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Below is the WSJ piece that ran this weekend.

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THE SATURDAY ESSAY/ MAY 21, 2011

An American Gun in Mexico

How does a weapon made in Tennessee, sold in Missouri and traded in Texas end up at a drug shootout in Chihuahua?

By EVAN PEREZ

Mexico is awash in guns, thanks mainly to criminal cartels. A cache of seized weapons in Phoenix allegedly destined for Mexico, above.

Late on the night of March 8, 2008, a Mexican military patrol in the northern city of Chihuahua responded to neighbors' complaints about armed men. The soldiers, part of Mexico's ongoing effort to curb narco-trafficking violence, were met with a fusillade of grenades and gunfire. In the end, six men whom officials described as members of a drug gang lay dead.

On the government side, five soldiers were injured and one, Capt. David Mendoza Gómez, was killed. Mexican authorities found a cache of ammunition, grenades and high-powered firearms including a .50 caliber Barrett sniper rifle. An imposing weapon, nearly 60 inches long, the long-range semiautomatic rifle is popular among the world's militaries.

The U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives said it traced the rifle to John Shipley, a Federal Bureau of Investigation agent in El Paso, Texas. Mr. Shipley was also a gun hobbyist who had collected and sold dozens of firearms. He bought the rifle in August 2007 for personal use, he said, paying \$8,500 to a Missouri dealer over the Internet, and he sold it days later for \$12,000 to an El Paso sheriff's deputy, to whom he had sold other firearms. From there it was sold to a Mexican national who resold it in Mexico, authorities said in court filings.

The rifle's path from the Barrett company factory in Murfreesboro, Tenn., to a dealer in Missouri, buyers in Texas, and eventually to a narco-trafficking gang in Mexico is one small illustration of an intractable cross-border trade that the U.S. and Mexican governments say is fueling violence that has taken the lives of thousands.

Mexico has strict legal restrictions on gun ownership, with most legitimate sales processed through one tiny store on a military base on the periphery of Mexico City. Yet the country is awash in guns, thanks mainly to the criminal cartels. Some of the same traffickers who move drugs and illegal immigrants north also move guns south, federal law-enforcement officials say.

In recent years, ATF officials say, traffickers have changed tactics to evade law enforcement. Rather than passing through a single middleman, guns may change hands four or five times or more en route to a Mexican cartel member. Many traffickers prefer to tap small-time buyers for a handful of purchases at a time. The odds are in traffickers' favor as they hide illicit cargo amid more than 100,000 border crossings a day at El Paso.

"The more prolific [they are] and the more money they have, the more they build different layers to protect themselves," says Mike Bouchard, former assistant director of ATF field operations. "They take [guns] home and

wait a week or two. They know ATF and law enforcement don't have resources to sit on a house and do surveillance."

In Washington, a separate battle is brewing over what to do about gun trafficking. In recent months, Republican lawmakers have accused the Obama administration of approving an ATF investigative tactic that allegedly allowed hundreds of guns to be sold to suspected traffickers, including some guns that ended up in Mexico. One of the firearms from the ATF's operation, called Fast and Furious, was recovered at the scene of a gun battle with suspected smugglers in which a U.S. border agent was killed in December. Attorney General Eric Holder has ordered a Justice Department inspector general to investigate the operation.

The ATF says that Fast and Furious, which was not involved in Mr. Shipley's case, was aimed at tracking the smuggling to higher-level traffickers, who run well-financed and sophisticated networks of "straw" buyers—people who, often for a few hundred dollars, buy firearms on behalf of others who can't pass background checks or who don't want records of their purchases. Lawmakers and gun-rights groups say that the ATF lost track of the guns and let them into the hands of Mexican traffickers. Gun-rights groups accuse the agency of harassing legal buyers and dealers while using tactics that exacerbate the problem.

Government officials say that ATF agents struggle to stem the trade of a product that is legal and enjoys constitutional protection in the U.S., bolstered by a pro-gun-rights ruling last year by the Supreme Court. People can buy dozens of firearms legally and then sell them later, so long as the guns are for personal use. Large-scale dealing in firearms requires a federal license, but the dividing line between such ventures and smaller-scale traders such as Mr. Shipley is hard to draw.

Gun-rights groups are lobbying against a proposed ATF regulation that would require gun dealers to report sales of multiple rifles and other long-guns, matching regulations already on the books for sales of pistols. The ATF says the regulations would help it to keep up with shifting cartel preferences for high-powered rifles.

