunner Teams**

ATF agents carry out criminal investigation functions focusing on those cases that will have significant impact on violent crime. From October 1, 2003 to January 1, 2009 (FY 2004 to FY 2009 year-to-date) ATF has referred 754 cases and 1,580 defendants pertinent to the Southwest Border for prosecution. To date, 293 of those cases have resulted in the conviction of 690 defendants. Through hiring and reassigning senior agents during FY 2008, ATF has redirected 52 agents from existing resources to increase the number of agents dedicated to the Southwest Border to 145 agents.

On the Southwest Border, ATF’s focus is firearms trafficking. From October 1, 2003 to January 1, 2009 (FY 2004 to FY 2009 year-to-date), ATF has referred 374 firearms trafficking cases involving 12,692 firearms, believed to have been trafficked to the Southwest Border, for prosecution.

The investigation of firearms traffickers is a function exclusive to ATF. By its nature, firearms trafficking is an issue that only ATF can consistently and adequately address. Many have the false impression that State and local law enforcement has the authority to impact illegal firearms trafficking through investigation. However, due to the multi-jurisdictional nature of the federally regulated firearms industry, State or local laws to prevent illegal firearms trafficking do not exist in most states. In the few states that have trafficking laws, the laws are ineffective unless they catch the interstate trafficker in the act within their State. The important role of State and local law enforcement is to trace all their recovered crime guns and collaborate with ATF. Even intrastate firearms trafficking cases often exceed the jurisdiction of a city or county law enforcement agency and require ATF’s involvement to both identify and dismantle the illegal firearms source.

Domestically, ATF can address this type of situation at both the “source” and “market” ends of the trafficking problem. Without ATF, crime guns do not get traced, trace data does not get analyzed, illegal firearms traffickers do not get investigated and apprehended, and armed crime does not get reduced. No other law enforcement agency has the unique statutory ability, unique industry and crime gun information, and expertise to address firearms trafficking. In the case of the Southwest Border, ATF’s primary focus is on investigating the sources of firearms identified from trace data supplied by its Mexican counterparts that is derived from firearms recovered in the Mexican “market” areas.

Presently, ATF is directing most of its investigative efforts at the armed violent criminal organizations operating on the U.S. side of the border. ATF has been very successful in obtaining lengthy mandatory sentences for violent criminals who are in possession of firearms.

Due to understaffing, ATF has not had sufficient resources to attack effectively the sources of the firearms making their way to the DTOs in Mexico. In 2008, ATF arrested 385 defendants involved in crimes affecting the Southwest Border. Of those defendants, 215, or fifty-six percent were involved in gang related criminal acts that caused their arrests. Between FY 2004 and the first quarter of FY 2009, one hundred cases focused on gang related firearms trafficking and involved an estimated 2,831 weapons. As a result, ATF is seeking the necessary resources to pursue firearms trafficking investigations.

ATF requests 25 agents, four IOIs, 2 IAs and four IRSs to expand firearms trafficking investigations in support of the Southwest Border initiative. These additional resources will support Project Gunrunner by establishing teams in El Paso, TX, and Tucson, AZ. Project Gunrunner is the name given to the ATF strategy devised to interdict weapons trafficked from the U.S. into Mexico and is a crucial part of the overall Department of Justice and U.S. government strategy to reduce the armed violence occurring in both Mexico and the U.S. The focus of Project Gunrunner is to disrupt and dismantle the individuals and organizations responsible for the movement of the high quality firearms to the violent criminal organizations operating on both sides of the border.

Analysis of firearm trace data has shown that there are multiple routes being used to traffic firearms that are eventually recovered in Mexico.

The data mining of firearms trace data has determined that the seven areas noted above have gained the most notoriety as sources of firearms recovered in Mexico and will be the initial focus of Project Gunrunner. To successfully disrupt and dismantle the firearms trafficking infrastructures supplying firearms to Mexico’s criminal organizations, ATF will deploy seven Project Gunrunner Teams. These teams will be comprised of 11 agents, one supervisor, two IOIs, 1 IA, and one IRS and will focus solely on firearms trafficking.

ATF has already supplemented existing staffing by assigning an additional 52 agents and 15 IOIs to the Southwest Border in FY 2008. ATF is unable to commit further resources to the Southwest Border due to a series of events that impacted its budget’s base level. ATF has been held at flat budget levels since FY 2007. This is a result of continuing and joint resolutions being used to fund government operations. This situation has been compounded by the

underfunding of adjustments to its FY 2008 base budget. In the absence of this funding, ATF has been unable to hire the positions enumerated above, which are intended to be deployed to the Southwest Border.

The two new Project Gunrunner Teams will help ATF expand its efforts and produce results for the Southwest Border initiative. These teams will allow ATF to further focus their efforts to preventing and disrupting violence perpetrated by militias and cartels that traffic in firearms, ammunition, and narcotics between the U.S. and Mexico.

Even with the limited number of ATF agents currently assigned to duties along the Southwest Border, ATF has proven it has the experience, but most importantly the expertise to investigate the types of violations that are threatening citizens on both sides of the border.

An example of this expertise occurred on April 26, 2008, when two feuding drug lords with ties to the Arellano Felix Drug Trafficking Organization, based in Baja California, Mexico engaged in a gun battle in a neighborhood located in the city of Tijuana. The battle is purported to have lasted nearly 2-1/2 hours and involved over 35 members of the warring drug organizations. More than 1,500 shell casings were recovered at the scene. The violence continued as federal police responded and were drawn into the confrontation. In the end, 16 people died including several Mexican federal police officers. Sixty crime firearms were seized and taken into Mexican custody. ATF agents quickly traveled to Tijuana to assist with the identification of the firearms and expedite the gun tracing. ATF identified that many of the rifles had been illegally converted into machine guns, some of the firearms had their serial numbers illegally removed, and others had not originated from the U.S. Thirty-eight of the confiscated firearms improperly identified by Mexican authorities were re-identified by ATF agents allowing them to be traced. Within days, ATF traced many of the firearms to nine different source cities in the U.S. As a result, several ATF investigations are now being conducted that involve organized firearm trafficking and purchasing schemes.

In a separate case, ATF's Violent Crime Analysis Branch recently identified a man living in a U.S. city located along the U.S. - Mexico border as the purchaser of three crime guns recovered and traced from Mexico. The firearms were involved in three separate crime scene recoveries. ATF opened an investigation and quickly uncovered that the man was also responsible for a fourth firearm also recovered and traced in Mexico. ATF trace data identified the federally licensed firearm dealer (FFL) who had sold these firearms. On further investigation, ATF uncovered evidence that the suspect had purchased 111 AR-15 type rifle/pistol receivers and seven additional firearms within a short time span utilizing nine separate FFL wholesale distributors as sources for his guns.

In April 2008, ATF seized 80 firearms from the suspect and learned that he was manufacturing firearms from parts and selling them from his home to several buyers. The man sold over 100 firearms to one suspect alone who is alleged to be linked to a drug cartel. Investigative leads are being pursued in Mexico with charges pending by ATF.

### **International Support and Cooperation**

Mexican President Calderon and Attorney General Medina-Mora have called the trafficking of U.S. sourced firearms the number one crime problem affecting the security of Mexico. ATF continues to see an increase in firearms recovered in Mexico that originated in the U.S. As the major source nation for these recovered guns, the U.S. is very concerned about by the explosion of firearms related violent crime in Mexico. International cooperation continues to be crucial in effectively preventing and disrupting criminal use of firearms and gang activity. ATF proposes to post eight additional personnel in Mexico -- two each for the existing U.S. Consulate offices in Guadalajara, Monterrey, Hermosillo, and Mazatlan in Mexico to work with and provide direct support to Mexican law enforcement personnel on firearms-trafficking-related issues as described in the case examples above.

To maximize safe investigative operations in Mexico, funding is requested to provide appropriate investigative and safety-related equipment to ATF personnel assigned to the consulate offices in Mexico, including armored vehicles and personnel Emergency Alert and Tracker Safety devices. Funds will also be utilized to build out or reconstruct Consulate Office space, and supplement applicable ICASS, and CSCS Costs.

### **Southwest Border Agent Safety**

An integral part of the investigative efforts is regular travel into Mexico to assist in the identification of recovered firearms, assist at crime scenes, and coordinate investigative efforts with its counterparts as noted above. Currently, ATF must rely on obtaining assistance from other Federal agencies to drive ATF personnel into Mexico in their armored vehicles in order to ensure the safety of its personnel. Given the level of violence in the region, in order to provide for the safe transit of ATF personnel into and out of Mexico, ATF requests \$592,000 for the purchase of four armored vehicles and \$24,000 for 12 GPS-enabled personal tracking devices.

### **El Paso Intelligence Center (EPIC)**

In addition to the Project Gunrunner Teams, ATF will augment its staffing (agents and intelligence analysts) at the ATF Southwest Border Unit, at the El Paso Intelligence Center (EPIC). ATF requests one special agent, four IRSs, and one IA to support the Southwest Border initiative. The ATF Southwest Border Unit, which includes the EPIC Gun Desk, serves as the focal point for the collection, analysis, and dissemination of investigative leads derived from Federal, State, local, and international law enforcement agencies. Working with its domestic and international law enforcement partners, ATF will deny the “tools of the trade” of the criminal organizations operating in Mexico through proactive investigation of firearms trafficking and violent crime. This enforcement effort extends beyond the affected border states on the domestic front and will support investigative and enforcement efforts in Mexico through assistance and cooperative interaction with the Mexican authorities.

ATF's unique attributes allow the Bureau to address this problem where other Federal, State, and local law enforcement agencies lack the expertise, resources, and jurisdiction to curb firearms trafficking. ATF and other DOJ components (DEA, USMS, and FBI), as well as DHS, are anchored along the Southwest Border. Each agency is responsible for the implementation of investigative strategies and development of intelligence related to their specific areas of

expertise. Any information they develop as to weapons trafficking into Mexico is routed to ATF's Southwest Border Unit at EPIC, which is a central repository for weapons-related intelligence.

The Southwest Border Unit, in coordination with participating law enforcement entities at EPIC, exploits all illicit weapons trafficking intelligence, violence related data and drug trafficking intelligence collected from Federal, State, local and international law enforcement agencies. Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE) share weapons seizure data with the EPIC ATF Southwest Border Unit, which is appropriately de-conflicted and coordinated with participating agencies. The information vetted through EPIC will serve as the primary source of actionable intelligence to the Gunrunner Teams.

### **Southwest Border Firearms Recoveries**

ATF requests two Firearms Enforcement Officers (FEOs) and \$173,000 to support Southwest Border firearm recoveries. One of the principal challenges faced on the Southwest Border is proper identification of recovered firearms and the identification of modifications that may change their legal classification. ATF's FEOs assigned to the Firearms Technology Branch (FTB) serve as ATF's authority in the field of firearms identification and classification under Federal law. FEOs support the Southwest Border Initiative by providing rapid response to the field to assist with the identification of firearms recovered at arrest and search warrant locations or in the custody of its international partners. The FEOs also provide technical training to support on-going criminal investigations for Federal, State, and local law enforcement agencies, expert testimony for criminal prosecutions involving violations of the Gun Control Act, National Firearms Act, and the Arms Export Control Act, and international training by traveling overseas to assist in the area of firearms identification. The FEOs also provide current firing and non-firing prop firearms for use in all types of undercover and enforcement operations.

### **Impact on Performance (Relationship of Increase to Strategic Goals)**

The expected strategic outcome is multifold. By curtailing the availability of firearms to the Mexican drug cartels, ATF will diminish their ability to export drugs to the U.S. In addition, by removing the guns from the cartels' lethal resources, ATF will directly affect their ability to operate and concurrently suppress the firearms - related violence that occurs on both sides of the Southwest Border. This will be accomplished through effective law enforcement collaboration, focused training, and interdiction of illicit trafficking and illegal use of firearms and ammunition.

ATF must continually collaborate with its domestic and international law enforcement partners to deny "tools of the trade" to the criminal organizations that operate along the U.S. - Mexico border. ATF continually assists and interacts with the Mexican authorities in their fight against violent crime. This is accomplished through proactive enforcement in the Southwest Border states previously noted.

Firearms tracing allows law enforcement agencies to identify trafficking trends of criminal organizations that funnel guns into Mexico from the U.S. Using the trace data developed from U.S.-based and Mexican-based law enforcement personnel, ATF is positioned to develop leads

to put firearms traffickers and straw purchasers, people who knowingly purchase guns for prohibited persons, behind bars before they cross the border.

## Funding

### Base Funding

FY 2008 Enacted (w/resc/supps)				FY 2009 Enacted				FY 2010 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
215	155	215	33,689	255	177	235	39,637	255	177	255	43,026

### Personnel Increase Cost Summary

Type of Position	Modular Cost Per Position (\$000)	Number of Positions Requested	FY 2010 Request (\$000)	FY 2011 Net Annualization (change from 2010) (\$000)
<b>Domestic</b>				
Agents	214.8	26	5,586	994
IOIs	95.1	45	4,277	3,497
Other	86.5	13	1,124	961
<b>Domestic Sub-Total</b>		<b>84</b>	<b>10,987</b>	<b>5,452</b>
<b>International</b>				
Agents	623.5	8	4,988	900
<b>International Sub-Total</b>		<b>8</b>	<b>4,988</b>	<b>900</b>
<b>Total Personnel</b>		<b>92</b>	<b>15,975</b>	<b>6,352</b>

### Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2010 Request (\$000)	FY 2011 Net Annualization (Change from 2010) (\$000)
<b>Domestic</b>				
Rent for Field Office	153.9	2	308	(308)
PCS Moves	135	6	810	(810)
Operational Support			280	
Armored Vehicles	148	6	592	(592)
GPS Tracking Devices	2	12	24	(24)
<b>Total Non-Personnel</b>			<b>2,014</b>	<b>(1,734)</b>



## Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non- Personnel (\$000)	Total (\$000)
Current Services	255	177	255	39,176	3,851	43,027
Increases	92	34	46	15,975	2,014	17,989
Grand Total	347	211	301	55,151	5,865	61,016

## B. Arson and Explosives

<b>Arson and Explosives TOTAL</b>	<b>Perm Pos.</b>	<b>FTE</b>	<b>Amount</b> <b>(\$000)</b>
2008 Enacted w/Rescissions	1,317	1,316	255,865
2008 Supplementals	0	0	3,000
2008 Enacted w/Rescissions and Supplementals	1,317	1,316	258,865
2009 Likely Enacted	1,321	1,320	274,096
Adjustments to Base and Technical Adjustments	0	1	(3,255)
2010 Current Services	1,321	1,321	270,841
2010 Program Increases	0	0	19,000
2010 Request	1,321	1,321	289,841
<b>Total Change 2009-2010</b>	<b>0</b>	<b>1</b>	<b>15,745</b>

### 1. Program Description

ATF is the primary Federal agency responsible for administering and enforcing the regulatory and criminal provisions of Federal laws pertaining to destructive devices, explosives, bombs, and arson. One of ATF's greatest strengths is its dual regulatory and criminal enforcement mission. ATF has unique expertise in the investigation and forensic analysis of fire, arson, and explosives incidents arising from criminal or terrorists acts against the U.S., and it shares its technical and scientific expertise and state-of-the-art resources with other Federal, State, local, tribal, and international law enforcement partners and fire service agencies.

ATF's law enforcement mission is supported by its efforts to ensure that only qualified and legitimate applicants enter the explosives industry and that licensees employ proper recordkeeping and business practices to help prevent thefts, explosives incidents, and the acquisition of explosives for criminal or terrorist purposes. ATF works closely with public safety officials, explosives industry members, and State governments to provide guidance and instruction on all aspects of the explosives laws, including the Safe Explosives Act, in an effort to make regulation less burdensome and to promote compliance with Federal laws.

Since 1968, ATF has identified and adapted to emerging threats that involve explosives. ATF regulates the explosives industry and investigates bombings, arsons, thefts, and recoveries of explosives, and the criminal misuse of explosives. ATF is recognized for its expertise in bombing and explosives investigations and in the reconstruction of explosives incidents. ATF's agents and forensic personnel are highly trained in the investigation of post-blast scenes and train Federal, State, local, tribal, and international law enforcement agencies in methods and techniques to solve such crimes.

ATF has primary responsibility for the investigation of criminal bombings utilizing Improvised Explosive Devices (IEDs). ATF has the training, experience, and ability to detect, prevent, protect against, and respond to explosives incidents involving IEDs.

98.5 percent of all bombings in the U.S. fall under the jurisdiction of ATF. ATF also responds to and helps investigate the remaining explosives incidents that are classified as “terrorist bombings.” These include incidents classified as domestic terrorism, such as acts by animal- or environmental-rights extremists. Since 1978, ATF has investigated more than 25,000 bombings and attempted bombings, more than 1,000 accidental explosions and more than 21,000 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of IEDs.

ATF’s explosives and arson jurisdiction is based on Title XI of the Organized Crime Control Act of 1970 and its amendments including the Safe Explosives Act. The original legislation was modeled after the GCA and, like the GCA the explosives law prohibits persons with certain disabilities, such as felons, from receiving or possessing explosives. The law establishes a system of controls over commerce in explosives by making it a crime to engage in the business of manufacturing, importing, and dealing explosives without a license and requires all licensees to maintain certain records. The law requires that any person who receives explosives for personal use, whether interstate or intrastate, obtain a permit from ATF, and requires that explosives be stored in compliance with regulations.

Criminal bombings and the illegal use of explosives are a threat to public safety at home and abroad. A common trend emerging in explosives and bombing incidents is the increased use of IEDs. The Internet has made the knowledge and supplies needed to construct an IED available to a broader range of the public than ever before, including those who would use that knowledge to commit violent crimes. Many of the materials required to produce an explosive device are common household goods, available with minimal or no regulation. ATF must adapt its regulatory and investigative practices to address this new reality.

There is a strong link between explosives and terrorism. As our understanding of terrorist tactics grows, so does the range of tools and techniques employed by the terrorists. Therefore, it is critically important that we have effective intelligence and robust information sharing practices, and that we use innovative research, training, and investigative tactics to meet this evolving threat.

### ***Participation in Joint Terrorism Task Forces (JTTFs)***

ATF fully supports Government anti-terrorism efforts and in particular, the FBI-led JTTFs. Currently, ATF has 60 agents assigned fulltime to the 103 JTTFs throughout the country. In addition, we have one agent assigned to the National JTTF at the National Counter-terrorism Center. Because of this participation, ATF has played an important part in a number of terrorism cases that involved firearms smuggling, bombings, illegal explosive possession, and tobacco diversions.

### ***Combined Explosives Exploitation Cells (CEXC)***

Since March 2005, ATF has deployed personnel to Iraq to support CEXC activity. CEXC is a DOD program that provides immediate, in-theater technical and operational analysis of IEDs

used by insurgents. ATF explosives experts provide onsite investigative assistance to process post-blast incidents directed at U.S. and allied forces.

### ***Terrorist Explosive Device Analytical Center (TEDAC)***

An ATF special agent serves as the deputy director of the TEDAC. TEDAC coordinates and manages the technical and forensic analysis of evidence recovered from IEDs of interest to the U.S. Government (principally derived from CEXC activities in the Iraq and Afghanistan conflicts). The TEDAC combines the assets of law enforcement, military, and intelligence assets to classify the operation, componentry, and deployment of IEDs. These efforts help prevent IED detonations, protect our armed forces, and identify those who manufacture and place these devices so they may be brought to justice. ATF is a significant TEDAC partner and has committed 26 full-time employees and 9 contract technical examiners.

### ***Arson Task Forces***

In January 1977, ATF formed its first arson task force in the Philadelphia metropolitan area. ATF has since expanded this program to other major cities with significant arson problems. Currently, ATF has formal task forces established in Atlanta, Boston, Chicago, Dallas, Detroit, Houston, Kansas City, Los Angeles, Newark, New Orleans, New York City, Philadelphia, Pittsburgh, San Francisco, and Washington, DC. Each task force is configured based on the resources and needs of the particular city. Task forces typically include ATF agents (including Certified Fire Investigators, Certified Explosives Specialists), ATF auditors and local fire officials, arson investigators and police.

### ***Fires and Bombings at Houses of Worship***

In 1996, the National Church Arson Task Force (NCATF) was created to coordinate Federal, State, and local law enforcement efforts to combat arson at houses of worship. As part of NCATF, ATF employs all of its authorities and assets to combat the problem of church arsons, including its National Response Teams, laboratories, U.S. Bomb Data Center, and computer systems. NCATF's arrest rate is more than twice the national average for arson cases. ATF continues to place a priority on investigating bombings and arsons at houses of worship.

### ***National and International Response Teams***

As an integral part of ATF's overall violent crime reduction strategy, ATF's Explosives Program provides vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. ATF's National Response Team (NRT) consists of highly trained agents, forensic chemists, engineers, EEOs, electrical engineers, fire protection engineers, canine handlers, and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT assists State and local officers in fire and explosives incidents by providing examinations of the scene, interviews, assistance with the resulting investigations, and expert court testimony. Since 1978, the NRT has responded to more than 600 significant incidents throughout the U.S., including the Oklahoma City Bombing; the 1993 World Trade Center bombing; the September 11, 2001 World Trade Center attacks. In FY

2008, the NRT responded to 19 incidents that caused \$410 million in property damage. ATF also provides NRT support to security preparedness efforts at the Olympics, The National Governor's Conference, the Super Bowl, and other National Special Security Events. ATF's International Response Team, through an agreement with the Department of State, deploys in support of Diplomatic Security Service and foreign government requests to investigate explosive and arson incidents.

### ***Explosives Industry Regulation***

ATF is the only Federal law enforcement agency that regulates the explosives industry. ATF's criminal and regulatory programs are a key means by which the U.S. Government enforces Federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings. Federal law requires that any manufacturer, importer, or dealer of explosives must have a Federal explosives license, and anyone who acquires for use or transports explosives must hold a Federal explosives permit or license. The FELC screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF established standards for the storage of explosives materials and related record keeping requirements to ensure explosives accountability and traceability to which licensees and permittees must adhere. ATF's IOIs conduct compliance inspections of the nearly 12,000 explosives licensees and permittees nationwide to prevent diversion and promote the safe and secure storage of explosives. IOIs also detect and assist in the investigations of the theft, loss, and diversion of explosives.

The amount of our IOIs time dedicated to explosives application and compliance inspection work has increased since the enactment of the Safe Explosives Act (SEA) of 2002. The initial requirement to inspect 100 percent of the licensees and permittees within their three-year license / permit cycle has resulted in between 25 percent and 41 percent of available IOI resources being devoted to SEA work in any given year.

### *At The Frontline*

#### *ATF is a global partner for law enforcement Intelligence and Information Sharing*

- *Global Justice Information Sharing Initiative – ATF is DOJ representative to the Criminal Intelligence Coordinating Council (CICC)*
- *National Fusion Center – member of the board of directors*
- *Association of Law Enforcement Intelligence Units (LEIU) – member agency, first Federal agency on the board of directors*
- *Regional Information Sharing System (RISS) – member of Mid-Atlantic Great Lakes Organized Crime Law Enforcement Network (MAGLOCLEN) to include an ATF node*
- *Law Enforcement Information Sharing Program (LEISP) – member of the coordinating council; Regional Data Exchange System (RDEX)/National Data Exchange System (NDEX)*
- *All ATF investigative data are shared through RDEX to regional data exchanges.*

#### ***U.S. Bomb Data Center (USBDC)***

The USBDC is the sole repository for arson and explosives related incident data, having been established by statute and by authority of the Attorney General. Its purpose is to collect data and to provide investigators with analytical products to assist in the investigation of the criminal misuse of explosives and acts of arson.

ATF has been collecting, storing, and analyzing data on explosives and arson incidents since 1976. ATF, through the U.S. Department of the Treasury, was mandated by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives. This authority, as contained in 18 U.S.C. § 846(b) and delegated to ATF by the Secretary of the Treasury, was moved with ATF to the authority of the Attorney General by the Homeland Security Act of 2002.

The mission and goals of the USBDC are to collect, analyze, and disseminate timely information and relevant tactical and statistical intelligence within ATF, as well as to external State, local, other Federal, tribal, military and international partners. The USBDC provides statistical analyses of current trends and patterns to assist field elements in preventing the criminal misuse of explosives.

The USBDC maintains the country's most comprehensive collection of data describing arson and explosives related incidents. The USBDC contains information on more than 180,000 arson and explosives incidents investigated by ATF and other Federal, State, and local law enforcement and fire investigation agencies. The USBDC's Bomb Arson Tracking System (BATS) is the explosives and arson investigator's link to the USBDC and all the information that is maintained there. Investigators can use BATS to perform trend analysis and compare incidents for similarities in motives, device components, suspects, and crime methodologies for possible investigative leads nationwide. Images of arson scenes, improvised explosive devices and crime scenes can be shared through the BATS secure web connection.

Investigators are able to capture details of bomb and arson cases, including the area of origin or device placement, casualties, dollar losses, fire descriptors, collateral crimes, device components and descriptions of how the device was delivered. BATS also includes a functionality that allows investigators to use the program as a case management system, allowing them to build their investigation in BATS, while maintaining critical operational security.

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and in foreign countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and foreign countries cooperate in the tracing endeavor by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only Federal agency authorized access to these records.

The USBDC has the responsibility for tracing and maintaining the official records for the theft and recovery of foreign and domestic commercial explosives, military explosives and ordnance and other munitions. The USBDC maintains a unique set of data associated with the tracing of explosives products from the manufacture to the end user in support of criminal investigations. Building strong partnerships with the DOD and the commercial explosives industry has allowed the USBDC to trace stolen and recovered explosives to their origin, including movement in interstate and international commerce.

#### ***ATF National Center for Explosives Training and Research (NCETR)***

Established as a result of the 2002 Homeland Security Act, NCETR's mission is to deliver basic and advanced courses on a variety of explosives topics to ATF personnel, law enforcement partners, the U.S. military, and other Federal agencies. Currently operating at Fort A. P. Hill in Bowling Green, Virginia, the NCETR provides a means of consolidating ATF explosives expertise and research, developing and enhancing technical knowledge, and building partnerships for the dissemination of this knowledge across Federal, State, local law enforcement agencies.

Congress appropriated funds to construct a permanent facility for NCETR at Redstone Arsenal in Huntsville, Alabama. This facility, under construction and scheduled for completion in 2010, will consist of three explosives ranges, eight classrooms, laboratories, a conference facility and

office space for ATF personnel and for partners from the Federal, State, local, and international law enforcement and explosives communities. The first of the explosives ranges were available for training/research activity in August 2008. The planned facility will provide explosives training for ATF personnel and for law enforcement and other first responders from the full explosives community. It will promote and conduct research to improve the ability of ATF and its partners to investigate bombings, prevent diversion of explosives from legal commerce to the black market, and ensure the safe, secure storage of explosives.

NCETR will be a center for the management and execution of ATF's explosives related training, research, and information sharing programs and initiatives. The concept fits squarely within ATF's explosives mission and supports the mission and strategic goals of DOJ and ATF. The NCETR facility will be a world-class explosives training facility for all levels of government and ATF fully expect that the interagency explosives community will derive significant benefits from the facility. Upon completion, the NCETR facility will provide the highest-quality training experience and scientific research for those on the front lines of efforts to prevent and investigate bombings.

The demand for training and other support from ATF explosives experts, both for ATF personnel and personnel from other Federal, State, and local agencies, continues to increase. Demand for explosives investigation training is significant and continues to grow. One of the premier NCETR programs, the Advanced Explosives Destruction Techniques (AEDT) course currently has a backlog of over 900 State and local law enforcement personnel seeking this training. ATF has historically sought to meet this demand by using multiple training sites, often borrowed, throughout the country. This approach is simply insufficient to deliver all the training and explosives support needed.

The explosives training conducted at the NCETR reflects ATF's expertise regarding explosives-related investigations. Courses related to post-blast investigations, homemade explosives, and explosives disposal ensure that ATF agents and Certified Explosives Specialists (CES) maintain a cutting-edge acumen and capability in support of ATF's mission.

Additionally, NCETR will have onsite access to the data and information-sharing resources of the USBDC. Integrating ATF's explosives training, research, and information-sharing functions at NCETR will improve efficiencies within ATF and will enhance its efforts in each of these explosives disciplines. The new facility will improve cooperation and information sharing across agency boundaries.

### ***Arson and Explosives Detection Canine Training***

ATF's world-recognized canine training program produces extremely reliable, mobile, and accurate explosives and accelerant detection canines that are able to assist law enforcement and fire investigators worldwide. The Accelerant Detection Canine Program places accelerant detection canines with State and local agencies to support their arson investigation activities. The Explosives Detection Canine Program (EDCP) trains explosives detection canines for use overseas and domestically in the war against terrorism. ATF works with agencies that have



received ATF-certified explosives detection and accelerant detection canines and supports those who are without canine services in their communities.

ATF's canine training incorporates the research and development of the National Laboratory and the technical expertise of ATF explosives experts into a training regimen that produces an extremely reliable, mobile, accurate, and durable explosives detection tool, capable of assisting law enforcement with the escalating explosives threat faced by communities worldwide. Congress has recognized the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection.

There are 32 ATF-trained explosives detection canine teams with ATF special agent canine handlers. In addition, there are currently 112 ATF-trained explosives detection canine teams deployed throughout the U.S. with other Federal, State and local agencies, as well as in 21 foreign countries. In addition, there are 71 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada. Since 1991, ATF has trained 595 explosives detection canines and 127 accelerant detection canines.

ATF is also at the forefront of combating terrorism through such innovative programs as training other Federal, State, local and international law enforcement explosives detection canines in peroxide explosives, utilizing its years of experience training its own ATF-certified explosives detection canine teams on the substances.

### ***Arson and Explosives Enforcement Programs***

ATF specialists are trained in investigating post-blast scenes in response to criminal and terrorist explosives incidents. These agents investigate bombings, explosions, and potential acts of arson motivated by profit, ideology or other criminal intent. The agents train Federal, State, local, and international law enforcement agencies on how to investigate and solve such crimes. ATF is recognized for its expertise in fire and explosives investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial analyses to identify illegal arson for profit schemes. ATF also investigates incidents of explosives stolen from licensees, a particular concern considering the threats of terrorism against U.S. citizens.

### ***Certified Fire Investigators (CFI)***

ATF's CFIs are agents who have completed an extensive two-year training program in the field of advanced fire scene examination, with an emphasis on the modern principles of fire dynamics. CFIs serve as ATF's primary resource in fire-related matters. They conduct fire scene examinations and render origin and cause determinations on behalf of ATF, provide expert testimony on fire scene determinations, and provide technical support and analysis to assist other agents and prosecutors with court preparation, presentation of evidence, and technical interpretation of fire-related information. The agents lend technical guidance in support of field arson investigative activities, conduct arson-related training for ATF agents and other Federal, State, and local fire investigators, and conduct research to identify trends and patterns in fire incidents. The CFIs are supported in their investigations by the ATF Fire Research Laboratory,

which has the unique capability to re-create fire scenarios, both large and small, in its fire testing facility.

