

FOR PRODUCTION
TO THE COMMITTEE

BATCH #

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STARTING BATES _____

ENDING BATES _____

**Statement of William Newell, Special Agent in Charge
Phoenix Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives
Before the United States House of Representatives
Committee on Appropriations
Subcommittee on Commerce, Justice, Science and Related Agencies
March 24, 2009**

Chairman Mollohan, Representative Wolf and distinguished Members of the Subcommittee, I am William Newell of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). As Special Agent in Charge of the Bureau's Phoenix field division, I oversee all ATF operations in the States of Arizona and New Mexico, which includes 552 miles of the U.S.-Mexico border. I am honored to appear before you today to discuss ATF's ongoing role in preventing firearms from being illegally trafficked from the United States (U.S.) into Mexico, and working to reduce the associated violence along the border.

That violence, which is fueled by Mexico's drug cartels, poses a serious challenge for U.S. and Mexican law enforcement and threatens the safety of innocent citizens on both sides of the border. Reports indicate that the drug war has left as many as 6,200 dead last year and 1,000 dead, so far, this year. The U.S. Department of State has cautioned U.S. citizens who work and travel in Mexico to be wary of the ongoing danger. Mexican President Calderon and Mexican Attorney General Medina Mora have identified cartel-related violence as a top priority and proclaimed the illegal trafficking of U.S.-source firearms the "number one" crime problem affecting the security of Mexico.

Not a day goes by without the media reporting on murders, kidnappings and home invasions along the border. For instance, an Associated Press article appearing in the Washington Post on March 5th reported that American professionals living along the border, including doctors, lawyers and factory owners, feel so threatened by the murders and kidnappings that they are having armor plating and bullet-proof glass installed in their cars and pickup trucks. According to the Post, one San Antonio company specializing in bulletproofing cars says that it expects a 50% increase in business this year. Clearly we need to take action now to protect our citizens and their property from harm.

ATF Expertise

For over 30 years ATF has been protecting our citizens and communities from violent criminals and criminal organizations by safeguarding them from the illegal use of firearms and explosives. We are responsible for both regulating the firearms and explosives industries and enforcing criminal laws relating to those commodities. ATF has the experience, expertise, tools, and commitment to investigate and disrupt groups and individuals who obtain guns in the U.S. and illegally traffic them into Mexico in facilitation of the drug trade.

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The synergy of ATF's crime-fighting expertise, regulatory authority, analytical capability, and strategic partnerships is used to combat firearms trafficking both along the U.S. borders and throughout the nation. For instance, from Fiscal Year 2004 through February 17th of this year, Project Gunrunner—ATF's strategy for disrupting the flow of firearms to Mexico—has referred for prosecution 795 cases involving 1,658 defendants; those cases include 382 firearms trafficking cases involving 1,035 defendants and an estimated 12,835 guns.

Defining the Problem

The southwest border is the principal arrival zone for most illicit drugs trafficked into the U.S., as well as the predominant staging area for the subsequent distribution of these drugs throughout the U.S. Illegally trafficked firearms are an integral part of these criminal enterprises; they are the "tools of the trade". Drug traffickers routinely use firearms against each other as well as against the Mexican military, law enforcement officials, and civilians. Because firearms are not readily available in Mexico, drug traffickers have aggressively turned to the U.S. as their primary source. Firearms are now routinely being transported from the U.S. into Mexico in violation of both U.S. and Mexican law. In fact, 90% of the firearms recovered in Mexico, and which are then successfully traced, were determined to have originated from various sources within the continental U.S.

The rising incidences of trafficking U.S.-sourced firearms into Mexico is influenced by a number of factors, including increased demand for firearms by drug trafficking organizations, and the strictly regulated and generally prohibited possession and manufacturing of firearms in Mexico. Drug traffickers are able to obtain firearms and ammunition more easily in the U.S., including sources in the secondary market such as gun shows and flea markets. Depending on State law, the private sale of firearms at those venues often does not require record keeping or background checks prior to the sale.

In addition, drug traffickers frequently resort to using "straw purchasers" to obtain firearms from federally licensed gun dealers in the U.S.; these dealers are often unwitting participants in these schemes. Straw purchases refer to instances wherein an individual purchases a firearm for someone who is either prohibited by law from possessing one, such as a convicted felon, or who does not want his or her name associated with the transaction. In other words, a straw purchase takes place when a "straw" falsely poses as the buyer of a firearm to help the true purchaser circumvent the law and create an inaccurate paper trail. These illegal purchases, a key source and supply of firearms for drug traffickers and criminals in the U.S., corrupt the ATF firearms tracing process by creating false leads for agents trying to determine the actual purchaser of firearms recovered at crime scenes. In addition, straw purchasers may be difficult to identify because they may make numerous purchases of one to two firearms that are separated by place and time. As an example, a single ATF investigation of straw purchases of firearms shipped to Mexico involved a network of twenty-two individuals who trafficked

at least 328 firearms valued at over \$350,000. These firearms were sold to the Gulf Cartel in Mexico and were traced by ATF following their use in assassinations of Mexican police officials, citizens, and others. This type of case shows the sophistication of the firearms trafficking networks, using the same methods to traffic firearms south that they use to traffic narcotics north.

A comprehensive analysis of firearms trace data over the past three years indicates that Texas, Arizona and California are the three largest source States, respectively, for firearms illegally trafficked to Mexico. In FY 2008 alone, 2,514 firearms seized in Mexico were traced to sources in Texas, Arizona and California. The remaining 47 States accounted for 1,053 traces in FY 2007.

Although the greatest proportion of firearms trafficked to Mexico originate out of the U.S. States along the southwest border the problem is national. ATF trace data has established that drug traffickers are also acquiring firearms from other States as far east as Florida and as far north and west as Washington State. A case from April 2008 involving the Arellano Felix Organization illustrates this point. A violent dispute between elements of this drug trafficking organization left 13 members dead and 5 wounded. ATF assisted Mexican authorities trace 60 firearms recovered at the crime scene in Tijuana. As a result, leads have been forwarded to ATF field divisions in Denver, Houston, Los Angeles, Philadelphia, Phoenix, San Francisco and Seattle to interview the first known purchasers of the firearms. These investigations are ongoing.

Chairman Mollohan, I brought with me today an ATF diagram, based on trace data, which goes into more detail on this issue and, with your permission, I would like to submit it for the Record. This chart illustrates that guns are obtained from all across the U.S. and then transported into Mexico along three major trafficking corridors: from Illinois, Georgia, Florida and Texas into eastern Mexico; from Washington State, Oregon and California down into western Mexico; and from Colorado and Arizona into central Mexico.

Until recently drug traffickers' "weapon of choice" had been .38 caliber handguns. However, they now have developed a preference for more powerful weapons, such as the .233 semi-automatic rifle, the AK-47 variant rifle, 5.57 caliber pistols, and .50 caliber rifles; ATF has seized each of these types of weapons as those weapons en route to Mexico. ATF also has seized large quantities of ammunition for use in these high-caliber weapons. An April 2006 joint ATF, FBI and Tucson Police Department investigation illustrates efforts by Mexican drug trafficking organization's to obtain high-power weaponry. The Tucson investigation led to the arrest and conviction of three members of the Arellano Felix Organization who attempted to purchase machineguns and hand grenades from undercover agents. One of the defendants, a Mexican citizen, was sentenced to 70 months in Federal prison while the other two, both U.S. citizens, were sentenced to 87 months.

The Tucson investigation case also demonstrates that drug traffickers are supplementing their firearms caches with explosives and the need for ATF's expertise

with explosives in the fight against drug cartels. For the past 18 months ATF has been working closely with Mexican law enforcement and military personnel by quickly responding to grenade seizures in Mexico in order to positively identify and trace a variety of these explosives. Unfortunately, in the past six months we have noted a troubling increase in the number of grenades seized from or used by drug traffickers, and we are concerned about the possibility of explosives-related violence spilling into U.S. border towns.

We appear to have had at least one such incident. In late January, a fragmentation hand grenade was thrown into a crowd of 20 patrons at a club in San Juan, Texas. Fortunately, although the grenade was a live device, it did not detonate and no one was injured. Investigation to date indicates this incident is linked to a Mexican drug cartel. ATF has identified the source of the grenade and believes that grenades from the same source were used during an attack on the U.S. Consulate in Monterrey, Mexico.

ATF's Strategy

Through its experience with combating violent crime along the southwest border, ATF has learned that merely seizing firearms through interdiction will not, by itself, stop firearms trafficking to Mexico. We must identify, investigate and eliminate the sources of these illicitly trafficked firearms, and networks that transport them to Mexico. Thus, ATF has developed and implemented Project Gunrunner, a comprehensive strategy to combat firearms-related violence perpetrated by warring drug traffickers in border cities such as Laredo, Texas, and Nuevo Laredo, Mexico. It includes approximately 148 special agents dedicated full-time to investigating firearms trafficking along the Southwest border and 59 industry operations investigators (IOIs) responsible for conducting regulatory inspections of federally licensed gun dealers in this region.

As the sole agency that regulates federally licensed gun dealers (known as Federal Firearms Licensees or FFLs), ATF has the statutory authority to inspect the records of licensees, examine those records for firearms trafficking trends and patterns, and revoke the licenses of those who are complicit in firearm trafficking. Roughly 6,700 FFLs are located along the Southwest border. As part of Project Gunrunner, IOIs work to identify and prioritize for inspection those FFLs with a history of noncompliance that represents a risk to public safety. They also focus on those primary retailers and pawnbrokers who sell the weapons of choice that are the preferred firearms being trafficked in this region. Moreover, utilizing ATF trace data analyses, IOIs prioritize for inspection those FFLs with numerous unsuccessful traces and a large volume of firearms recoveries in the targeted high-crime areas. This focused inspection effort assists in the identification and investigation of straw purchasers and the traffickers who employ them. In FY 2007 ATF inspected 1,775 of FFLs along the border and in FY 2008 we inspected 1,884.