Wayne LaPierre, executive vice president of the National Rifle Association, says there's ample evidence to indicate that the vast majority of weapons used by drug cartels in Mexico come not from the U.S., but from Russia and China and via Guatemala and other Central American countries. He suggests that the Obama administration should improve enforcement of existing laws, rather than proposing new laws.

"If there's one gun that's going from the U.S. to Mexico, we're against it and they should prosecute it," Mr. LaPierre said. "They have plenty of laws to do that."

The investigation into the .50 caliber Barrett rifle recovered in Mexico has crystallized two rival perspectives on the U.S.-Mexico gun trade: that of the government, which is under pressure to curb illicit sales, and that of gun-rights supporters, who believe that overzealous federal agents are targeting gun hobbyists.

Mr. Shipley, a married father of two and the son of a retired U.S. Army colonel, is a former Army helicopter pilot who served in the first Gulf War. He was injured in a helicopter accident, according to his family and attorneys, and joined the FBI in 1996, assigned to El Paso. He joined an FBI SWAT team two years later and trained as a sniper, earning honors as a top shooter.

In the government's telling in court, he was also running an illegal gun dealership. After the rifle Mr. Shipley had sold ended up at the Chihuahua crime scene, ATF agents searched his home in May 2008, seizing 28 firearms, cash and records. An El Paso grand jury indicted him in June 2009 on six counts, including dealing firearms without a license. Prosecutors alleged that Mr. Shipley lied on ATF forms when he said that he was purchasing firearms for his personal use. They did not allege that he knew he was part of a trafficking operation. Mr. Shipley pleaded not guilty.

Through his attorney, Robert Pérez, Mr. Shipley declined to be interviewed for this article. Mr. Pérez said that there is no evidence the rifle was actually used in the Chihuahua firefight.

The Myth of Big-Time Gun Trafficking

A portrait of Mr. Shipley can be drawn from court documents, his attorneys and from accounts on a website maintained by his parents to support his defense. The site includes photos of Mr. Shipley as a young Army Reserve officer, with close-cropped hair and an athletic build. One shows him dressed in formal uniform at a military ball beside a pretty blonde named Kathy, who became his wife in 1997. More recent photos from hunting and other recreational trips show the same muscular arms but a beefier build.

Mr. Shipley testified in court that the gun sales helped to build his collection, which included nine handed down from his grandfather. By his account, he also bought guns to learn more about them, and when he sold them, he tried to make a profit, but not in an effort to make his livelihood as a dealer.

"What he was doing was seeking to enhance his collection and seeking to advance his professional skills, and to keep his proficiency up," said Mr. Pérez, the lawyer, at the opening of Mr. Shipley's trial in April 2010.

The Shipley website highlights an enthusiast's love of firearms. "John has loved guns since he was about 2 years old. His educational tinker toys and Lincoln logs were transformed into guns," the family site says.

Mr. Shipley was thrilled to be paid for a job that allowed him to practice his marksmanship, his family says, and stepped up his firearms sales in 2005 to pay for his wife's medical treatment and expenses when the couple adopted their daughter in September 2004 and their son in August 2005.

Prosecutors tell a different tale of a gun dealer who they say lied to cover his tracks and to obstruct the investigation.

ATF agents tracking the .50 caliber Barrett rifle recovered in Chihuahua were initially pleased when they contacted Mr. Shipley in late March 2008 about the sale of the gun.

Mr. Shipley told investigators that he had sold the rifle to Luis Armando Rodriguez, a jailer with the El Paso County Sheriff's Office. At the time, Mr. Rodriguez was already under the scrutiny of ATF agents for possible trafficking, prosecutors alleged in the Shipley case. They were excited by the lead, authorities say, because of the short "time-to-crime" period less than seven months between the El Paso sale and the time the gun turned up in Chihuahua. Normally that period averages eight to 11 years, an ATF official said.

"They thought they had a great case," lead prosecutor Greg McDonald later told jurors. The agents believed a fellow federal agent would help to break the case open against a suspected prolific weapons trafficker, the prosecution alleged. But instead, Mr. Shipley met the agents in a parking lot on the west side of El Paso and handed over false sales records, laying "a trail of deceit," Mr. McDonald said. Mr. Shipley's lawyers said that the records were turned over in haste and owners aren't required to keep them anyway.

Mr. Rodriguez frequently crossed the border, and investigators believed he often sold firearms there, according to evidence presented in the Shipley case. But investigators struggled to make a case against him for smuggling.