### ***Certified Explosives Specialists (CES)***

The mission of ATF's CESs is to provide expert explosives crime scene examinations, to lend expertise in support of security measures implemented at special events, and to assist ATF's law enforcement counterparts at the Federal, State, local, and international levels in their efforts to investigate explosives-related incidents. ATF's CESs acquired expertise in post-blast analysis through years of experience in the field. Their training consists of a multiphase program that ensures their continued proficiency in all aspects of explosives handling, instruction, identification, demonstration, and destruction, as well as training in the chemistry of pyrotechnics, hazardous materials incident response operations, advanced explosives destruction techniques, and advanced improvised explosive devices (IEDs).

### ***Explosives Enforcement Officers (EEO)***

EEOs are ATF's explosives technology experts. EEOs have extensive experience in explosives and bomb disposal. They render explosive devices safe and/or disassemble explosive and incendiary devices, prepare destructive device determinations and give expert testimony in support of such determinations in Federal and State criminal court proceedings. EEOs provide expert analysis and onsite investigative technical assistance at bomb scenes and at scenes where explosions of an undetermined nature have occurred. Determining what constitutes an explosive, incendiary, or destructive device under Federal explosives laws and the National Firearms Act involves highly technical examinations and analysis. EEOs also provide assistance and training in all aspects of explosives handling, usage, and destruction; threat vulnerability assessments; and all other explosives-related matters for ATF, Federal, State, local and international law enforcement agencies.

### ***ATF Laboratories***

ATF's Laboratory Services Division provides analytical examination of evidence and advisory services on matters of a scientific nature. Our examiners support the National Response Teams, provide numerous training exercises in all mission related functions, and provide expert witness testimony. Laboratory Services averages over 1,000 days out of the laboratory providing this service. Laboratory Services is made up of four organizational groups: the Forensic Science Laboratory (FSL) in Atlanta, San Francisco, and Washington, and the Fire Research Laboratory (FRL). The National Laboratory Center houses the FSL in Washington and the FRL and serves as the administrative center for Laboratory Services. Laboratory staff is composed of more than 100 personnel, including biologists, chemists, scientists, engineers, fingerprint specialists, firearm and tool mark examiners, document examiners and administrative support personnel. ATF Laboratory personnel hold leadership positions in numerous professional scientific organizations and are considered among the most highly qualified specialists in their individual fields.

All of the ATF Laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB). ASCLD-LAB is a voluntary program in which crime laboratories may participate to demonstrate that their management, operations, personnel, procedures, equipment, physical plant, security, and safety meet the industry standards. ASCLD-LAB accreditation must be renewed every five years. ATF was the first Federal agency to be accredited by ASCLD-LAB, beginning in 1984. The ATF Laboratories recently added two new forensic disciplines in support of ATF investigations--DNA and tobacco analysis. DNA analysis has added significant capability for linking a suspect to a crime. Tobacco analysis was developed to support all the Bureau needs for analysis of counterfeit and contraband tobacco products and tax stamps.

A critical component of ATF's fire investigation mission is ATF's Fire Research Laboratory (FRL), a one-of-a-kind fire testing facility able to replicate fire scenarios under controlled conditions. This facility is designed to support ATF's arson investigative requirements well into the future. The FRL is a unique and innovative resource for law enforcement, fire services, public safety agencies, industry, and academia. Its scientists use the most advanced scientific, technical, educational, and training methods to make ATF and its partners leaders in fire investigation science.

### ***Forensic Auditing***

ATF develops and provides financial investigative, forensic accounting, and financial expert witness capabilities in support of criminal and regulatory investigations such as arson-for-profit, the use of explosives and bombings in the furtherance of financial frauds, threats to public safety, and alcohol and tobacco diversion investigations. Forensic auditors provide pretrial depositions and expert witness testimony for Federal, State, local governments and insurance companies.

ATF's forensic auditors provide comprehensive accounting, fraud detection, and financial investigative services for a diverse range of ATF programs. ATF forensic auditors hold advanced licenses and certifications in accounting, auditing and fraud detection. While forensic auditors support counter-terrorism, alcohol and tobacco diversion, firearms and narcotics trafficking cases, gang and other organized crime enterprises, the largest caseload support is arson-for-profit cases. Regardless of the type of case, at the conclusion of the financial investigation, the forensic auditor provides a written report and, if needed, expert testimony. ATF's auditors are certified by the National Association of States Board of Accountancy.

### ***Outreach Activities***

ATF works with a variety of customers in providing services such as the NRT investigators, guidance, and advice to arson programs customers and explosives industry members. A 2005 survey found that customers of ATF's arson and explosives programs and services are generally highly satisfied with ATF and want more of what they are receiving: training, programs, agents, and other ATF expertise.

ATF continues its efforts through the Explosives Threat Assessment and Prevention Strategy (ETAPS). The ETAPS program was instituted in 2004 to prevent thefts and the acquisition and use of explosives for criminal and terrorist purposes. This strategy consists of a two-phased risk management plan to identify explosives vulnerabilities and potential control points in the U.S., and to implement mitigation strategies and take corrective actions. This strategy also involves outreach with retailers of non-regulated commodities such as ammonium nitrate.

ATF also continues to work with the Institute of Makers of Explosives (IME) and the International Society of Explosives Engineers (ISEE) and took steps to eliminate explosives losses by examining issues pertaining to the inventory, security, and control of bulk products, including ammonium nitrate. This ongoing project will expand to include packaged products. These agencies/associations also worked together to complete an ATF publication titled "Safety and Security of Explosives Materials for Explosives Licensees and Permittees." ATF, IME, and ISEE work together to increase safety and security and examine new explosives identification and tracking technologies as they become available.

ATF scientists are leaders in the development, standardization, and use of scientific techniques to examine evidence from fire and explosives investigations. This leadership extends to scientific working groups and professional organizations, both nationally and internationally.

ATF communicates with the fire and explosives investigation community through arson and explosives advisory groups, the National Bomb Squad Commander Advisory Board (NABSCAB) and the International Bomb Data Center Working Group (IBDCWG Portal)<sup>4</sup> meetings. Each week, the USBDC provides information on ATF's arson and explosives investigative activity. The advisory reports are distributed to other Federal, State, and local law enforcement agencies. The USBDC also publishes explosives theft advisory reports and periodic advisories highlighting specific or emerging threats to public safety or the bomb technician community.

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<sup>4</sup> The IBDCWG Portal is phase I of the larger ATF Knowledge Online (ATF KO) portal, which will be the unifying point of presence for several ATF information sources.

## 2. PERFORMANCE AND RESOURCES TABLE

2. PERFORMANCE AND RESOURCES TABLE											
<b>Decision Unit: Arson &amp; Explosives</b>											
<b>DOJ Strategic Goal/Objective: Goal 1, Objective 1.2; Goal 2, Objective 2.2</b>											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
<b>Workload</b>											
Number of explosives investigations initiated during fiscal year (QSR)		2,214		1,686		1,895		0%		1,895	
Number of arson investigations initiated during fiscal year		1,526		1,306		1,526		0%		1,526	
<b>Total Costs and FTE</b>		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		1,316	\$255,865	1,132	\$229,380	1,320	\$274,096	1	\$15,745	1,321	\$289,841
<b>Program Activity</b>	<b>Criminal investigations</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		924	\$202,467	811	\$175,837	946	\$216,444	0	\$16,429	946	\$232,873
<b>OUTCOME Measure</b>	Percentage of arson/explosives cases with defendants referred for prosecution. (PART, QSR)	23%		32%		24%		1%		25%	
<b>Performance Measure</b>	NRT Satisfaction rating	90%		100%		90%		0%		Discontinued	
<b>Program Activity</b>	<b>Regulatory compliance</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		392	\$53,398	321	\$53,543	374	\$57,652	1	(\$684)	375	\$56,968
<b>Performance Measure</b>	Resolution of unsafe explosives conditions by inspection (PAR)	1,722		1,845		1,722		0		Discontinued	

Performance Measure	Number and percentage of explosives licensees/permittees inspected <sup>5</sup>	2,640 / 22%	3,055/27%	2,640 / 22%	0	Discontinued
OUTCOME Measure	Percentage of explosives licensees/permittees who improve compliance with Federal explosives regulations upon re-inspection (PART, QSR)	Baseline	80%	80%	0	80%
OUTCOME Measure	Percentage of explosives licensees/permittees inspected in compliance with the Safe Explosives Act. (PART)	53%	55%	100%	(72%)	28%
EFFICIENCY MEASURE	Number of forensic arson and explosives cases completed per chemist FTE (PART, QSR)	Baseline	60	60	0	60
OUTPUT Measure	Percent of forensic arson cases closed within 30 days (PART)	57%	52%	58%	2%	60%

<sup>5</sup> According to the SEA mandate to inspect explosives licensees and permittees at least once every 3 years, ATF had set a goal to inspect approximately one third of licensees/permittees each year.

OUTPUT Measure	Percent of forensic explosives cases closed within 30 days (PART)	36%	20%	37%	2%	39%
OUTCOME Measure	Percentage reduction in public safety violations (recall insp.)	75%	70%	75%	0	Discontinued

Performance Measure Table											
Decision Unit: Arson & Explosives											
		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Minimum satisfaction rating – National Response Team	N/A	N/A	100%	100%	100%	100%	90%	100%	90%	Discontinued
Performance Measure	Resolution of unsafe explosives conditions by inspection	N/A	N/A	1,235	1,821	1,655	1,836	1,722	1,845	1,722	Discontinued
Performance Measure	Number and percentage of explosives licensee/permittees inspected	N/A	N/A	22%		6,392 / 55%	3,291 / 28%	2,640 / 22%	3,055 / 27%	2,640 / 22%	Discontinued

					34%							
OUTCOME Measure	Percentage of arson/explosives cases with defendants referred for prosecution.	N/A	N/A	N/A	20%	21%	37%	23%	32%	24%	25%	
OUTCOME Measure	Percentage of explosives licensees/permittees who improve compliance with Federal explosives regulations upon re-inspection	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	80%	80%	80%	
OUTCOME Measure	Percentage of explosives licensees/permittees inspected in compliance with the Safe Explosives Act.	N/A	N/A	N/A	N/A	N/A	28%	53%	55%	100%	28%	
EFFICIENCY Measure	Number of forensic arson and explosives cases completed per chemist FTE	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	60%	60%	60%	



Performance Measure Table											
Decision Unit: Arson & Explosives											
		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTPUT Measure	Percent of forensic arson cases closed within 30 days.	N/A	N/A	54%	45%	60%	56%	57%	52%	58%	60%
OUTPUT Measure	Percent of forensic explosives cases closed within 30 days	N/A	N/A	22%	35%	35%	32%	36%	20%	37%	39%
OUTCOME Measure	Percent reduction in public safety violations – recall inspections	N/A	N/A	N/A	N/A	N/A	75%	75%	70%	75%	Discontinued

### **3. Performance, Resources, and Strategies**

#### **a. Performance Plan and Report for Outcomes**

The arson and explosives decision unit contributes to the Department's Strategic Goals 1 and 2. This unit complements ATF's firearms decision unit with advanced investigative techniques, vigorous prosecution of criminals, training and prevention strategies through law enforcement, industry regulation, industry outreach, technology, and the reduction of public safety risks relative to regulated commodities. Innovation, partnerships, and open communication are employed to fully achieve this strategic goal.

ATF uses its investigative jurisdiction, skills, and assets to assist other Federal, State, and local public safety officials, and international partners in the fight against explosives and arson-related violence and terrorist acts. The explosives regulatory enforcement program safeguards the American public from explosives incidents caused by improperly stored explosives materials. The program also minimizes criminals' access and use of explosive materials by heightening accountability and increasing the traceability of explosives materials, all without posing undue burden on the explosives industry.

Internationally, ATF contributes to national counterterrorism strategies and supports the Administration's and Department's national priorities to combat terrorism at home and in the international front by actively fostering working partnerships with friendly nations and U.S. allies. ATF shares intelligence and other assets in the war against global terrorism.

#### **b. Strategies to Accomplish Outcomes**

ATF directs a concentration of resources and specialized expertise to achieve effective post-incident response and preventing the criminal use of explosives. ATF is also committed to ensuring that its explosives inspection program is effective and provides for public safety and security from the unauthorized use of explosive materials.

Educating the industry on ATF policies and regulations, product storage safety, and theft prevention, as well as inspecting industry members, remain important elements in securing public safety. Specifically, continued liaison efforts with explosives industry members, explosives licensees and permittees, the precursor chemical industry, and public safety agencies will help mitigate the possibility of terrorists obtaining explosives through the legal explosives industry.

In response to long-term national counterterrorism strategies, ATF intends to set up a strategic global presence to safeguard and support U.S. interests and policies internationally. ATF will establish a presence at the U.S. Embassy in Iraq, joining ATF's other foreign offices in the Western Hemisphere to set up an effective early warning presence against terrorist organizations that may seek to use or to traffic in firearms, other conventional weapons, or explosives.

## **Crosscutting Activities**

ATF plays a major role in the prevention and investigation of violent crimes, including those involving explosives and fire. ATF participates in multi-agency efforts such as the JTTF, High Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA) and the Organized Crime Drug Enforcement Task Force (OCDETF) and provides direct investigative expertise to State and local public safety agencies.

The Bomb and Arson Tracking System (BATS) provides valuable investigative information and intelligence to share with ATF's Federal, State, local, and international law enforcement partners such as the National Gang Intelligence Center (NGIC), Regional Information Sharing System (RISS), International Organized Crime (IOC) Fusion Center, and the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center. In addition, ATF has representatives assigned at various law enforcement and intelligence agencies such as Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), Federal Bureau of Investigation (FBI), Department of Homeland Security (DHS), and Department of State.

ATF will continue to support interdepartmental initiatives to combat terrorism through its continuing efforts to fulfill its responsibilities under the National Implementation Plan for the War on Terror, support the implementation plan for Homeland Security Presidential Directive 19 (Combating Terrorist Use of Explosives in the U.S.), and by taking part in task forces such as the CEXC and TEDAC, and by using resources such as BATS, Dfuze and its explosives canine program.

### **c. Results of Program Assessment Rating Tool (PART) Reviews**

OMB evaluated ATF's arson and explosives program during the FY 2008 PART process. OMB assessed the effectiveness of ATF's arson and explosives programs with a rating of "adequate." ATF developed improvement plans to be implemented in the arson and explosives program:

- ATF will work with the FBI to implement the provisions of the July 2008 Memorandum of Understanding between the two agencies.
- ATF will conduct independent program evaluations to determine whether the program is effective and achieving results.
- ATF will establish a performance measure based on in-depth evaluation of the application of select training it provides.
- Consolidate the Bomb Arson Tracking System and other internal arson and explosives information systems and will be completed by the end of the fiscal year.

ATF's arson and explosives programs continue to receive positive overall assessments for purpose, resource utilization, strategic planning, program management, and program results.

## Program Increases

**Item Name:** ATF National Center for Explosives Training and Research (NCETR)

Budget Decision Unit(s): Arson and Explosives

Strategic Goal(s) & Objective(s): The NCETR directly supports the Department of Justice's Strategic Goal 1: *Prevent Terrorism and Promote the Nation's Security*. NCETR will further advance Federal, State and local government agencies in a comprehensive effort to develop and maintain adequate domestic preparedness. Explosives and bombs are tools of preference for terrorist organizations. The NCETR supports DOJ's Strategic Goal II: *Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People*. Objective 2.2 of this goal: *reduce the threat, incidence, and prevalence of violent crime* is directly supported by the NCETR concept.

Organizational Program: Arson & Explosives

Component Ranking of Item: Item 2 of 2

Program Increase: Positions 0 Agt 0 FTE 0 Dollars \$25,000,000

### Description of Item

In FY 2010, ATF requests \$25,000,000 (\$19,000,000 for S&E and \$6,000,000 for Construction) for the National Center for Explosives Training and Research (NCETR). This includes the following components:

- \$6,000,000 in Construction funds to re-engineer two additional explosives ranges and construct range facilities.
- \$15,320,000 for facility infrastructure
- \$725,000 for 5 Permanent Change of Station Relocations (PCS) moves
- \$1,127,000 for expanded training delivery
- \$1,828,000 for Operations and Maintenance

In FY 2011, ATF will request approximately \$22,000,000 to complete the operational funding requirements for NCETR (Facility Infrastructure, PCS moves, Staffing, Training, Research & Development projects, and Operations and Maintenance).

### Justification

In FY 2008, Congress approved a multi-year project to construct and operate the ATF National Center for Explosives Training and Research (NCETR) facility located at the Redstone Arsenal in Huntsville, Alabama. In FY 2008, Congress provided \$23,500,000 for phase one of the project (basic building construction) to which ATF added two positions (one FTE) and \$5,000,000 to fund the initial NCETR construction. Groundbreaking for the construction project took place during the fourth quarter of FY 2008 with completion expected in June 2010.

From the inception of this project, ATF, the Department, and Congress agreed to facilitate the execution of this project by phasing development, funding, and implementation over multiple fiscal years. This funding request is for the second of three project phases, and includes partial staffing and equipment requirements for the facility. The requested funds are required to complete the construction of the explosives training and research ranges; provide the fixtures, equipment, and facility infrastructure needed to bring the building into operation; partially staff the facility; and provide for the partial year operation and maintenance of the facility.

### Construction

Funding for the completion of the two additional explosives ranges, while anticipated at the inception of the project, was deferred in order to manage fiscal outlays. \$6,000,000 is required to complete the conversion of the Corkern and McKinley explosives ranges.

### Facility Infrastructure

In FY 2009, Phase I of occupancy and operations at the NCETR facility has begun. Two ATF personnel will coordinate site development, facility design, environmental issues, information technology, and equipment needs of the NCETR facility. This request includes \$15,320,000 to provide the basic infrastructure, including security fencing, furniture, office equipment, audio-visual equipment, training equipment, classroom information technology assets, and laboratory equipment necessary to begin operations as depicted below. It also includes the interagency agreement charges from the U.S. Army during the construction phase of the project.

Non-Personnel Items	Unit	Quantity	FY 2010 Request (\$000)
Explosives Range Instrumentation	LT	1	4,000
Explosives Library Data Base			500
Furniture	LT	1	1,750
Audio Visual Equipment	LT	1	1,500
Classroom IT	EA	4	2,500
Lab Equipment	LT	1	1,700
Office Equipment	LT	1	750
Training Equipment	LT	1	1,050
Loading Dock Equipment	LT	1	125
U.S. Army Interagency	EA	1	1,445

Agreement (during construction phases)			
Total			15,320

### Facility Staffing

In FY 2010 and FY 2011, ATF will initiate the relocation of 18 existing program positions (Five positions in FY 2010 and 13 positions in FY 2011) to NCETR that will form the core of the NCETR staff. ATF requests \$725,000 in FY 2010 funding for 5 Permanent Change of Station Relocation (PCS) moves for training officers.

### Training

The NCETR facility will serve as a world-class explosives training facility for all levels of government. Upon completion of the staffing and relocation phase of the project in FY 2011, the facility will more than triple ATF's capacity to provide explosives training to ATF personnel and to Federal, State, local and international partner agencies, including the DOD. In so doing, ATF will be in a better position to meet the continually growing demand for its explosives expertise and the delivery of its cutting-edge explosives training programs. In FY 2010, with completion of the first explosives range and classrooms, full capacity will not be realized. Nonetheless, there will be an opportunity to increase modestly the number of training courses delivered. Accordingly, ATF requests an enhancement of \$1,127,000 to its existing budget to fund additional deliveries of several courses as shown below.

#### FY 2010 Planned Capability

Class	Current Deliveries	# of Students	Cost	Proposed Deliveries	# of Students	Cost	Increment
ATF Certified Explosives Specialist Basic Training	0	0	0	1	33	100	100
ATF Certified Explosives Specialist Recertification	4	120	752	6	180	1,128	376
Explosives Training for IOIs	2	60	240	4	120	481	241
Advanced Explosives Destruction Techniques	4	120	548	7	210	958	410
Total S&E Base Increase Requested	10	300	1,540	18	543	2,667	1,127

To fully utilize the training capacity that will be available through the NCETR beginning in FY 2011, phase three of this project, including completion of staffing and augmentation of ATF's annual training and operations budget will be required.

In addition to the basic and advanced courses for ATF employees, ATF will the opportunity to conduct a variety of explosives training courses for other Federal, State, local, and international organizations, and the U.S. military, including courses for the U.S. Army's Explosive Ordnance Disposal units deploying to Iraq and Afghanistan.

Training provided through the NCETR will teach the nation's first responders, bomb technicians and investigators to prevent, deter, and protect against bombings by providing the best training and operational support available to improve their skills. The NCETR training will also equip first responders, bomb technicians and investigators with the knowledge and skills necessary to complete thorough and effective post blast investigations.

ATF continues to receive requests for training from Federal, State, local, and international agencies on a regular basis. ATF plans to expand capabilities in explosives training through memoranda of understanding with other Federal and international law enforcement partners to address these needs. ATF fully anticipates the interagency explosives community will derive significant benefits from training at the NCETR facility.

### Operations and Maintenance

The Redstone Arsenal Department of Public Works has estimated the fully serviced and supported annual operating costs for NCETR at \$3,103,000. This amount provides all support and utilities required to maintain and operate the facility. It includes, for example, police and fire and ambulance services, electricity, heat, water, telephone, building and grounds maintenance, etc. Partial year funding will be required in FY2010 as depicted below.

<b>Operation and Maintenance Costs (\$000)</b>		
<b>U.S. Army, Redstone Arsenal Interagency Agreement for utilities, maintenance, and support.</b>		<b>\$1,056</b>
<b>Other Services:</b>		
ADP Services	\$261	
Guard Services	\$156	
All Other	\$ 16	
<b>Total Other Services</b>		<b>\$433</b>
<b>Supplies</b>		<b>\$339</b>
<b>Total O&amp;M Costs</b>		<b>\$1,828,000</b>

### Impact on Performance (Relationship of Increase to Strategic Goals)

The NCETR directly supports the Department of Justice's Strategic Goal 1: *Prevent Terrorism and Promote the Nation's Security*. NCETR will further advance Federal, State and local government agencies in a comprehensive effort to develop and maintain adequate domestic

preparedness. Explosives and bombs are tools of preference for terrorist organizations. The explosives training that will be provided to law-enforcement and military personnel through the NCETR—and the explosives-related research that the NCETR will facilitate--will play a critical role in enhancing government efforts to prevent and respond to acts of terrorism involving explosives. Importantly, NCETR will allow ATF to realize internal efficiencies through the co-location of operations. The co-location of NCETR with the FBI's Hazardous Devices School will also greatly enhance DOJ's efforts to create a coordinated explosives training environment and realize efficiencies in DOJ programs and activities. The ability of ATF and FBI personnel to better coordinate training activities and participate in training together will also be enhanced.

The NCETR will also afford first responder, bomb technicians and investigators the training necessary to complete thorough and effective post blast investigations. Developing this skill-set in the nation's first responders will allow them to more readily defeat improvised explosive devices before they are used against the citizens of the U.S.

The NCETR also supports DOJ's Strategic Goal II: *Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People*. Objective 2.2 of this goal": *reduce the threat, incidence, and prevalence of violent crime*" is directly supported by the NCETR concept<sup>13</sup>. Most bombings and explosives crimes committed in the U.S. are perpetrated by violent domestic criminals. As a world-class technical and training resource for all levels of government, the NCETR will prepare Federal, State, local law enforcement officers and bomb technicians to be better able to prevent the unlawful use of explosives through criminal investigations and through the effective regulation of the explosives industry.



## Funding

### Construction Only

FY 2008 Enacted (w/resc.supps) /1				FY 2009 Enacted				FY 2010 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
			28,500								

1/ Includes \$5,000 reprogrammed from S&E Appropriations

### Fort AP Hill and NCETR Program Office Only

FY 2008 Enacted (w/resc.supps)				FY 2009 Enacted				FY 2010 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
14	8	14	3,340	14	8	14	3,407	14	8	14	3,473

### Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2010 Request (\$000)	FY 2011 Nct Annualization (Change from 2010) (\$000)
Construction	6,000		6,000	(6,000)
Facility Infrastructure	15,320		15,320	(15,320)
Facility Staffing – PCS Moves	145	5	725	(725)
Training	1,127		1,127	
Operations and Maintenance	1,828		1,828	
<b>Total Non-Personnel</b>			<b>25,000</b>	<b>(22,045)</b>

### Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	14	8	14	2,040	1,433	3,473
Increases	0	0	0	0	25,000	25,000
<b>Grand Total</b>	<b>14</b>	<b>8</b>	<b>14</b>	<b>2,040</b>	<b>26,433</b>	<b>28,473</b>

### C. Alcohol and Tobacco

<b>Alcohol and Tobacco TOTAL</b>	<b>Perm Pos.</b>	<b>FTE</b>	<b>Amount</b>
2008 Enacted w/Rescissions	93	90	19,682
2008 Supplementals	0	0	0
2008 Enacted w/Rescissions and Supplementals	93	90	19,682
2009 Likely Enacted	93	90	21,084
Adjustments to Base and Technical Adjustments	0	0	1,211
2010 Current Services	93	90	22,295
2010 Program Increases	0	0	0
2010 Request	93	90	22,295
<b>Total Change 2009-2010</b>	<b>0</b>	<b>0</b>	<b>1,211</b>

#### 1. Program Description

The illegal diversion of tobacco products presents a two-fold problem. Governments are deprived of due revenue and organized criminal groups (including terrorist organizations) gain substantial profits from contraband tobacco. Domestic tax losses from tobacco diversion are estimated in the billions of dollars.

Criminals have long exploited the differences among tax rates for alcohol and cigarettes by illegally producing, distributing, and smuggling alcohol and cigarettes into domestic and international high tax jurisdictions areas, activities collectively referred to as diversion. During FY 2008, ATF opened approximately 160 investigations into the diversion of alcohol and tobacco products, recommending the prosecution of approximately 223 defendants and seizing approximately \$2.25 million in criminal contraband and an additional \$10,800,000 in criminally derived proceeds.

Alcohol diversion raises images of prohibition-era moonshiners and bootleggers. While moonshiners still exist, more complex alcohol diversion schemes have developed in recent times. Recent diversion schemes have included the diversion of distilled spirits from the U.S. to the former Soviet countries and to European Union countries. In many of these cases, distilled spirits are mislabeled as industrial products to perpetrate the fraud. In some instances, alleged industrial alcohol is diverted for beverage purposes.

ATF's primary jurisdiction relating to tobacco is the Contraband Cigarette Trafficking Act (CCTA). The CCTA makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of State tax payment for the State in which the cigarettes are found (if a State tax stamp is required).

ATF investigates the trafficking of contraband (non-tax paid) and counterfeit tobacco products that deprive State governments of billions of dollars in tax revenue annually and have been found to be a funding source for terrorism. Through the successful prosecution and plea agreements in these complex investigations, millions of dollars in defrauded State excise tax revenues are returned to the affected States.

ATF agents have unique experience and expertise in the criminal laws related to alcohol and tobacco diversion. The large cost gap between the regulated and diverted commodities generates enormous profits for criminal organizations engaged in diversion and related frauds. The diversion of these commodities robs Federal and State governments of millions of dollars in taxes and, in the case of counterfeit or tampered goods may endanger the public health. Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attract less scrutiny and have a reduced risk of apprehension while still offering high potential profits. In addition, immense profits and relatively low penalties attract organized crime and fundraisers for terrorist groups.

ATF has conducted two contraband cigarette trafficking cases in which individuals were convicted of Material Support to a Terrorist Organization. The individuals in the two cases that were convicted of the “Material Support” charge were members of Hezbollah.

2. PERFORMANCE AND RESOURCES TABLE											
Decision Unit: Alcohol and Tobacco											
DOJ Strategic Goal/Objective: Goal 2, Objective 2.2											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
<b>Workload</b>											
Number of Alcohol and Tobacco investigations initiated during fiscal year (QSR)		135		122		135		(15)		120	
<b>Total Costs and FTE</b>		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		90	\$19,682	95	\$20,878	90	\$21,084	0	\$1,211	90	\$22,295
<b>Program Activity</b>	<b>Criminal investigations</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		90	\$19,682	95	\$20,878	90	\$21,084	0	\$1,211	90	\$22,295
<b>EFFICIENCY MEASURE</b>	<b>Average dollar value of tobacco seizures (QSR)</b>	\$30,000		\$699,277		\$30,000		\$20,000		\$50,000	
<b>OUTCOME Measure</b>	<b>Number defendants convicted (Alcohol and Tobacco) <sup>7</sup></b>	50		92		50		0		50	

d

Performance Measure Table

Decision Unit: Alcohol and Tobacco											
Performance Report and Performance Plan Targets		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
EFFICIENCY Measure	Average dollar value of tobacco seizures <sup>8</sup>	N/A	N/A	N/A	\$6,353	\$82,752	\$86,652	\$30,000	\$699,277	\$30,000	\$50,000
OUTCOME Measure	Number of defendants convicted (Alcohol and Tobacco)	N/A	N/A	72	50	98	0	50	92	50	50
N/A = Data unavailable											

### **3. Performance, Resources, and Strategies**

#### **a. Performance Plan and Report for Outcomes**

The ATF Alcohol and Tobacco diversion program addresses criminal activities that result in tax evasion for profit and the funding of violent criminal and terrorist activities through the use of revenues gained from smuggling alcohol and tobacco products. In terms of customer service, ATF strives to maintain a high satisfaction rate among State and local jurisdictions as well as international law enforcement agencies as it prevents tax revenue losses and stops illicit product trafficking from one State to another or across international borders.

#### **b. Strategies to Accomplish Outcomes**

ATF serves as the primary Federal law enforcement agency in the investigation of the diversion of alcohol and tobacco products. Armed with investigative, technical, and scientific expertise, ATF investigates and dismantles schemes involving tobacco products, and their diversion from low tax jurisdictions to high tax jurisdictions.

ATF will continue to partner with other Federal, State, local, tribal and international law enforcement agencies to combat the illegal diversion of alcohol and contraband cigarette trafficking. This objective will be accomplished by sharing intelligence and investigative information and by providing comprehensive training to ATF partners to increase their proficiency in identifying and investigating alcohol and tobacco criminal activity. ATF will train its enforcement partners to maximize the use of Federal forfeiture statutes to divest criminal groups of assets derived from diversion and trafficking activity. ATF's presence in the alcohol diversion and contraband cigarette trafficking arena assists State, local, tribal, and international governments with recovering and reducing tax revenue losses resulting from this criminal activity. ATF's focus on the investigation of alcohol diversion and contraband cigarette trafficking will remain an integral component of its enforcement efforts with an anticipated result of a greater number of convictions and the collection and recovery of tax revenue and forfeiture of proceeds of these crimes.

#### **Crosscutting Activities**

ATF participates in multi-agency efforts such as the Framework Convention on Tobacco Control, the Federation of Tax Administrators, and the Canada/U.S. working group to address illicit alcohol diversion and contraband cigarette trafficking activity. In addition, ATF fosters effective working relationships with alcohol and tobacco industry members as well as law enforcement partnerships with members of the international law enforcement community.

#### **Alcohol and Tobacco Information Technology**

ATF is pursuing several information technology projects that will advance the investigation of alcohol and tobacco diversion. For example, the Law Enforcement Information Sharing Program (LEISP) project will reduce redundancy, make information in disparate systems accessible, and create an infrastructure to share information efficiently and seamlessly with ATF's Federal,

State, and local law enforcement partners. LEISP enhances the ability of agents and IOIs to share investigative information in order to link and solve complex alcohol and tobacco diversion crimes.

**c. Results of Program Assessment Rating Tool (PART) Reviews**

This program has not been reviewed under the PART.