In addition to inspections, the IOIs work to improve relations with firearms industry members, enhance voluntary compliance, and promote licensees' assistance in preventing firearms diversion by conducting training and outreach activities with FFLs in

the targeted areas. One such outreach effort is the "Don't Lie for the Other Guy" program, a joint endeavor between ATF and the National Shooting Sports Foundation (NSSF), the trade association for the shooting, hunting and firearms industry. The program was developed in 2000 to aid firearm retailers in recognizing potential illegal firearm purchases in order to deter those purchases, and has since expanded to include a public-awareness component regarding the serious nature and illegality of straw purchases of firearms.

An example of ATF utilizing its regulatory authority to review FFL records to identify firearms traffickers occurred in El Paso, Texas. The case led to the arrest of 12 individuals in November 2007. The subjects purchased 75 firearms that were sold to corrupt local, federal and military officials in Mexico. Sentences for these defendants range from 36 months to two years.

While on the subject of FFLs, I would like to note that the vast majority of gun dealers are in compliance with firearms regulations and are genuinely interested in keeping guns out of the hands of criminals. For example, in 2007, a tip from an FFL involving a firearms trafficker purchasing two .50 caliber rifles, as well as other firearms recovered in Mexico, prompted an undercover ATF operation. That investigation led to the arrest of the leader and his two coconspirators for attempting to purchase several handguns and a fully automatic M-60 machine gun. In September 2008, the leader was sentenced to 30 months incarceration and 84 months of supervised release.

An essential component of ATF's strategy to curtail firearms trafficking to Mexico is the tracing of firearms seized in both countries. When a firearm is traced, specific identifying information—including the make, model and serial number—is entered in the ATF Firearms Tracing System. Using this information, ATF can establish the identity of the first retail purchaser of the firearm and possibly learn pertinent information, such as how the gun came to be used in the facilitation of crime or how it came to be located in Mexico. Furthermore, analyses of aggregate trace data can reveal trafficking trends and networks, showing where the guns are being purchased, who is purchasing them, and how they flow across the border. Accordingly, ATF is working with Mexican officials to increase their current usage of ATF's tracing system by means of eTrace, a web based application for accessing ATF's Firearms Tracing System. Our goal is to deploy eTrace to all thirty-one states within the Republic of Mexico. We can report that our efforts are paying off. Mexico has increased the number of firearms it has submitted for tracing from 3,312 in FY 2007, to 7,743 in FY 2008, and over 7,500 to date this fiscal year.

ATF also has increased its presence at the El Paso Intelligence Center (EPIC), which is the central repository and clearinghouse for all weapons-related intelligence collected and developed not only by ATF's field and Mexico offices and attaches, but also by all other Federal, State and local law enforcement entities involved in narcotics interdiction and investigation along the U.S.-Mexico border. Our increased staffing levels at EPIC allow ATF to expand our intelligence activities with our law enforcement partners stationed there, including the Federal Bureau of Investigation (FBI), the Drug

Enforcement Administration (DEA), Immigration and Customs Enforcement (ICE), Customs and Border Patrol (CBP) and the Texas and Arizona Departments of Public Safety. ATF also works closely with these agencies' taskforces that operate along the southwest border, sharing intelligence and conducting joint investigations.

Further, ATF participates in the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, a multi-agency intelligence center that provides operational intelligence in drug investigations. Through the Fusion Center, ATF shares information with other federal law enforcement agencies involved in drug enforcement, and helps to build large-scale operations targeting these violent Mexican drug trafficking organizations.

Internationally, ATF enjoys a strong collaborative relationship with Mexican law enforcement and other government agencies within Mexico. Over the last 15 years, ATF has had special agents permanently assigned to the U.S. Embassy in Mexico City. These agents engage in full-time intelligence sharing with the Mexican government to gather real time information on significant seizures of firearms that originated from within the U.S. Moreover, through bilateral forums, such as the annual Senior Law Enforcement Plenary sessions with Mexico, ATF and the Mexican Government jointly develop operational strategies and policies to minimize the firearms-related violence afflicting communities on both sides of the border. ATF would not have achieved the success it's had, particularly with regard to tracing, had it not been for the remarkable support of the Mexican government.

Recommendation

As noted, ATF's Project Gunrunner has experienced numerous successes, referring for prosecution 795 cases since October 1st, 2003, involving 1,685 defendants, including 1,035 defendants who trafficked an estimated 12,835 guns. Still, there is obviously much work to be done. Accordingly, Congress recently provided ATF with funding to continue and expand our efforts along the southwest border.

The American Recovery and Reinvestment Act, commonly referred to as the stimulus bill (P.L. 111-5), provides ATF with \$10 million for Project Gunrunner. Those funds will allow ATF to establish new firearms trafficking teams in McAllen, Texas, El Centro, California and Las Cruces, New Mexico. The funds also will allow ATF to assign personnel to U.S. Consulates in Mexico where they can share intelligence, assist in investigations and train Mexican authorities on how to conduct firearms traces. Specifically, the funds are providing 37 total positions which include 21 agents in domestic offices, four agents in Mexican offices, six IOIs, three intelligence research specialists (IRs) and three investigative analysts (IAs).

In addition, the FY 2009 Omnibus Appropriations Act provides ATF with an additional \$5 million for Project Gunrunner. The FY 2009 appropriation includes funding for two additional firearms trafficking teams, including 21 agents, four IOIs and two IAs.

While ATF has achieved numerous successes in recent years with its limited resources, additional assets and personnel will undoubtedly produce even greater results. Increased funding for Project Gunrunner, as provided by the stimulus bill is an important investment in the security of our nation and protection of our citizens.

Conclusion

Chairman Mollohan, Representative Wolf, distinguished Members of the Subcommittee, on behalf of the men and women of ATF, I thank you and your staffs for your support of our crucial work. We recognize and are grateful for your commitment and contributions to the law enforcement community. With the backing of this Subcommittee, ATF can continue to build on our accomplishments, making our nation even more secure. We look forward to working with you in pursuit of our shared goals.

OIG's "Review of Project Gunrunner" Talking Points

- **The review reported significant accomplishments across many measured outcomes, including the increased number of:**
 - **investigations initiated (by 109%);**
 - **cases and defendants referred to U.S. Attorney's Offices (by 54%);**
 - **gun dealer compliance inspections along the Southwest Border (by 133%);**
 - **compliance inspection hours worked (by 102%); and**
 - **ATF Industry Operations referrals made to ATF criminal investigators (by 47%).**

- **These advances were made at the same time ATF faced significant challenges to the expansion of Project Gunrunner—yet many more accomplishments were achieved under Gunrunner including—between FY 06 and FY 09:**
 - **1,256 defendants have been recommended for prosecution**
 - **4,134 firearms and 438,708 rounds of ammunition are secure in ATF evidence vaults**
 - **608 defendants are serving an average of 94 months in prison and an additional 198 are under the supervision of the court for an average of 41 months**
 - **233 defendants have been convicted and await their sentence**
 - **789 defendants (63 percent of all defendants recommended for prosecution) faced charges related to firearms trafficking**
 - **6,676 compliance inspections in the region have been successfully conducted**
 - **49,625 firearms were identified by ATF investigators as unaccounted for by sale or other disposition**
 - **ATF investigators worked in partnership with FFL's to locate the firearm or record to account for 43,249 or 72% of the unaccounted firearms**

- **ATF is committed to building on these successes and improving the program in the areas identified by the Inspector General.**

- **ATF concurs with all of the OIG recommendations. In fact, during the review process and before the recommendations were made, ATF developed an internal publication entitled, "Project Gunrunner – A Cartel Focused Strategy." This strategy addresses most of the OIG recommendations and was communicated to the entire ATF organization.**

- **While ATF believes the OIG review covered significant portions of the program, ATF does have some concerns with the review:**

- **ATF is concerned that the review does not adequately reflect the resource and other challenges faced by the U.S. and Mexican governments;**
- **The current and former Assistant Directors of Field Ops, OSII as well the Deputy Assistant Directors responsible for Project Gunrunner and Director of Industry Operations were not interviewed which limits the completeness of the review; and**
- **The review fails to provide the full funding context of the implementation of Project Gunrunner.**

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Key Messages/Talking Points



Operation: Fast and Furious, ATF-Lead OCDETF Investigation in the Sinaloa Drug Trafficking Organization (DTO)

(1/10/11)

Key Messages

- In August 2010, ATF announced the success of the Gun Runner Impact Team (GRIT) initiative in the Phoenix area. Here it is five months later and ATF is pleased to announce the success of additional investigations addressing firearms trafficking to Mexico.
- These investigations address the key goals of ATF's mission to combat violent crime and 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).
- Investigations such as Fast and Furious demonstrate the commitment on the part of the ATF and its federal, state, local, tribal, and international partners to address the criminal activity involved in the trafficking of firearms to Mexico.
- ATF's firearms tracing system, eTrace, is critical in the identification of individuals involved in violating federal firearms laws.
- The cases substantiate the fact that Mexican DTO's and other associated criminal groups operating along the Southwest Border are actively pursuing 'weapons of choice' in the U.S. commercial firearms market.
- The Fast and Furious investigation is just one of a number of firearms trafficking cases perfected by the Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force, a multi-agency team of investigators from ATF, DEA, ICE, IRS, and the Phoenix Police Department. The mission of the Strike Force is to combat Drug Trafficking Organizations (DTO's) in the Phoenix metropolitan area by combining the resources and expertise of the participating agencies.