Mr. Rodriguez, in an interview, said of the prosecutors' suspicions against him: "It's a flat-out lie." Prosecutors tried to get him to testify against Mr. Shipley, but he refused, Mr. Rodriguez said, adding, "To me John Shipley didn't do anything wrong. We didn't do anything wrong, everything we did was legal."

Mr. Rodriguez said he told investigators that he sold the .50 caliber Barrett through a consignment store in El Paso, but prosecutors said they couldn't find records for it. Instead, in a search of his home, they found a handwritten sales record for the .50 caliber rifle and a copy of the buyer's driver's license, they said. The buyer was a Mexican national who was already under investigation in another gun trafficking case, according to prosecutors. Mr. Rodriguez, in the interview, said the sale record "wasn't from me, it was from the store."

The buyer told investigators he regularly traveled across the border from Mexico carrying orders for specific weapons to buy. He told authorities that he sometimes bought firearms in parking lots of gun stores or from other straw purchasers on behalf of a Mexican gun trafficking organization. In all, a group of straw purchasers involved in the separate trafficking case bought at least 110 firearms from multiple sellers for illegal shipment to Mexico,

prosecutors alleged. The buyer of the .50 caliber Barrett was indicted along with several others, and he pleaded guilty to charges including smuggling goods from the U.S.

Mr. Rodriguez pleaded guilty in 2008 to a single count of possession of an unregistered firearm and served one year in prison. In April a federal judge appointed a trustee to sell dozens of firearms and a supply of ammunition that Mr. Rodriguez owned, since as a convicted felon he could no longer possess firearms.

Mr. Bouchard, the former ATF official, who wasn't involved in the Shipley and Rodriguez cases, finds fault with current gun laws that hamper gun-trafficking investigations.

"The straw-purchase statute is very vague," he says. "You have to prove the person went in with the intention of deceiving the government and the gun dealer by saying they were buying for themselves but were really buying for someone else." Buyers can easily explain their actions even if they buy and sell firearms over short periods of time, he says.

At Mr. Shipley's trial, his lawyer, Mr. Pérez, probed the fine line between an illegal dealer and a hobbyist who sells guns legally.

ATF case agent Frank Henderson testified that Mr. Shipley violated the law by making "repetitive purchase[s] and sale[s] with a profit."

"Well, there's no dispute that liquidating a collection...that's absolutely fine, right?" Mr. Pérez asked.

"That's fine," Mr. Henderson said.

"But you're also entitled to sell to enhance your collection, isn't that correct?"

"Right," Mr. Henderson answered. "To sell a firearm that was already in your collection."

"How long do I have to have it before it's part of my collection," Mr. Pérez asked.

"There's no..." Mr. Henderson paused. "There's no definite answer on that."

Prosecutors countered the defense by producing emails and Internet listings that they claimed showed that Mr. Shipley used his law enforcement connections to bargain for lower prices on guns, then quickly offered them for sale at a profit.

In one instance, the prosecutor Mr. McDonald told jurors, records showed "the buyer gave Mr. Shipley a check before Mr. Shipley ever bought the gun." Prosecutors alleged that this indicated that he was acting as any dealer would. Mr. Shipley's attorneys responded that the buyer never ordered the gun from Mr. Shipley but instead only heard that Mr. Shipley had bought the weapon and offered a higher price to buy it from him.

Jurors deliberated for three hours before finding Mr. Shipley guilty of all six counts. He has appealed his conviction, but the case has been complicated by the fact that records from one day of the trial, including Mr. Shipley's testimony, have been lost by the court.

Mr. Shipley is set to surrender June 10 to begin serving his two-year sentence. His lawyer says he still hopes to be exonerated and to return to his job at the FBI.

Write to Evan Perez at evan.perez@wsj.com

Barrett

A BARRETT 82A1 semiautomatic sniper rifle.

One Gun's Travels

June 2007

The gun◆an 82A1 sniper rifle◆is shipped by manufacturer Barrett in Murfreesboro, Tenn., to a distributor in Grand Prairie, Texas.

July 2007

It is then shipped to a dealer in O'Fallon, Mo.

August 2007

The dealer sells the gun via the Internet to John T. Shipley, an FBI agent and gun hobbyist, in El Paso, Texas.

August 2007

Mr. Shipley sells the rifle to El Paso deputy sheriff Luis Armando Rodriguez, who resells the gun.

March 2008

The gun is found at the scene of a shootout between a Mexican military patrol and a suspected drug gang in Chihuahua, Mexico.