**From:**

**To:** Axelrod, Matthew (ODAG) (SMO); Burton, Faith (SMO); Gaston, Molly (SMO)

**Subject:** ISSA REPLY - ATF E-Mail Search

Matt/Faith/Molly:

I met with our technical folks this morning to discuss how we could conduct a search for documents and communications responsive to item 8 in the subpoena (complaints/concerns) The news for us is not good.

- 1) We have about 6 months of e-mail files online for all users.
- 2) We will need to restore from offsite archived tape backups

**(b) (7)(C)**

Acting Chief of Staff  
Office of the Director  
O: 202-648-<sup>(b) (7)(C)</sup>  
C:**(b) (7)(C)**  
HQ Room 5 S 100



**Subject:** Re DP [redacted]

**Location:** DD's Hoover's Office

**Start:** 2/26/2013 6:11 PM

**End:** 2/26/2013 6:11 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (b) (7)(C) [redacted] Chait, Mark R.; Melson, Kenneth E.; McDermond, James E.; McMahon, William G.; (b) (7)(C) [redacted]  
(b) (7)(C) [redacted]

**Resources:** DD's Hoover's Office

When: Thursday, March 31, 2011 11:00 AM-11:30 AM (GMT-05:00) Eastern Time (US & Canada).  
Where: DD's Hoover's Office

Note: The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

-----  
**From:** Hoover, William J.  
**Sent:** Thursday, March 31, 2011 10:26 AM  
**To:** (b) (7)(C) [redacted]  
(b) (7)(C) [redacted] Melson, Kenneth E.; Chait, Mark R.; McDermond, James E.; McMahon, William G.  
**Cc:** (b) (7)(C) [redacted]  
**Subject:** Re DP [redacted]

Let's meet at 11am re this. My office.  
Thank you!

Billy

William J. Hoover  
Deputy Director

Bureau of Alcohol, Tobacco, Firearms & Explosives  
O) 202-648-8710

\*\*\*\*\*

**NOTICE: This e-mail message and any attached files are intended solely for the use of the addressee(s) named above in connection with official business. This communication may contain Sensitive But Unclassified information that may be statutorily or otherwise prohibited from being released without appropriate approval. Any review, use, or dissemination of this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or the Department of Justice without express authorization is strictly prohibited.**

---

**From:** (b) (7)(C)  
**To:** (b) (7)(C); Melson, Kenneth E.; Hoover, William J.; Chait, Mark R.; McDermond, James E.; McMahon, William G.  
**Cc:** (b) (7)(C)  
**Sent:** Thu Mar 31 09:56:09 2011  
**Subject:** Fw: DP

See below. Let me know how you would like me to respond.

\*\*\*\*\*

**NOTICE: This e-mail message and any attached files are intended solely for the use of the addressee(s) named above in connection with official business. This communication may contain Sensitive But Unclassified information that may be statutorily or otherwise prohibited from being released without appropriate approval. Any review, use, or dissemination of this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or the Department of Justice without express authorization is strictly prohibited.**

**From:** Gaston, Molly (SMO)

**To:** (b) (7)(C) McDermond, James E.

**Cc:** Burton, Faith (SMO); Axelrod, Matthew (ODAG) (SMO); (b) (7)(C) (SMO)

**Sent:** Thu Mar 31 09:36:17 2011

**Subject:** DP

Jim and (b) (7)(C)

I hope you are doing well. As you know, the State Department received a request from Sen. Grassley regarding AAG Breuer's trips to Mexico and discussions of gun trafficking.

DP

DP

Many thanks,

Molly

Molly Gaston

Office of Legislative Affairs

U.S. Department of Justice

Office: (b) (7)(C) | Cell: (b) (7)(C)

<<10 Mexico 4906.pdf>>

**Subject:** Congressman Issa letter

**Location:** Main Building, Room 4236 (OPL Conf. Rm.)

**Start:** 2/26/2013 6:11 PM

**End:** 2/26/2013 6:11 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Axelrod, Matthew (ODAG); Cunningham, Patrick (USAAZ); (b) (7)(C) (b) (7)(C) (ATF); Burke, Dennis (USAAZ); Melson, Kenneth E. (ATF); Hoover, William J. (ATF); Burton, Faith (SMO); Gaston, Molly (SMO); (b) (7)(C) (SMO); Schmalzer, Tracy (SMO); Wilkinson, Monty (OAG); (ODAG); (b) (7)(C) (ATF)

**Optional Attendees:** (b) (7)(C) (USAAZ)

**Resources:** Main Building, Room 4236 (OPL Conf. Rm.)

**When:** Thursday, March 31, 2011 2:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).

**Where:** Main Building, Room 4236 (OPL Conf. Rm.)

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

**NOTE:** To participate by telephone, the dial in number is (b) (7)(E) pass code (b) (7)(E)

**Subject:** Congressman Issa letter

**Location:** ODAG -- Conf rm and call-in info to be provided

**Start:** 2/26/2013 6:11 PM

**End:** 2/26/2013 6:11 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Axelrod, Matthew (ODAG); Cunningham, Patrick (USAAZ); (b) (7)(C) (b) (7)(C) (ATF); Burke, Dennis (USAAZ); Melson, Kenneth E. (ATF); Hoover, William J. (ATF); Burton, Faith (SMO); Gaston, Molly (SMO); (b) (7)(C) (SMO); Schmalzer, Tracy (SMO); Wilkinson, Monty (OAG); (b) (7)(C) (ODAG); (b) (7)(C) (ATF)

**Resources:** ODAG -- Conf rm and call-in info to be provided

**When:** Thursday, March 31, 2011 2:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).

**Where:** ODAG -- Conf rm and call-in info to be provided

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

**Subject:** OLA/ATF Discussion about Document Production

**Location:** Call-in below

**Start:** 4/29/2011 3:00 PM

**End:** 4/29/2011 4:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Burton, Faith (SMO); Axelrod, Matthew (ODAG); (b) (7)(C) (SMO);  
(b) (7)(C) (ATF); (b) (7)(C) (ATF); (b) (7)(C) (USADC)

**Resources:** Call-in below

Call (b) (7)(E)  
Code (b) (7)(E)

Subject: OLA/ATF Discussion about Document Production  
Location: Employee 3 Call-in below

4280

Start: 2/26/2013 6:12 PM  
End: 2/26/2013 6:12 PM  
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: Burton, Faith (SMO); Axelrod, Matthew (ODAG) (SMO); Colborn, Paul P (SMO); (b) (7)(C) Crabb, John D. (USADC)

Call Code: (b) (7)(E)

**Subject:** Fast & Furious Meeting

**Location:** 2.S-100

**Start:** 4/13/2011 2:00 PM

**End:** 4/13/2011 3:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** Hoover, William J. (b) (7)(C) Chait, Mark R.; McMahon, William G.; Newell, William D. (b) (7)(C) Holgate, Rick (b) (7)(C) Rubenstein, Steve R.; Stinnett, Melanie S. (b) (7)(C) Ford, Larry W.; Serres, Greg

**Optional Attendees:** (b) (7)(C)

(b) (7)(C)

**Resources:** 2.S-100



**Subject:** Re: Doc Redactions conf call

**Start:** 4/7/2011 4:30 PM

**End:** 4/7/2011 5:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

-----  
**From:** Gaston, Molly (SMO) (b) (7)(C)  
**Sent:** Thursday, April 07, 2011 2:40 PM  
**To:** (b) (7)(C)  
**Subject:** Re: Doc Redactions

Great, will call you then

**From:** (b) (7)(C) (ATF)  
**Sent:** Thursday, April 07, 2011 01:32 PM  
**To:** Gaston, Molly (SMO)  
**Subject:** RE: Doc Redactions

I have conflicting meetings from 3 to 4:30. 4:30?

(b) (7)(C)

Acting Chief of Staff

Office of the Director

O: 202-648-(b) (7)(C)

C: (b) (7)(C)

HQ Room 5 S 100

**From:** Gaston, Molly (SMO) [mailto:(b) (7)(C)]  
**Sent:** Thursday, April 07, 2011 12:52 PM  
**To:** (b) (7)(C)  
**Subject:** Re: Doc Redactions

Could we do at 3? Thanks.

**From:** (b) (7)(C) (ATF)  
**Sent:** Thursday, April 07, 2011 11:01 AM  
**To:** Gaston, Molly (SMO)  
**Subject:** RE: Doc Redactions

Anytime between 1 and 3 is good for me.

(b) (7)(C)

Acting Chief of Staff

Office of the Director

O: 202-648-(b) (7)(C)

C: (b) (7)(C)

HQ Room 5 S 100

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**From:** Gaston, Molly (SMO) [mailto:(b) (7)(C)]  
**Sent:** Thursday, April 07, 2011 9:05 AM  
**To:** (b) (7)(C)  
**Subject:** Doc Redactions

(b) (7)(C)

Thank you again for all of the documents you have sent to us. Do you have time today to go over the documents that we think we would allow Committee staff access to (at DOJ) so that I can make sure that we're making all appropriate redactions?

Thanks,

Molly

Molly Gaston

Office of Legislative Affairs

U.S. Department of Justice

Office: (202) 305-9134 | Cell: (b) (7)(C)

Subject: Updated: Call in re Gunrunner Talkers/One Pager for Hill  
Employee 3 use/operation.....

4285

Location: Call in information is attached below.

Start: 4/5/2011 2:30 PM

End: 4/5/2011 3:00 PM

Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Required Attendees: (b) (7)(C)

(b) (7)(C) (b) (7)(C)  
(b) (7)(C) (b) (7)(C)  
(b) (7)(C) (b) (7)(C)

<<Gunrunner Talkers 06FEB11.docx>>

To access this conference via telephone, please call the following number: 1-800-366-9503, (if you are calling from Washington DC, area code 202, you must dial ONLY 777-7778). If you are calling from the local Metro Washington DC area including Virginia and Maryland, please dial (b) (7)(E) when prompted for your conference code, please enter (b) (7)(E) followed by the # on your telephone keypad

- *Project Gunrunner*, implemented in 2006 as ATF's southwest border strategy, works in conjunction with its domestic and international law enforcement partners to identify, disrupt and dismantle the firearms trafficking infrastructure of criminal organizations operating in Mexico and along the border.
- Though primarily a border strategy, *Project Gunrunner* has targeted and prosecuted firearms trafficking organizations in all parts of the United States, from Minnesota to Florida to all our border states, where ATF tracing data and intelligence has provided valuable leads in identifying individuals bent on providing guns to the cartels.
- Today, there are over 4,600 open *Project Gunrunner* investigations throughout the United States looking into the firearm traffickers that bring such violence to Mexico.
- Since its 2006 inception, ATF's *Project Gunrunner* investigations have seized in excess of 10,000 firearms and 1.1 million rounds of ammunition destined for Mexico.
- In December 2009, ATF deployed Spanish eTrace, which allows our Mexican law enforcement partners and other Spanish-speaking nations to enter information about recovered crime guns into ATF's National Tracing Center. eTrace allows law enforcement representatives to electronically submit firearm trace requests, to retrieve completed trace results and to query firearm trace-related data in a real-time environment.
- *Project Gunrunner* proves that valuable investigative information is obtained when all crime guns are traced. Numerous illegal purchasers have been found and trafficking networks investigated and prosecuted.
- Since 2009, ATF has tripled its *Project Gunrunner* personnel in Mexico which has increased its capabilities for intelligence sharing and scene response. As a result, the Government of Mexico is able to perfect additional cases and prosecute offenders.
- As part of ATF's *Project Gunrunner* contributions within the Merida initiative, ATF continues to train Government of Mexico officials in firearms and explosives identification, firearms tracing procedures, post blast investigations, crisis negotiations, and canine explosive training.
- ATF has partnered with the Government of Mexico to create the **Combined Explosives Investigation Team (CEIT)**. This team is a deployable, bi-national unit composed of Mexican law enforcement officers, ATF Special Agents, and ATF Explosives Enforcement Officers. The team responds to, and investigates, the rapidly increasing number of incidents involving the use or recovery of improvised explosive devices (IED's) and Vehicle Bourne Improvised Explosive Devices (VBIED's) in Mexico.
- ATF personnel attached to the CEIT's are specialist Explosive Enforcement Officers (EEO's), physically located in various U.S. consular offices throughout Mexico. This allows broader coverage and a more rapid response wherever the scenes may be.

- ATF has partnered with Immigration and Customs Enforcement (ICE) and the Government of Mexico to form the DC Arms Group. Based in Washington, DC, this group is a multi-agency effort to coordinate strategic efforts of the participating agencies.
- Further *Project Gunrunner* statistics, FY 2006 – 2010 (only that information coded as Project Gunrunner, not ATF as a whole):
  - 2,451 defendants have been recommended for prosecution.
  - 809 defendants are serving an average of 104 months in prison and an additional 260 are under the supervision of the court for an average of 39 months
  - 300 defendants have been convicted and await their sentence.
  - 1,573 defendants (64% of all defendants recommended for prosecution) faced charges related to firearms trafficking.
  - ATF conducted 11,745 firearms licensee compliance inspections.
  - ATF Industry Operations Investigators (IOIs) identified 92,871 firearms that FFLs could not locate in inventory or account for by sale or other disposition. By working with industry members, IOIs located either the firearms or records to confirm the disposition of 76,436, or 82% of the missing firearms.
  - ATF's IOIs reviewed over 1.75 million firearm transaction records to both validate their correct and accurate completion as well as glean investigative leads regarding patterns of purchases.
- The cornerstone of Project Gunrunner is intelligence-driven firearms trafficking investigations. ATF gathers intelligence from FFL's, ballistic and forensic analysis, and tracing data, in addition to using traditional intelligence sources and methods. This information is shared with our partners from DEA, ICE, CBP, and our Mexican counterparts to form a multi-layered approach to disrupting firearms trafficking and drug-related violence.
- Project Gunrunner's objective is to deny Mexican drug cartels the "tools of the trade," which they employ to murder civilians, as well as political, military, and law enforcement figures, in order to strengthen their grip on the lucrative drug and firearms routes into and out of the United States. To this end, the Administration has looked to ATF to find solutions to shut down the firearms trafficking organizations affiliated with the Mexican cartels, and to reduce the violence associated with cartel activity on both sides of the border.
- Based on its combined regulatory and criminal enforcement authorities, ATF has the unique expertise required to investigate domestic and international weapons trafficking,

and the unparalleled capabilities and resources to develop actionable intelligence regarding the illegal trafficking of firearms and explosives.

- In April 2009, ATF developed the Gun Runner Impact Team (GRIT) initiative as a supplement 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, focuses on investigating a large number of firearms trafficking leads based on trace information from firearms recovered in Mexico and information obtained from the inspection of Federal firearms licensees (FFLs). GRITs deployments to Houston in 2009 and Phoenix in 2010 involved surges in ATF personnel of 80-100 employees for 100-120 days.

### **Expansion:**

- In 2009, ATF established new offices dedicated to Project Gunrunner firearms trafficking investigations in McAllen, Texas, El Centro, California, and Las Cruces, New Mexico, including a satellite office in Roswell, New Mexico. ATF also added new Gunrunner teams in Phoenix and Houston and added 12 new industry operations investigators (IOIs) to Southwest border offices. In addition, a total of four special agents were located in consulate offices in Juarez and Tijuana, Mexico to provide investigative support to the government of Mexico.
- These new Gunrunner offices are based both on ATF tracing and intelligence data, and that of National Drug Intelligence Center (NDIC) data confirming Mexican cartel centers of activity in the United States.
- As of August 2010, ATF has 224 special agents, 165 IOIs and 32 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, with plans for 2011 to open new Gunrunner offices in Sierra Vista, Arizona and Brownsville, Texas. Additional expansion plans for Mexico include the opening of three new offices located in Hermosillo, Guadalajara and Mérida, as well as adding additional staff to the ATF Mexico Country Office (MCO) in Mexico City.
- ATF has established an ES-1811, Country Attaché in Mexico City, Mexico. The SES-level Attaché will work closely with the AD and DAD, Field Operations, the Chief of the International Affairs Office, the Southwest border SACs, and others on matters pertaining to Mexico. The Attaché will significantly assist in developing overall strategies, goals, and objectives for ATF representation and operational activity in Mexico; conduct studies of criminal activities; and develop criteria for measuring and evaluating accomplishments, results, and effectiveness.

### **Deployment of eTrace in Mexico**

- eTrace provides for the electronic exchange of crime gun incident-related data in a secure Web-based environment. eTrace allows law enforcement officials to electronically submit their trace requests to ATF, monitor the progress of traces, retrieve completed trace results, and to query firearm trace related data in a real-time environment.
- Over 50 countries around the world trace firearms through ATF, and approximately 30 countries utilize the full benefits of eTrace.
- In December 2009, ATF deployed a Spanish version of eTrace to Mexico. This will improve Mexico's law enforcement tracing results and will assist Mexican authorities in developing investigative leads in their native language.
- In addition, eTrace will enable ATF and Mexican authorities to timely share intelligence and investigative leads, and undertake joint action in the investigations of cross-border firearms traffickers.
- ATF continues to work with the Government of Mexico to make firearms tracing in that country more comprehensive, thereby ensuring the accurate tracing of all known recovered/seized firearms.



Subject: Conference call re: Congressional Subpoena  
Location: Employee 3 DCR 5S.105

4290

Start: 4/6/2011 9:30 AM  
End: 4/6/2011 10:30 AM  
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Melson, Kenneth E.; Hoover, William J.; (b) (7)(C)  
(b) (7)(C) Rubenstein, Steve R.; Serres, Greg; Axelrod, Matthew (ODAG) (SMO); Colborn, Paul P (SMO)  
Optional Attendees: (b) (7)(C)  
(b) (7)(C)

Resources: DCR 5S.105

When: Wednesday, April 06, 2011 9:30 AM-10:30 AM (GMT-05:00) Eastern Time (US & Canada).  
Where: DCR 5S.105

Note: The GMT offset above does not reflect daylight saving time adjustments.

\*\*\*\*\*

Conference call in number will follow soon. Thank you.

Subject: Congressman Issa Letter  
Location: **Employee 3** Main Building, Room 4236 (OPL Conf. Rm.)

4291

Start: 3/31/2011 2:00 PM  
End: 3/31/2011 3:00 PM  
Show Time As: Busy

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Axelrod, Matthew (ODAG) (SMO); Cunningham, Patrick (USAAZ);  
**(b) (7)(C)** Burke, Dennis (USAAZ); Melson, Kenneth E.; Hoover, William J.;  
Burton, Faith (SMO); Gaston, Molly (SMO); Colborn, Paul P (SMO); Schmalzer, Tracy (SMO);  
Wilkinson, Monty (OAG) (SMO); Weiner, Robert (ODAG) (SMO); **(b) (7)(C)**  
Optional Attendees: Scheel, Ann (USAAZ)  
Resources: Main Building, Room 4236 (OPL Conf. Rm.)

When: Thursday, March 31, 2011 2:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).  
Where: Main Building, Room 4236 (OPL Conf. Rm.)

Note: The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

NOTE: To participate by telephone, the dial in number is **(b) (7)(E)** pass code **(b) (7)(E)**

**Subject:** Conference Call w/Ambassador Carlos Pacquale

**Location:** Acting Dir. off.

**Start:** 3/22/2011 12:00 PM

**End:** 3/22/2011 12:30 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Melson, Kenneth E.; Hoover, William J.; (b) (7)(C)

**Optional Attendees:** (b) (7)(C)

**Resources:** Acting Dir. off.

**Subject:** Discuss the Fast and Furious Briefing

**Location:** Director's Conference Room

**Start:** 3/21/2011 2:00 PM

**End:** 3/21/2011 3:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Organizer

**Required Attendees:** Hoover, William J.; McMahon, William G.; (b) (7)(C)  
(b) (7)(C) Needles, James R. (b) (7)(C)

This is a pre-meet to discuss how we will present the briefing on Fast and Furious to Matt Axelrod Tuesday morning.

**Subject:** Fw: gunrunner

**Start:** 3/3/2011 3:00 PM

**End:** 3/3/2011 4:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

-----  
**From:** (b) (7)(C)  
**Sent:** Thursday, March 03, 2011 8:37 AM  
**To:** (b) (7)(C)  
**Subject:** Fw: gunrunner

Me and you baby. See below.

\*\*\*\*\*

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---

**From:** Sutton, Goodloe (Appropriations)  
**To:** (b) (7)(C)  
**Cc:** Berry, Jessica (Appropriations)  
**Sent:** Thu Mar 03 08:35:55 2011  
**Subject:** gunrunner

(b) (7)(C)

Can we do after 3 p.m. today for Gunrunner? Jess would like to join as well. Dependent upon Jess's time, I'd like to cover effects of 10, CR rumblings, and 12. And I'd like to get a bit of a 101 to refresh on it. Since this may take more time, we'll let Jess tailor the itinerary so she doesn't have to listen to what she doesn't need.

Holla....

**Subject:** 10 a.m. Conference Call re: Mexico

**Location:** DCR

**Start:** 2/25/2011 10:00 AM

**End:** 2/25/2011 11:00 AM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** Hoover, William J.; Chait, Mark R.; McMahon, William G.; Newell, William D.; (b) (7)(C)

**Optional Attendees:** (b) (7)(C)

**Resources:** DCR

CONFERENCE BRIDGE ETIQUETTE  
GOLDEN RULES

PLEASE MUTE YOUR TELEPHONE (unless speaking)  
NEVER PLACE A CALL ON HOLD (music interferes with the conference call in progress)  
DO NOT USE SPEAKER PHONE (it picks up excessive background noises; mute the telephone unless you need to speak)  
BE COURTEOUS, WAIT UNTIL THE OTHER PERSON HAS FINISHED SPEAKING

---

(b) (7)(C) has invited you to (b) (7)(C) conference call.

This conference is scheduled to begin on February 25, 2011 at 10:00AM EST.

This conference is scheduled to last for (60) minutes. Dial in lines (10).

To access this conference via telephone, please call the following number (b) (6) (if you are calling from Washington DC, area code 202, you must dial ONLY (b) (6) if you are calling from the local Metro Washington DC area including Virginia and Maryland, please dial (b) (6) when prompted for your conference code, please enter (b) (6) followed by the # on your telephone keypad

Please do not disclose this information to any unauthorized parties, as the privacy of your conference may be compromised.

We hope you enjoy your conference experience. Please give us feed back on the ATF CONFERENCE BRIDGE SERVICE.

PLEASE SEND AN E-MAIL TO: [ISD\\_Support@atf.gov](mailto:ISD_Support@atf.gov) WITH COMMENTS OR SUGGESTIONS.

**(b) (7)(C)**

SERVICE MANAGEMENT BRANCH

VOICE HELP DESK

202-648-**(b) (7)(C)**

NEWS FLASH

Your Conference requests can now be access via ATF'S IntraWeb Home page link.

[ATF\\_Conference\\_Call\\_Services](#)



**Subject:** Mtg. re: Mexico City Updates

**Location:** DCR 5S.105

**Start:** 2/28/2011 10:30 AM

**End:** 2/28/2011 11:30 AM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** Melson, Kenneth E.; Hoover, William J.; (b) (7)(C)  
(b) (7)(C) Chait, Mark R.;  
McMahon, William G.; Holgate, Rick; Czarnopys, Greg P.; Ford, Larry W.;  
(b) (7)(C)

**Optional Attendees:** (b) (7)(C)  
(b) (7)(C)

**Resources:** DCR 5S.105

**Subject:** Briefing on Grassley Letters

**Location:** Acting Dir. off.

**Start:** 2/11/2011 1:30 PM

**End:** 2/11/2011 2:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** (b) (7)(C) [REDACTED]  
Melson, Kenneth E.

**Resources:** Acting Dir. off.

**Subject:** Mexico City Visit Follow-up Meeting

**Location:** DCR 5S.105

**Start:** 2/16/2011 9:00 AM

**End:** 2/16/2011 9:30 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Chait, Mark R.; Melson, Kenneth E.; Hoover, William J. (b) (7)(C) [redacted]  
(b) (7)(C) [redacted] McMahon, William G.; (b) (7)(C) [redacted]  
Ford, Larry W.

**Optional Attendees:** (b) (7)(C) [redacted]  
(b) (7)(C) [redacted]

**Resources:** DCR 5S.105

**Subject:** NEW TIME Meeting to Discuss Evidence Submitted to the Labs by the Mexico Country Office

**Location:** Director's Conference Room

**Start:** 2/15/2011 3:30 PM

**End:** 2/15/2011 4:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Organizer

**Required Attendees:** Melson, Kenneth E.; Hoover, William J.; Holgate, Rick; Czarnopys, Greg P.; McMahon, William G. (b) (7)(C)  
(b) (7)(C)

New Time – follows immediately after NIBIN discussion at 3:00

The Director has requested a meeting to discuss evidence submitted to the labs by the MCO. Please confirm availability.

**Subject:** Briefing on upcoming San Diego, CA & Mexico City, Mexico Trip

**Location:** DCR 5S.105

**Start:** 2/4/2011 3:00 PM

**End:** 2/4/2011 3:30 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** Hoover, William J.; Melson, Kenneth E.; Lauder, George H.; (b) (7)(C)

(b) (7)(C)

**Resources:** DCR 5S.105

**Subject:** FW: Southwest Border Components meeting

**Location:** Room 5525, OLC's Conference Room

**Start:** 1/31/2011 10:00 AM

**End:** 1/31/2011 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Johnston, Deborah A. (ODAG) (SMO)

**Resources:** Room 5525, OLC's Conference Room

Do you know if Ken and /or Billy plan on attending?

-----Original Appointment-----

**From:** (b) (7)(C) SMO [mailto:(b) (7)(C)] On Behalf Of Johnston, Deborah A. (ODAG)

**Sent:** Friday, January 28, 2011 10:32 AM

**To:** Johnston, Deborah A. (ODAG) (SMO); Moran, Molly (OAG); (b) (7)(C) (CRM); (b) (7)(C) (CRM); Melson, Kenneth E.; Hoover, William J.; Chait, Mark R.; McMahon, William G.; (b) (7)(C)

(b) (7)(C) (DEA-US); Leonhart, Michele M. (DEA-US);  
(b) (7)(C)  
(b) (7)(C)  
(b) (7)(C)  
(b) (7)(C)  
(b) (7)(C)  
**Cc:** (b) (7)(C)  
(b) (7)(C)

**Subject:** Southwest Border Components meeting

**When:** Monday, January 31, 2011 10:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** Room 5525, OLC's Conference Room

**Note: Agenda Attached**



SOUTHWEST  
BORDER  
COMPONENTS  
MEETINGJAN  
31Agenda.wpd  
(7 kB)

<<SOUTHWEST BORDER COMPONENTS MEETINGJAN 31Agenda.wpd>>

Note: Call-in number: (b) (6) - Pass Code: (b) (6)

Poc: Deborah Johnston, Associate Deputy Attorney General

(b) (7)(C)

**Subject:** FW: Southwest Border Components meeting

**Location:** Room 5525, OLC's Conference Room

**Start:** 1/31/2011 10:00 AM

**End:** 1/31/2011 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Johnston, Deborah A. (ODAG) (SMO); (b) (7)(C)  
 Hoover, William J. (b) (7)(C)  
 (b) (7)(C) Melson, Kenneth E.; Chait, Mark R.; McMahon,  
 William G. (b) (7)(C) (b) (7)(C)  
 (b) (7)(C)  
 US); Leonhart, Michele M. (DEA-US); (b) (7)(C)  
 (b) (7)(C)  
 (b) (7)(C)  
 (b) (7)(C)

**Optional Attendees:** (b) (7)(C)  
 (b) (7)(C)  
 (b) (7)(C)

**Resources:** Room 5525, OLC's Conference Room

Do you know if Ken and /or Billy plan on attending?

-----Original Appointment-----

**From:** (b) (7)(C) (SMO) [mailto:(b) (7)(C)] **On Behalf Of** Johnston, Deborah A. (ODAG)

**Sent:** Friday, January 28, 2011 10:32 AM

**To:** Johnston, Deborah A. (ODAG) (SMO); (b) (7)(C)

(b) (7)(C) Melson, Kenneth E.; Hoover, William J.; Chait, Mark R.; McMahon, William G.; (b) (7)(C) (b) (7)(C)

(b) (7)(C) Leonhart, Michele M. (DEA-US);

(b) (7)(C)  
 (b) (7)(C)



(b) (7)(C)

Cc: (b) (7)(C)

(b) (7)(C)

**Subject:** Southwest Border Components meeting

**When:** Monday, January 31, 2011 10:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** Room 5525, OLC's Conference Room

**Note: Agenda Attached**



SOUTHWEST  
BORDER  
COMPONENTS  
MEETINGJAN  
31Agenda.wpd  
(7 kB)

<<SOUTHWEST BORDER COMPONENTS MEETINGJAN 31Agenda.wpd>>

Note: Call-in number: (b) (6) Pass Code: (b) (6)

Poc: Deborah Johnston, Associate Deputy Attorney General

(b) (7)(C)

SOUTHWEST BORDER COMPONENTS MEETING  
JANUARY 31, 2011 10:00 A.M.  
AGENDA

WELCOME

LAW ENFORCEMENT UPDATE (ATF, DEA, FBI, USMS)

MONEY LAUNDERING/ASSET FORFEITURE UPDATE

(b) (7)(C) CHIEF OF AFMLS

ROLE OF THE GANG UNIT ON THE SW BORDER

(b) (7)(C) ACTING CHIEF OF THE GANG UNIT

DISCUSSION OF CHALLENGES ON THE SW BORDER

JAMES DINAN, ASSOCIATE DEPUTY ATTORNEY GENERAL  
and OCDETF DIRECTOR

DISCUSSION OF POTENTIAL LEGISLATIVE PROPOSALS

(b) (7)(C) CRIMINAL DIVISION

(b) (7)(C) OFFICE OF LEGISLATIVE AFFAIRS

CLOSING

**Subject:** Discuss Fast & Furious

**Location:** DCR 5S.105

**Start:** 1/28/2011 2:30 PM

**End:** 1/28/2011 3:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** Melson, Kenneth E.; (b) (7)(C) Chait, Mark R.; (b) (7)(C)  
(b) (7)(C) McMahon, William G.; McDermond,  
James E.

**Optional Attendees:** (b) (7)(C)  
(b) (7)(C)

**Resources:** DCR 5S.105

**Subject:** South West Border Kickoff (\$37.5M Supplemental)

**Location:** 8-S-100

**Start:** 2/26/2013 6:13 PM

**End:** 2/26/2013 6:13 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Accepted

**Required Attendees:** (b) (7)(C) McMahon, William G.; (b) (7)(C)  
 (b) (7)(C)  
 Michalic, Vivian B.; (b) (7)(C)  
 (b) (7)(C)  
 (b) (7)(C) Stinnett,  
 Melanie S.; (b) (7)(C) Stucko, Audrey M.;  
 (b) (7)(C)  
 (b) (7)(C) McDermond, James  
 E.; (b) (7)(C)

**Resources:** 8-S-100

Purpose: To establish/confirm cross-directorate communications and set expectations for the SWB initiative. An updated meeting invite will be sent later with the agenda.

Please work through your respective Chiefs of Staff if there needs to be any changes to the list of participants. I will make the changes and include them with the updated invite.