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Talking Points

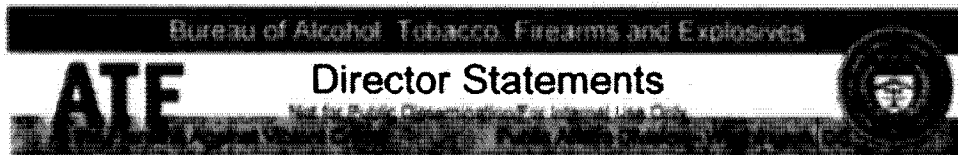
- Since 2006, there has been a significant increase in drug and firearms-related violence in Mexico and along our Southwest border. In response to this increase, ATF has deployed focused resources nationally to prevent the firearms trafficking along the Southwest Border.
- In October 2009, Operation: Fast and Furious, an ATF lead OCDETF investigation into a firearms trafficking organization funded by the Sinaloa DTO, kicked off in Phoenix. Although this investigation was lead by ATF, it was a multi-agency effort involving DEA, ICE, IRS, and the Phoenix Police Department.
- This firearms trafficking organization used a large group of straw purchasers [REDACTED] to spread out purchases and deceive law enforcement and the FFLs in an attempt to evade detection.
- The Phoenix Field Division has continued to proactively address firearms trafficking to Mexico in support of ATF's Project Gunrunner.
- Through the use of Gunrunner Groups, ATF has increased its investigative efforts along the Southwest Border to disrupt and dismantle firearms trafficking organizations.
- This investigation was successful due to the tireless efforts of ATF employees using a wide variety of investigative methods to fully identify those responsible for trafficking firearms to Mexico.
- According to ATF trace data and Mexican law enforcement reports, a large number of certain types of semiautomatic rifles, such as AR and AK type firearms were obtained by straw purchasers as part of complex firearms trafficking organizations and subsequently recovered in violent crimes in Mexico.
- These cases demonstrate the ongoing trafficking of firearms by Mexican DTO's and other associated groups operating in Arizona and the need for reporting of multiple sales for certain types of rifles in order to ferret out those intent on providing firearms to these criminal groups.
- The OCDETF investigation into this organization utilized numerous investigative techniques to uncovered violations of federal firearms, narcotics, money laundering, and conspiracy laws.
- This organization was responsible for trafficking firearms into Mexico and trafficking Cocaine and Marijuana into southern Arizona for distribution throughout the United States.

- The investigation has revealed that from October 2009 through October 2010, this organization has spent in excess of 1.25 million dollars at various Phoenix area Federal Firearms Licensees (FFLs) to acquire in excess of 1,900 firearms and traffic them into Mexico through the use of vehicles outfitted with hidden compartments.

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DOJ-FF-44431



Operation: Fast and Furious and Corresponding Investigations
(1/10/11)

Statements

- In October 2009, ATF, in partnership with DEA, ICE, IRS, and the Phoenix Police Department, began an OCDETF investigation into a firearms trafficking organization funded by the violent Sinaloa Drug Trafficking Organization (DTO).
- This criminal organization is responsible for trafficking hundreds of firearms into Mexico, using firearms in furtherance of drug trafficking, drug smuggling, wire fraud, and bulk currency smuggling.
- From October 2009 through October 2010, this organization, through the use of numerous straw buyers, purchased approximately 1.25 million dollars in firearms from FFLs in the Phoenix area and trafficked the firearms into Mexico and other locations within the United States.
- During the course of this investigation, ATF and our law enforcement partners utilized a variety of investigative techniques to identify a large number of co-conspirators and disrupt the illegal activities of this criminal enterprise by seizing hundreds of firearms and narcotics.

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U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
300 W. Congress Street
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April 25, 2006

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ATF

MEMORANDUM TO: Assistant Director
Office of Field Operations

THRU: Deputy Assistant Director (West)
Office of Field Operations

THRU: Special Agent in Charge *[Signature]*
Phoenix Field Division

THRU: Assistant Special Agent in Charge *[Signature]* 5/4/06
Phoenix Field Division

FROM: Resident Agent in Charge (Acting)
Tucson II Field Office

SUBJECT: Tucson, Arizona VCIT Strategy (Revision)

This memorandum is provided as a revision of the planning and operational strategy employed by the Phoenix Field Division, Violent Crime Impact Team (VCIT) in Tucson, Arizona. This revision incorporates recommendations contained in the ATF VCIT Best Practices report, dated December 2005.

Since the submission of the Tucson VCIT strategy in September 2005, substantial organizational, personnel and resource changes have occurred. These changes have necessitated a re-evaluation of the original strategy to effectively address violent crime problems. At the conclusion of an extended pilot program in November 2005, the Office of Field Operations formalized a permanent Tucson VCIT mission through the establishment of the Tucson II Field Office. In addition to its primary VCIT mission, the Tucson II Field Office recognizes responsibility to interdict and prevent violent crime through participation in other national law enforcement programs such as the Southwest Border Initiative, Project Safe Neighborhoods, and the Border Enforcement and Security Task Force.

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Partnerships

Participation in the Tucson VCIT by other Federal, State and local partners remains strong, but has significantly changed since the last Tucson VCIT strategy update. The Tucson Police Department (TPD) remains our primary partner and has agreed to expand their involvement through a formalized partnership agreement. Accordingly, the existing Youth Crime Gun Interdiction Initiative Memorandum of Understanding was reviewed and a new, updated VCIT Memorandum of Understanding was prepared. All documents were vetted and approved by ATF and TPD legal counsel. Additionally, in furtherance of the ATF and TPD partnership and existing Memorandum of Agreement, ATF is sponsoring and processing the applications of 12 TPD officers and Detectives for Federal Task Force Deputization (Best Practices: Additional recommendations, formalized Memoranda; Deputizations).

TPD has re-organized their command and control structure through the formulation of a Special Investigations Division (SID). This structure consists of a Captain, Lieutenant, six Sergeants and approximately forty additional personnel. These units were previously organized within a Narcotics Division, and have replaced the four TPD personnel previously assigned to ATF. According to the Tucson Police Department's Assistant Chief, the TPD reorganization will more effectively focus their efforts to combat violent crime and gang related problems (Best Practices #2: Develop collaborative partnerships with local police).

Based on the significant partnership with TPD SID, during the past several months the Tucson II Field Office has, on a trial basis, expanded the previously defined VCIT corridor area of responsibility, and has conducted city-wide criminal investigations with notable success. As reported in the Arizona Daily Star on February 24, 2006, during the period of January through February 2006, there were 4 homicides in Tucson. In comparison to 8 homicides during the same period in 2005, and 21 homicides in 2004, that number represents a significant reduction and validation of the ATF and TPD violent crime interdiction and prevention strategies (Best Practices #1: Set Clear Goals and Measure Performance).

In addition to the TPD partnership, Tucson II has also formalized support commitments from the U.S. Attorney's Office (USAO) in Tucson. This support now consists of three Assistant U.S. Attorneys dedicated to Tucson II violent crime initiatives. The USAO personnel allocation represents a significant enhancement of responsiveness and support since the last update, where only one AUSA was assigned (Best Practices: Additional recommendations, commitment and support from the USAO). Other VCIT participants include the Department of Homeland Security through partnerships with Immigration and Customs Enforcement (ICE), U.S. Border Patrol and the U.S. Marshals Service. Additional partners on an as needed basis include the Federal Bureau of Investigation, Pima County (AZ) Attorney's Office, U.S. Probation Office and the Arizona Board of Parole and Probation.

Selection of Geographic Area

In connection with the establishment of TPD SID and their city-wide enforcement mission, the Tucson II Field Office has extended the VCIT program accordingly. This expansion of responsibility allows Tucson II to better and more efficiently integrate with our VCIT partners, and will more effectively reduce violent crime and impact the community (Best Practices #5: Maintain a fluid and dynamic approach when targeting offenders and hot spots of violent crime).

The Tucson II Field Office also recognizes other enforcement responsibilities as described herein, and regularly engages in pro-active and reactive operations outside of the metro Tucson area.

Enforcement Strategy

By memorandum, dated February 2006, ATF, Assistant Director Bouchard, directed that ATF Field Offices focus on those investigations that have the highest impact on violent crime with a primary emphasis on the protection of the community. Accordingly, the Tucson II Field Office has adopted a multi-faceted enforcement program.

Although Tucson II fully recognizes ATF national mission responsibilities in the areas of explosives and arson violations, in other than matters of compelling Federal interest such as domestic or international terrorism, the Tucson II Field Office will focus resources on arson and explosives programs only as they pertain to the successful completion of immediate VCIT goals and objectives.

Tucson II will pursue those violators who most endanger the community, utilizing the following six programs:

1. Multiple Firearms Sales:

The Tucson II Field Office currently has several ongoing investigations involving multiple sales and firearm trafficking, to include IN 785085 06 0032, wherein the subject has made numerous multiple purchases, and is believed to be trafficking firearms to street gangs in Compton, CA.

Tucson II is also actively investigating criminal conspiracy, and firearms trafficking violations through IN 785085 06 0035, wherein the suspects are targets of investigation for international trafficking in firearms. This matter is being coordinated with ATF Country Attaché, Ottawa, Canada, the Toronto Police Service and ICE.

Tucson II is additionally actively investigating criminal conspiracy, and firearms trafficking violations through IN 785085 06 0051, wherein the subject has pre-paid and ordered numerous lower receivers to be transported to Mexico subsequent to re-manufacturing as machineguns. Tucson II is actively investigating criminal conspiracy, and firearms trafficking violations (Best Practices #8: Investigate the sources of firearms linked to violent crime).

2. Pro-active:

This program encompasses the majority of the matters under Tucson II active investigation, to include IN 785085 06 0045, an undercover investigation and Federal prosecution that targets the violent Arellano-Felix drug cartel and has to date resulted in three arrests and money seizure (Best Practices #7: Deploy resources during peak hours of criminal activity).

This program also includes IN 785085 06 0047, [REDACTED] investigation relating to a violent drug trafficking organization (Best Practices # 9: Prioritize prosecution of defendants linked to targeted hot spots).

3. Targeted Offender Program (TOP):

Since February 1, 2006, Tucson II has evaluated approximately 50 potential targets and narrowed that evaluation to 5 TOP subjects (Best Practices #3: Target the "worst of the worst").