Thanks,  
(b) (7)(C)

5-N-534

**Subject:** Phoenix

**Location:** Director's Office

**Start:** 4/5/2011 2:00 PM

**End:** 4/5/2011 3:00 PM

**Show Time As:** Busy

**Recurrence:** (none)

**Meeting Status:** Organizer

**Required Attendees:** Hoover, William J.; Melson, Kenneth E.; Chait, Mark R.

**Resources:** Director's Office

**From:**  
**To:** Stinnett, Melanie S.  
**Subject:** RE: Request for ROI

This is why we need to do an updated extract from NFORCE -- there are more ROIs they need to have

(b) (7)(C)

Acting Chief of Staff  
Office of the Director  
O: 202-648-(b) (7)(C)  
C: (b) (7)(C)  
HQ Room 5 S 100

---

**From:** Stinnett, Melanie S.  
**Sent:** Wednesday, April 27, 2011 9:57 AM  
**To:** (b) (7)(C)  
**Subject:** FW: Request for ROI

Do we have the data requested -- and if so, where can I find it?

\*\*\*\*\*

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**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 27, 2011 9:51 AM  
**To:** Stinnett, Melanie S.; (b) (7)(C) (OIG); (b) (7)(C) (OIG); (b) (7)(C) (OIG)  
**Cc:** (b) (7)(C) (OIG)  
**Subject:** Request for ROI

Melanie,

It does not appear that any post-arrest interviews of (b) (7)(C) were in the NFORCE data that ATF provided to the OIG.

Could you please provide those ROIs to us?

Thank you,

(b) (7)(C)

(b) (7)(C)

Senior Special Agent  
U.S. Department of Justice, Office of the Inspector General  
1425 New York Ave. NW Suite 13100  
Washington, DC 20530

Employee 3

4325

Desk: (b) (7)(C)

Cell: (b) (7)(C)

**To:** Axelrod, Matthew (ODAG) (SMO); (b) (7)(C) Hoover, William J.;  
Melson, Kenneth E.  
**Subject:** RE: Response to Grassley 4/8/11 letter re contacts with Congress

Matt:

The proposed letter is factually accurate.

(b) (7)(C)

Acting Chief of Staff  
Office of the Director  
O: 202-648-(b) (7)(C)  
C: (b) (7)(C)  
HQ Room 5 S 100

---

**From:** Axelrod, Matthew (ODAG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 27, 2011 2:12 PM  
**To:** (b) (7)(C) Hoover, William J.; Melson, Kenneth E.; (b) (7)(C)  
**Subject:** Response to Grassley 4/8/11 letter re contacts with Congress

Here is a revised version of a response to Senator Grassley's letter concerning contacts with Congress. I've attached the incoming letter and the proposed attachments as well. Can you guys please let me know whether you're okay with this and whether it's 100% factually accurate? Thanks.

Matt

<< File: 2011-02-09 Chait e-mail whistleblower.pdf >> << File: 2011-04-08 CEG to ATF (agent contacts).pdf >> << File: grassley atf - contacts with congress 4-26-11.docx >> << File: ATF O 9000 1A Office of Public and Governmental Affairs.pdf >>

Matthew S. Axelrod  
Associate Deputy Attorney General  
Office of the Deputy Attorney General  
U.S. Department of Justice  
Desk (b) (7)(C)  
Cell (b) (7)(C)



**From:**  
**Subject:**

Public Documents Referenced in the Office of The Inspector General's Reports on Project Gunrunner

ATF website and ATF "Fact Sheet: Project Gunrunner" (September 2008).

Congressional Research Service, *Mexico's Drug-Related Violence*, CRS Report R40582 (May 27, 2009).

U.S. Government Accountability Office, *Firearms Trafficking: U.S. Efforts to Combat Arms Trafficking to Mexico Face Planning and Coordination Challenges*, GAO-09-709 (June 2009).

Department Fact Sheet: Department of Justice Efforts to Combat Mexican Drug Cartels (April 2, 2009).

U.S. Sentencing Commission, "An Overview of the United States Sentencing Commission" (June 2009), [www.ussc.gov/general/USSC\\_Overview\\_200906.pdf](http://www.ussc.gov/general/USSC_Overview_200906.pdf)

Department of Justice press release, Justice Department Announces Success in Battle Against Firearms Trafficking and Recovery Act Funds to Build on Project Gunrunner (October 1, 2009).

Pub. L. No. 111-5.

Pub. L. No. 111-230 was signed into law on August 13, 2010. The bill provided \$600 million in emergency supplemental appropriations for FY 2010 to secure the Southwest border and enhance federal border protection, law enforcement, and counternarcotics activities. The \$37.5 million allocated to ATF was part of \$196 million allocated to the Department.

Department of Justice Office of the Inspector General, *Review of the Drug Enforcement Administration's El Paso Intelligence Center*, Evaluation and Inspections Report I-2010-005

Testimonies Relevant To Project Gunrunner

1. "Law Enforcement Response to Mexican Drugs Cartel," Panels I and II, Joint Hearing of the Crimes and Drugs Subcommittee of the Senate Judiciary Committee and the Senate Caucus on Int'l Narcotics Control, March 17, 2009
2. William Hoover, Assistant Director for Field Operations, ATF, before the Committee on the Judiciary Subcommittee on Crime and Drugs, U.S. Senate, concerning "Law Enforcement Responses to Mexican Drug Cartels" (March 17, 2009)
3. U.S. House of Representatives, Committee on Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies, March 24, 2009
4. "Southern Border Violence, Homeland Security Threats, Vulnerabilities," Panels I and II, Senate Homeland Security and Governmental Affairs Committee, March 25, 2009
5. "Southern Border Violence, Homeland Security Threats, Vulnerabilities," Foreign Relations Committee, March 30, 2009
6. "Examining Preparedness and Coordination Efforts of First Responders Along the Southwest Border," House Homeland Security, Subcommittee on Emergency Communications, Preparedness, March 31, 2009
7. "Department of Justice," House Committee on Appropriations, April 23, 2009
8. "Escalating Violence in Mexico and the Southwest border as a Result of Mexican Drug Trade," House Judiciary, Subcommittee on Crime, May 6, 2009
9. "Southern Border Violence: State and Local Perspectives," Senate Committee on Homeland Security, April 20, 2009; "Rise of Mexican Drug Cartels and US National Security," House Committee on

10. “Combating Border Violence: The Role of Interagency Cooperation in Investigations,” House Homeland Security, Subcommittee on Border, July 16, 2009
11. William McMahon, Deputy Assistant Director for Field Operations, ATF, before the Committee on Homeland Security Subcommittee on Border, Maritime, and Global Counterterrorism, U.S. House of Representatives, concerning “Combating Border Violence: The Role of Interagency Coordination in Investigations” (July 16, 2009), [homeland.house.gov/Hearings/index.asp?ID=205](http://homeland.house.gov/Hearings/index.asp?ID=205)

## Non Public Documents Referenced in the Office of the Inspector General Reports on Project Gunrunner

The *ATF Field Intelligence Group Supervisor’s Guide Book* (September 2009) discusses the Field Intelligence Group composition and member responsibilities.

ATF, Project Gunrunner Southwest Border Initiative Intelligence Collection Plan, Update FY 2010 (November 2009), 4.

We reviewed other Office of Strategic Intelligence and Information products, including maps illustrating firearms trafficking corridors, analyses of gun source locations, and drug cartels’ weapons of choice.

ATF, 2008 Project Gunrunner Assessment, November 19, 2009.

ATF National Firearms Trafficking Enforcement Implementation Plan (June 25, 2009), 3.

For more information on potential indicators of trafficking by gun dealers, see Bruce Reinhart, “Implementing a Firearms Trafficking Strategy – Prosecuting Corrupt Federal Firearms Licensees,” *United States Attorneys’ Bulletin* (January 2002). U.S.

Assistant Director, Enforcement Programs and Services, ATF memorandum to all Special Agents in Charge and all Directors, Industry Operations, Referrals of Information, February 22, 2005

*ATF Industry Operations Handbook*, Handbook 5030.2C (February 2008)

ATF, *Field Intelligence Group Supervisor’s Guide Book* (September 2009), Appendix.

ATF Order 3700.2A, “Criminal Enforcement Intelligence Program Standard Operating Policies and Procedures” (October 2004)

ATF Order 3530.3, Organized Crime Drug Enforcement Task Force Program (July 2005)

Stuart G. Nash, Associate Deputy Attorney General and Director of OCDETF, memorandum to OCDETF Regional Agency and AUSA Coordinators, Lead Task Force Attorneys, Executive Assistants, and Washington Agency Representatives Group, Guidelines for Consideration of OCDETF Designation for Firearms Trafficking Cases Related to Mexican Drug Cartels, April 27, 2009.

David W. Ogden, Deputy Attorney General, memorandum to heads of Department components and all United States Attorneys, Strategy for Combating the Mexican Cartels, January 7, 2010.

Mark R. Chait, Assistant Director for Field Operations, memorandum to all Assistant Directors and Field Operations Personnel, Project Gunrunner – A Cartel Focused Strategy, September 8, 2010, and ATF, “Project Gunrunner – A Cartel Focused Strategy” (September 2010), 10.

ATF Order 3310.4B, Firearms Enforcement Program (February 1989)

The MOU between ICE and ATF was signed by the Acting Director of ATF and the Assistant Secretary of ICE on June 30, 2009, updated from a previous version. The agreement was made in response to the GAO’s report, *Firearms Trafficking: U.S. Efforts to Combat Arms Trafficking to Mexico Face Planning and*

*Coordination Challenges*, GAO-09-709 (June 2009).

There is a memorandum of understanding between ATF and the Mexico Attorney General's office (including the office's intelligence unit, CENAPI) governing Mexico's use of eTrace. The MOU does not state that Mexican eTrace users are to be provided any less information than would U.S. law enforcement eTrace users.

Mark Kraft, "Firearms Trafficking 101 or Where do Crime Guns Come From?," *United States Attorneys' Bulletin* (January 2002).

<sup>19</sup> "Southwest Border Initiative: Project Gunrunner" (June 2007), pp. 3-4.

<sup>23</sup> "Efforts to Combat Firearms Trafficking to Mexico: Project Gunrunner," March 17, 2009.

**(b) (7)(C)**

Acting Chief of Staff  
Office of the Director

O: 202-648-**(b) (7)(C)**

C: **(b) (7)(C)**

HQ Room 5 S 100

**From:****Subject:** Additional Congressional/Departmental Question Regarding ATF Investigations

In addition to the information requested to respond to the OIG and Congress, we have also been asked a slightly different question by the House Committee on Oversight and Government Reform and DOJ regarding the practice of allowing guns to “walk.”

So that we may all be using the same definition of “walk” it is:

Allowing a gun to “WALK” means that ATF (an undercover agent, cooperating informant or defendant or other source working at the direction of the government) provided a firearm(s) that was in our dominion and control (e.g., a prop, undercover merchandise, operable or inoperable) to a suspect with the intention of allowing the suspect to leave with the firearm(s) and we had no intention of attempting the recovery of the firearm(s).

Key to the definition is that the firearms were in our dominion and control to begin with and that we had no intention of attempting to recover them.

Some clarifying examples:

Buy/bust scenarios and controlled deliveries are not considered “walking guns.” (recovery intended and achieved)  
Buy/bust scenarios and controlled deliveries where the guns are provided to the suspect, surveilled for an extended period of time and subsequently recovered (e.g. an interstate trafficking scheme) are not considered “walking guns.” (recovery intended and achieved)

Buy/bust scenarios that fail and the suspect “escapes with the guns” are not considered “walking guns.” (recovery intended but failed)

Observing suspected or known straw purchasers buying guns and not stopping them is not considered “walking guns.” (not in our dominion or control)

Providing firearms that are within our dominion and control to a suspect and allowing him/her to leave with the firearms and taking no further action to recover the firearms at the time they are provided to the suspect in order to gain the suspect’s confidence, **is walking guns.** (in our control and recovery not intended)

In light of this definition and these examples, each field division must respond to this question.

Are there any instances in your field division where you have allowed guns to walk?

For each case where we allowed guns to walk, please provide identifiers on the case as follows:

Case Number

Case Title

Current Case Status (Open/Closed)

There is no need to submit any case documents at this time.

You should exercise extraordinary diligence in searching for any cases wherein we walked guns as defined above. We will be relying on your representations to disclose to the Department and the Congress how often and under what circumstances this has occurred. We cannot be wrong

Negative replies are required.

**(b) (7)(C)**

Employee 3  
Acting Chief of Staff  
Office of the Director  
O: 202-648-(b) (7)(C)  
C: (b) (7)(C)  
HQ Room 5 S 100

**To:** (b) (7)(C)  
**Subject:** RE: URGENT: update on Gunrunner

Project Gunrunner Teams are different from other ATF criminal enforcement groups in the following ways:

These groups are to be staffed with 10 special agents and a supervisor to facilitate surveillance intensive investigations. Most ATF offices have fewer than 7 agents assigned.

These groups have two assigned Industry Operations Investigators to assist with the location, review, and analysis of firearms industry records in support of criminal investigations.

These groups have a dedicated Intelligence Research Specialists to support analysis of multi variant data and information.

These groups are preferably attached to an OCDETF Strike Force.

(b) (7)(C)

Acting Chief of Staff  
Office of the Director

O: 202-648 (b) (7)(C)

C: (b) (7)(C)

HQ Room 5 5 100

---

**From:** (b) (7)(C)  
**Sent:** Tuesday, April 05, 2011 4:25 PM  
**To:** (b) (7)(C)  
**Subject:** FW: URGENT: update on Gunrunner  
**Importance:** High

Good Afternoon,

OMB has asked for the following definition:

"what makes a Gunrunner team different from a regular ATF enforcement team?"

I was referred to you for this response.

Would you be able to provide this response or could you refer me to the proper person?

Thank you.

(b) (7)(C)

S/A (b) (7)(C)  
ATF - Resource Management Section  
Cellular: (b) (7)(C)  
Office: (202) 648-7745

(b) (7)(C)

---

**From:** (b) (7)(C)  
**Sent:** Tuesday, April 05, 2011 1:35 PM  
**To:** (b) (7)(C)  
**Cc:** Michalic, Vivian B.  
**Subject:** FW: URGENT: update on Gunrunner  
**Importance:** High

(b) (7)(C) from below, need your help getting an answer to, "what makes a Gunrunner team different from a regular ATF enforcement team?" Please list the specific differences so I can get that back to OMB.

(b) (7)(C)s for this one, "OMB also has a table that shows ATF has received \$37 million to date for Gunrunner and they want us to explain why that doesn't fund 14 teams. As soon as OMB sends me the chart, I'll forward it to you." Since they already have the annual Gunrunner team costs (in the email attached below), it would seem to be pretty simple math that \$4m x 14 teams = \$64m. And since \$64m > \$37m, QED. Is there anything more to it than that?

I'll respond back to (b) (7)(C) that we're working on it.

Thanks,

(b) (7)(C)

---

(b) (7)(C)

Chief, Financial Management Division/Deputy CFO  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
Office: (202) 648 (b) (7)(C) BB: (b) (7)(C)

\*\*\*\*\*

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**From:** (b) (7)(C) MD) [mailto:(b) (7)(C)]  
**Sent:** Tuesday, April 05, 2011 11:57 AM

To: (b) (7)(C) JMD); Michalic, Vivian B (b) (7)(C)

Cc: (b) (7)(C)

(b) (7)(C)

**Subject:** URGENT: update on Gunrunner

**Importance:** High

Update from OMB as of this morning...

(b) (5) Jim is trying to find a middle ground and suggested that it may just be a branding issue and her asked, "what makes a Gunrunner team different from a regular ATF enforcement team?"

ATF,

I said to Jim that it didn't matter whether there is an additional cost for a Gunrunner team versus a regular enforcement team because the fact is we did not receive the annualization for more staff. We had to cut back somewhere. If more Gunrunner teams was such a priority for the Administration then they should have funded them in the FY 2012 budget. OMB cannot force us to carve additional teams out of thin air because then we would be forced to do this in all other circumstances.

I need to get back with Jim with our official response. OMB also has a table that shows ATF has received \$37 million to date for Gunrunner and they want us to explain why that doesn't fund 14 teams. As soon as OMB sends me the chart, I'll forward it to you.

<< Message: Cost for One Gunrunner Team >>



**From:** Stinnett, Melanie S.  
**Sent:** Wednesday, April 27, 2011 12:35 PM  
**To:** (b) (7)(C)  
**CC:** (b) (7)(C)  
**Subject:** RE: Request for ROI (add'l info)

Thank you. I will let the IG know that we will get them the transcript when it is available.

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---

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 27, 2011 12:35 PM  
**To:** Stinnett, Melanie S.  
**Cc:** (b) (7)(C)  
**Subject:** FW: Request for ROI (add'l info)

Per Phoenix ASAC Needs (b) (7)(C) on 3/23/2011 and that report (transcript) is pending.

(b) (7)(C)

Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 (b) (7)(C) Cell (b) (7)(C)

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**From:** Needles, James R.  
**Sent:** Wednesday, April 27, 2011 12:32 PM  
**To:** (b) (7)(C)  
**Subject:** RE: Request for ROI

Yes, he (b) (7)(C) It was recorded and needs to be transcribed.

\*\*\*\*\*

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---

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 27, 2011 7:50 AM  
**To:** Needles, James R.  
**Subject:** FW: Request for ROI

Jim - Just for clarification – are there any other post-arrest interviews of (b) (7)(C) conducted that would be in other ROIs (or other reports) not yet completed?

(b) (7)(C)

Chief, Firearms Operations Division  
ATF HQ - Room 6, S. 129  
202.648 (b) (7)(C) Cell (b) (7)(C)

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---

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 27, 2011 10:40 AM  
**To:** Stinnett, Melanie S.  
**Cc:** (b) (7)(C)

**Subject:** RE: Request for ROI

Attached is the requested ROI# 482. This ROI was completed in NFORCE on 03/21/11.

**(b) (7)(C)**

Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648<sup>(b) (7)(C)</sup> Cell **(b) (7)(C)**

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---

**From:** Stinnett, Melanie S.  
**Sent:** Wednesday, April 27, 2011 9:57 AM  
**To:** **(b) (7)(C)**  
**Subject:** FW: Request for ROI

Do we have the data requested – and if so, where can I find it?

\*\*\*\*\*

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---

**From:** **(b) (7)(C)** (OIG) [mailto:**(b) (7)(C)**]  
**Sent:** Wednesday, April 27, 2011 9:51 AM  
**To:** Stinnett, Melanie S.; **(b) (7)(C)** (OIG); **(b) (7)(C)** (OIG); **(b) (7)(C)** (OIG)  
**Cc:** **(b) (7)(C)** (OIG)  
**Subject:** Request for ROI

Melanie,

It does not appear that any post-arrest interviews of **(b) (7)(C)** were in the NFORCE data that ATF provided to the OIG.

Could you please provide those ROIs to us?

Thank you,

**(b) (7)(C)**

**(b) (7)(C)**

Senior Special Agent  
U.S. Department of Justice, Office of the Inspector General  
1425 New York Ave. NW Suite 13100

Employee 3

4341

Washington, DC 20530

Desk: (b) (7)(C)

Cell:

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 27, 2011 12:34 PM  
**To:** Stinnett, Melanie S.  
**CC:** (b) (7)(C)  
**Subject:** FW: Request for ROI (add'l info)

Per Phoenix ASAC Needles (b) (7)(C) on 3/23/2011 and that report (transcript) is pending.

(b) (7)(C)

Chief, Firearms Operations Division  
ATF HQ - Room 6.5.129  
202.648.(b) (7)(C); cell (b) (7)(C)

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Jim - Just for clarification -- are there any other post-arrest interviews of (b) (7)(C) conducted that would be in other ROIs (or other reports) not yet completed?

(b) (7)(C)

Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 (b) (7)(C) Cell (b) (7)(C)

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**Cc:** (b) (7)(C)  
**Subject:** RE: Request for ROI

Attached is the requested ROI# 482. This ROI was completed in NFORCE on 03/21/11.

(b) (7)(C)

Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 (b) (7)(C) Cell (b) (7)(C)

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---

**From:** Stinnett, Melanie S.  
**Sent:** Wednesday, April 27, 2011 9:57 AM  
**To:** (b) (7)(C)

**Subject:** FW: Request for ROI

Do we have the data requested -- and if so, where can I find it?

\*\*\*\*\*

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**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 27, 2011 9:51 AM  
**To:** Stinnett, Melanie S.; (b) (7)(C) (OIG); (b) (7)(C) (OIG); (b) (7)(C) (OIG)  
**Cc:** (b) (7)(C) (OIG)  
**Subject:** Request for ROI

Melanie,

It does not appear that any post-arrest interviews of (b) (7)(C) were in the NFORCE data that ATF provided to the OIG.

Could you please provide those ROIs to us?

Thank you,

(b) (7)(C)

(b) (7)(C)

Senior Special Agent  
U.S. Department of Justice, Office of the Inspector General  
1425 New York Ave. NW Suite 13100  
Washington, DC 20530  
Desk: (b) (7)(C)  
Cell: (b) (7)(C)

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 27, 2011 10:39 AM  
**To:** Stinnett, Melanie S.  
**CC:** (b) (7)(C)  
**Subject:** RE: Request for ROI  
**Attachments:** FF 785115-10-0004 ROI 482.dot

Attached is the requested ROI# 482. This ROI was completed in NFORCE on 03/21/11.

(b) (7)(C)  
Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 (b) (7)(C) Cell (b) (7)(C)

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**Subject:** FW: Request for ROI

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---

**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]



Employee 3

4346

**Sent:** Wednesday, April 27, 2011 9:51 AM

**To:** Stinnett, Melanie S.; (b) (7)(C) (OIG); (b) (7)(C) (OIG); (b) (7)(C) (OIG)

**Cc:** (b) (7)(C) (OIG)

**Subject:** Request for ROI

Melanie,

It does not appear that any post-arrest interviews of (b) (7)(C) were in the NFORCE data that ATF provided to the OIG.

Could you please provide those ROIs to us?

Thank you,

(b) (7)(C)

(b) (7)(C)

Senior Special Agent  
U.S. Department of Justice, Office of the Inspector General  
1425 New York Ave. NW Suite 13100  
Washington, DC 20530

Desk: (b) (7)(C)

Cell: (b) (7)(C)

Title of Investigation: (b) (7)(C)	Investigation Number: 785115-10-0004	Report Number: 482
---------------------------------------	---	-----------------------

**SUMMARY OF EVENT:**

**ARREST/INTERVIEW:** On February 2, 2011, the United States Marshal Service (USMS) arrested (b) (7)(C) (b) (7)(C) in El Paso, Texas. (See attached USMS Report #1108-0120-2244-J). Upon his arrest, Alcohol, Tobacco, Firearms and Explosives (ATF) Special Agents (b) (7)(C) conducted a recorded interview with (b) (7)(C) at the El Paso Detention Center, El Paso, Texas.

**NARRATIVE:**

1. On February 2, 2011, USMS Deputy United States Marshals (DUSM) (b) (7)(C) arrested (b) (7)(C) (b) (7)(C) in El Paso, Texas (see related USMS "Apprehension Report"). (b) (7)(C) (b) (7)(C) was transported to the El Paso Detention Center, 601 east Overland Avenue, El Paso, Texas, until his initial appearance before a Federal Southern District of Texas Magistrate Judge. While in custody, ATF S/A (b) (7)(C) contacted (b) (7)(C). At approximately 1015 hours, S/A (b) (7)(C) read (b) (7)(C) the "Advice of Rights and Waiver" ATF Form 3200.4. (b) (7)(C) (b) (7)(C) acknowledged he understood his Miranda Rights by signing his name on the form. After signing the form, (b) (7)(C) asked if he could write a telephone number down. S/A (b) (7)(C) wrote the number (b) (7)(C) provided by (b) (7)(C).
2. ATF S/A (b) (7)(C) identified herself as ATF and asked (b) (7)(C) if he knew why she and S/A (b) (7)(C) were there. (b) (7)(C) responded, "yeah". S/A (b) (7)(C) then explained the booking and initial appearance process he would be going through but advised it may be delayed due to the inclement weather. S/A (b) (7)(C) then advised (b) (7)(C) that whatever information he provided would be forwarded to the United States Attorney's Office for consideration. S/A (b) (7)(C) further explained agents already had information regarding (b) (7)(C) participation in violations of federal firearms laws. S/A (b) (7)(C) further explained that if (b) (7)(C) provided information regarding any violations of federal laws he or others were involved in, the Assistant United States Attorney (AUSA) assigned to his case would consider that he is both accepting responsibility for his role in these acts and cooperating with agents in the investigation. S/A (b) (7)(C) advised (b) (7)(C) (b) (7)(C) that the AUSA ultimately makes the decision on how the information he provided will affect his prosecution. S/A (b) (7)(C) added, the agents merely relay the information (b) (7)(C) provides to the AUSA and indicate whether or not they believe he is being truthful or untruthful. S/A

Prepared by: (b) (7)(C)	Title: Special Agent, Phoenix VII Field Office	Signature:	Date:
Authorized by: (b) (7)(C)	Title: Group Supervisor, Phoenix VII Field Office	Signature:	Date:
Second level reviewer (optional): William D. Newell	Title: Special Agent in Charge, Phoenix Field Division	Signature:	Date:

(b) (7)(C) advised (b) (7)(C) to be truthful and if at any time he does not want to answer a question then tell the agents he does not want to answer.

3. (b) (7)(C) told S/A (b) (7)(C) (b) (7)(C) stated he had talked to the attorney (b) (5), (b) (7)(C) told S/A (b) (7)(C) his attorney (possibly name (b) (5), (b) (7)(C) (b) (5), (b) (7)(C) (b) (7)(C) asked S/A (b) (7)(C) if he could be released until his trial. S/A (b) (7)(C) told (b) (7)(C) (b) (7)(C) that all the other co-defendants had been released by the Federal Magistrate Judge while they were awaiting their trials. S/A (b) (7)(C) advised (b) (7)(C) that she could not make the decision whether or not he would be released pending trial. (b) (7)(C) stated he was willing to help in any way possible but did not want to remain in custody so he could be with his family. S/A (b) (7)(C) explained to (b) (7)(C) that when considering release, the Magistrate Judge considers the recommendation of both the pretrial services personnel and the United States Attorney's Office. S/A (b) (7)(C) told (b) (7)(C) that the AUSA would not make him any promises concerning his release, and S/A (b) (7)(C) would be unable to make any recommendations to the AUSA until she knew what level of cooperation he was willing to provide.
4. (b) (7)(C) asked what he was charged with and how much time he would receive for each charge. S/A (b) (7)(C) advised (b) (7)(C) he had been charged with numerous charges to include conspiracy, along with additional firearms and narcotics charges. (b) (7)(C) asked S/A (b) (7)(C) if he would be sentenced to life imprisonment for any of the charges. S/A (b) (7)(C) advised him she did not believe any of the charges included a life sentence. S/A (b) (7)(C) then explained to (b) (7)(C) that he was being given an opportunity to provide information to S/A (b) (7)(C) regarding his knowledge of illegal activity however he was not guaranteed this same opportunity at a later time. (b) (7)(C) then advised S/A (b) (7)(C) he was not a United States citizen and asked her what will happen to his immigration status. S/A (b) (7)(C) advised (b) (7)(C) (b) (7)(C) that she was not aware of any current legal proceedings regarding (b) (7)(C) immigration status and the Department of Homeland Security is ultimately responsible for any future proceedings regarding his status in the United States.
5. (b) (7)(C) then told S/A (b) (7)(C) that when he had spoke to the attorney prior to his arrest, the attorney had advised him (b) (5) (b) (5) S/A (b) (7)(C) told (b) (7)(C) it was his decision if he spoke with her or not. (b) (7)(C) then asked to see a copy of the indictment to see who the government alleged was involved in the illegal acts. S/A (b) (7)(C) told (b) (7)(C) she would not provide him any additional information until (b) (7)(C) provided her whatever information he had pertaining to the charges they had previously discussed. (b) (7)(C) asked what the agents wanted and both S/A (b) (7)(C) and (b) (7)(C) responded, "the truth". S/A (b) (7)(C) explained to (b) (7)(C) that he and the other co-defendants were arrested pursuant to Federal arrest warrants which required probable cause. (b) (7)(C) stated that based on research he had conducted on-line, subjects had been charged from "top to bottom". (b) (7)(C) wanted to know who else had been indicted in order to provide the agents with involved subjects that the government was not aware of.
6. (b) (7)(C) again told S/A (b) (7)(C) that when he had previously talked to an attorney they had advised him not to say anything unless they were present. S/A (b) (7)(C) told (b) (7)(C) that it was completely his choice and he could choose to do speak to her with a lawyer present if the opportunity

were provided at a later time. (b) (7)(C) commented that he wasn't sure if he felt safe talking without his lawyer. S/A (b) (7)(C) told (b) (7)(C) that it was her understanding that his attorney worked out of the Phoenix, AZ area and it would take him approximately 5 hours to drive to their location and it was completely (b) (7)(C) choice if he wanted to have this interview with his attorney present. (b) (7)(C) then asked when he would be transported back to Phoenix, AZ from El Paso, Texas. S/A (b) (7)(C) told (b) (7)(C) she was not sure when he would be transported to Phoenix. S/A (b) (7)(C) told (b) (7)(C) that if he wanted an attorney it was within his rights to have one and reminded him of the Miranda Rights statement she had read him earlier. S/A (b) (7)(C) also reminded him that he may not have an opportunity to discuss these matters with the agents in the future.

7. S/A (b) (7)(C) told (b) (7)(C) it was up to him to decide what he wanted to do, and (b) (7)(C) then asked S/A (b) (7)(C) if she could help make arrangements for him to see his family prior to his trial. S/A (b) (7)(C) told (b) (7)(C) he would contact the AUSA assigned to the case but wanted to know what information (b) (7)(C) wanted her to discuss him. (b) (7)(C) told S/A (b) (7)(C) he was concerned that if he confessed to everything he would spend the rest of his life in jail. For the second time, S/A (b) (7)(C) explained to (b) (7)(C) that if he provided the agents with truthful information the AUSA would consider the information he provided as (b) (7)(C) taking responsibility for his actions and would take that into consideration. (b) (7)(C) asked S/A (b) (7)(C) if she could, "take some charges away". S/A (b) (7)(C) told (b) (7)(C) she did not have the authority to reduce his charges and asked him what information he wanted her to convey to the AUSA. (b) (7)(C) told S/A (b) (7)(C) involved that the government did not know about and added that, "he could bring those people down". When S/A (b) (7)(C) asked (b) (7)(C) for the name of one of these "cartel members" (b) (7)(C) told S/A (b) (7)(C) When S/A (b) (7)(C) asked (b) (7)(C) if he was involved in firearms or narcotics trafficking, (b) (7)(C) stated that he only got involved with narcotics because of (b) (7)(C) (b) (7)(C) were only involved in firearms trafficking. (b) (7)(C) advised S/A (b) (7)(C) needed to be arrested soon or he would flee the country because he had property in both the United States and Mexico. S/A (b) (7)(C) advised she would call the AUSA and relay the information (b) (7)(C) provided. (b) (7)(C) asked S/A (b) (7)(C) to tell the AUSA that he had a lot of information about drugs in Phoenix, Arizona as well as information about (b) (7)(C) When S/A (b) (7)(C) asked (b) (7)(C) to provide specific details, (b) (7)(C) indicated that (b) (7)(C) had a lot of people working for him to take the firearms across into Mexico but did not know by what means they were crossing the firearms. (b) (7)(C) stated that he had transferred firearms directly to an individual that he described as having one arm. (b) (7)(C) (b) (7)(C) you know he's big right...he's not even the biggest one...he's working for somebody. (b) (7)(C), (b) (7)(E) (b) (7)(C), (b) (7)(E) (b) (7)(C), (b) (7)(E)
8. S/A (b) (7)(C) told (b) (7)(C) she would call the AUSA assigned to the case and advise him of the information (b) (7)(C) was willing to provide but reminded him that the AUSA would not make any guarantees. (b) (7)(C) also stated he would testify to the information as well.
9. At approximately 2245 hours, S/A (b) (7)(C) stopped the recording to call the AUSA.

10. At approximately 2300 hours, S/A (b) (7)(C) reactivated the digital recording to continue the interview with (b) (7)(C). S/A (b) (7)(C) advised (b) (7)(C) that she relayed the limited information he provided to the AUSA and told the AUSA that based on information already acquired in the case she was able to corroborate the information he provided. S/A (b) (7)(C) told (b) (7)(C) if the AUSA decided to recommend (b) (7)(C) release prior to trial, the information he provided will allow the AUSA to determine (b) (7)(C) willingness to abide by the conditions set by the courts for release. S/A (b) (7)(C) advised (b) (7)(C) that the AUSA had given her the authority to determine whether the information he provided was truthful and whether the quality of the information met the standards required for the AUSA to consider any standards of release in which (b) (7)(C) would not be a flight risk. At the AUSA's request, S/A (b) (7)(C) reminded (b) (7)(C) that the final decision is made by the Federal Magistrate Judge. (b) (7)(C) agreed to provide information regarding his and others of federal violations of law to the agents.
11. (b) (7)(C) stated that he was "selling" firearms to other people and named (b) (7)(C) who he confirmed was (b) (7)(C) as one of these individuals. (b) (7)(C) stated that in 2009 he started selling firearms after he lost his job. He admitted he went on "Backpage.com" and bought and sold a few firearms to a subject he knew as (b) (7)(C). (b) (7)(C) paid cash for the firearms and asked if he had any additional firearms for sale. (b) (7)(C) admitted (b) (7)(C) was paying top dollar for the firearms and that is why he started buying and selling guns. (b) (7)(C) described (b) (7)(C) as a short male who drove a big lifted silver truck with rims. According to (b) (7)(C) he sold "alot" to (b) (7)(C). (b) (7)(C) stated that he continued to buy guns for (b) (7)(C) on backpage until he realized, "all you need to buy is really nothing", you just have to sign. (b) (7)(C) and he began recruiting purchasers to buy firearms for (b) (7)(C). (b) (7)(C) told S/A (b) (7)(C) provided him with the money to purchase the firearms that he never used his own money to purchase the firearms for (b) (7)(C). (b) (7)(C) gave the recruited purchasers the money and instructed them to meet (b) (7)(C) and transfer the firearms to him directly. (b) (7)(C) said this activity continued with (b) (7)(C) for six months. (b) (7)(C), (b) (7)(E)  
(b) (7)(C), (b) (7)(E)  
(b) (7)(C), (b) (7)(E)
12. (b) (7)(C) then identified a female he referred to as (b) (7)(C) and stated they bought numerous firearms from his as well. (b) (7)(C) described (b) (7)(C) vehicle as a (b) (7)(C). (b) (7)(C) stated the firearms purchased by (b) (7)(C) (b) (7)(C) were also for (b) (7)(C). According to (b) (7)(C) works at a (b) (7)(C) (b) (7)(C) near the intersection of (b) (7)(C).
13. (b) (7)(C) identified another male who purchased numerous firearms from him and identified him as (b) (7)(C). (b) (7)(C) identified (b) (7)(C) as (b) (7)(C). (b) (7)(C) confirmed that (b) (7)(C) had all given him money to purchase firearms through his recruited purchasers. (b) (7)(C) stated he was making \$50.00 for each firearm he provided to (b) (7)(C) and the purchasers were making \$100.00 per firearm. (b) (7)(C) stated he was paid thousands of dollars for his role in recruiting these purchasers often charging the third parties a "flat rate". (b) (7)(C) stated once the firearms were purchased they were either transferred by him to the third party or the purchasers would transfer them directly. (b) (7)(C) described the purchased firearms as AK-47's .50 calibers, "a lot of different rifles". (b) (7)(C) stated that eventually (b) (7)(C) eventually contacted purchasers, (b) (7)(C) identified as (b) (7)(C) (later identified as (b) (7)(C) directly and (b) (7)(C).

(b) (7)(C) would pick up his money at the end of the night after the firearms were transferred to (b) (7)(C). (b) (7)(C) estimated he brokered the purchase of approximately 200-300 firearms for (b) (7)(C) 500 firearms for (b) (7)(C) and "a lot" for (b) (7)(C). According to (b) (7)(C) gave him the money to purchase the firearms up front then he or the straw purchasers would meet somewhere to transfer the firearms to (b) (7)(C). (b) (7)(C) stated (b) (7)(C) lived in the area of (b) (7)(C).

14. (b) (7)(C) told S/A (b) (7)(C) that all his friends volunteered to purchase these firearms and described one of them as a (b) (7)(C). He added that his friends called him every day asking if he had any work for them. (b) (7)(C) stated that when he was tired of brokering the sales and transfer of the firearms, his friends specifically (b) (7)(C) asked him for his contacts so they could continue to make money purchasing firearms. (b) (7)(C) stated he stopped brokering the firearms deals around February or March of 2009 until (b) (7)(C) got him involved again. Soon after he started brokering the deals again both his cousin (referring to (b) (7)(C) (b) (7)(C) and (b) (7)(C) (referring to (b) (7)(C) were each caught (by law enforcement) with twenty firearms. According to (b) (7)(C) the firearms seized (by law enforcement) from (b) (7)(C) and (b) (7)(C) were purchased for (b) (7)(C). (b) (7)(C) identified (b) (7)(C) as the guy he got caught with, referring to (b) (7)(C) (ROI #292).
15. (b) (7)(C) stated the straw purchasers were making more money than he was and insisted they were willing to straw purchase firearms. (b) (7)(C) stated he continued to broker the firearms transactions for (b) (7)(C) until approximately June or July 2010. According to (b) (7)(C) once he stopped brokering the deals his cousin (b) (7)(C) provided firearms to (b) (7)(C) directly without his involvement.
16. According to (b) (7)(C) (later identified as (b) (7)(C) saw all his friends making money purchasing firearms, and told him he wanted to purchase firearms too. After telling him no on several occasions because he knew eventually there would be problems (b) (7)(C) (b) (7)(C) stated he finally allowed (b) (7)(C) to purchase firearms. While (b) (7)(C) said (b) (7)(C) made money purchasing firearms for him, he regrets letting him get involved.
17. (b) (7)(C) then began to talk to S/A (b) (7)(C) about (b) (7)(C) later identified as (b) (7)(C) (b) (7)(C) recalled delivering the firearms to (b) (7)(C) at various businesses to include tattoo shops, stereo alarm shops.
18. (b) (7)(C) continued to identify subjects who either bought firearms from him or subjects he brokered firearms transactions for including a subject he referred to as (b) (7)(C) who received 10-16 firearms from him "here and there". (b) (7)(C) stated (b) (7)(C) lived in the proximity of (b) (7)(C) (b) (7)(C) and identified his vehicle as a (b) (7)(C). (b) (7)(C) stated the last he heard (b) (7)(C) was still purchasing firearms. (b) (7)(C) also provided information about (b) (7)(C) (later identified as (b) (7)(C) and (b) (7)(C) (later identified as (b) (7)(C). According to (b) (7)(C) he provided guns to both (b) (7)(C) and their boss (b) (7)(C). (b) (7)(C) stated that (b) (7)(C) gave the money for the firearms to the recruited straw purchasers directly and would receive the firearms from the purchasers. After the transaction was complete (b) (7)(C) would receive payment from (b) (7)(C). (b) (7)(C) admitted he often never received his payment from (b) (7)(C). According to (b) (7)(C) and (b) (7)(C) continued to acquire firearms even after he had stopped brokering firearms transactions. Based on

firearms seized from (b) (7)(C) during a traffic stop on July 8, 2010, agents believe (b) (7)(C) to be the passenger of the vehicle. (b) (7)(C)

19. As the interview continued, (b) (7)(C) told S/A (b) (7)(C) that (b) (7)(C) was "crooked". S/A (b) (7)(C) had previously identified (b) (7)(C) as a Federal Firearms Licensee and (b) (7)(C) stated that (b) (7)(C) knew what he and the straw purchasers were doing but continued to sell them firearms. (b) (7)(C) recalled a conversation he had in front of (b) (7)(C) with a subject he called (b) (7)(C) (who he identified as driving a (b) (7)(C) believed to be (b) (7)(C) about the straw purchasing. (b) (7)(C) stated he specifically told (b) (7)(C) he had a friend that wanted to buy 20 AK's to take to Mexico and asked (b) (7)(C) if he could help him. (b) (7)(C) told (b) (7)(C) to give his friend his (b) (7)(C) number and he was going to rip him off, meaning he would sell his friend the AK's at an inflated price with no questions asked. (b) (7)(C) stated this took place back in 2009 when he first started brokering firearms transactions. (b) (7)(C) described (b) (7)(C) who ran his business (b) (7)(C) (b) (7)(C) stated the last time he spoke to (b) (7)(C) told him he would not do business with him anymore because ATF was on his "ass".

20. ATF S/A (b) (7)(C) asked (b) (7)(C) if he ever transported firearms to anyone outside of the Phoenix, Arizona area. (b) (7)(C) told her he never drove the firearms to Mexico. (b) (7)(C) (b) (7)(C) added the farthest he had ever driven was to El Paso, Texas when he was selling firearms to (b) (7)(C) and (b) (7)(C) (b) (7)(C) who introduced (b) (7)(C) to his contact in El Paso, Texas. (b) (7)(C) stated that (b) (7)(C) introduced him to (b) (7)(C) who he described as having only one arm. (b) (7)(C) stated he has pictures of both (b) (7)(C) who identified themselves to him as Sinaloa Cartel members from Mexico. (b) (7)(C) stated that (b) (7)(C) (b) (7)(C) and he was present when the (b) (7)(C) and (b) (7)(C) According to (b) (7)(C) told him these people (b) (7)(C) (b) (7)(C) were fighting "La Linea" in Juarez Mexico. "La Linea" has been identified through numerous law enforcement sources as a faction of the Juarez Cartel. (b) (7)(C) stated that (b) (7)(C) would receive the money from (b) (7)(C) and then give the money to (b) (7)(C) (b) (7)(C) After they received the money, (b) (7)(C) stated they would purchase the firearms and (b) (7)(C) transported them from Phoenix, Arizona to El Paso, Texas. (b) (7)(C) was given instructions by (b) (7)(C) where they were to take the firearms and they would deliver them to the provided location. (b) (7)(C) stated that he often met (b) (7)(C) in Albuquerque, New Mexico or Tucson, Arizona to get the money for the firearms or to transfer the firearms. (b) (7)(C) recalled receiving money in Albuquerque 3-4 times and once in Tucson, Arizona to pick up money. Initially (b) (7)(C) never asked where the firearms were going but said he had an idea based on the number of firearms they were purchasing. Eventually when (b) (7)(C) the firearms were going to fight "La Linea" he said he decided to look the other way because the guns weren't staying in Phoenix and the Cartel members were using the guns to kill each other. (b) (7)(C), (b) (7)(E) (b) (7)(C), (b) (7)(E)

21 (b) (7)(C) told S/A (b) (7)(C) that after they received information about 19 students getting killed in Mexico, he (b) (7)(C) and (b) (7)(C) had discussed getting a team together to start killing the cartel members responsible for the violence.

22. (b) (7)(C) also admitted to providing firearms to (b) (7)(C) previously identified (b) (7)(C) as (b) (7)(C) a member of the Sinaloa Cartel, who was killed in August 2010. (See ROI #292).
23. S/A (b) (7)(C) asked (b) (7)(C) how many firearms he provided to subjects in the Phoenix, Arizona area. (b) (7)(C) stated he was involved in brokering transactions for at least a thousand firearms. S/A (b) (7)(C) then asked how many firearms he provided to subjects in the El Paso, Texas area. (b) (7)(C) said he was involved in brokering transactions for approximately 200 firearms which included .50 calibers, and .308's. (b) (7)(C) stated the subjects in El Paso (b) (7)(C) (b) (7)(C) also requested military uniforms, vests. While (b) (7)(C) often received the orders directly he stated there were times he would give the firearms orders to (b) (7)(C)
24. S/A (b) (7)(C) asked (b) (7)(C) how much money (b) (7)(C) was making for delivering the firearms from Phoenix, Arizona. (b) (7)(C) stated (b) (7)(C) made \$2,000.00 per trip in addition to the money he made purchasing the firearms for a total of around \$10,000.00 per trip.
25. S/A (b) (7)(C) asked (b) (7)(C) where they were purchasing the firearms. (b) (7)(C) stated they purchased firearms from "J&G", "Lone Wolf", "Randall's", "Bills", "Scottsdale Gun Club", and "Guns For All". These places have been previously identified by S/A (b) (7)(C) as Federal Firearms Licensees.
26. S/A (b) (7)(C) asked (b) (7)(C) how long he had possession of the firearms before they were transferred to the third party. (b) (7)(C) stated he never kept the firearms for more than an hour before the third party would take possession because the firearms were never for him. (b) (7)(C) stated on most occasions the subjects who purchased the firearms would deliver them directly to the third party. (b) (7)(C) specifically remembered driving to J&G, in Prescott almost every day but according to (b) (7)(C) he followed the purchasers there, observed the purchase, and then escorted the guns back to transfer them to the third party which in these instances were (b) (7)(C) (b) (7)(C) stated he never took possession of the firearms. (b) (7)(C) described (b) (7)(C) as a United States citizen who he believed original from (b) (7)(C) recalled he may have purchased one or two firearms from J&G or "Randall's" and an AR 15 Eagle Arms from "Guns for All" that he initially sold to (b) (7)(C) S/A (b) (7)(C) previously identified (b) (7)(C) (b) (7)(C) told S/A (b) (7)(C) and everyone else he provided guns to were United States citizens.
27. At this point in the interview, S/A (b) (7)(C) advised (b) (7)(C) she would be providing him numerous photographic lineups for his examination. S/A (b) (7)(C) instructed (b) (7)(C) to notify her if he recognized anyone in the photos. Below are the results of (b) (7)(C) examination of the photos.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) as one of the subjects purchasing firearms from him and taking them to Mexico.
  - (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) was buying for (b) (7)(C)
  - (b) (7)(C) recognized (b) (7)(C) (b) (7)(C) is a photograph of (b) (7)(C) stated the firearms (b) (7)(C) purchased for him, were for (b) (7)(C)



- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated (b) (7)(C) purchased firearms for him but is now selling cocaine, marijuana and prescription drugs. (b) (7)(C) stated as recently as a month ago he saw (b) (7)(C) and noticed he was armed but that the VIN (meaning the serial number) was scratched off. (b) (7)(C) warned him to be careful carrying a firearm because he was a felon and (b) (7)(C) told him that he was no longer doing the gun thing but that he was selling weed. (b) (7)(C) also told (b) (7)(C) that ATF had already contacted him.
- (b) (7)(C) recognized (b) (7)(C) is a subject yet to be identified in the firearms trafficking organization. (b) (7)(C) described (b) (7)(C) who purchased guns for him.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) he was someone he had seen with (b) (7)(C) and was wanted by ATF. (b) (7)(C) stated he had seen him at the shop located at (b) (7)(C) and on other occasions he saw him as the passenger in (b) (7)(C) vehicle.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated he was (b) (7)(C) and had purchased firearms.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated that (b) (7)(C) originally was purchasing firearms for him, but after (b) (7)(C) discontinued his activities (b) (7)(C) continued to purchase for (b) (7)(C) receiving money from them directly.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) told S/A (b) (7)(C) firearms which were seized by law enforcement were purchased for (b) (7)(C) remembered delivering the firearms to the residence of the subject he believed was taking them to Mexico and described the residence as a trailer.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated (b) (7)(C) purchased the most firearms of anyone he had recruited.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated (b) (7)(C) purchased guns for him too.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) and photograph (b) (7)(C) (b) (7)(C) stated (b) (7)(C) purchased a lot of guns from (b) (7)(C) (b) (7)(C) and gave (b) (7)(C) money on the side. According to (b) (7)(C) told (b) (7)(C) he was going to send someone over to buy guns, the subject would arrive, take possession of the firearms and (b) (7)(C) would pay (b) (7)(C) on the side. (b) (7)(C) stated (b) (7)(C) was supplying firearms to subjects who (b) (7)(C) also distributed marijuana for.
- (b) (7)(C) recognized (b) (7)(C) as indicated by his initial. Photograph (b) (7)(C) stated (b) (7)(C) was not involved in any firearms purchases or transfers of firearms. (b) (7)(C) stated he introduced him to (b) (7)(C) who supplied (b) (7)(C) with weed.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) S/A (b) (7)(C) asked if this was the same individual he was referring to when he had previously mentioned the name (b) (7)(C) during the interview and (b) (7)(C) confirmed it was the same person. (b) (7)(C) stated he and (b) (7)(C) argued

because (b) (7)(C) tried to cut (b) (7)(C) out of all the firearms deals and deal with the third parties directly. (b) (7)(C) said that prior to their argument, (b) (7)(C) had accompanied him to El Paso, Texas, 4-5 times picking up money from (b) (7)(C). According to (b) (7)(C) (b) (7)(C) also drove loads of firearms to El Paso, Texas in a (b) (7)(C) followed (b) (7)(C) during these trips but never had possession of the firearms. (b) (7)(C) advised (b) (7)(C) purchased "a lot" of firearms. (b) (7)(C) also supplied (b) (7)(C) with up to 20-30 pounds of marijuana which he would sell in 5 pound increments. (b) (7)(C) received the drugs from (b) (7)(C) and would then deliver it to (b) (7)(C) this occurred as recently as one month ago.

- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated (b) (7)(C) was getting firearms through (b) (7)(C) According to (b) (7)(C) the firearms seized by law enforcement belonged to (b) (7)(C) and transferred to him by (b) (7)(C) (ROI #347). (b) (7)(C) stated the he arranged the purchase of the firearms through (b) (7)(C)
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated this was the same person he had previously identified in a previous photograph. (b) (7)(C) described (b) (7)(C) as one of his (b) (7)(C) who purchased guns for him. When S/A (b) (7)(C) showed (b) (7)(C) the previous photo lineup in which he identified (b) (7)(C) he identified a second subject (b) (7)(C) as (b) (7)(C) is a photograph of (b) (7)(C) (b) (7)(C) stated (b) (7)(C) was purchasing firearms for him as well and remembered he drove a (b) (7)(C)
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) stated he was purchasing guns for him as well.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C)
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) advised she had purchased firearms for him.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) advised he had purchased firearms for him.
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) advised he had purchased firearms for him to transfer to (b) (7)(C) told S/A (b) (7)(C) had met (b) (7)(C) during these transactions.
- (b) (7)(C) recognized (b) (7)(C) that purchased firearms for him as indicated (b) (7)(C) is a photograph of (b) (7)(C)
- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) told S/A (b) (7)(C) his (b) (7)(C) is the same person he has referenced throughout the interview in reference to firearms and narcotics trafficking. (b) (7)(C) told S/A (b) (7)(C) not only supplied (b) (7)(C) with firearms but (b) (7)(C) too. (b) (7)(C) said (b) (7)(C) is currently involved in a large narcotics trafficking organization that involves the sale and distribution of methamphetamine and cocaine to include subjects he knew as (b) (7)(C) (b) (7)(C) specifically recalled on one occasion subjects he

believed to be associates of (b) (7)(C) house and loaded the firearms into a concealed compartment in a trailer. He observed the subjects conceal the firearms by removing the rivets and sliding 20 firearms inside and then the subjects left with the trailer. (b) (7)(C) (b) (7)(C) stated (b) (7)(C) residence is located near (b) (7)(C) (b) (7)(C) asked (b) (7)(C) if he knew any information about (b) (7)(C) (b) (7)(C) stated (b) (7)(C) was killed by a subject named (b) (7)(C) who killed (b) (7)(C) because he believed (b) (7)(C) was involved in the murder of one of his family members. According to (b) (7)(C) (b) (7)(C) right hand man and (b) (7)(C) told (b) (7)(C) he saw (b) (7)(C) at (b) (7)(C) wake but the actual funeral took place in Caborca, Sonora, Mexico. (b) (7)(C) stated that (b) (7)(C) threatened (b) (7)(C) that if they did not provide (b) (7)(C) he would take their territory. Shortly after, they found (b) (7)(C) (b) (7)(C) stated (b) (7)(C) told him that that (b) (7)(C) ordered .50 calibers and other firearms directly from him at the funeral. According

(b) (7)(C), (b) (7)(E)

(b) (7)(C), (b) (7)(E)

- (b) (7)(C) recognized (b) (7)(C) (b) (7)(C) is a photograph of (b) (7)(C) According to (b) (7)(C) (b) (7)(C) drove loads of firearms to El Paso, Texas, 5-6 times to deliver to (b) (7)(C) (b) (7)(C) told S/A (b) (7)(C) is also involved in the interstate (New York, California, North Carolina) distribution of cocaine and deals directly with a Cartel member he knows as (b) (7)(C) not (b) (7)(C) (b) (7)(C) (b) (7)(C) was picking up loads of (b) (7)(C) narcotics from Sierra Vista and taking the narcotics to California in the amounts of 15-20 kilos per load. (b) (7)(C) stated he could identify (b) (7)(C) residence and the stash house where the drugs were being delivered in California. (b) (7)(C) believes (b) (7)(C) is legally in the United States. (b) (7)(C) described (b) (7)(C) (b) (7)(C) stated (b) (7)(C) lives near the area of (b) (7)(C) (b) (7)(C) and is still involved in narcotics trafficking. (b) (7)(C) stated that (b) (7)(C) and his boss are "murderers" and he is able to bring down the entire organization. (b) (7)(C) stated that over the summer a subject he knew as (b) (7)(C) he had a (b) (7)(C) who would pay \$28,000/kilo of cocaine in North Carolina. (b) (7)(C) told S/A (b) (7)(C) he gave \$43,000.00 to (b) (7)(C) to purchase the 10-15 kilos of drugs they took in a hidden compartment to sell in Raleigh, North Carolina. (b) (7)(C) stated he only travelled to North Carolina once but (b) (7)(C) had transported drugs for them on several occasions. (b) (7)(C) recalled on one occasion (b) (7)(C) and (b) (7)(C) wanted him to go with them to North Carolina to murder some Jamaicans who had killed one of (b) (7)(C) (b) (7)(C) said he did not participate, he told S/A (b) (7)(C) that upon (b) (7)(C) return from North Carolina (b) (7)(C) told him they killed them. (b) (7)(C) stated (b) (7)(C) owns (b) (7)(C) he purchased from (b) (7)(C) (b) (7)(C), (b) (7)(E)

(b) (7)(C), (b) (7)(E)

- (b) (7)(C) recognized (b) (7)(C) is a photograph of (b) (7)(C) who (b) (7)(C) already identified. (b) (7)(C) (b) (7)(C) also identified (b) (7)(C) is a photo of (b) (7)(C) (b) (7)(C) stated (b) (7)(C) (b) (7)(C) stated (b) (7)(C) was working with (b) (7)(C) and

saw his "boss" lose \$150,000.00 in horse races. According to (b) (7)(C) purchased firearms from him for (b) (7)(C)

28. During the interview, at approximately midnight, at the request of (b) (7)(C) detention officers escorted (b) (7)(C) to the restroom and S/A (b) (7)(C) provided him with a bottle of water.
29. In an attempt to identify (b) (7)(C) ATF S/A (b) (7)(C) asked (b) (7)(C) to describe (b) (7)(C) (b) (7)(C) advised he had a picture of him on his e-mail and provided S/A (b) (7)(C) his e-mail account and password to log on and obtain the picture. The e-mail information (b) (7)(C) provided was a yahoo account (b) (7)(C) S/A (b) (7)(C) provided (b) (7)(C) access to the internet but he was unable to find the photographs. During the search of his e-mail account (b) (7)(C) pointed out E-mails from FFL, "Guns for All". In addition (b) (7)(C) pointed out an e-mail from a (b) (7)(C) (b) (7)(C) stated purchased guns for him. (b) (7)(C) described (b) (7)(C) as (b) (7)(C) stated (b) (7)(C) was a (b) (7)(C) told (b) (7)(C) all the places he controlled in Mexico and that he was in charge of two teams of fifty people that were fighting with "La Linea" in Juarez, Mexico.
30. (b) (7)(C) also advised S/A (b) (7)(C) that 20 of the firearms that were seized in the investigation (b) (7)(C) seizure) belonged to (b) (7)(C) identified him as the subject who was present at (b) (7)(C) residence at the time of his arrest. (b) (7)(C) stated the (b) (7)(C) firearms were going to "(b) (7)(C) had purchased firearms for (b) (7)(C) as well.
31. (b) (7)(C) stated he had knowledge of a subject who was growing large amounts of marijuana in the mountains of Arizona towards Buckeye, Arizona and had seen pictures of the area. (b) (7)(C) had sold the subject his "quad" which he purchased from (b) (7)(C) to use to get the marijuana fields. He also stated that the fields are guarded by subjects armed with AK-47's.
32. (b) (7)(C) told S/A (b) (7)(C) on numerous occasions he did not know who actually purchased the firearms because the people he recruited would often recruit others to purchase the firearms. (b) (7)(C) (b) (7)(C) also admitted there were an additional twenty subjects who purchased firearms for him that were not included in the photographic lineups provided by S/A (b) (7)(C)
33. ATF S/A (b) (7)(C) than asked (b) (7)(C) about his knowledge of any narcotics trafficking organization specifically involving (b) (7)(C) (b) (7)(C) initially thought (b) (7)(C) but eventually started selling weed to him. (b) (7)(C) received the weed from (b) (7)(C) which he provided to (b) (7)(C) until he introduced (b) (7)(C) According to (b) (7)(C) (b) (7)(C) was looking to acquire weed for a subject named (b) (7)(C) a fugitive who he described as a black male. According to (b) (7)(C) used a fake name when he was arrested. (b) (7)(C) bailed him out and he fled with 300-400 pounds of (b) (7)(C) unpaid marijuana. (b) (7)(C) stated (b) (7)(C) is responsible for distributing narcotics to Flint, Michigan and was paying (b) (7)(C) \$500.00 per pound. (b) (7)(C) stated that the subjects involved in the distribution are all involved in a rap music group called the (b) (7)(C) (b) (7)(C) stated that "(b) (7)(C) and (b) (7)(C) were buying hundreds of pounds of Marijuana from (b) (7)(C) (b) (7)(C) was responsible for shipping the Marijuana through the mail. In addition, (b) (7)(C) who resided in Texas that was shipping the narcotics to Flint, Michigan on a freight train. (b) (7)(C) stated (b) (7)(C) lived in an (b) (7)(C)

(b) (7)(C) and was robbed of his drugs and money by (b) (7)(C) then moved to another apartment near (b) (7)(C) and finally rented a house a block away from (b) (7)(C) in the area of (b) (7)(C) and they (meaning law enforcement) raided his house and took (b) (7)(C). Because of the seized marijuana (b) (7)(C) was (b) (7)(C) lot of money. According to (b) (7)(C) was living at this residence as well. \*It should be noted Peoria PD executed a search warrant at this residence where quantities of marijuana were seized packaged for shipment.\* (See ROI #434). (b) (7)(C) told S/A (b) (7)(C) that on one occasion, (b) (7)(C) tried to kill (b) (7)(C) because he thought (b) (7)(C) had stolen 12 pounds of weed from him and they asked for (b) (7)(C) assistance. They told (b) (7)(C) they wanted him to lure (b) (7)(C) to them and they showed him the trunk of a vehicle wrapped in plastic where they were going to torture and kill him. (b) (7)(C) stated (b) (7)(C) also discussed killing (b) (7)(C) because he believed (b) (7)(C) was involved in his arrest. According to (b) (7)(C) purchased the weed from an undercover officer. (b) (7)(C) provided (b) (7)(C) with a quantity of weed to reimburse what was lost so (b) (7)(C) would not kill (b) (7)(C) traded his truck for the weed in the hopes he could buy his truck back but never received any money from (b) (7)(C) told S/A (b) (7)(C) that (b) (7)(C) was getting his narcotics from (b) (7)(C) (b) (7)(C) who is in Mexico and needed someone to distribute the drugs in the United States.

34. ATF S/A (b) (7)(C) then asked (b) (7)(C) if he ever provided (b) (7)(C) narcotics on behalf of (b) (7)(C) stated that on one occasion when (b) (7)(C) had purchased approximately 200 pounds from (b) (7)(C) Because (b) (7)(C) could only ship the marijuana in small quantities, (b) (7)(C) (b) (7)(C) asked (b) (7)(C) to hold onto 50 pounds of the marijuana at his house until he could get it shipped out. (b) (7)(C) stated the day (b) (7)(C) came and took the 50 pounds from him he was arrested, see ROI #366. In addition, (b) (7)(C) stated he lost a load of a couple hundred pounds to (b) (7)(C) from (b) (7)(C) from Tucson, AZ as well as others. (b) (7)(C) stated (b) (7)(C) received the weed from (b) (7)(C) and left town. (b) (7)(C) eventually was forced to give his boat and (b) (7)(C) to the subjects he owed money to. (b) (7)(C) stated (b) (7)(C) stored the drugs at his (b) (7)(C) who works at (b) (7)(C) aid (b) (7)(C) is (b) (7)(C) (b) (7)(C)

35. In addition to the information provided above regarding the subjects he identified in the photographic lineups (b) (7)(C) stated he knew of additional subjects who were distributing large quantities of narcotics. Included in these people was a subject he called (b) (7)(C) According to (b) (7)(C) (b) (7)(C) sold quantities of cocaine and weed along with (b) (7)(C) and (b) (7)(C) stated (b) (7)(C) resides at a residence in the area of (b) (7)(C) (b) (7)(C) told S/A (b) (7)(C) had been kidnapped but stated they kidnapers thought (b) (7)(C) the kidnapers were actually targeting (b) (7)(C) also said (b) (7)(C) was purchasing firearms from him as well and that he purchased one kilogram of cocaine and at time and "slings" the dope to his customers himself at Phoenix area locations. According to (b) (7)(C) stored the narcotics at his house and dealt with both (b) (7)(C) (b) (7)(C) stated (b) (7)(C) (b) (7)(C) where they store thousands of pounds of weed in the back of the facility near their can business, (see ROI #368). (b) (7)(C) stated he was at the facility yesterday when they brought in 2000 pounds but that it would be gone by tomorrow for distribution.

36. S/A (b) (7)(C) asked (b) (7)(C) about any shooting incidents he had knowledge of. (b) (7)(C) (b) (7)(C) stated (b) (7)(C) was involved in a shooting the same day (b) (7)(C) firearms were seized

by law enforcement. (b) (7)(C), (b) (7)(E)

(b) (7)(C), (b) (7)(E)

37. S/A (b) (7)(C) asked (b) (7)(C) about the events that occurred in August 2010. According to (b) (7)(C) two vehicles pulled up near his residence. (b) (7)(C) (b) (7)(C) all came outside armed. According to (b) (7)(C) they believed the subjects were shooting at them and began shooting at the vehicles.