Tucson II has recently revamped this program to the evolving needs of Tucson and is experiencing some data and Intelligence stream challenges. Tucson II recognizes this program as a primary initiative and is working on corrective action. Expectation for this program is the evaluation of at least several dozen(s) potential targets each month, and the maintenance of an active ATF TOP listing of 6 - 12 subjects. A similar number or more could / may be targeted by TPD SID.

4. Organized Crime Drug Enforcement Task Force (OCDETF):

Tucson II is the lead agency in one OCDETF investigation (785085 06 0071), and a participating member in three additional multi-agency, multi-jurisdictional investigations. These are long term, resource intensive investigations (Best Practices #4: Use the full array of Intelligence resources).

5. Violent Crime Impact Team:

The Tucson II Field Office recognizes a primary mission within the National VCIT Program. Significant Special Agent time allocation and numerous open Tucson II Field Office investigations are part of that initiative to include pro-active and the majority of the reactive cases, including Federal Firearms Licensee theft/robbery; unlawful possession of firearms by illegal or undocumented aliens; and referrals by local police agencies. Typical of this initiative is the initiation of a joint TPD / ATF investigation of the approximately 180 Mexican Mafia members and associates believed to be residing in Tucson, and the initiation of joint investigation of [REDACTED] groups. This program also represents the Tucson II Field Office's commitment to support other ATF Office's investigative activity in the Tucson metro area (Best Practices #6: Conduct proactive street enforcement with local police in targeted hot spots).

Assistant Director
Office of Field Operations

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6. Project Safe Neighborhood Initiative - Tohono O'odham Nation.

The National PSN Coordinator and the USAO Tucson have advised of their intent to present highlights of the Tucson II Field Office investigative efforts at the 2006 PSN National Conference at Denver during May 2006, which reflects a 300% increase of firearms prosecutions during FY-05 (IN 785085 06 0007).



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White Paper Southwest Border Firearms Trafficking Initiative

Purpose

This white paper responds to a classified discussion paper from the Office of National Drug Control Policy on US-Mexico counter-drug cooperation, which tasked the U.S. Immigration and Customs Enforcement and the Bureau of Alcohol, Tobacco, Firearms and Explosives to jointly identify, with other Federal agency partners, a strategy to counter the trafficking of firearms and other weapons into Mexico.

Executive Summary

In response to heightened government concerns about the illegal trafficking of firearms and other weapons from the United States into Mexico, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the U.S. Immigration and Customs Enforcement (ICE), the Drug Enforcement Administration (DEA), and the U.S. Customs and Border Protection (CBP) are collaborating to better address this border security vulnerability. This action plan outlines broad principles that will serve as the foundation for a nationally-coordinated, regionally implemented interagency initiative designed to identify, investigate, and interdict the illegal export of firearms and other weapons from the United States into Mexico.

This plan will guide ATF, ICE, DEA, CBP, and other participating agencies into joint initiatives based upon analysis of Mexican firearms seizure data and ATF trace data, expanded information sharing, and coordinated operations. Within the next 60 days, official representatives from the participating agencies will coordinate to implement regional initiatives to counter firearms trafficking and weapons smuggling to Mexico.

Background

The Mexican government continues to express concern to the United States about the illegal trafficking of firearms from the U.S. into Mexico. ATF, ICE, and CBP agree upon broad principles as part of an interagency strategy to identify, investigate, and interdict the illicit cross border trafficking of firearms, weapons, and ammunition into Mexico. Discussions are ongoing to address more detailed procedures regarding the coordination of multi-agency operations and information sharing. However, the broadly agreed-upon strategy is based upon three pillars: Analysis of Firearms and Weapons Related Data, Information Sharing, and Coordinated Operations.

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Action Plan

I. Analysis of Firearms and Weapons Related Data

Mexico currently shares available firearms crime data with ATF. Comprehensive access to Mexican weapons seizure data will undoubtedly provide vital intelligence that will assist in identifying and disrupting the illicit trafficking of weapons into Mexico. Mexican seizure data will improve law enforcement's ability to target suspect weapons shipments and pursue investigative leads relating to the sources of these weapons. This data will also assist in identification of illicit weapons shipments that do not originate in the U.S. Law enforcement on both sides of the border will gain a better understanding of smuggling methods and high-risk target identification that can lead to the development of focused, intelligence-driven special enforcement operations.

A thorough analysis of the collected data on firearms and other weapons seized at the border and in Mexico can establish sales and purchase patterns, identify areas in Mexico that have a high concentration of seized firearms, and identify and target persons and businesses that are involved in the sale or purchase of weapons smuggled into Mexico. The data and findings will be shared among the participating Federal partners through the ATF National Weapons Desk.

II. Information Sharing

The ATF Southwest Border Gun Center in the El Paso Intelligence Center serves as a central repository for firearms-related information and intelligence. The Center compiles and disseminates information and intelligence about crime guns and suspect guns, firearms thefts and losses, purchase patterns, suspicious purchasers, secondary gun markets, and other data related to firearms activity. The information is collected from—and shared with—Federal, State, and local law enforcement agencies as well as foreign governments, including Mexico.

The Southwest Border Gun Center serves as a conduit for tactical information-sharing within regional investigative task forces. The firearms-related tactical information will be used to deconflict proactive agency operations. Federal task forces that combat gun violence and firearms trafficking along the Southwest Border will share tactical actionable intelligence and coordinate investigations and interdictions of outbound weapons smuggling and firearms trafficking.

III. Coordinated Operations

The Department of Homeland Security created Border Enforcement Security Task Forces (BESTs), consisting of ICE, CBP, ATF, and DEA field personnel, to provide a multi-agency, comprehensive approach to identify, disrupt, and dismantle criminal organizations posing threats to border security. BESTs have been initiated in Arizona, California, and Texas. Mexican law enforcement personnel have also been assigned to BESTs to work jointly with the U.S. in conducting investigations of crime that impacts both the U.S. and Mexico.

Where a BEST task force exists, the BEST will facilitate coordinated, multi-agency investigations and share actionable intelligence leading to increased border area interdictions of outbound weapons and munitions. Participating agencies will lead investigations they initiate that fall within their investigative jurisdictions. The BEST task forces will continue to

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employ the authority and expertise of each participating agency in complementary ways. BEST task forces will share weapons-related intelligence with all participating agencies, through the ATF National Weapons Desk.

ATF established a Southwest Border Initiative to reduce firearms trafficking into Mexico and thus reduce firearm-related violent crime in Mexico. As part of that effort, Industry Operations Investigators are identifying those firearms dealers and suspicious purchasers along the Southwest Border that are the common source of firearms recovered in Mexico. Special agents on Violent Crime Impact Teams (VCIT) leverage technology and investigative resources to identify, target, disrupt, arrest and prosecute criminals responsible for cross-border violence in target cities, which include Los Angeles, Tucson, Albuquerque, Houston, and Laredo along the Southwest Border. Away from the actual border or where no BEST is established the Violent Crime Impact Teams will facilitate coordinated, multi-agency investigations and share actionable intelligence with all participating agencies, through the ATF National Weapons Desk.

In order to address specific, regional firearms trafficking and weapons smuggling threats, DOJ and DHS field commanders will meet in the summer of 2007 to develop and implement joint initiatives and protocols. Agency-developed metrics will measure each regional joint initiative's effectiveness in addressing the threat of outbound firearms and other weapons. Best practices and lessons learned will be shared to improve targeting of firearms trafficking and weapons smuggling along the entire Southwest Border.

Points of Contact

US Immigration and Customs Enforcement

ATF

Unit Chief, Arms and Strategic Technology Investigations Unit. [REDACTED]

Bureau of Alcohol Tobacco, Firearms and Explosives

ATF

Special Agent, Field Operations, Field Management Staff. [REDACTED]

US Customs and Border Protection

ATF

Assistant Chief, Office of Anti-Terrorism [REDACTED]

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ATF Firearms Trafficking

(12/3/10)

FA Trafficking

- The primary goal of ATF's firearms trafficking strategy is to prevent violent crime by disrupting and dismantling the firearms trafficking organizations and networks responsible for supplying violent offenders with crime guns.
- Firearms trafficking is the mechanism in which criminals obtain their firearms used in violent crimes.
- ATF's strategy is multi-faceted and includes the inspection of licensed gun dealers, targeting and arresting of straw purchasers, and now a greater intelligence-driven emphasis targeting specific cartels and the persons responsible for organizing and directing firearms trafficking operations in the U.S.
- The multi-prong approach requires conducting our border-related firearms and explosives investigations in a more creative and comprehensive manner by fully incorporating our agency's regulatory, investigative, analytical, technical, intelligence gathering and legal capabilities.

Intelligence-Driven Investigations

- The cornerstone of any ATF firearms trafficking investigation is an intelligence-driven approach that ultimately disrupts and dismantles firearms trafficking organizations and networks responsible for supplying violent offenders with crime guns.
- Gathering of intelligence involves lengthy investigations, a cadre of informants, sharing of information with other agencies, and tracing of as many crime guns as possible.
- Greater emphasis will be placed on targeting the persons with greater responsibility for the trafficking schemes in an attempt to more effectively

disrupt firearms trafficking operations and to make our cases more appealing for criminal prosecution.

- ATF will also conduct investigations focusing greater attention on the cartels that finance and direct these trafficking operations.

Straw Purchasing

- Straw purchasing is when an individual purchases a firearm and claims it is for their use when in fact it is really intended for another individual.
- Straw purchasers will continue to be investigated and prosecuted according to their overall level of culpability and cooperation. Straw purchasers must be held accountable for their conduct and made ineligible to purchase or possess firearms in the future.
- Straw purchasers and firearms traffickers are responsible for the crimes committed with those guns. As a society we have to make straw purchasing as socially reprehensible as the crimes committed with those guns. Straw purchasing is a felony – you are not just making a false statement on a form, you are providing a gun to criminal who will use it to victimize someone in your community.
- ATF faces numerous challenges when conducting trafficking investigations to include identifying straw purchasers. No one can state with any accuracy the total number of firearms that are straw purchased because these violations often go undetected by law enforcement and the industry.
- ATF partners with the National Shooting Sports Foundation (NSSF), the trade association for firearms industry, on educating the firearm retailer in the detection and possible deterrence of straw purchases. The program co-designed is called “Don’t Lie For the Other Guy.”