38. Finally, (b) (7)(C) told S/A (b) (7)(C) that prior to his arrest, he had received information from (b) (7)(C) (b) (7)(C) and (b) (7)(C) that they had been contacted by ATF.

39. Due to an equipment malfunction the last 20 minutes of the interview are not recorded. The interview was concluded at approximately 0145 hours.

**ATTACHMENTS:**

ATF Form 3200.4

United States Marshals Report

Copies of Photographic lineups

**From:** (b) (7)(C)  
**Sent:** Thursday, April 21, 2011 7:19 PM  
**To:** (b) (7)(C)  
**CC:** Brandon, Thomas E.  
**Subject:** April 21, 2011 - Current Status of Data Extraction for the Phoenix Field Division

(b) (7)(C)

Each employee in the Phoenix Field Division, with two exceptions, has now completed the data extraction process. (b) (7)(C) ATF HP Enterprise Services 919-424-9333 ext (b) (7)(C) office (b) (7)(C) advised me today that all but Academy student (b) (7)(C) (previously cleared by you) and new RAC (b) (7)(C) are complete. I spoke with (b) (7)(C) bday who advised his computer has been down and is currently in the possession of Decision One to replace his hard drive and board. (b) (7)(C) only arrived in our division, on March 13, 2011. He advised he has not been involved in any of our cases yet. Perhaps, he can be excluded from this requirement? Please let me know if you approve or if you would like to continue until (b) (7)(C) can get up and running to work on the extraction? Kindly, advise (b) (7)(C) of your answer, as well.

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

(b) (7)(C)  
(b) (7)(C)

\*\*\*\*\*

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**From:** (b) (7)(C)  
**Sent:** Thursday, April 21, 2011 12:13 PM  
**To:** (b) (7)(C)  
**Subject:** RE: E-mail recovery related to the OIG and House

I do not have a (b) (7)(C) I see no familiar names.

\*\*\*\*\*

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**From:** (b) (7)(C)  
**Sent:** Wednesday, April 13, 2011 8:24 PM  
**To:** Durham, Phillip M.; Barrera, Hugo J.; Gant, Gregory K.; Stoop, Theresa R.; Thomas, Guy N.; Graham, Zebedee T.; Browning, Robert J.; Richardson, Marvin G.; Webb, J. Dewey; Gleysteen, Mike P.; Brandon, Thomas E.; Torres, John A.; Vido, Paul J.; Turk, Ronald B.; Horace, Matthew W.; Potter, Mark W.; Herkins, Stephen C.; Crenshaw, Kelvin N.; O'Brien, Virginia T.  
**Cc:** (b) (7)(C)  
**Subject:** Re: E-mail recovery related to the OIG and House

I apologize to all for the disconnect in the list. please look it over for any of your subordinates. If you find any please have them connect to the network. We'll try for an accurate list in the morning.

(b) (7)(C)  
Acting Chief of Staff  
ATF Office of the Director  
O: 202-648-(b) (7)(C)  
C: (b) (7)(C)

\*\*\*\*\*

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**From:** Durham, Phillip M.  
**To:** Barrera, Hugo J.; (b) (7)(C); Gant, Gregory K.; Stoop, Theresa R.; Thomas, Guy N.; Graham, Zebedee T.; Browning, Robert J.; Richardson, Marvin G.; Webb, J. Dewey; Gleysteen, Mike P.; Brandon, Thomas E.; Torres, John A.; Vido, Paul J.; Turk, Ronald B.; Horace, Matthew W.; Potter, Mark W.; Herkins, Stephen C.; Crenshaw, Kelvin N.; O'Brien, Virginia T.  
**Cc:** (b) (7)(C)  
**Sent:** Wed Apr 13 20:19:41 2011  
**Subject:** Re: E-mail recovery related to the OIG and House

My folks are messed up also. I don't recognize some of the names under New Orleans

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this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or the Department of Justice without express authorization is strictly prohibited.

**From:** Barrera, Hugo J.  
**To:** (b) (7)(C) Gant, Gregory K.; Stoop, Theresa R.; Thomas, Guy N.; Graham, Zebedee T.; Browning, Robert J.; Richardson, Marvin G.; Webb, J. Dewey; Gleysteen, Mike P.; Brandon, Thomas E.; Torres, John A.; Vido, Paul J.; Durham, Phillip M.; Turk, Ronald B.; Horace, Matthew W.; Potter, Mark W.; Herkins, Stephen C.; Crenshaw, Kelvin N.; O'Brien, Virginia T.  
**Cc:** (b) (7)(C)  
**Sent:** Wed Apr 13 20:17:14 2011  
**Subject:** Re: E-mail recovery related to the OIG and House

(b) (7)(C)  
(b) (7)(C) is not in the Miami Field Division.  
I did find his name in Outlook, as an Investigator in the Houston Field Division.  
Regards,  
Hugo

Hugo J. Barrera  
Special Agent in Charge  
Miami Field Division  
Bureau of Alcohol, Tobacco, Firearms, and Explosives  
(305) 597-4800

(b) (7)(C)

"We sleep safely in our beds because rough men stand ready in the night to visit violence on those who would harm us."  
George Orwell

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**From:** (b) (7)(C)  
**To:** Gant, Gregory K.; Stoop, Theresa R.; Thomas, Guy N.; Graham, Zebedee T.; Browning, Robert J.; Richardson, Marvin G.; Webb, J. Dewey; Gleysteen, Mike P.; Brandon, Thomas E.; Torres, John A.; Vido, Paul J.; Barrera, Hugo J.; Durham, Phillip M.; Turk, Ronald B.; Horace, Matthew W.; Potter, Mark W.; Herkins, Stephen C.; Crenshaw, Kelvin N.; O'Brien, Virginia T.  
**Sent:** Wed Apr 13 17:22:03 2011  
**Subject:** E-mail recovery related to the OIG and House

SACs:

The users listed below (all Phoenix GRIT participants) have not connected to the network to allow for the extraction of their e-mail in response to the OIG and Congress. To be fair, they are likely unaware that we are capturing the e-mails of all GRIT participants. Could each of you please assist us with getting your folks to simply connect their machine(s) to the network and login. The e-mail extraction will occur automatically once they do. Thanks in advance

GRIT  
GRIT  
GRIT  
GRIT

(b) (7)(C)

ATLANTA  
ATLANTA  
BALTIMORE  
BOSTON

Employee 3

GRIT  
GRIT  
GRIT  
GRIT  
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GRIT  
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GRIT  
GRIT  
GRIT  
GRIT

(b) (7)(C)

4365  
BOSTON  
CHARLOTTE  
COLUMBUS  
DENVER  
DENVER  
HOUSTON  
HOUSTON  
HOUSTON  
KANSAS CITY  
KANSAS CITY  
DETROIT  
LOS ANGELES  
LOUISVILLE  
MIAMI

GRIT  
GRIT  
GRIT  
GRIT  
GRIT  
GRIT  
GRIT  
GRIT

(b) (7)(C)

NEW ORLEANS  
NEW ORLEANS  
NEW ORLEANS  
NEW YORK  
NEWARK  
PHILADELPHIA  
PHILADELPHIA  
SAN FRANCISCO

GRIT  
GRIT  
GRIT  
GRIT  
GRIT  
GRIT

(b) (7)(C)

SAN FRANCISCO  
SAN FRANCISCO  
SEATTLE  
SEATTLE  
TAMPA  
TAMPA

(b) (7)(C)

Acting Chief of Staff  
Office of the Director  
O: 202-648-<sup>(b) (7)(C)</sup>  
C: (b) (7)(C)  
HQ Room 5 S 100

\*\*\*\*\*

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**From:** (b) (7)(C)  
**Sent:** Wednesday, April 20, 2011 10:53 PM  
**To:** (b) (7)(C)  
**CC:** Stinnett, Melanie S.; (b) (7)(C)  
**Subject:** RE: NFORCE questions

One more note about the narratives from the event folder: If the user creates an ROI, then the corresponding narrative is locked down and cannot be changed unless the ROI is amended. When we did the first extract of narratives, all but 3 of the most recent narratives had been generated into an ROI at that time. What this means is all the narratives in the Word document will have a different format but still have the exact information in contained in the reported ROI form.

(b) (7)(C)  
202.648 (b) (7)(C) Office  
(b) (7)(C) Mobile

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**From:** (b) (7)(C)  
**Sent:** Wednesday, April 20, 2011 10:27 PM  
**To:** (b) (7)(C)  
**Cc:** Stinnett, Melanie S.; (b) (7)(C)  
**Subject:** Re: NFORCE questions

Thanks (b) (7)(C) Tomorrow I'll see what they need or can work with given your confirmation. I don't like working from "events" folder (except for the word searches) since it's not always a final report. The word search capability would be helpful to them, but if they want signed copies as well, they'll have three versions of each ROI. A list showing corresponding event ID/ROI numbers might be of interest as a crosswalk. I'll let you know.

(b) (7)(C) or I can get with you next week on what INs are of interest.

(b) (7)(C) Division Chief Firearms Operations Division  
202-648 (b) (7)(C) Cell (b) (7)(C)

\*\*\*\*\*

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appropriate approval. Any review, use, or dissemination of this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or the Department of Justice without express authorization is strictly prohibited.

---

**From:** (b) (7)(C)  
**To:** (b) (7)(C)  
**Sent:** Wed Apr 20 21:57:12 2011  
**Subject:** RE: NFORCE questions

See below.

(b) (7)(C)  
202.648 (b) (7)(C) Office  
(b) (7)(C) Mobile

\*\*\*\*\*

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---

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 20, 2011 5:03 PM  
**To:** (b) (7)(C)  
**Subject:** FW: NFORCE questions

Are you working? I am in all week.

See IG's questions highlighted below.

- 1) Am I correct that the attached F&F extract is from narratives in the "Events" folder versus Forms Explorer ROIs, therefore assigned ROI numbers are not included? What you see below was a workaround and took some effort on my part to make this happen. Like I told (b) (7)(C) his was the first time I tried it and it is not perfect. It was meant to quickly allow you to conduct a word search across all narratives in one document. The first number in the series is the record ID number, for example, the 955652 is the record ID number for the first narrative in the event table. This is separate from the ROI number. The ROI number is generated when the event becomes a form and those ROIs are stored in the forms table. I have to check but we should be able to get a list of ROI numbers and corresponding event ID numbers. If so, then matching the ROI number to the event ID number below is a manual effort.
- 2) Can we get a more recent extract performed? Yes, (b) (7)(C) asked for a new run and separate runs for several other cases. I am waiting on him to give me the list of cases so I can do this all at one time.
- 3) As far as the attached ROI, the only way to get that is scanned from field office folder, since we have no other access to forms with the author's and reviewer's signatures/dates. Correct. Absent of an electronic

signature or a copy of the original signature, you still can go to the Forms Explorer and print one report at a time.

Right?

SBU  
ATF  
SEA  
NFORCE  
20110310

(b) (7)(C)

955652  
785115-10-0004  
Initiation of Investigation regarding Suspected Firearms Traffickers  
20091119  
Open  
OTHER (NON-EXPLOSIVE/FIRE)  
i

955652  
Initiation of Investigation regarding Suspected Firearms Traffickers  
20091119

INITIATION OF INVESTIGATION: On or about November 10, 2009, Alcohol, Tobacco, Firearms and Explosives (ATF) Special Agent(s) (S/A) (b) (7)(C) initiated an investigation or (b) (7)(C)

(b) (7)(C) for suspected firearms trafficking. NARRATIVE: On or about November 10, 2009, ATF S/As (b) (7)(C) initiated an investigation into suspected firearms trafficking

(b) (7)(C)

(b) (7)(C) On or about October 31, 2009, ATF (b) (7)(C) reviewed numerous ATF Form 4473s, Firearm Transaction Records from (b) (7)(C)

(b) (7)(C) conducted a query of Arizona Motor Vehicle Department (AZMVD) records. According to these records (b) (7)(C)

(b) (7)(C)

(b) (7)(C)

(b) (7)(C)

(b) (7)(C)  
(b) (7)(C)

955678

785115-10-0004

Multiple firearms purchases by suspected firearms trafficker (b) (7)(C)

20091119

Open

OTHER (NON-EXPLOSIVE/FIRE)

!

955678

Multiple firearms purchases by suspected firearms trafficker (b) (7)(C)

20091119

SUMMARY OF EVENT: Firearms Purchases: On November 9, 2009, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Special Agent (SA) (b) (3) (P.L. 111-117), (b) (7)(C)

(b) (3) (P.L. 111-117), (b) (7)(C)

(b) (3) (P.L. 111-117), (b) (7)(C)

(b) (3) (P.L. 111-117), (b) (7)(C)

(b) (3) (P.L. 111-117), (b) (7)(C)

The investigation is ongoing and

will continue. ATTACHMENTS (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) (7)(C)

Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648 (b) (7)(C) Cell (b) (7)(C)

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\*\*\*\*\*

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---

**From:** (b) (7)(C) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 4:06 PM  
**To:** (b) (7)(C) (OIG); (b) (7)(C) Stinnett, Melanie S.  
**Cc:** (b) (7)(C) (OIG)  
**Subject:** RE: NFORCE questions

(b) (7)(C) here. Perhaps I can clarify the NForce question.

You provided us with an NFORCE extract (See attached "F&F Event Reports Extract from NFORCE as of 201103\_1"). It does not appear that the ROI numbers are included in the extract. If the ROI numbers are included in the NFORCE extract, could you please let us know how we might identify particular ROIs (often one report will reference another and it would be helpful to find the referenced report). Could you please also provide us with an more recent NFORCE extract? (I gather from the title that the above NFORCE extract was run on 3/1/2011.)

We would also like all of the ROIs for F&F in electronic format (see attached "ROI 486" as an example). It may be important for us to identify the author as well as the approving supervisor for particular ROIs. Please let us know if you have them in electronic format (and whether they have been OCR'd, indexed, or otherwise loaded into a Concordance-like database).

Thanks,

(b) (7)(C)

---

**From:** Stinnett, Melanie S. <(b) (7)(C)>  
**To:** (b) (7)(C) (OIG)  
**Cc:** (b) (7)(C) (ATF)  
**Sent:** Wed Apr 20 15:18:33 2011  
**Subject:** NFORCE questions

(b) (7)(C)

While (b) (7)(C) is on leave, he has been reading his e-mails. Here is his response (though he does qualify it with the statement that he is not an NForce guru. Also, he is not sure exactly what you are looking at,



actual NForce or copied forms/data). So here goes:

NForce, which contains a wide variety of data that be useful, contains an "events" folder for each investigation, which is basically a listing of reported investigative events, such as "Surveillance of John Doe on 04/20/11." If you "select" the event from the list, then double click on the big yellow field below the event summary (synopsis caption in report), the report narrative (whether a draft or final version has been prepared) will open up for reading or printing. In this format, the assigned "ROI number" does NOT appear, even if finalized. To see a Report of Investigation (ROI) in final form, you must access Forms Explorer (on top line tool bar) within the specific case, which will display an outline of all forms created by type in folders, including ROIs. When you expand the ROI folder, this list will display all finalized ROIs, including the ROI number, synopsis caption (like mentioned above), who created the form and when it was finalized. Printing from this section takes a little bit longer since it includes the form package and the narrative, but it's best because it's a "final form" document with the ROI number included. Note that review/approval signatures and dates are not included in NForce.

Hopefully this helps. If not, please advise and (b) (7)(C) will get the necessary answers for ask an NForce manager to assist. Also (b) (7)(C) said to feel free to call him anytime this week. His cell number is (b) (7)(C) (assuming he has a cell signal).

Melanie

---

**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 11:16 AM  
**To:** Stinnett, Melanie S.  
**Subject:** RE: potential field activities when you visit Phoenix

Next week will be ok.

Thanks,

(b) (7)(C)

---

**From:** Stinnett, Melanie S. [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 11:14 AM  
**To:** (b) (7)(C) (OIG)  
**Subject:** RE: potential field activities when you visit Phoenix

Not a problem. Thanks for letting me know. Also, I think (b) (7)(C) who you met last week, would be the person who can answer the questions you had on NFORCE. However, he is out this week on leave. If he contacts you early next week is that sufficient, or do you need me to find someone else?

---

**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 11:12 AM  
**To:** Stinnett, Melanie S.  
**Subject:** RE: potential field activities when you visit Phoenix

Melanie,

It would be next week before we could confirm the activities.

(b) (7)(C)

---

**From:** Stinnett, Melanie S. [mailto:(b) (7)(C)]  
**Sent:** Tuesday, April 19, 2011 4:57 PM  
**To:** (b) (7)(C) (OIG); (b) (7)(C) (OIG); (b) (7)(C) (OIG)  
**Cc:** Hoover, William J. (ATF); (b) (7)(C) (ATF)  
**Subject:** potential field activities when you visit Phoenix

**(b) (7)(C)**

I wanted to suggest some activities that might be useful for you when you make your visits to the Phoenix Field Division. ATF is willing to arrange the activities below if you are interested:

- HIDTA Briefing
- Helicopter ride along the border (with CBP). The ride will be along the western part of the Southwest Border between the US and Mexico and will include the area over Nogales and the Tohono O'dham Indian Reservation
- Visit to a local gun show, with an ATF agent escorting you through the gun show.
- Visit to a major federal firearms licensee (not related to the Fast and Furious investigation)

Let me know if you are interested in any or all of the above so that we can coordinate. We will need notice of at least a week before you plan to visit the field division.

Melanie

**From:** (b) (7)(C)  
**Sent:** Wednesday, April 20, 2011 10:30 PM  
**To:** (b) (7)(C)  
**Subject:** Fw: NFORCE questions  
**Attachments:** ROI 486.pdf; F&F Event Reports Extract from NFORCE as of 201103\_1.docx

Fyi

(b) (7)(C) Division Chief Firearms Operations Division  
202-648-(b) (7)(C) Cell (b) (7)(C)

\*\*\*\*\*

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---

**From:** (b) (7)(C) (OIG)  
**To:** (b) (7)(C) (DIG); (b) (7)(C) Stinnett, Melanie S.  
**Cc:** (b) (7)(C) (OIG)  
**Sent:** Wed Apr 20 16:06:10 2011  
**Subject:** RE: NFORCE questions

(b) (7)(C) Perhaps I can clarify the NForce question.

You provided us with an NFORCE extract (See attached "F&F Event Reports Extract from NFORCE as of 201103\_1"). It does not appear that the ROI numbers are included in the extract. If the ROI numbers are included in the NFORCE extract, could you please let us know how we might identify particular ROIs (often one report will reference another and it would be helpful to find the referenced report). Could you please also provide us with an more recent NFORCE extract? (I gather from the title that the above NFORCE extract was run on 3/1/2011.)

We would also like all of the ROIs for F&F in electronic format (see attached "ROI 486" as an example). It may be important for us to identify the author as well as the approving supervisor for particular ROIs. Please let us know if you have them in electronic format (and whether they have been OCR'd, indexed, or otherwise loaded into a Concordance-like database).

Thanks,

(b) (7)(C)

---

**From:** Stinnett, Melanie S. (b) (7)(C)  
**To:** (b) (7)(C) (OIG)  
**Cc:** (b) (7)(C) (ATF)  
**Sent:** Wed Apr 20 15:18:33 2011  
**Subject:** NFORCE questions

Jeff:

While (b) (7)(C) is on leave, he has been reading his e-mails. Here is his response (though he does qualify it with the statement that he is not an NForce guru. Also, he is not sure exactly what you are looking at, actual NForce or copied forms/data). So here goes:

NForce, which contains a wide variety of data that be useful, contains an "events" folder for each investigation, which is basically a listing of reported investigative events, such as "Surveillance of John Doe on 04/20/11." If you "select" the event from the list, then double click on the big yellow field below the event summary (synopsis caption in report), the report narrative (whether a draft or final version has been prepared) will open up for reading or printing. In this format, the assigned "ROI number" does NOT appear, even if finalized. To see a Report of Investigation (ROI) in final form, you must access Forms Explorer (on top line tool bar) within the specific case, which will display an outline of all forms created by type in folders, including ROIs. When you expand the ROI folder, this list will display all finalized ROIs, including the ROI number, synopsis caption (like mentioned above), who created the form and when it was finalized. Printing from this section takes a little bit longer since it includes the form package and the narrative, but it's best because it's a "final form" document with the ROI number included. Note that review/approval signatures and dates are not included in NForce.

Hopefully this helps. If not, please advise and (b) (7)(C) will get the necessary answers for ask an NForce manager to assist. Also (b) (7)(C) said to feel free to call him anytime this week. His cell number is (b) (7)(C) (assuming he has a cell signal).

Melanie

---

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**Sent:** Wednesday, April 20, 2011 11:16 AM  
**To:** Stinnett, Melanie S.  
**Subject:** RE: potential field activities when you visit Phoenix

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Thanks,

(b) (7)(C)

---

**From:** Stinnett, Melanie S. [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 11:14 AM  
**To:** (b) (7)(C) (OIG)  
**Subject:** RE: potential field activities when you visit Phoenix

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---

**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 11:12 AM  
**To:** Stinnett, Melanie S.  
**Subject:** RE: potential field activities when you visit Phoenix

Melanie,

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(b) (7)(C)

---

**From:** Stinnett, Melanie S. [mailto:(b) (7)(C)]  
**Sent:** Tuesday, April 19, 2011 4:57 PM  
**To:** (b) (7)(C) (OIG); (b) (7)(C) (OIG); (b) (7)(C) (OIG)  
**Cc:** Hoover, William J. (ATF); (b) (7)(C) (ATF)  
**Subject:** potential field activities when you visit Phoenix

(b) (7)(C)

I wanted to suggest some activities that might be useful for you when you make your visits to the Phoenix Field Division. ATF is willing to arrange the activities below if you are interested:

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- Helicopter ride along the border (with CBP). The ride will be along the western part of the Southwest Border between the US and Mexico and will include the area over Nogales and the Tohono O'dham Indian Reservation
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- Visit to a major federal firearms licensee (not related to the Fast and Furious investigation)

Let me know if you are interested in any or all of the above so that we can coordinate. We will need notice of at least a week before you plan to visit the field division.

Melanie

**From:** (b) (7)(C) (OIG) (b) (7)(C)  
**Sent:** Wednesday, April 20, 2011 3:48 PM  
**To:** (b) (7)(C)  
**CC:** Stinnett, Melanie S.; Holgate, Rick; (b) (7)(C) Serres, Greg  
**Subject:** RE: ATF input

Will do.

I have an interview in the morning, but it should be over by about 12:30 or 1:00. I'll give you a call then and let you know I'm on my way (+/- 20 minutes travel time).

Thanks,

(b) (7)(C)

---

**From:** (b) (7)(C) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 3:45 PM  
**To:** (b) (7)(C) (OIG)  
**Cc:** Stinnett, Melanie S. (ATF); Holgate, Rick (ATF) (b) (7)(C) (ATF); Serres, Greg (ATF)  
**Subject:** RE: ATF input

(b) (7)(C)

Come see me. My office is 6N553. My cell is (b) (7)(C)

See you tomorrow.

(b) (7)(C)

(b) (7)(C)

ATF, ITSMD  
202-648-(b) (7)(C)  
(b) (7)(C)

-----Original Message-----

**From:** (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 02:36 PM Eastern Standard Time  
**To:** (b) (7)(C)  
**Cc:** Stinnett, Melanie S.; Holgate, Rick; (b) (7)(C) Serres, Greg  
**Subject:** RE: ATF input

That's good news.

It's no problem for me to pick up the drive tomorrow afternoon. If you give me a room number and a good time to come over, I'll see you then.

Thanks,

(b) (7)(C)

From: (b) (7)(C) [mailto:(b) (7)(C)]  
Sent: Wednesday, April 20, 2011 11:44 AM  
To: (b) (7)(C) (OIG)  
Cc: Stinnett, Melanie S. (ATF); Holgate, Rick (ATF) (b) (7)(C) (ATF); Serres, Greg (ATF)  
Subject: ATF input

(b) (7)(C)

ATF will have our initial input in response to the OIG letter of 8 April 2011, "Request for E-mail Communications Related to an Office of the Inspector General Review of Certain Firearms Trafficking Investigations" ready for delivery tomorrow morning.

I estimate that this initial response will have in excess of 80% of the data requested. We have pulled PSTs from each users local machines and network shares and are also working in the data center to restore from backup tapes, all available emails going back to October 2009. The collection of the PSTs is over 95% complete, and we are working diligently on the tape restores which take more time and are over 85% complete for the past year and about 60% complete back to October 2009. We will of course provide the remaining data once the restores are completed in approximately 2 weeks. Regretfully, as we go farther back in time, we get to older tapes running on older equipment that just takes longer to complete.

Logistically, we are putting this data onto an external encrypted hard drive. This drive has a USB token attached to it that contains the encryption master key. During transport, we will remove the key and convey it separately. Would you like me to have the drive delivered to you, or would you prefer to have someone come to ATF and pick it up?

Thank you.

(b) (7)(C)

(b) (7)(C)

Deputy Chief

IT Systems Management Division

Office of Science and Technology

Bureau of Alcohol, Tobacco, Firearms & Explosives

Room 6N553

99 New York Ave, NE

Washington, DC 20226

Employee 3  
202-648-<sup>(b) (7)(C)</sup>(office)

4382

<sup>(b) (7)(C)</sup>(cell)

\*\*\*\*\*

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---

How am I doing? We'd appreciate your feedback. Please send an email to ISD\_Support with comments or suggestions.

<sup>(b) (7)(C)</sup>  
ATF, ITSMD  
202-648-<sup>(b) (7)(C)</sup>  
<sup>(b) (7)(C)</sup>



From: (b) (7)(C)  
Sent: Wednesday, April 20, 2011 3:44:55 PM  
To: (b) (7)(C) (OIG)  
CC: Stinnett, Melanie S.; Holgate, Rick; (b) (7)(C)  
(b) (7)(C) Serres, Greg  
Subject: RE: ATF input

(b) (7)(C)

Come see me. My office is 6N553. My cell is (b) (7)(C)

See you tomorrow.

(b) (7)(C)

(b) (7)(C)

ATF, ITSMD  
202-648-(b) (7)(C)  
(b) (7)(C)

\*\*\*\*\*

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-----Original Message-----

From: (b) (7)(C) (OIG) [mailto:(b) (7)(C)]  
Sent: Wednesday, April 20, 2011 02:36 PM Eastern Standard Time  
To: (b) (7)(C)  
Cc: Stinnett, Melanie S.; Holgate, Rick; (b) (7)(C)  
(b) (7)(C) Serres, Greg  
Subject: RE: ATF input

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Thanks,

(b) (7)(C)

From: (b) (7)(C) [mailto:(b) (7)(C)]  
Sent: Wednesday, April 20, 2011 11:44 AM  
To: (b) (7)(C) (OIG)  
Cc: Stinnett, Melanie S. (ATF); Holgate, Rick (ATF); (b) (7)(C)  
(b) (7)(C); Serres, Greg (ATF)  
Subject: ATF input

(b) (7)(C)

ATF will have our initial input in response to the OIG letter of 8 April 2011, "Request for E-mail Communications Related to an Office of the Inspector General Review of Certain Firearms Trafficking Investigations" ready for delivery tomorrow morning.

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Thank you.

(b) (7)(C)

(b) (7)(C)

Deputy Chief

IT Systems Management Division

Office of Science and Technology

Bureau of Alcohol, Tobacco, Firearms & Explosives

Room 6N553

99 New York Ave, NE

Washington, DC 20226

202-648-(b) (7)(C) (office)

(b) (7)(C) (cell)

\*\*\*\*\*

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---

How am I doing? We'd appreciate your feedback. Please send an email to ISD\_Support with comments or suggestions.

(b) (7)(C)  
ATF, ITSMD  
202-648-(b) (7)(C)  
(b) (7)(C)

**From:** (b) (7)(C) (OIG) (b) (7)(C)  
**Sent:** Wednesday, April 20, 2011 2:33 PM  
**To:** (b) (7)(C)  
**CC:** Stinnett, Melanie S.; Holgate, Rick; (b) (7)(C) Serres, Greg  
**Subject:** RE: ATF input

That's good news.

It's no problem for me to pick up the drive tomorrow afternoon. If you give me a room number and a good time to come over, I'll see you then.

Thanks,

(b) (7)(C)

---

**From:** (b) (7)(C) [mailto:(b) (7)(C)]  
**Sent:** Wednesday, April 20, 2011 11:44 AM  
**To:** (b) (7)(C) (OIG)  
**Cc:** Stinnett, Melanie S. (ATF); Holgate, Rick (ATF); (b) (7)(C) ATF); Serres, Greg (ATF)  
**Subject:** ATF input

(b) (7)(C)

ATF will have our initial input in response to the OIG letter of 8 April 2011, "Request for E-mail Communications Related to an Office of the Inspector General Review of Certain Firearms Trafficking Investigations" ready for delivery tomorrow morning.

I estimate that this initial response will have in excess of 80% of the data requested. We have pulled PSTs from each users local machines and network shares and are also working in the data center to restore from backup tapes, all available emails going back to October 2009. The collection of the PSTs is over 95% complete, and we are working diligently on the tape restores which take more time and are over 85% complete for the past year and about 60% complete back to October 2009. We will of course provide the remaining data once the restores are completed in approximately 2 weeks. Regretfully, as we go farther back in time, we get to older tapes running on older equipment that just takes longer to complete.

Logistically, we are putting this data onto an external encrypted hard drive. This drive has a USB token attached to it that contains the encryption master key. During transport, we will remove the key and convey it separately. Would you like me to have the drive delivered to you, or would you prefer to have someone come to ATF and pick it up?

Thank you.

(b) (7)(C)

(b) (7)(C)

Employee 3

4387

Deputy Chief

IT Systems Management Division

Office of Science and Technology

Bureau of Alcohol, Tobacco, Firearms & Explosives

Room 6N553

99 New York Ave, NE

Washington, DC 20226

202-648-(b) (7)(C) office)

(b) (7)(C) (cell)

\*\*\*\*\*

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How am I doing? We'd appreciate your feedback. Please send an email to [ISD\\_Support](mailto:ISD_Support) with comments or suggestions.

(b) (7)(C)  
ATF, ITSMD  
202-648-(b) (7)(C)  
(b) (7)(C)

From: (b) (7)(C)  
Sent: Wednesday, April 20, 2011 11:43:53 AM  
To: (b) (7)(C) (OIG)  
CC: Stinnett, Melanie S.; Holgate, Rick; (b) (7)(C)  
(b) (7)(C), Serres, Greg  
Subject: ATF input

(b) (7)(C)

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(b) (7)(C)

ATF, ITSMD

202-648-(b) (7)(C)

(b) (7)(C)

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**PRESERVATION DIRECTIVE FOR RECORDS  
RELATED TO ATF OPERATION FAST AND FURIOUS**

This is in reference to the Office of the Inspector General's review of ATF's firearms trafficking investigation known as Operation Fast and Furious. The requirements of this preservation directive are *in addition* to the requirements of Assistant Director Stinnett's request for documents and information.