Tracing

- ATF's National Tracing Center (NTC) is the country's only crime gun tracing facility. As such, the NTC provides critical information that helps domestic and international law enforcement agencies solve firearms crimes, detect firearms trafficking and track the intrastate, interstate and international movement of crime guns.

- Tracing firearms helps to link a suspect to a firearm in a criminal investigation and identify potential traffickers.
- When comprehensive tracing is undertaken in a given community, detect in-state, interstate and international patterns in the sources and kinds of crime guns.
- ATF processed more than 350,000 crime-gun trace requests for thousands of domestic and international law enforcement agencies in fiscal year 2009.
- The more firearms that are traced, the more valuable leads ATF develops. National comprehensive tracing is needed by all local and state agencies.

Southwest Border

- Since 2006, there has been a significant increase in drug and firearms-related violence in Mexico and increasingly along our Southwest border. In response to this increase ATF has deployed focused resources nationally to prevent the firearms trafficking along the Southwest Border.
- ATF has increased its resources and placed a greater national emphasis on suppressing the trafficking of firearms and explosives along the Southwest border.
- ATF has enhanced its partnerships with the Government of Mexico and other law enforcement and intelligence agencies with shared responsibilities.
- The primary goal of ATF's Southwest border firearms trafficking strategy remains unchanged---to disrupt and dismantle the firearms trafficking organizations and networks responsible for trafficking firearms to Mexican Drug Trafficking Organizations and related border violence.
- ATF's Project Gunrunner targets firearms traffickers anywhere in country who are illegally transport firearms to Mexico. This problem is by no means isolated to Southwest borders states. There are trafficking pipelines nationwide illegally trafficking firearms to Mexico.
- Since its 2006 inception, ATF's Project Gunrunner investigations have seized over 10,000 firearms destined for Mexico.

- As a result of the 2010 emergency supplemental appropriation for border security, ATF received \$37.5 million for Project Gunrunner. This funding will be used to upgrade the National Tracing center and establish seven firearms trafficking groups along traditional and newly-emerging firearms trafficking routes and hubs in Atlanta; Dallas; Brownsville, Texas; Las Vegas; Miami; Oklahoma City; and Sierra Vista, Ariz.
- In fiscal year 2009, ATF seized a total of 2,589 firearms and 265,500 rounds of ammunition destined for the Southwest. In those cases, ATF obtained evidence that at least 4,964 firearms were trafficked to Mexico. In addition, ATF referred 355 cases and 686 defendants for prosecution under Project Gunrunner.
- From fiscal years 2004 through 2009, Project Gunrunner referred for prosecution 1,012 cases involving 2,096 defendants.
 - Those cases include 510 firearms trafficking cases with more than an estimated 15,000 firearms trafficked.
- Mexican Drug Trafficking Organizations are trafficking firearms across the border via vehicle and foot utilizing existing drug trafficking routes that are territorially fought over in Mexico. In some instances cartel members are placed in the U.S. to acquire firearms; in other cases freelance U.S. citizens looking to make a quick buck become engaged in trafficking schemes.

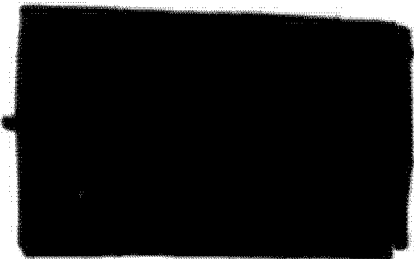
FFL & Strategic Inspections

- When criminal wrongdoing by FFLs is suspected the FFL will be aggressively investigated and recommended for prosecution.
- Corrupt FFLs are detrimental to society as they hold a special responsibility to ensure that firearms are not illegally diverted from lawful commerce.
- The potential damage to public safety caused by even one corrupt FFL is difficult to calculate.
- ATF pursues investigative leads developed by IOIs who conduct inspections of licensed gun dealers.
- Firearms traffickers and other violent criminals also obtain firearms from secondary sources to include gun shows, thefts and private sales.

- The gun dealers who follow the regulations also suffer when those who abuse the secondary market for their own greed provide criminals and traffickers with firearms.
- In FY 2009, ATF conducted the following compliance inspections:
 - Federal firearms licensee (FFL) inspections more than 11,000
- In FY 2009, firearms compliance inspections resulted in the following recommendations:
 - No Violations: 5,461
 - Report of Violations: 1,076
 - Warning Letter: 1,207
 - Warning Conference: 877
 - Revoke License or Denial of Renewal: 64
 - Surrender of License: 36
 - Out-of-business: 1,432
 - Other : 1,222
 - Total: 11,375
- In FY 2009, firearms application inspections conducted: 7,000

* **BACKGROUND** – In 2004, ATF implemented a new program where ATF industry operations investigators conduct **in-person** application inspections with all new firearms business applicants. The in-person inspection process includes verifying the applicant, ensuring the qualifications are met of the would-be licensee, verifying the business premises, and reviewing the recordkeeping and business requirements. In addition, to educating the applicant about regulatory responsibilities, these efforts encourage voluntary business practices that can prevent diversion of firearms from lawful commerce to the illegal market.

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Key Messages/Talking Points

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All the Firearms Against Violent Crime

Public Affairs Division - Washington, DC



Project Gunrunner – Southwest Border

(1/27/2011)

Talking Points

- *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 transnational criminal organizations operating in Mexico and along the border.
- Through *Project Gunrunner* ATF 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 facilitate such violence in 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.
- In response to the State Department funding of Integrated Ballistics Identification Systems (IBIS machines) in Mexico, ATF has developed an international correlation server for bilateral sharing of forensic evidence recovered in relation to shootings on both sides of the border. In addition, ATF is developing a mobile IBIS capability that will allow us to capture more forensic firearms identification from US law enforcement agencies that now do not have access to the NIBIN program. NIBIN continues to be an important tool in the identification and investigation of active shooters domestically and abroad.
- *Project Gunrunner* proves that valuable investigative information is obtained when all crime guns are traced. Numerous illegal purchasers have been identified and trafficking networks investigated and prosecuted based on leads generated by eTrace.

- 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 the training and use of explosive detection canines.
- 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 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 Gunrunner 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.

Success Stories:

Houston Field Division – Operation Zebra

During a routine FFL inspection in Houston, Texas, a large-scale trafficking operation was discovered. After numerous interviews with straw purchasers, three individuals residing in the Houston area were ultimately identified as leaders in this trafficking ring. These individuals recruited and paid straw purchasers up to \$500 per transaction. The investigation revealed that a high ranking Los Zetas member provided the financing for the firearms. After purchase, the firearms were transported to Mexico and passed along to a Gulf cartel member. There were 338 firearms illegally purchased from FFLs at a retail value in excess of \$367,000. All of the firearms were purchased in 97 separate transactions. As of 01/21/10, 102 firearms have been recovered: 97 in Mexico, 4 in Guatemala and 1 in the U.S. (in home of one defendant). There have been 63 deaths associated with these guns: 18 law enforcement officers and civilians, and 45 cartel gunmen. Thus far, 16 individuals have been charged with firearms trafficking related charges and 13 have been sentenced.

St. Paul Field Division – Operation Big

After the ATF trace of a firearm recovered in Mexico, it was determined that the purchaser resided in Minnesota and had purchased in excess of 100 firearms. ATF determined that this individual has numerous Mexico-U.S. border crossings near the dates of firearms purchases. ATF also determined that this individual has had nearly \$70,000 (non-declared on taxes) wired to his bank account from Mexican sources. [REDACTED]. ATF then established a 1,400 mile surveillance tracking the individual to Laredo, Texas where ATF asked CBP to stop the individual prior to crossing the border. Fourteen (14) firearms were recovered from the vehicle. The Minnesota resident that ran the operation in the United States was sentenced to 36 months imprisonment. As of 01/25/11, 18 individuals have been charged in this investigation. ATF cooperation with GOM officials has led to several prosecutions in Mexico as well as evidence recovery.

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Cleared by:

[REDACTED]



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Phoenix Field Division

Phoenix, Arizona 85004

www.atf.gov

October 12, 2010

785115
3530



MEMORANDUM TO: Chief, Special Operations Divisions

FROM: Special Agent in Charge
Phoenix Field Division

SUBJECT: OCDETF Funding Request FY 2011
Operation The Fast and The Furious, [REDACTED]
[REDACTED]

This memorandum serves as a request for the renewal of OCDETF funding in the amount of **\$25,000.00** for the investigation entitled Operation The Fast and The Furious. The Phoenix Group VII Field Office is conducting this investigation in conjunction with the Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation, sponsored by ATF, was approved as an OCDETF case by the Southwest Region as SWAZP-0496. There has been one previous funding request for this investigation approved.

Since October 2009, ATF, ICE, DEA, IRS, and PPD have been investigating a firearm trafficking organization that is being funded by a drug trafficking organization (DTO) that is involved in violent criminal activity in Mexico, Southern Arizona and many other regions of the United States. This organization is involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into Southern Arizona to be distributed throughout the United States. In support of this criminal activity the organization often uses violent/deadly enforcement tactics. These acts contribute to 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 bulk narcotics proceeds. The firearms are then being trafficked into Mexico using non-factory compartments in various vehicles through various Ports of Entry (POE's) in Arizona and Texas. Since the ATF case was initiated, agents have identified

ATF

Arizona, since September 2009. [REDACTED]

[REDACTED] and other investigative

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techniques have been utilized to further the investigation. Through these investigative techniques, agents have been able to identify additional co-conspirators and disrupt the firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred (300) firearms and over fifty (50) pounds of marijuana have been recovered in the United States in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

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OPERATIONAL FUNDING CATEGORIES AND JUSTIFICATION

MISSION TRAVEL

To date, firearm recoveries related to the case have occurred in Mexico, Arizona and Texas. It is anticipated that funds for travel related to the recoveries will be necessary. It is also anticipated that funds for travel to other geographic locations by multiple agents for cases related to Operation The Fast and The Furious will be necessary.

Total Mission Travel - \$15,000.00

INVESTIGATIVE SERVICES

During this investigation the [redacted] of several members of the organization. Based on the fact that some of the main co-conspirators of the organization being investigated were Spanish speakers, translation [redacted] services were necessary.

[redacted]

Total Investigative Services - \$10,000.00

A total of **\$25,000.00** in ATF OCDETF operational funding is requested for use in furtherance of this investigation. If you have any questions regarding this OCDETF funding request, please contact Group Supervisor **ATF** Phoenix Group VII Field Office, at [redacted] or ATF Special Agents **ATF** at [redacted] or **ATF** at [redacted]

This funding request has been reviewed and approved by the OCDETF Coordinator, Southwest Region.


William Newell
Special Agent in Charge

PROPOSAL

Phoenix Field Division Deployment of Gunrunner Impact Teams January 8, 2010

In Fiscal Year (FY) 2009, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) implemented a new initiative, the Gunrunner Impact Team (GRIT). The initial deployment of GRIT was to multiple locations within ATF's Houston Field Division. The purpose and scope of the initial deployment was to focus ATF's regulatory and criminal enforcement resources to comprehensively focus on firearms trafficking issues directly impacting the southwest border. The initial GRIT met significant success in the Houston Field Division but a post-GRIT assessment identified several "lessons learned" that would aid in the development of any future GRITs. The Phoenix GRIT proposal incorporates almost all of these Houston GRIT "lessons learned."

The Phoenix Field Division (PFD) shares a significant portion of the southern U.S. border with Mexico. Consequently, a significant focus of existing PFD resources is the proliferation of firearms trafficking which is directly related to the violence being perpetrated by Mexican drug trafficking organizations (DTOs) along the border. Although the PFD has identified criminal similarities shared by the Houston Field Division, the PFD's crime problems are not identical to the Houston Field Division. Therefore, the PFD has modified this GRIT proposal from the GRIT structure previously implemented in Houston. The PFD forwards this proposal for ATF's second GRIT to be deployed within the Phoenix Field Division in FY 2010.

This plan is not intended to serve as an enforcement operational plan for any specific aspect of this initiative nor is it intended to serve as guide to conducting specific investigations. This plan does however comply with the Bureau's Strategic Plan for Fiscal Year 2010 in that it will focus ATF resources on the key Illegal Firearms Trafficking Strategic Priority. As outlined in Goal 1 of this priority, Interdict and Prevent Illegal Firearms Trafficking, this GRIT proposal outlines a plan to:

- Deploy integrated firearms enforcement teams,
- Expand risk-based approach to inspections,
- Increase ATF's Firearms Trafficking and Technical Training,
- Expand Awareness and Outreach
- Improve Inventory Control of Firearms Licensees

This plan also supports ATF's and the Department of Justice's Southwest Border Violent Crime Reduction Strategy and specifically Project Gunrunner by focusing on the four main objectives of Project Gunrunner:

1. Investigate individuals responsible for illicit firearms trafficking along the Southwest border.

2. Coordinate with U.S. and Mexican law enforcement along the border in firearms cases and violent crime.
3. Train U.S. and Mexican law enforcement officials to identify firearms traffickers and provide outreach education to gun dealers.
4. Trace all firearms to identify firearms traffickers, trends, patterns, and networks.

Phoenix GRIT Strategy

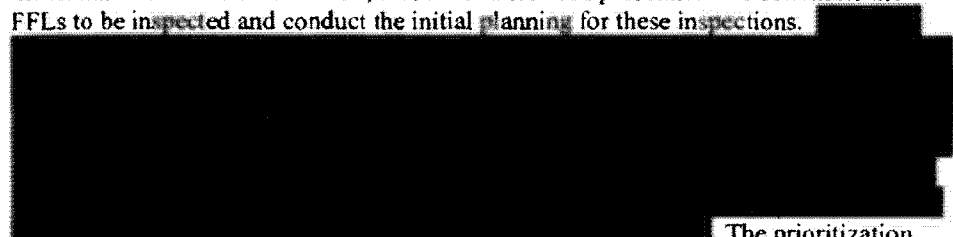
The Phoenix Field Division GRIT strategy will focus on the following two components:

- Industry Operations Initiative
- Firearms Trafficking Investigative Initiative

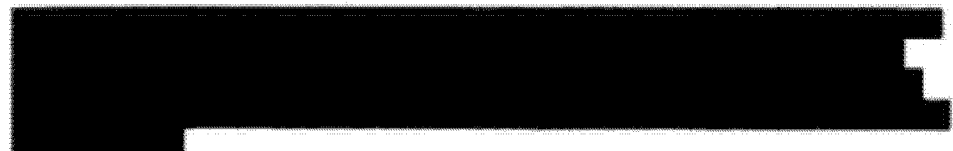
The above components, while unique and individual in their own right, will be strategically addressed in a staggered, but coordinated effort.

Industry Operations Initiative

Beginning February 22, 2010, Industry Operations (IO) will commence the PFD GRIT by bringing in a detailed Industry Operations Investigator/Senior Operations Officer (IO/SOO), two (2) detailed Area Supervisors, three (3) Industry Operations Analysts (IOAs) and one (1) Industry Operations Intelligence Specialist (IOIS). During the initial two weeks of the GRIT, these "advance" IOI personnel will determine the FFLs to be inspected and conduct the initial planning for these inspections.



The prioritization process will also involve input from the local Area Supervisors and Phoenix FIG.



Beginning Monday, March 8, 2010, ATF IOIs will arrive and begin conducting FFL inspections, working closely with Phoenix Field Intelligence Group (FIG) personnel in order to ensure that any referral information is being quickly and thoroughly analyzed. The detailed IOIs will conduct inspections of the identified FFLs for a period of ninety (90) days. ATF IOIs will be located in Phoenix, ATF

IOIs will be located in Tucson, and **ATF** IOIs will be located in Prescott, Arizona. These three locations were selected based upon anticipated workload.

Once the IOIs complete the assigned FFL inspections, the detailed Area Supervisors, IOAs and the IOI/SOO will remain an additional thirty (30) days to finish the review and closing actions for the completed inspections, conduct a comprehensive review of the inspection results as well as an evaluation of this phase of the PFD GRIT. This will require a 134 day detail for the Area Supervisors, IOAs and the IOI/SOO.

During their 90 day detail, IOIs will also staff a booth at the Arizona Game & Fish Department's outdoor Expo to educate both the public and licensees on Federal on firearms regulations.

The overall goals for this initiative will be to complete as many inspections as possible of the identified high risk FFLs, develop leads for the firearms trafficking initiative, Educate FFLs regarding straw purchasing indicators, how to identify potential traffickers and how to improve internal controls and provide FFLs with a point of contact in the event the FFL has questions or wants to report suspicious activity.

Firearms Trafficking Investigative Initiative

The PFD GRIT Firearms Trafficking Initiative will primarily focus efforts on the two largest metropolitan areas within Arizona, Phoenix and Tucson. These two metropolitan areas are the primary source of firearms purchased in Arizona and recovered in crimes in Mexico. Additional resources for this initiative will be deployed to New Mexico and other areas of Arizona as needed and based on information and intelligence gathered during the initial phases of the Phoenix GRIT as well as active firearms trafficking investigations.

All firearms trace data and intelligence obtained by the GRIT will be fully coordinated with OSII personnel assigned to the Project Gunrunner initiative, the El Paso Intelligence Center (EPIC), and the Violent Crime Analysis Branch (VCAB). In addition the use of DEA intelligence assets, particularly through the OCDETF Strike Force in Phoenix and Tucson satellite, will be extensively exploited to ensure our investigative efforts are in sync and complimentary to any on-going Mexican DTO related investigation. Furthermore, intelligence resources in Arizona such as the HIDTA Intelligence Screening Center in Tucson and the State Fusion Center (ACTIC) will be utilized to coordinate and deconflict any GRIT investigative activity within the State of Arizona.

Phoenix metropolitan area – Beginning April 5, 2010, one group supervisor (GS) and **ATF** special agents will be detailed in to the Phoenix enforcement groups for 120 days. In addition to the detailed special agent **ATF** Intelligence Research Specialists (IRS) **ATF** Investigative Assistants will be detailed to the Phoenix enforcement groups for 120 days. The assignment of personnel will be as follows: **ATF** **ATF** special agents to Phoenix I, **ATF** special agents to Phoenix IV, and **ATF** special

agents as well as ATF IA will report directly to the detailed GS. The remaining IA and ATF IRSs will be assigned to Phoenix IV (Intelligence).

Phoenix Group I's FY2010 primary firearms trafficking strategic focus is on disrupting the illegal source(s) of firearms destined to violent gangs and drug trafficking organizations operating in and through the Phoenix metropolitan area. Many of these violent gangs and drug trafficking organizations have a direct nexus to Mexico therefore this group will handle those investigations dealing with trafficking directly impacting the Phoenix metropolitan area. It should be noted that Phoenix Group I was the designated "Gunrunner" group before the creation of Group VII, which was funded specifically as a "Gunrunner" office.

Phoenix Group VII was created under "Gunrunner" to specifically address firearms trafficking from the Phoenix metropolitan that directly impacts Mexico. Additionally, Phoenix VII is located at the Phoenix OCEDEF Strike Force thus fully incorporating the efforts of this ATF group into the larger mission of the Strike Force, which is to focus investigations on the command and control elements of the Sinaloa Cartel and Arizona-based distribution cells associated with the Cartel. The Phoenix OCEDEF Strike Force is a multi-agency unit, with participation from both Federal, and state and local agencies including: DEA, ATF, IRS, ICE, USMS, Phoenix PD, and the Maricopa County SO.