Pursuant to ATF Order 1340.4, **please identify and preserve any relevant documents and materials within your custody which may be relevant to this matter.** Relevant documents and materials include all records and evidence, **including electronic files and email**, relating in any way to Operation Fast and Furious. This requires a search of relevant documents and materials under your control and/or maintained by the Phoenix Field Division or ATF Headquarters that may include, but are not limited to, the following: Reports, any formal and informal documents (*e.g.*, memoranda, hand written notes), correspondence, telephone log entries, e-mail, word processing documents, internet usage files, systems manuals, and network access information. In addition, please identify and preserve all property (*i.e.*, firearms and ammunition) in ATF custody relating to the firearms trafficking investigation.

Please note that relevant documents and materials may include not only hard-copy documents, but all electronically-stored information ("ESI") created, received, and/or maintained by ATF on computer systems and elsewhere. Sources of information may include hard-copy files, computer hard drives, removable media (*e.g.* CDs, DVDs), laptop computers, PDAs, BlackBerry devices, telephones and pagers. All ESI should be preserved in its originally-created or "native" format. Please keep in mind that this is not an exhaustive list of date types or sources.

**At this time, please –**

- **Identify and preserve all documents and materials which may be relevant to Operation Fast and Furious. The relevant time period would begin October 1, 2009 until the present.**

If you have any documents or materials that fall within this directive, please place the hard copies in a separate file marked "PRESERVATION OF DOCUMENTS FOR OPERATION FAST AND FURIOUS." Retain the file in a place where you can readily locate it upon request. E-mails should be retained in a PRESERVATION folder on Outlook, and Word and other documents in electronic format (*e.g.*, PowerPoint, Excel, Adobe Acrobat) should be identified and moved to a separate PRESERVATION folder in your personal library.

- **Assign a point of contact (POC) from the following in order to coordinate the preservation of relevant documents and materials:**
  - **Phoenix Field Division**
  - **Office of the Director**

- **Office of Field Operations**
- **Office of Enforcement Programs and Services**
- **Office of Public and Governmental Affairs**
- **Office of Strategic Intelligence and Information**
- **Office of Professional Responsibility and Security Operations**
- **Office of Management**
- **Office of Science and Technology**
- **Office of Professional Responsibility and Security Operations**
- **Office of Chief Counsel**
- **Office of Training and Professional Development**

**Please provide the POC's name to Assistant Director Melanie Stinnett by COB on Friday April 1, 2011.**

The POC is to ensure that all persons who may have information or a need to know about this directive are appropriately notified and instructed on their responsibility in a timely fashion. Also, the POC has the responsibility to notify Assistant Director Stinnett if (1) any additional ESI related to this investigation is discovered; (2) personnel involved in this directive are leaving the division, office, directorate or ATF; (3) the division, office or directorate will perform imminent data destruction; (4) the directorate will replace or discard equipment preserving ESI in this matter.

Of particular importance will be ensuring that no ESI is erased through routine destruction. If any ESI relating to Operation Fast and Furious has been purged as a result of routine destruction (*i.e.*, the aging process, separation from employment, etc) please, to the extent possible, find the dates of such purge and the information which would have been subject to destruction.

Please note that the failure to comply with this directive and/or the failure to maintain records, documents and information could negatively impact the Bureau, therefore please err on the side of retaining documents and information. Employees who fail to comply with their duties as outlined above will be subject to disciplinary action up to and including removal. Please note that this directive is in effect until you are notified that the hold has been terminated.

Thank you for your attention to this matter. If you have any questions concerning this directive, please contact Assistant Director Melanie Stinnett.

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**From:** Needles, James R.  
**Sent:** Friday, April 01, 2011, 10:22 AM  
**To:** (b) (7)(C)  
**Subject:** FW: 785115-10-0020 Isaias Fernandez

FYI

\*\*\*\*\*

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**From:** (b) (7)(C)  
**Sent:** Thursday, March 31, 2011 2:01 PM  
**To:** Needles, James R.  
**Subject:** FW: 785115-10-0020 Isaias Fernandez

\*\*\*\*\*

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**From:** (b) (7)(C)  
**Sent:** Monday, May 24, 2010 2:13 PM  
**To:** (b) (7)(C)  
**Subject:** RE: 785115-10-0020 Isaias Fernandez

(b) (7)(C)

I too believe this to be a great case with a tremendous amount of potential. Although we have discussed much of this, I wanted to take the time to ensure that it was all addressed.

I apologize for the NFORCE issues. Unfortunately, I allowed the quick pace at which the investigation took off, compiled with the hurdles of often having GRIT members utilizing my station, to leave me playing catch-up. Again, my apologies and trust that I will do all that I can to prevent it from happening again. In such an attempt, now that direct contact has been made between DP

DP

DP

“an AUSA won't be able to approve of letting firearms "walk" in furtherance of your investigation without first briefing the US Attorney and Criminal Chief.”

I appreciate your help and guidance on this,

(b) (7)(C)

(b) (7)(C) Special Agent / ATF - Phoenix Group VII  
3010 N 2nd ST, Suite #301  
Phoenix, AZ 85012

T: (b) (7)(C) Fax: (602) 605-6500 / c: (b) (7)(C)

(b) (7)(C)

---

From: (b) (7)(C)

Sent: Wednesday, May 19, 2010 3:47 PM

To: (b) (7)(C)

Subject: 785115-10-0020 Isaias Fernandez

(b) (7)(C)

First let me say that this is great case and worthy of your investigative efforts. However, at your earliest convenience we need to speak regarding this case. In reviewing the case in N-Force there are several concerns I have. Additionally, I note that there are several well written reports that have not been generated. Please generate, print, sign, and turn into me these reports ASAP. Also I note there is a audio recording that was made, yet under “Property in ATF Custody” there is nothing listed. Which brings up the “Electronic Surveillance” issue. Please see the below cut-n-pasted order regarding approval/notification and entry of Electronic Surveillance.

ELECTRONIC SURVEILLANCE. The Electronic Surveillance folder keeps a record of each subject monitored during an ATF investigation. This critical information is used not only for investigative purposes, but also so that ATF can respond to Freedom of Information Act (FOIA) requests as required by law. Multiple surveillance subjects can be entered into one Electronic Surveillance Event using the relationship tab feature. Identify the primary subject of the intercept and then choose additional subjects from the Persons folder to relate to the event as a person under surveillance.

- a. The ATF approval authority for consensual monitoring is delegated to the respective RAC/GS. The approval may be made verbally and remains in effect for the life of the investigation. RAC/GS approval of electronic surveillance must be noted in the Management Log and should be entered by the supervisor.
- b. Notification of consensual monitoring should be made to the United States (U.S.) Attorney's Office for the Federal judicial district having jurisdiction over the investigation prior to monitoring

any subject. The notification may be made verbally and remains in effect for the life of the investigation.

- c. Non-consensual monitoring shall be handled in accordance with ATF orders and Federal laws governing such conduct. Non-consensual monitoring is also required to be reported in the Electronic Surveillance folder.
- d. The RAC/GS shall ensure that all electronic interceptions are entered into N-Force within 5 business days. An ROI is also required to document the event in which the electronic monitoring occurred. All tapes, disks, or other media used to monitor the surveillance shall be entered as Electronic Intercept property into the Property in ATF Custody folder.

I appreciate your efforts on this case but we need to comply with the ATF Orders and Regulations as well. ATF Orders; 3530.2 Electronic Surveillance, 3400.1B Property Taken into Bureau Custody, 3111.1 Use of N-Force, and 3270.10C Law Enforcement Investigative Reports.

**(b) (7)(C)**

Group Supervisor  
Phoenix Group VII

**(b) (7)(C)**



**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

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

**Case Background**

The Phoenix Group VII Field Office is leading an investigation entitled "Operation Fast & Furious" in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through "straw" purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

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

Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of 42 individuals in this investigation. (b) (5), (b) (7)(A)

(b) (5), (b) (7)(A)

On December 3<sup>rd</sup> SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

**List of Defendants Referred to USAO for Prosecution:**

**(b) (5), (b) (7)(C)**



**Proposed Charges:**

1. (b) (5)
2. (b) (5)
3. (b) (5)
4. (b) (5)
5. (b) (5)
6. (b) (5)
7. (b) (5)
8. (b) (5)
9. (b) (5)
10. (b) (5)
11. (b) (5)
12. (b) (5)
13. (b) (5)
14. (b) (5)
15. (b) (5)

**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

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

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

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**List of Defendants Referred to USAO for Prosecution:**

(b) (5), (b) (7)(C)

**(b) (5), (b) (7)(C)**

Proposed Charges:

1. **(b) (5)**
2. **(b) (5)**
3. **(b) (5)**
4. **(b) (5)**
5. **(b) (5)**
6. **(b) (5)**
7. **(b) (5)**
8. **(b) (5)**
9. **(b) (5)**
10. **(b) (5)**
11. **(b) (5)**

12 (b) (5) [Redacted]

13 (b) (5) [Redacted]

14 (b) (5) [Redacted]

15 (b) (5) [Redacted]



**Briefing Paper**

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast &amp; 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, Manuel Osorio Arellances DOB: 8-4-76, was shot in the exchange of gunfire and is believed to be the individual who shot and killed Agent Terry but that has not been confirmed. A fifth suspect is still believed to be at large

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which 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) (P.L. 111-117), (b) (7)(C)**

**(b) (3) (P.L. 111-117), (b) (7)(C)**

Sensitive But Unclassified -- For Official Use Only

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located (b) (7)(C) and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, (b) (7)(C)

(b) (7)(C)

(b) (7)(C)

This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

(b) (7)(C) was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).

Sensitive But Unclassified -- For Official Use Only

Phoenix Press Conference Key Messages and Talking Points:  
(Some will be specific to Fast and Furious and some will address all the cases)

**Key Messages:**

Since the second GRIT initiative ended in August, 2009 the Phoenix Field Division has continued to proactively address firearms trafficking to Mexico in support of ATF's Project Gun Runner

These investigations demonstrate the commitment on the part of ATF and its Federal, State, Local, Tribal and International partners to address the criminal activity involved in the trafficking of firearms to Mexico

These investigations address the key goals of ATF's Southwest border firearms trafficking strategy which are:

- Prevent violent crime
- Ensure the safety of the communities situated along the Southwest Border
- Disrupt and dismantle the firearms trafficking networks responsible for the diversion of firearms from lawful commerce and into the hands of the Mexican Drug Trafficking Organizations (DTOs)

These investigations all involved tireless effort on the part of ATF employees using a wide variety of investigative methods to fully identify those responsible for trafficking firearms to Mexico

ATF's firearms tracing system, eTrace, played a key role in assisting in identifying the individuals involved in violating Federal firearms laws in these investigations

In all of these cases a large number of certain types of rifles, such as AR and AK variants with detachable magazines were purchased by straw purchasers as part of complex firearms trafficking organizations and then recovered in violent crimes in Mexico, according to ATF trace data, investigative experience, and Mexican law enforcement official reports

Substantiates the fact that Mexican DTOs and other associated criminal groups operating along the SWB are actively pursuing "weapons of choice" in U.S. commercial firearms market

These cases demonstrate the ongoing trafficking of firearms by Mexican DTOs and other associated groups operating in Arizona and the need for the reporting of multiple sales for certain types of rifles in order to ferret out those intent on providing firearms to these criminal groups

**Talking Points:**

(Using the “Ws” method – you can change if you desire)

**What:**

- Proactive investigations focused on eliminating the entire firearms trafficking network, not just the straw purchasers
- ATF led firearms trafficking investigations into several firearms trafficking networks based in metro Phoenix
- Some initiated as early as October, 2009
- OCDETF Strike Force effort.
- Multi-agency (ICE, IRS, DEA, Phoenix PD)
- Almost exclusively "weapons of choice" which we have openly discussed many times before
- Alleged violations of Federal firearms laws by individuals involved in the illegal acquisition and transfer of firearms, money laundering, etc (the USAO will cover specific charges per case in more detail). Thus we should only state what is in the indictment when it comes to numbers of firearms. The indictment for Fast and Furious will not have the total number of firearms trafficked. Note: We have seized 352 firearms here in the U.S. in our effort to stop the trafficking while still making the larger case, and about 250 have been seized in Mexico. We will update the numbers again next week.

**Who:**

- Metro Phoenix area based complex firearms trafficking organizations

For Fast and Furious:

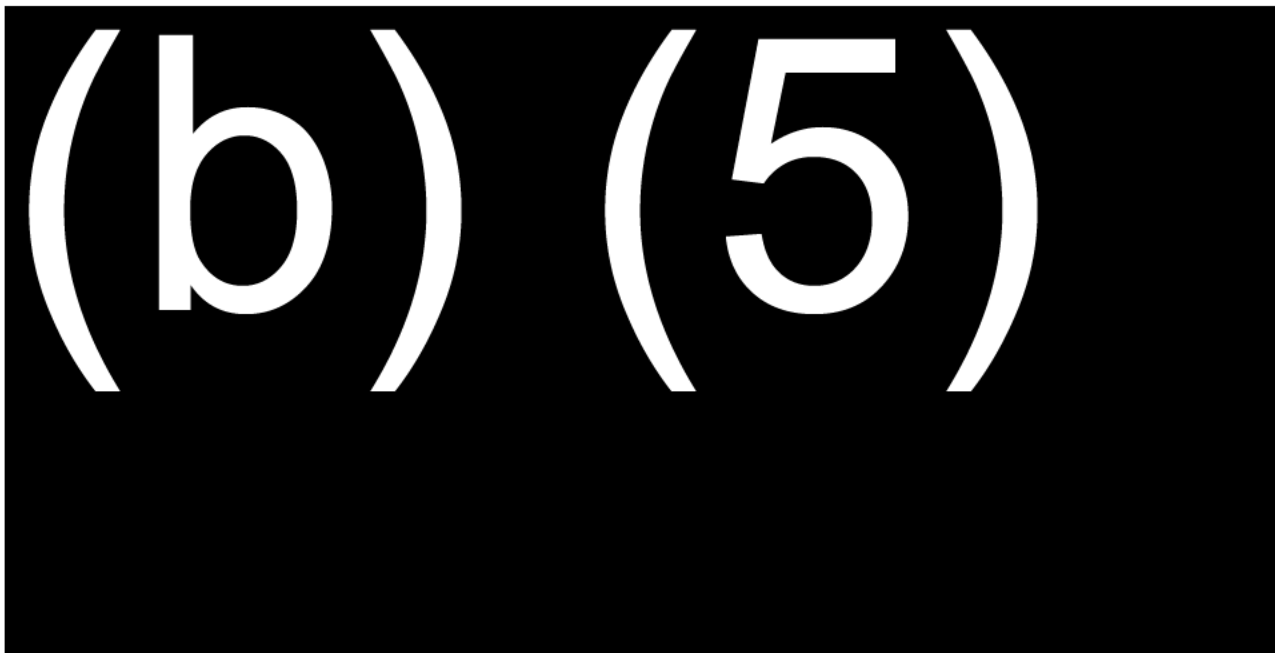
- (b) (7)(C)
- Firearms primarily destined for Sinaloa DTO (based on traces, seizures in Mexico and other investigative data gathered during investigations)
- A large group of straw purchasers (b) (7)(C) were used extensively to spread out purchases and evade detection (another time to address Multiple Sale on Long Guns issue)

**How:**

- Trafficking organizations used a large number of straw purchasers to spread out sales
- Shows straw purchases and the use of straw purchasers is still a major issue (lack of criminal history, need money, unlimited resource, etc)
- Firearms were purchased at numerous FFLs in the metro area

- Firearms were trafficked to Mexico in a variety of ways but mainly in small loads using vehicles crossing into Mexico via POEs

**For Internal ATF Use Only:**





Office of the Deputy Attorney General


The Deputy Attorney General

Washington, D.C. 20530

January 7, 2010

MEMORANDUM FOR HEADS OF DEPARTMENT COMPONENTS  
ALL UNITED STATES ATTORNEYS

FROM:

David W. Ogden   
Deputy Attorney General

SUBJECT:

Strategy for Combating the Mexican Cartels

I am pleased to provide you with a copy of the Department of Justice Strategy for Combating the Mexican Cartels (the "Cartel Strategy"), which was approved by the Attorney General earlier this week.

The Cartel Strategy is a product of the Department's Southwest Border Strategy Group, which I chair, and which has been meeting for the last several months. The Strategy Group is vice-chaired by the Assistant Attorney General for the Criminal Division, and includes the heads of: ATF, BOP, DEA, EOUSA, FBI, OCDETF, USMS, as well as the Chair of the AGAC and the U.S. Attorneys from the five Southwest Border Districts. The Cartel Strategy resulted from an active dialogue among, and significant input from, the components represented on the Strategy Group.

The Cartel Strategy is premised on the notion that a large share of the violence, drug-trafficking, corruption, and other criminal activity occurring along the Southwest Border is perpetrated by a relatively small number of hierarchical criminal organizations. The Strategy Group believes that the most effective mechanism to attack those organizations is the use of intelligence-based, prosecutor-led multi-agency task forces, that simultaneously attack all levels of, and all criminal activities of, the operations of the organizations. The Cartel Strategy sets forth a blueprint for accomplishing this with the resources of the Department of Justice. By design, the Cartel Strategy is consistent with the National Drug Control Strategy and the National Southwest Border Counternarcotics Strategy, both of which guide the larger interagency efforts, and both of which DOJ played a significant role in drafting.

The Cartel Strategy is not a radical departure from efforts that are already underway in the Department. To the contrary, the Cartel Strategy articulates those basic principles that already inform the Department's most successful efforts against the cartels. It is anticipated that the Cartel Strategy will serve as a guidepost toward what types of activities the Department should

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pursue going forward. The Department will measure future initiatives in this area by reference to their ability to further the principles and objectives set forth in the Strategy. Furthermore, the document will help advise those outside the Department – our non-DOJ partners in federal law enforcement, our state and local partners, and policy-makers at all levels of government – how it is that the Department of Justice intends to confront this pervasive challenge.

It is important to note that, although the Cartel Strategy was developed under the auspices of the Southwest Border Strategy Group, the Strategy contemplates vigorous enforcement activity by law enforcement agents and prosecutors, not just at the Southwest Border, but in every jurisdiction. As you are all well aware, the criminal activities perpetrated by the Mexican cartels are not confined to the Southwest Border, but rather extend throughout our country, and internationally. Effective implementation of our strategy to attack all elements of the cartels comprehensively and simultaneously requires that we attack them vigorously in whatever locale they may be found.

I would like to express my deep appreciation for the active involvement of all the components of the Department in the effort against the Mexican drug cartels. As a result of your hard work, talent, and dedication, we have already struck many hard blows against them. I am confident that, going forward, and with the courageous assistance of our partners in Mexico, we will be on the proper path toward achieving even greater successes in disrupting and dismantling these dangerous criminal enterprises.

Attachment

## **DEPARTMENT OF JUSTICE STRATEGY FOR COMBATING THE MEXICAN CARTELS**

It is a priority of the Department of Justice to disrupt and dismantle the Mexican drug cartels, bring to justice their leadership, and stem the growing violence and associated criminal activity perpetrated by the cartels, both along the Southwest Border and throughout the Nation. In order to maximize the efficacy of its limited resources, which are spread through numerous components of the Department, it is necessary that the Department deploy those resources pursuant to a single, coherent strategic plan, under a single coordinating body, the Southwest Border Strategy Group.

An essential aspect of the DOJ plan must be ensuring a productive partnership with the government of Mexico, as well as with our state, local, and tribal law enforcement counterparts. Equally important, we must avoid wasteful overlap and duplication of efforts with the activities of our other federal partners, particularly the law enforcement agencies at the Department of Homeland Security.

The following document sets forth the policy considerations that will guide the Department in this process.

### **The Strategy**

The Department will implement its Strategy for Combating the Mexican Cartels under the supervision of the newly-created Southwest Border Strategy Group. The Strategy is intended to be consistent with the Administration's overarching National Southwest Border Counternarcotics Strategy.

The Department's strategy will be executed through the proven mechanism of prosecutor-led, intelligence-driven multi-agency task forces, with the Organized Crime Drug Enforcement Task Forces (OCDETF) Program serving the primary coordinating function. Multiple OCDETF investigations should continue to be linked together at a national level in coordination with the Special Operations Division (SOD), resulting in nationwide takedowns coordinated by SOD, on the model of Project Reckoning, Operation Xcellerator, and Project Coronado.

The DOJ Strategy's key objectives are to:

- Increase the safety and security of U.S. citizens throughout the United States by enforcing violations of federal law that have a particular nexus to the threats posed by the Mexican Cartels, i.e. drug trafficking, money laundering and bulk cash smuggling, firearms trafficking, and corruption.
- Reduce the flow of narcotics and other contraband entering the United States.
- Reduce the flow of illegal weapons, ammunition, explosives, and currency exiting the United States and entering Mexico.



- Strengthen Mexico's operational capacities and enhance its law enforcement institutions.
- Increase bilateral cooperation between Mexico and the United States on fugitive capture and extradition activities.
- Increase intelligence and information sharing among law enforcement agencies in the United States and with Mexico to achieve focused targeting of the most significant criminal organizations.
- Improve case building through interagency coordination, leveraging the expertise and authority of each investigative and prosecutorial agency.
- Maximize the effectiveness of prosecution by locating, arresting, extraditing, and trying all levels, including most importantly the leadership, of these criminal organizations, and disrupting and dismantling the organizations' domestic transportation and distribution cells.
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#### **Division of Responsibilities with DHS**

Addressing the Southwest Border threat has two basic elements: policing the actual border to interdict and deter the illegal crossing of undocumented persons or contraband goods, and confronting the large criminal organizations operating simultaneously on both sides of the border.

Given its statutory mission and the resources it can bring to bear at the border, DHS clearly bears primary responsibility for the policing function at the border. DOJ fully supports DHS in that endeavor by sharing relevant intelligence and by prosecuting the most egregious offenders DHS arrests in the course of its policing function. The Department of Justice prosecutes tens of thousands of these reactive law enforcement cases in federal court every year.

However, the root cause of the explosion of violence just south of our border is the conflicts within and among a limited number of sophisticated, transnational criminal organizations. These hierarchical, Mexico-based cartels are responsible for smuggling into the United States most of our nation's illegal drug supply. While the cartels' primary business is drug trafficking, they also sponsor a panoply of other crimes that support their illegal operations. These other crimes include extortion, torture, murder, corruption of public officials, sheltering of wanted fugitives, kidnapping and human smuggling, laundering of illicit criminal proceeds through the existing financial system

and through bulk cash smuggling, and the illegal acquisition, trafficking, and use of firearms and explosives.

It is in taking down these organized, multi-faceted criminal enterprises that DOJ plays the primary role and brings to bear its special expertise. DOJ's success in this endeavor assists, in turn, DHS in the performance of its policing and enforcement function, by disrupting the operations of the cartels, thereby decreasing the pressure on the border. For its part, DHS, and in particular ICE, provides invaluable assistance to the attack on these criminal organizations, by bringing to bear its unique expertise on cross-border transit of contraband.

Border policing and interdiction, and the resulting prosecutions, are key elements of the U.S. government's overall border security strategy. However, the investigation, apprehension, extradition, and prosecution of key cartel leaders and their associates, and the deprivation through forfeiture of their ill-gotten gains, is the most effective means by which we can move past merely addressing the symptoms of our problems along the Southwest Border and attack, instead, the underlying causes.

### **Deployment of Resources**

The Department's view – based on its decades of experience in investigating, prosecuting, and dismantling organized criminal groups, such as the Mafia, international terrorist groups, and domestic and transnational gangs – is that the best way to fight large scale criminal organizations is through prosecutor-led, intelligence-driven, multi-agency task forces that blend the strengths, resources, and expertise of the complete spectrum of federal, state, local, and international investigative and prosecutorial agencies. Through their participation in such task forces, the Department's prosecutors, together with its component law enforcement agencies – DEA, ATF, FBI, and USMS – give the Department the capacity to carry out the full range of activities necessary to succeed against these organizations.

The Department has embraced a model to achieve these comprehensive goals that is proactive, in which we develop priority targets through the extensive use of intelligence. This intelligence is obtained from law enforcement sources, as well as through the careful and disciplined use of classified information from intelligence community agencies to provide unclassified leads. Sharing information, we build cases, coordinating long-term, extensive investigations to identify all the tentacles of a particular organization. Through sustained coordination of these operations, we are able to execute a coordinated enforcement action, arresting as many high-level members of the organization as possible, disrupting and dismantling the domestic transportation and distribution cells of the organization, and seizing as many of the organization's assets as possible, whether those assets be in the form of bank accounts, real property, cash, drugs, or weapons. Finally, we prosecute the leaders of the cartels and their principal facilitators, locating, arresting, and extraditing them from abroad as necessary. In this effort, we coordinate closely with our Mexican counterparts to achieve the goal: destruction or weakening of the drug cartels to the point that they no longer pose a viable

threat to U.S. interests and can be dealt with by Mexican law enforcement in conjunction with a strengthened judicial system and an improved legal framework for fighting organized crime.

In most places, along the border and throughout the country, OCDETF provides an effective mechanism for law enforcement agencies from within DOJ, from elsewhere in the federal government (including DHS and Treasury), and state and local law enforcement, to combine with federal prosecutors to form a “virtual task force” for the purpose of investigating and prosecuting a particular high-value drug trafficking organization. In certain key locales, OCDETF has established actual, brick-and-mortar Co-Located Strike Forces, for the pursuit of the highest level traffickers of drugs, guns, and money. For instance, the San Diego Major Mexican Traffickers Task Force has been responsible for coordinating the U.S. government's successful efforts against the Arellano-Felix Organization. The Houston OCDETF Strike Force has directed our most damaging blows against the Gulf Cartel. And in the first several months of its existence, the Arizona OCDETF Strike Force has been responsible for the indictment of a leader and other members of a major Mexican cartel and the seizure of millions of dollars in cartel assets.

The Department will use the OCDETF Strike Force concept to target all the organized crime activities of the drug cartels – not just those crimes directly related to the drug trade. By further leveraging and coordinating the investigative expertise and jurisdiction of law enforcement agencies outside the drug enforcement area, the Department will task the Strike Forces to disrupt and dismantle every area of the cartels' infrastructure and undermine their ability to operate successfully in any illegal activity.

On a local level, each Strike Force co-locates law enforcement resources that are supplemented by one or more on-site Assistant United States Attorneys. Retaining the current Strike Force structure, specifically the co-location and intensive and early prosecutorial involvement, ensures that the Department capitalizes upon the proven synergy of these Strike Forces to maximize the effectiveness of long-term investigations of these organizations. The synergy created by co-locating the diverse expertise of federal, state, local, and tribal law enforcement agencies with prosecutors from the U.S. Attorney's Office, has had demonstrable success against major criminal organizations operating throughout the country. It is for this reason that the Attorney General and Deputy Attorney General should have the flexibility to call upon and leverage the resources of the already successful multi-agency task forces around the country, including the OCDETF Strike Forces, HIDTA Task Forces, DEA task force groups, FBI Safe Streets Task Forces, and VCITs, drawing upon the expertise of all of the agencies that contribute to them.

In those locations where they currently exist, DOJ will make the OCDETF Co-Located Strike Forces the focal point for interagency efforts against the Mexican criminal organizations.<sup>1</sup> Elsewhere along the border, and throughout the nation, DOJ will seek to

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<sup>1</sup> OCDETF Co-Located Strike Forces are currently located in San Diego, Phoenix, El Paso, Houston (with satellites in Laredo and McAllen), Tampa, San Juan, Atlanta, New York, and Boston.

replicate, to the extent possible, the OCDETF Strike Force model, in particular the characteristics of interagency cooperation, information sharing, and strategic, intelligence-based targeting that have been embodied in these Strike Forces.

Supplementing the regional operations of the prosecutor-led, intelligence-driven multi-agency task forces with a comprehensive national policy and coordination body, the Southwest Border Strategy Group, run out of the Office of the Deputy Attorney General, will give the Department a unified and comprehensive vehicle through which the United States government can disrupt the influence of the cartels. This unified and coordinated approach to law enforcement is not only the best way to use the formidable resources of the United States government, but also the most effective way to decrease the influence of these violent criminal enterprises while enhancing the public safety.

While the prosecutor-led, intelligence-driven, multi-agency task force model is a key component of the Department's strategy, it will not be the only component. We must also recognize and support the important daily work performed by our investigators and prosecutors in stopping and seizing the massive amounts of narcotics, firearms, and bulk cash that flow across the border in both directions. These more reactive narcotics cases are important to the overall cartel strategy, because in the process we are seizing millions of pounds of drugs, thousands of firearms, and millions of dollars in bulk cash as they enter and exit the country. In addition, these commodity-focused cases yield significant intelligence that is then fed into the Special Operations Division (SOD), the OCDETF Fusion Center (OFC), and the El Paso Intelligence Center (EPIC) for use in supporting more proactive, intelligence-driven investigations that are designed to attack all of the cartels' diverse lines of illegal business. Therefore, the Department's Strategy for Combating the Mexican Cartels must include an assessment of the resource needs of all our components, and a plan for how they intend to achieve the stated goals of the Strategy in light of the specific cartel activity impacting their jurisdictions.

### **Intelligence**

Law enforcement agencies must have the ability to access, link, and interpret voluminous intelligence information from as wide a community as possible. We use this shared information to identify and target the most significant organizations, so that we can achieve the greatest impact with our finite resources. We also use shared information to develop coordinated, multi-jurisdictional investigations of those high-impact targets, making sure that investigations are mutually reinforcing, without duplicating or jeopardizing other investigations targeting overlapping organizations.

Several multi-agency endeavors are particularly important to the provision of tactical intelligence and operational support in targeting the largest and most dangerous Mexican cartels.

### **The Attorney General's Consolidated Priority Organization Target (CPOT) List**

The CPOT list of international “Most Wanted” drug kingpins will be used to help focus our critical resources on the greatest threats from the Mexican cartels. Of the 59 worldwide organizations currently on the list, 25 of them are Mexico-based. DOJ will also work in partnership with the Secretary of the Treasury to impose sanctions against Mexican drug trafficking organizations pursuant to the President’s authority under the Foreign Narcotics Kingpin Designation Act.

#### The El Paso Intelligence Center (EPIC)

EPIC is a DEA-led multi-agency organization that provides case-specific tactical intelligence, focusing specifically on the Southwest Border. The ATF Firearms Intelligence Analysis Team is a specialized component of EPIC that serves as a central point of analysis and repository for all Southwest Border firearms-related intelligence. FBI recently created the Southwest Intelligence Group (SWIG), a clearinghouse of all FBI activities involving Mexico, and it is in the process of moving that clearinghouse to EPIC. EPIC houses the National Seizure System, which collects and maintains data on seizures of drugs, guns, and money by law enforcement agencies throughout the nation.

#### The Special Operations Division (SOD)

SOD is a DEA-led multi-agency coordination center that targets the communication devices the criminal organizations’ leaders use to communicate with each other. SOD actively supports multi-jurisdictional, multi-national, and multi-agency electronic surveillance investigations, coordinating overlapping investigations and ensuring that tactical and operational intelligence is shared between law enforcement agencies.

#### The OCDETF Fusion Center (OFC)

The OFC is a comprehensive, multi-agency data center containing drug and related financial data from DEA, ATF, FBI, ICE, CBP, IRS, USMS, EPIC, the U.S. Coast Guard, the Financial Crimes Enforcement Network, the State Department’s Bureau of Consular Affairs, and other key agencies. It conducts cross-agency and cross-jurisdictional integration and analyses to create comprehensive pictures of targeted organizations and to pass usable leads through SOD to participants in the field.