Tucson metropolitan area – Also beginning on April 5, 2010, one GS and ATF special agents will be detailed to the Tucson Field Offices for 120 days. In addition to these assets, ATF special agents will be detailed to Sierra Vista, Arizona and ATF special agents will be detailed to Nogales, Arizona. All ATF detailed special agents will report directly to the detailed GS. In addition to the detailed special agents, ATF Intelligence Research Specialist (IRS) and ATF Investigative Assistants will be detailed to the PFD for 120 days.

Tucson Group I's FY2010 primary firearms trafficking strategic focus is on the trafficking of firearms from the Tucson metropolitan area to Mexico. This involves proactive investigations and operational activity of the sources of crime guns recovered in Mexico and the Tucson AOR, specifically but not limited to Gun Shows, FFLs, and Straw Purchasers of large quantities of "weapons of choice". Furthermore, an on-going issue with addressing firearms trafficking in south and southeastern Arizona is the lack of an ATF office in either Sierra Vista or Nogales. The Tucson Group I agents are regularly called out to these areas to investigate firearms trafficking matters or respond to seizures on both sides of the border. In order to address this, the PFD GRIT will co-locate ATF special agents along the Arizona-Mexico border in Drug Enforcement Administration (DEA) office space. ATF special agents will be positioned in Nogales, Arizona, and ATF special agents will be positioned in Sierra Vista, Arizona. Each ATF team will consist of ATF PFD special agent and ATF detailed special agent. These ATF special agents' primary responsibility will be to capitalize on an existing, strong relationship that the PFD enjoys with the DEA offices in Arizona, the Mexico PGR and Mexico's intelligence service - CISEN, coordinate with ATF's Office of

International Affairs (IAO), and respond to firearms seizures in Mexican border states near to the international border ports of entry. On the scene of these firearms seizures, these ATF special agents will be responsible for accurately capturing seized firearms data and submitting this data for comprehensive firearms tracing. As a collateral duty, these agents will act as border liaison agents and be responsible for bolstering the existing relationship with U.S. and Mexican agencies along the border. Moreover, these agents will receive investigative leads and subsequently conduct interviews of persons, identified by the PFD FIG, whom are involved in suspect firearms purchases and have a high number of border crossings. This will require that the detailed special agents being fluent Spanish speakers.

Tucson Group II's FY2010 primary strategic focus is on disrupting the illegal source(s) of firearms destined to violent gangs and drug trafficking organizations operating in and through the Tucson metropolitan area with a focus on the designated VCIT area, which currently encompasses the highest crime rate area in the City of Tucson. Many of these violent gangs and drug trafficking organizations have a direct nexus to Mexico. This group will handle those investigations that deal with firearms trafficking originating from the Tucson metropolitan area.



The IOI inspections conducted in the first phase of the PFD GRIT will identify additional firearms trafficking leads which will be exploited by PFD FIG personnel and subsequently assigned to special agents for investigative follow-up. The Phoenix FIG will develop additional leads from data gleaned from eTrace of firearms recovered in

ATF

Finally, GRIT personnel will also be assigned to assist with a backlog of National Instant Check System (NICS) standard denials. There are approximately seventy (70) NICS referrals within N-Force that have not been assigned for investigative follow-up due to the many initiatives currently ongoing in the PFD including Gunrunner, Home Invasion, OCDETF Strike Force, and several large-scale firearms trafficking and explosives investigations. Intelligence Research Specialists will also re-initiate the

ATF

Personnel Implementation Schedule

To most effectively implement ATF personnel resources, and after a careful review of lessons learned during the Houston GRIT, the following schedule has been developed:

On February 22, 2010, Advance IOI personnel (1 IOI/SOO, 2 Area Supervisors, 3 IOAs and 1 IOIS) will arrive and begin drafting work assignments for the Industry Operations component.

On March 8, 2010, the remaining IOIs will arrive and commence in earnest the Industry Operations GRIT Initiative.

On April 5, 2010, the Criminal Enforcement component, including the detailed IRS and IA personnel, will arrive and begin the Firearms Trafficking Initiative in earnest.

These dates were selected to allow IO personnel to begin conducting and complete FFL inspections and generate investigative leads for enforcement personnel. Phoenix IV personnel, supported by OSII personnel, will begin the initial processing of investigative leads which will allow the Firearms Trafficking CE component to begin investigations on these leads upon their arrival.

The PFD management team has developed a complete lead tracking, assignment and distribution process, based upon the recommendations from the Houston after action report, and will be implemented in support of the PFD GRIT. Investigative leads will be effectively tracked within the N-FOCIS system and an IA will be designated as the GRIT lead coordinator to insure that all investigative leads are pursued and completed in a timely manner.

United States Attorney Collaboration

Phoenix Field Division Special Agent in Charge William Newell has discussed the GRIT proposal with the United States Attorney for the District of Arizona, Dennis Burke. US Attorney Burke has pledged his full support to ATF and SAC Newell on this initiative. Moreover, from a PFD perspective, the GRIT initiative will further enhance the recently strengthened relationship between ATF and the U.S. Attorney's Office in Arizona. It should also be noted that SAC Newell has discussed this GRIT deployment with Arizona Attorney General Terry Goddard and he pledges his and his office's full support.

Personnel Needs in Support of the PFD GRIT*

Industry Operations Initiative

	Area Supervisors (Initially deployed to Phoenix)
	IOI/SOO (Phoenix Division Office for duration of Phoenix GRIT)
	IOIs (Locations to be determined)
ATF	IOAs (Phoenix VI, Tucson III and Prescott)
	Intelligence Research Specialists (Phoenix FIG for duration of Phoenix GRIT)
	IA (Phoenix FIG for duration of Phoenix GRIT)
	IOIS (Phoenix FIG for duration of Phoenix GRIT)

Firearms Trafficking Investigative Initiative

Phoenix metro area

ATF Group Supervisor
Special Agents
Investigative Analysts (One per Group)
Intelligence Research Specialist (One per Group)

Tucson metro area

ATF Group Supervisor
Special Agents (Tucson)
Special Agents (Nogales and Sierra Vista, Arizona)
Intelligence Research Specialist (Tucson)
Investigative Analysts (Tucson II and GRIT Group)

Total Personnel to be deployed = ATF

***As outlined in the Houston GRIT assessment it is STRONGLY recommended that personnel considered for this deployment, especially special agents, have some fluency in Spanish. Their effectiveness will be extremely limited if they cannot converse at even a basic level in Spanish. It is also strongly recommended that the Intelligence Research Specialists and Investigative Analysts considered for this deployment be trained and well-versed in link analysis systems, N-Force/N-Quire, and have experience working with agencies such as DEA, CPB and ICE as well as with EPIC.**

Training of Personnel

The Phoenix Field Division will provide a day of orientation training for all GRIT detailees. This training will be general and series specific in order to ensure maximum effectiveness for the target audience. This training is currently being conducted in the Phoenix Field Division for the new personnel assigned to the field division under "Gunrunner" funding so a well-established training program exists. Furthermore this training has received very high marks from the new employees who strongly believe it has provided them a much needed in-depth background on the issue of firearms trafficking along the SWB, Project "Gunrunner", Mexican DTO related violence, recent trends in firearms and explosives trafficking, and ATF's abilities and available resources to combat this trafficking and violence, etc. This training also includes briefings by Phoenix personnel currently involved in large-scale firearms trafficking investigations, explosives investigations related to Mexico, etc. It also includes a briefing by Phoenix EEO personnel who have been detailed repeatedly to Mexico to deal with the growing issue of military ordnance and commercial explosives thefts. Finally, this training includes briefings by the ATF Division Counsel, the USAO and Arizona Attorney General's office on the legal issues involved in investigating and prosecuting firearms trafficking and firearms related violence in Arizona, both at the Federal and State level.

Long Term Goals

This plan has been crafted in a manner where the GRIT can be implemented within the PFD, but upon completion of the GRIT, a strong and lasting foundation of criminal enforcement and industry operations relationships will remain for the PFD to continue these regulatory and enforcement efforts. The Phoenix Field Division currently enjoys an outstanding relationship with its Federal, State, Tribal and Local law enforcement peers and it is expected that this GRIT deployment will only further enhance this relationship. The deployment of ATF special agents to Sierra Vista and Nogales, Arizona has long been sought by these law enforcement peers and will present an outstanding opportunity to showcase ATF's unique expertise and experience in combating firearms trafficking and firearms related violent crime.

Estimated Funding Request Allocation \$1,784,051.00

CATEGORY		BUDGET	
1152	Overtime	\$0.00	0.00%
2111	Travel**	\$1,617,521.00	85.13%
2210	FedEx/Commercial Mail	\$1,750.00	0.15%
2500	Other Services	\$22,400.00	2.00%
2547	Agent Cashier	\$7,500.00	0.67%
2600	Supplies & Materials	\$11,200.00	1.00%
2612	Vehicle Supplies	\$39,200.00	3.50%
2613	Fuel		0.00%
2625	Investigative Supply	\$4,480.00	0.40%
3100	Furniture**		0.00%
3160	Investigative Equipment	\$80,000.00	7.14%
TOTAL		\$1,784,051.00	100.00%

*See attached Excel spreadsheets for a detailed breakdown of expenditures.

**Travel amount will increase depending on if we have to add rental cars, airline, meeting room rental and parking. Due to lack of available office space in Phoenix and Tucson we will have to rent a room in each hotel to convert to a temporary office location which can range from \$400+ per day. At \$400 a day that would be \$48,000 for Phoenix and \$48,000 for Tucson. If we do get our pending space projects in Phoenix and Tucson completed in time for the GRIT then we need funding in 3100 for tables, chairs and filing cabinets.