### **Current Areas of Focus**

Pursuant to the principles articulated above, DOJ is pursuing initiatives in the following areas:

#### **1. Ramping up Establishment and Use of Vetted Units in Mexico**

An important aspect of case building in Mexico involves U.S. cooperation with specially vetted Mexican law enforcement units. DOJ law enforcement agents work in an advisory capacity to develop elite vetted units of Mexican federal police officers,

training them to conduct law enforcement operations that lead to the discovery and seizure of drugs, guns, explosives, money, and documentary evidence to support bilateral investigations and prosecutions. The Mexican units also arrest active members of the cartels, who may eventually become either cooperating witnesses, defendants, or both. These units are essential to our operations. In order to properly leverage and support these crucial operations, the Department must expand their number, to include more drug trafficking units, a firearms trafficking unit, a money-laundering/financial unit, and a fugitive apprehension unit.

## 2. Continued Focus on Attacking Cartel Finances

A particular point of emphasis in recent years has been the dismantlement of the financial infrastructure of the drug trafficking organizations. These efforts have been hampered by the fact that financial cases are complex and time-consuming, and the pool of experienced financial investigators is finite. Since the curtailment of IRS involvement in drug investigations in 2005, ATF, DEA, FBI, and USMS have hired additional financial investigators and forfeiture specialists. OCDETF has established the Financial Investigative Contractor (FIC) Program to bring additional experienced financial investigators to bear on the largest cartels, and has buttressed the analytical and document exploitation capabilities of its Co-Located Strike Forces in San Diego, Phoenix, El Paso, Houston, and Atlanta. DEA has implemented Financial Investigation Teams (FITs) in its field divisions to target the financial assets of drug traffickers. Analysts and attorneys in the U.S. Attorney's Offices and in the Department's Asset Forfeiture and Money Laundering Section have also stepped up their efforts to assist in prosecuting money laundering activities of all types. In addition, Southwest Region federal agencies are working with state and local law enforcement agencies on an OCDETF bulk currency initiative that targets the highest level drug cartels and their transportation routes in the Southwest. These efforts must be supported and expanded.

## 3. Attacking the Southbound Flow of Firearms

Addressing the flow of weapons into Mexico from the United States is also a primary focus of our efforts. ATF's intelligence has shown that the prevalence of firearms and explosives trafficking into Mexico has a direct nexus to the cartels' national domestic drug distribution network. Thus, 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. Since 2006, Project Gunrunner has been ATF's comprehensive strategy to combat firearms-related violence perpetrated by the drug cartels along the Southwest Border. Increasingly close collaboration between ATF and the efforts of the multi-agency drug task forces along the border, including, most particularly, the OCDETF co-located Strike Forces, ensures that scarce ATF resources are directed at the most important targets. Additionally, DOJ is sponsoring and hosting U.S./Mexico bilateral working groups focusing on joint efforts to combat arms trafficking, and is ensuring that U.S. Attorneys Offices around the country are coordinating on firearms trafficking cases.

#### 4. Increased Focus on Locating and Apprehending Fugitives

Similarly, investigating and indicting traffickers will not dismantle the cartels unless the targets are actually located, arrested, and brought to justice. Even when charged in U.S. courts, cartel fugitives will continue their illegal operations while taking refuge outside our borders, primarily in Mexico or Colombia. With virtually limitless resources at their command, they are able to deploy the most technically advanced equipment to avoid detection and further their criminal enterprises. Thus, an important component of the overall Strategy is the location, apprehension and extradition of fugitives with the priority being the top leadership of the cartels. The USMS is the U.S. government's primary agency for apprehending fugitives. Through its regional fugitive task forces, district-based violent offender task forces, and Technical Operations Group, the USMS works with state and local police agencies on both sides of the border to locate and arrest offenders who have committed drug crimes or drug-related crimes of violence in the United States and subsequently fled abroad, as well as those who have been charged in the United States but remain resident in other countries. These units, particularly when co-located within the OCDETF Strike Forces or similar multi-agency institutions, place a high priority on apprehending cartel-related fugitives, both domestically and internationally. It is critical that the Department maintain its commitment to support and expand these international fugitive apprehension efforts.

#### 5. Expanded Use of the Extradition Process

During the past three years, Mexico has extradited fugitives to the United States in unprecedented numbers. Many were significant cartel leaders, including leaders of the notorious Tijuana and Gulf Cartels. To build on these successes, and to handle more effectively the growing number of cases involving extraditions and securing foreign evidence from Mexico in cartel-level drug cases, the Department is establishing a new, dedicated Mexican OCDETF unit in the Criminal Division's Office of International Affairs (OIA). We anticipate that this unit will work proactively with, among others, the U.S. Attorney's Offices and the USMS, to prioritize fugitives and defendants in Mexico, ensuring that the time-consuming and resource-intensive extradition process is brought to bear against the most significant cartel leaders.

#### 6. Continued Pursuit of Corrupt Public Officials Who Facilitate the Drug Trade

NDIC's *2009 National Drug Threat Assessment* estimates that Mexican and Colombian cartels generate, remove, and launder between \$18 billion and \$39 billion in wholesale drug proceeds annually. With access to such vast sums of money, it is not surprising that the cartels are able to facilitate their illegal objectives through intimidation, extortion, and corruption of public officials and law enforcement officers on both sides of the border. The FBI's expertise in complex, sensitive public corruption investigations is a key component of the Department's overall anti-cartel Strategy. Using intelligence from the OFC, the SWIG, and FBI's own comprehensive intelligence networks, its agents work with experienced U.S. prosecutors, as well as their foreign counterparts, to root out public corruption that undermines our nation's defenses and the rule of law along the Southwest Border. It is imperative that the Department's Strategy

support these efforts to vigorously investigate and prosecute corruption, and to seek substantial prison terms for persons convicted of these crimes. Aggressive and effective prosecutions, followed by long sentences, send a clear message that these crimes will not be tolerated and that those engaging in them do so at their peril.

## 7. Merida

It is crucial to this Strategy that the Department continue its role under the Merida Initiative in working with our Mexican counterparts to enhance and strengthen Mexico's operational capacities to effectively combat the power of the cartels. This involves a broad range of capacity building and rule of law issues, including such topics as prosecutorial capacity building, evidence collection, fugitive apprehension, extradition, asset forfeiture, police professionalization, judicial security, witness protection, prison management, and corrections strategies. These efforts are crucial as a means of putting Mexico in the position to handle investigation and prosecution of these organizations as a domestic criminal matter.

This last pillar of the Strategy seeks to take full advantage of the substantial Department assets stationed in Mexico, including the Department's Rule of Law Attaches (Resident Legal Advisors, Intermittent Legal Advisors, Law Enforcement Advisors) and Prosecutorial Attaches, and each law enforcement component's resources stationed throughout Mexico. These vital positions will help facilitate the Department's Mexican Cartel Strategy by delivering crucial training to our law enforcement counterparts, lending investigative expertise and intelligence support to Mexican operations, helping bolster civil institution building in Mexico, training Mexican prosecutors on best practices and trial techniques, and assisting the Mexican judicial system in promoting the rule of law. Additionally, the Department will actively participate in Embassy initiatives such as the GC Armas Policy Committee.



Employee 4  
From: [REDACTED], John A.  
Sent: Thursday, March 17, 2011 7:09:19 PM  
To: McMahon, William G.  
Subject:

59

Sir Answer to both questions after asking each group is negative.

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Office of the Deputy Attorney General

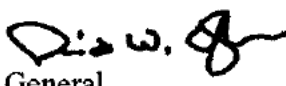
The Deputy Attorney General

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### **Division of Responsibilities with DHS**

Addressing the Southwest Border threat has two basic elements: policing the actual border to interdict and deter the illegal crossing of undocumented persons or contraband goods, and confronting the large criminal organizations operating simultaneously on both sides of the border.

Given its statutory mission and the resources it can bring to bear at the border, DHS clearly bears primary responsibility for the policing function at the border. DOJ fully supports DHS in that endeavor by sharing relevant intelligence and by prosecuting the most egregious offenders DHS arrests in the course of its policing function. The Department of Justice prosecutes tens of thousands of these reactive law enforcement cases in federal court every year.

However, the root cause of the explosion of violence just south of our border is the conflicts within and among a limited number of sophisticated, transnational criminal organizations. These hierarchical, Mexico-based cartels are responsible for smuggling into the United States most of our nation's illegal drug supply. While the cartels' primary business is drug trafficking, they also sponsor a panoply of other crimes that support their illegal operations. These other crimes include extortion, torture, murder, corruption of public officials, sheltering of wanted fugitives, kidnapping and human smuggling, laundering of illicit criminal proceeds through the existing financial system

and through bulk cash smuggling, and the illegal acquisition, trafficking, and use of firearms and explosives.

It is in taking down these organized, multi-faceted criminal enterprises that DOJ plays the primary role and brings to bear its special expertise. DOJ's success in this endeavor assists, in turn, DHS in the performance of its policing and enforcement function, by disrupting the operations of the cartels, thereby decreasing the pressure on the border. For its part, DHS, and in particular ICE, provides invaluable assistance to the attack on these criminal organizations, by bringing to bear its unique expertise on cross-border transit of contraband.

Border policing and interdiction, and the resulting prosecutions, are key elements of the U.S. government's overall border security strategy. However, the investigation, apprehension, extradition, and prosecution of key cartel leaders and their associates, and the deprivation through forfeiture of their ill-gotten gains, is the most effective means by which we can move past merely addressing the symptoms of our problems along the Southwest Border and attack, instead, the underlying causes.

### **Deployment of Resources**

The Department's view – based on its decades of experience in investigating, prosecuting, and dismantling organized criminal groups, such as the Mafia, international terrorist groups, and domestic and transnational gangs – is that the best way to fight large scale criminal organizations is through prosecutor-led, intelligence-driven, multi-agency task forces that blend the strengths, resources, and expertise of the complete spectrum of federal, state, local, and international investigative and prosecutorial agencies. Through their participation in such task forces, the Department's prosecutors, together with its component law enforcement agencies – DEA, ATF, FBI, and USMS – give the Department the capacity to carry out the full range of activities necessary to succeed against these organizations.

The Department has embraced a model to achieve these comprehensive goals that is proactive, in which we develop priority targets through the extensive use of intelligence. This intelligence is obtained from law enforcement sources, as well as through the careful and disciplined use of classified information from intelligence community agencies to provide unclassified leads. Sharing information, we build cases, coordinating long-term, extensive investigations to identify all the tentacles of a particular organization. Through sustained coordination of these operations, we are able to execute a coordinated enforcement action, arresting as many high-level members of the organization as possible, disrupting and dismantling the domestic transportation and distribution cells of the organization, and seizing as many of the organization's assets as possible, whether those assets be in the form of bank accounts, real property, cash, drugs, or weapons. Finally, we prosecute the leaders of the cartels and their principal facilitators, locating, arresting, and extraditing them from abroad as necessary. In this effort, we coordinate closely with our Mexican counterparts to achieve the goal: destruction or weakening of the drug cartels to the point that they no longer pose a viable

threat to U.S. interests and can be dealt with by Mexican law enforcement in conjunction with a strengthened judicial system and an improved legal framework for fighting organized crime.

In most places, along the border and throughout the country, OCDETF provides an effective mechanism for law enforcement agencies from within DOJ, from elsewhere in the federal government (including DHS and Treasury), and state and local law enforcement, to combine with federal prosecutors to form a “virtual task force” for the purpose of investigating and prosecuting a particular high-value drug trafficking organization. In certain key locales, OCDETF has established actual, brick-and-mortar Co-Located Strike Forces, for the pursuit of the highest level traffickers of drugs, guns, and money. For instance, the San Diego Major Mexican Traffickers Task Force has been responsible for coordinating the U.S. government's successful efforts against the Arellano-Felix Organization. The Houston OCDETF Strike Force has directed our most damaging blows against the Gulf Cartel. And in the first several months of its existence, the Arizona OCDETF Strike Force has been responsible for the indictment of a leader and other members of a major Mexican cartel and the seizure of millions of dollars in cartel assets.

The Department will use the OCDETF Strike Force concept to target all the organized crime activities of the drug cartels – not just those crimes directly related to the drug trade. By further leveraging and coordinating the investigative expertise and jurisdiction of law enforcement agencies outside the drug enforcement area, the Department will task the Strike Forces to disrupt and dismantle every area of the cartels' infrastructure and undermine their ability to operate successfully in any illegal activity.

On a local level, each Strike Force co-locates law enforcement resources that are supplemented by one or more on-site Assistant United States Attorneys. Retaining the current Strike Force structure, specifically the co-location and intensive and early prosecutorial involvement, ensures that the Department capitalizes upon the proven synergy of these Strike Forces to maximize the effectiveness of long-term investigations of these organizations. The synergy created by co-locating the diverse expertise of federal, state, local, and tribal law enforcement agencies with prosecutors from the U.S. Attorney's Office, has had demonstrable success against major criminal organizations operating throughout the country. It is for this reason that the Attorney General and Deputy Attorney General should have the flexibility to call upon and leverage the resources of the already successful multi-agency task forces around the country, including the OCDETF Strike Forces, HIDTA Task Forces, DEA task force groups, FBI Safe Streets Task Forces, and VCITs, drawing upon the expertise of all of the agencies that contribute to them.

In those locations where they currently exist, DOJ will make the OCDETF Co-Located Strike Forces the focal point for interagency efforts against the Mexican criminal organizations.<sup>1</sup> Elsewhere along the border, and throughout the nation, DOJ will seek to

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<sup>1</sup> OCDETF Co-Located Strike Forces are currently located in San Diego, Phoenix, El Paso, Houston (with satellites in Laredo and McAllen), Tampa, San Juan, Atlanta, New York, and Boston.

replicate, to the extent possible, the OCDETF Strike Force model, in particular the characteristics of interagency cooperation, information sharing, and strategic, intelligence-based targeting that have been embodied in these Strike Forces.

Supplementing the regional operations of the prosecutor-led, intelligence-driven multi-agency task forces with a comprehensive national policy and coordination body, the Southwest Border Strategy Group, run out of the Office of the Deputy Attorney General, will give the Department a unified and comprehensive vehicle through which the United States government can disrupt the influence of the cartels. This unified and coordinated approach to law enforcement is not only the best way to use the formidable resources of the United States government, but also the most effective way to decrease the influence of these violent criminal enterprises while enhancing the public safety.

While the prosecutor-led, intelligence-driven, multi-agency task force model is a key component of the Department's strategy, it will not be the only component. We must also recognize and support the important daily work performed by our investigators and prosecutors in stopping and seizing the massive amounts of narcotics, firearms, and bulk cash that flow across the border in both directions. These more reactive narcotics cases are important to the overall cartel strategy, because in the process we are seizing millions of pounds of drugs, thousands of firearms, and millions of dollars in bulk cash as they enter and exit the country. In addition, these commodity-focused cases yield significant intelligence that is then fed into the Special Operations Division (SOD), the OCDETF Fusion Center (OFC), and the El Paso Intelligence Center (EPIC) for use in supporting more proactive, intelligence-driven investigations that are designed to attack all of the cartels' diverse lines of illegal business. Therefore, the Department's Strategy for Combating the Mexican Cartels must include an assessment of the resource needs of all our components, and a plan for how they intend to achieve the stated goals of the Strategy in light of the specific cartel activity impacting their jurisdictions.

### **Intelligence**

Law enforcement agencies must have the ability to access, link, and interpret voluminous intelligence information from as wide a community as possible. We use this shared information to identify and target the most significant organizations, so that we can achieve the greatest impact with our finite resources. We also use shared information to develop coordinated, multi-jurisdictional investigations of those high-impact targets, making sure that investigations are mutually reinforcing, without duplicating or jeopardizing other investigations targeting overlapping organizations.

Several multi-agency endeavors are particularly important to the provision of tactical intelligence and operational support in targeting the largest and most dangerous Mexican cartels.

#### **The Attorney General's Consolidated Priority Organization Target (CPOT) List**



The CPOT list of international “Most Wanted” drug kingpins will be used to help focus our critical resources on the greatest threats from the Mexican cartels. Of the 59 worldwide organizations currently on the list, 25 of them are Mexico-based. DOJ will also work in partnership with the Secretary of the Treasury to impose sanctions against Mexican drug trafficking organizations pursuant to the President’s authority under the Foreign Narcotics Kingpin Designation Act.

#### The El Paso Intelligence Center (EPIC)

EPIC is a DEA-led multi-agency organization that provides case-specific tactical intelligence, focusing specifically on the Southwest Border. The ATF Firearms Intelligence Analysis Team is a specialized component of EPIC that serves as a central point of analysis and repository for all Southwest Border firearms-related intelligence. FBI recently created the Southwest Intelligence Group (SWIG), a clearinghouse of all FBI activities involving Mexico, and it is in the process of moving that clearinghouse to EPIC. EPIC houses the National Seizure System, which collects and maintains data on seizures of drugs, guns, and money by law enforcement agencies throughout the nation.

#### The Special Operations Division (SOD)

SOD is a DEA-led multi-agency coordination center that targets the communication devices the criminal organizations’ leaders use to communicate with each other. SOD actively supports multi-jurisdictional, multi-national, and multi-agency electronic surveillance investigations, coordinating overlapping investigations and ensuring that tactical and operational intelligence is shared between law enforcement agencies.

#### The OCDETF Fusion Center (OFC)

The OFC is a comprehensive, multi-agency data center containing drug and related financial data from DEA, ATF, FBI, ICE, CBP, IRS, USMS, EPIC, the U.S. Coast Guard, the Financial Crimes Enforcement Network, the State Department’s Bureau of Consular Affairs, and other key agencies. It conducts cross-agency and cross-jurisdictional integration and analyses to create comprehensive pictures of targeted organizations and to pass usable leads through SOD to participants in the field.

### **Current Areas of Focus**

Pursuant to the principles articulated above, DOJ is pursuing initiatives in the following areas:

#### 1. Ramping up Establishment and Use of Vetted Units in Mexico

An important aspect of case building in Mexico involves U.S. cooperation with specially vetted Mexican law enforcement units. DOJ law enforcement agents work in an advisory capacity to develop elite vetted units of Mexican federal police officers,

training them to conduct law enforcement operations that lead to the discovery and seizure of drugs, guns, explosives, money, and documentary evidence to support bilateral investigations and prosecutions. The Mexican units also arrest active members of the cartels, who may eventually become either cooperating witnesses, defendants, or both. These units are essential to our operations. In order to properly leverage and support these crucial operations, the Department must expand their number, to include more drug trafficking units, a firearms trafficking unit, a money-laundering/financial unit, and a fugitive apprehension unit.

## 2. Continued Focus on Attacking Cartel Finances

A particular point of emphasis in recent years has been the dismantlement of the financial infrastructure of the drug trafficking organizations. These efforts have been hampered by the fact that financial cases are complex and time-consuming, and the pool of experienced financial investigators is finite. Since the curtailment of IRS involvement in drug investigations in 2005, ATF, DEA, FBI, and USMS have hired additional financial investigators and forfeiture specialists. OCDETF has established the Financial Investigative Contractor (FIC) Program to bring additional experienced financial investigators to bear on the largest cartels, and has buttressed the analytical and document exploitation capabilities of its Co-Located Strike Forces in San Diego, Phoenix, El Paso, Houston, and Atlanta. DEA has implemented Financial Investigation Teams (FITs) in its field divisions to target the financial assets of drug traffickers. Analysts and attorneys in the U.S. Attorney's Offices and in the Department's Asset Forfeiture and Money Laundering Section have also stepped up their efforts to assist in prosecuting money laundering activities of all types. In addition, Southwest Region federal agencies are working with state and local law enforcement agencies on an OCDETF bulk currency initiative that targets the highest level drug cartels and their transportation routes in the Southwest. These efforts must be supported and expanded.

## 3. Attacking the Southbound Flow of Firearms

Addressing the flow of weapons into Mexico from the United States is also a primary focus of our efforts. ATF's intelligence has shown that the prevalence of firearms and explosives trafficking into Mexico has a direct nexus to the cartels' national domestic drug distribution network. Thus, 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. Since 2006, Project Gunrunner has been ATF's comprehensive strategy to combat firearms-related violence perpetrated by the drug cartels along the Southwest Border. Increasingly close collaboration between ATF and the efforts of the multi-agency drug task forces along the border, including, most particularly, the OCDETF co-located Strike Forces, ensures that scarce ATF resources are directed at the most important targets. Additionally, DOJ is sponsoring and hosting U.S./Mexico bilateral working groups focusing on joint efforts to combat arms trafficking, and is ensuring that U.S. Attorneys Offices around the country are coordinating on firearms trafficking cases.

#### 4. Increased Focus on Locating and Apprehending Fugitives

Similarly, investigating and indicting traffickers will not dismantle the cartels unless the targets are actually located, arrested, and brought to justice. Even when charged in U.S. courts, cartel fugitives will continue their illegal operations while taking refuge outside our borders, primarily in Mexico or Colombia. With virtually limitless resources at their command, they are able to deploy the most technically advanced equipment to avoid detection and further their criminal enterprises. Thus, an important component of the overall Strategy is the location, apprehension and extradition of fugitives with the priority being the top leadership of the cartels. The USMS is the U.S. government's primary agency for apprehending fugitives. Through its regional fugitive task forces, district-based violent offender task forces, and Technical Operations Group, the USMS works with state and local police agencies on both sides of the border to locate and arrest offenders who have committed drug crimes or drug-related crimes of violence in the United States and subsequently fled abroad, as well as those who have been charged in the United States but remain resident in other countries. These units, particularly when co-located within the OCDETF Strike Forces or similar multi-agency institutions, place a high priority on apprehending cartel-related fugitives, both domestically and internationally. It is critical that the Department maintain its commitment to support and expand these international fugitive apprehension efforts.

#### 5. Expanded Use of the Extradition Process

During the past three years, Mexico has extradited fugitives to the United States in unprecedented numbers. Many were significant cartel leaders, including leaders of the notorious Tijuana and Gulf Cartels. To build on these successes, and to handle more effectively the growing number of cases involving extraditions and securing foreign evidence from Mexico in cartel-level drug cases, the Department is establishing a new, dedicated Mexican OCDETF unit in the Criminal Division's Office of International Affairs (OIA). We anticipate that this unit will work proactively with, among others, the U.S. Attorney's Offices and the USMS, to prioritize fugitives and defendants in Mexico, ensuring that the time-consuming and resource-intensive extradition process is brought to bear against the most significant cartel leaders.

#### 6. Continued Pursuit of Corrupt Public Officials Who Facilitate the Drug Trade

NDIC's *2009 National Drug Threat Assessment* estimates that Mexican and Colombian cartels generate, remove, and launder between \$18 billion and \$39 billion in wholesale drug proceeds annually. With access to such vast sums of money, it is not surprising that the cartels are able to facilitate their illegal objectives through intimidation, extortion, and corruption of public officials and law enforcement officers on both sides of the border. The FBI's expertise in complex, sensitive public corruption investigations is a key component of the Department's overall anti-cartel Strategy. Using intelligence from the OFC, the SWIG, and FBI's own comprehensive intelligence networks, its agents work with experienced U.S. prosecutors, as well as their foreign counterparts, to root out public corruption that undermines our nation's defenses and the rule of law along the Southwest Border. It is imperative that the Department's Strategy

support these efforts to vigorously investigate and prosecute corruption, and to seek substantial prison terms for persons convicted of these crimes. Aggressive and effective prosecutions, followed by long sentences, send a clear message that these crimes will not be tolerated and that those engaging in them do so at their peril.

## 7. Merida

It is crucial to this Strategy that the Department continue its role under the Merida Initiative in working with our Mexican counterparts to enhance and strengthen Mexico's operational capacities to effectively combat the power of the cartels. This involves a broad range of capacity building and rule of law issues, including such topics as prosecutorial capacity building, evidence collection, fugitive apprehension, extradition, asset forfeiture, police professionalization, judicial security, witness protection, prison management, and corrections strategies. These efforts are crucial as a means of putting Mexico in the position to handle investigation and prosecution of these organizations as a domestic criminal matter.

This last pillar of the Strategy seeks to take full advantage of the substantial Department assets stationed in Mexico, including the Department's Rule of Law Attaches (Resident Legal Advisors, Intermittent Legal Advisors, Law Enforcement Advisors) and Prosecutorial Attaches, and each law enforcement component's resources stationed throughout Mexico. These vital positions will help facilitate the Department's Mexican Cartel Strategy by delivering crucial training to our law enforcement counterparts, lending investigative expertise and intelligence support to Mexican operations, helping bolster civil institution building in Mexico, training Mexican prosecutors on best practices and trial techniques, and assisting the Mexican judicial system in promoting the rule of law. Additionally, the Department will actively participate in Embassy initiatives such as the GC Armas Policy Committee.

**Myjes, Tonia (JMD)**

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**From:** McKay, Shirley A (SMO)  
**Sent:** Thursday, March 10, 2011 9:21 AM  
**To:** DOJExecSec (JMD)  
**Cc:** Tolson, Kimberly G (JMD); Wells, Barbara A (JMD)  
**Subject:** FW: Letter to General Holder  
**Attachments:** 3.9.11 HJC Gunrunner Letter.pdf

**Importance:** High

Pls log the attached ltr. Thanks.

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**Sent:** Wednesday, March 09, 2011 7:13 PM  
**To:** McKay, Shirley A (SMO); Kralovec, Jamie (JMD)  
**Cc:** Weich, Ron (SMO); Burton, Faith (SMO); Gaslon, Molly (SMO)  
**Subject:** FW: Letter to General Holder

Shirley/Jamie,

Please log in and assign.

Mark

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**To:** Agrast, Mark D. (SMO)  
**Cc:** Hertling, Richard; Jezierski, Crystal  
**Subject:** Letter to General Holder

Mark – attached please find a letter to General Holder. Thanks.

*Caroline G. Lynch*  
Chief Majority Counsel  
Subcommittee on Crime, Terrorism & Homeland Security  
House Committee on Judiciary  
B-370 Rayburn House Office Building  
Washington, D.C. 20515  
(202) 225-5727  
(202) 225-3672 (fax)

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Management Log for Case: 785115-10-0004

Case Title: (b) (7)(C)

Date: 03/18/2011

User: (b) (7)(C)

<u>Log Date</u>	<u>Log Type</u>	<u>Mgmt Log Text</u>
12/11/2009	INVESTIGATIVE ACTIVITY	Rcvd fax from (b) (7)(C) Rcvd faxed invoice for (b) (7)(C) Surv. conducted on (b) (7)(C) (b) (3) (P.L. 111-117), (b) (7)(C)
12/12/2009	INVESTIGATIVE ACTIVITY	(b) (3) (P.L. 111-117), (b) (7)(C)
12/14/2009	INVESTIGATIVE ACTIVITY	(b) (3) (P.L. 111-117), (b) (7)(C)
12/14/2009	INTER AGENCY CONTACT	Notified via email and telephone by DEA SA's (b) (7)(C) (b) (7)(C), (b) (7)(E)
12/15/2009	INVESTIGATIVE ACTIVITY	Provided (b) (7)(C) with receipts of firearm purchases by suspects in this case. Also, provided a list of suspect vehicles to (b) (7)(C)
12/15/2009	ADMINISTRATIVE ACTIVITY	GS (b) (7)(C) extend 5 day reporting deadline due to investigative status and priorities.
12/15/2009	MEETING/CONTACT (SE)	GS (b) (7)(C) SA's (b) (7)(C) met with DEA personnel ref related respective investigations. Agreed to communicate with each other. DEA to (b) (5)
12/16/2009	INVESTIGATIVE ACTIVITY	Received video surveillance of (b) (7)(C) purchasing firearms from Cabela's Wholesale on 11/05/2009. (b) (3) (P.L. 111-117), (b) (7)(C)
12/16/2009	INVESTIGATIVE ACTIVITY	SA's (b) (7)(C) went to (b) (7)(C) Obtained paperwork related to new purchases identified and invoices for all previously identified purchases. Also obtained info. on # of AK-47 sent to (b) (7)(C)
12/16/2009	INVESTIGATIVE ACTIVITY	Rcvd info from DEA (b) (7)(C) ref (b) (7)(E) (b) (7)(E) (b) (7)(C)
12/17/2009	STATE/LOCAL OVERTIME	On 12/16/2009, the following Task Force Officers used state/local overtime to assist ATF in Surveillance of (b) (7)(C) (b) (7)(C) (b) (7)(C)
12/17/2009	AUSA/DA CONTACT	AUSA (b) (7)(C) and another AUSA along with (b) (7)(C) and (b) (7)(C) met with (b) (7)(C) to discuss his role as an PFL during this investigation
12/17/2009	INTER AGENCY CONTACT	Spoke with IRS Agent (b) (7)(C) and set up a meeting for 12/23/09 regarding a potential IRS financial investigation involving the targets in this case
12/17/2009	INTER AGENCY CONTACT	On December 10, 2009, SA (b) (7)(C) met with ICE Agent (b) (7)(C) regarding their participation in this case
12/18/2009	INVESTIGATIVE ACTIVITY	Received a CIA model GP1975 7.62 caliber rifle from (b) (7)(C) (b) (7)(E)
12/21/2009	INVESTIGATIVE ACTIVITY	Provided (b) (7)(C) with up to date receipts of purchase.
12/23/2009	INTER AGENCY CONTACT	Met with IRS Agent (b) (7)(C) PPD Det (b) (7)(C) (b) (7)(C) regarding (b) (5)

**From:** (b) (7)(C)  
**Sent:** Wednesday, March 23, 2011 5:42 PM  
**To:** (b) (7)(C)  
**Subject:** Fw: Draft response to HJC Chairman Smith's letter of 3/9/11 re Gunrunner/ Fast & Furious allegations - for comment asap. Thanks. FB  
**Attachments:** smith gunrunner clean.docx

(b) (7)(C) Division Chief Firearms Operations Division  
202-648 (b) (7)(C) Cell (b) (7)(C)

---

**From:** (b) (7)(C)  
**To:** McMahon, William G.  
**Sent:** Tue Mar 22 12:51:14 2011  
**Subject:** Fw: Draft response to HJC Chairman Smith's letter of 3/9/11 re Gunrunner/ Fast & Furious allegations - for comment asap. Thanks. FB

(b) (7)(C)  
Chief, Firearms Operations Division  
202-648 (b) (7)(C) Cell (b) (7)(C)

---

**From:** Burton, Faith (SMO)  
**To:** (b) (7)(C) McDermond, James E.; (b) (7)(C) Hoover, William J.; Melson, Kenneth E.  
**Cc:** Gaston, Molly (SMO); Burke, Dennis (USAAZ) ; weinstein, Jason (CRM) ; Cunningham, Patrick (USAAZ)  
**Sent:** Tue Mar 22 11:57:09 2011  
**Subject:** Draft response to HJC Chairman Smith's letter of 3/9/11 re Gunrunner/ Fast & Furious allegations - for comment asap. Thanks. FB

<<smith gunrunner clean.docx>>



Employee 4  
From: [REDACTED], John A.  
Sent: Thursday, March 17, 2011 7:09:19 PM  
To: McMahon, William G.  
Subject:

2096

Sir Answer to both questions after asking each group is negative.

\*\*\*\*\*

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