Performance Measures

The nature of criminal investigative work makes the establishment of meaningful and measurable performance measures difficult. For example, establishing as a performance measure the number of straw purchasers or suspected firearms traffickers prosecuted is problematic in light of the fact that ATF cannot directly control this outcome. Disrupting or dismantling Mexican drug trafficking organizations is likewise outside ATF's ability to control since the DTO's largely operate outside the direct reach of U.S. law enforcement authorities. Establishing as a measure of success a reduction in the number of firearms recovered in Mexico that are U.S. sourced is something that is not likely to be realized during the GRIT deployment period and will only be achieved if sufficient resources continue to be dedicated to support the greater SWB violence reduction strategy. A reduction in the number of firearms traced from Mexico is also not a meaningful measurement of short term success since the total number of firearms currently in the custody of the Government of Mexico is unknown and progress with the GOM with regard to tracing all recovered firearms will only result in an increase of this potential measurement even if incidents of trafficked firearms is actually declining.

However, it is essential that ATF establish some meaningful performance measures that are linked to the GRIT strategy. Therefore, the Phoenix GRIT, using input from the Houston GRIT post-assessment, established and will track the following performance measures that are intended to gauge the impact this initiative has on disrupting firearms trafficking operations that support Mexican DTOs:

- The number of firearms trafficking investigations opened/closed during the surge period.
- The number of firearms trafficking defendants referred for prosecution.
- An increase in the number of referrals to the GOM and/or other U.S. law enforcement agencies.
- An increase in the number of firearms and other evidence recovered or seized by ATF or by other agencies acting on ATF information.
- A reduction in the number of firearms traces originating from Mexico with a relatively short "time to crime".
- The number of firearms (an estimate) prevented from being trafficked to Mexico. This estimate can be calculated as a result of a number of factors such as the number of firearms recovered in Mexico or interdicted at the border associated with known or suspected straw purchasers or traffickers; information obtained during interviews and investigations; the period of time that the trafficker or straw purchaser was known (or suspected) to have operated and/or expected to have continued operating had ATF not intervened; number of established border crossings for a particular person of interest; physical evidence recovered (i.e. firearms, empty gun boxes, currency, purchase receipts, lists depicting guns to be purchased, etc.); other purchases associated with the person(s) of interest discovered as a result of inspections of FFL records, etc.
- The number of additional FFL inspections conducted and violations cited.

- The number of criminal enforcement referrals made as a result of increased FFL inspections.
- The number of licensees that received the ATF/NSSF "Don't Lie" program materials.
- Estimated number of persons reached as a result of ATF community outreach programs.

This reporting chart, created and utilized by the Houston GRIT, will be adopted for use by the Phoenix GRIT.

GRIT Performance for Reporting Period April 5, 2010 to April 12, 2010		
	Reporting Period	Since Inception
Number of Investigative Leads at the Start of GRIT		
Number of New Investigative Leads		
Total Leads		
Number of Leads Investigated		
Number of New Actual Criminal Cases Opened		
Number of Defendants Recommended for Prosecution		
Number of Referrals to the Gov. of Mexico and/or other U.S. LE Agencies		
Number of Firearms/Other Evidence Seized/Recovered by ATF or Other LE Agencies Acting on ATF Information		
Number of FFL Inspections Initiated		
Number of FFL Inspections Completed		
FFL Adverse Actions Recommended:		
Number of Warning Letters/Warning Conferences		
Number of Revocations (Recommended by Division and Concurred by HQ)		
Number of Licenses Surrendered in Lieu of Revocation		
Remaining Inspections to be Completed		
Number of Criminal Enforcement Referrals Made by IOIs to ATF LE		

ATF

Additional Investigations

Not for Public Dissemination For Internal Use Only

At the Frontline Against Violent Crime

Public Affairs Division - Washington, DC



OCDETF Strike Force Investigations
(1/10/11)

[REDACTED]

[REDACTED]

- 785115-10-0004, [REDACTED] ATF
• One individual indicted, [REDACTED] DEA ATF Dec. 16, 2010
• Dec. 15 shooting death of Border Patrol Agent Brian A. Terry: two AK-47 variant rifles purchased by [REDACTED] DEA ATF recovered at the scene of the shooting

[REDACTED]

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Executive Summary

Not for Public Dissemination/For Internal Use Only

Public Affairs Division - Washington, DC



Operation: Fast and Furious and Corresponding Investigations

(1/10/11)

- Operation: Fast and Furious, an ATF-lead, Organized Crime Drug Enforcement Task Force (OCDETF) approved investigation, began in October 2009, and targeted a firearms trafficking organization funded by the violent Sinaloa Drug Trafficking Organization (DTO).
- This OCDETF investigation was conducted in partnership with the Drug Enforcement Administration (DEA), Immigration and Customs Enforcement (ICE), the Internal Revenue Service (IRS), and the Phoenix Police Department.

ATF

- The execution of arrest and search warrants based on the aforementioned indictments are scheduled to occur on Jan. 25, 2011.
- From October 2009 through October 2010, the investigation revealed that the Sinaloa DTO spent approximately \$1.25 million to illegally purchase more than 1,900 firearms and using vehicles retrofitted with hidden compartments, the DTO trafficked the firearms into Mexico and other parts of the United States.
- During this investigation, ATF seized 352 firearms in the United States that were headed to Mexico and Mexican authorities seized another 250 firearms recovered in crimes in Mexico and traced to this conspiracy.

###

HOCR ATF - 001645

From: ATF
Sent: Monday, April 12, 2010 2:46 PM
To: ATF
Subject: cartel strategy2
Attachments: cartel strategy2.docx

HOCR ATF - 001646

DOJ-FF-44463

DEPARTMENT OF JUSTICE STRATEGY FOR COMBATING THE MEXICAN CARTELS

It is a priority of the Department of Justice to stem the growing violence and associated criminal activity perpetrated by the Mexican drug cartels, 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.

An essential aspect of the DOJ plan must be ensuring a productive partnership with the government of Mexico, as well as with our state and local law enforcement counterparts. Equally important, we must avoid wasteful overlap and duplication 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.

Operationally, the strategy will be executed through the proven mechanism of prosecutor-led, multi-agency task forces, using the Organized Crime Drug Enforcement Task Forces (OCDETF) Program as the primary coordinating platform. The 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 along the Southwest Border.
- 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.

From: Needles, James R.

Sent: Monday, November 15, 2010 7:58 PM

To: ATF

Subject: Strategic Plan FY2011

Attachments: RE: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan; RE: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan; FW: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan; RE: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan; RE: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

ATF

Any questions let me know.

HGR ATF - 001648

DOJ-FF-44465

From: ATF

Sent: Tuesday, November 02, 2010 11:38 AM

To: Needles, James R.

Subject: RE: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan
Jim,

Per the message below here are the top three priorities and responses for Group VII:

1. **Threat** - The sheer volume of straw purchasers acquiring large number of weapons of choice. **Response** – Working with the USAO to secure judicial civil forfeiture of these firearms in order to interdict/seize these firearms prior to them being trafficked south to Mexico.
2. **Threat** – The larger trafficking organization; the straw purchasers, the recruiters, the leaders, and transportation component. **Response** – Identify these organizations and the initiation of the OCDEF platform to coordinate with the USAO and with the other law enforcement agencies on the OCDEF Strike Force to best utilize the combined resources to target and dismantle these organizations.
3. **Threat** - Make the larger connection to the Mexican DTO/Cartel acquiring the firearms. **Response** – To build off the response above, utilize the OCDEF platform, and the combined resources within the Strike Force groups (especially DEA) to capture the DTO/Cartel acquiring these firearms over T-III lawful court intercepts.

Phoenix Group VII Strategic Plan

Firearms Trafficking – Investigations will focus on disrupting the illegal source(s) of firearms destined to violent gangs and drug trafficking organizations operating in and through the Phoenix Group VII AOR. This includes a primary focus on “Gunrunner” related firearms trafficking investigations, which are those that involve the trafficking of firearms to Mexico. The Phoenix VII firearms trafficking interdiction effort will be addressed using the full resources of the OCDEF Strike Force and will follow Department of Justice plan which integrates an investigative and prosecutorial strategy

ATF

Thanks,

ATF

From: Needles, James R.

Sent: Tuesday, November 02, 2010 5:22 AM

To:

Cc:

ATF

Subject: FW: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

Supervisors

See the below message; have your response to me by cob Thursday. Any questions let me know.

From: ATF

Sent: Monday, November 01, 2010 1:21 PM

To: Gillett, George T. Jr.; Needles, James R.

Cc: ATF Newell, William D.

Subject: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

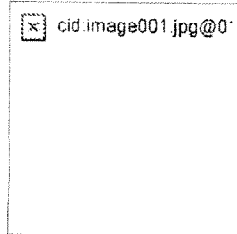
The Strategic Plan for 2011 was a topic of today's staff meeting. SAC Newell requested that the ASAC's and the DIO forward a request for input to all of their respective supervisory staff. Specifically, SAC Newell would like each group to identify the top three threats (eg. Illegal Firearm Trafficking; Criminal Groups and Gangs; Explosives, Bombs, and Bombings; and Fire and Arson) and their top three priorities (responses) related to the threats.

HOCR ATF - 001649

In addition, SAC Newell requested that the supervisors review the attached Strategic Plan and provide updated information, where necessary. Further, SAC Newell directed that the updated information should include information pertaining to the new Sierra Vista and Tucson IV offices.

Please coordinate the response from your respective supervisors to be provided to SAC Newell by close of business this Friday (11/5/2010).

Thank you,



ATF

Special Agent

Senior Operations Officer

Phoenix Field Division

Bureau of Alcohol, Tobacco, Firearms and Explosives

Office: [REDACTED] Cellular: [REDACTED]

Fax: [REDACTED]

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HOCR ATF - 001650

DOJ-FF-44467

From: Needles, James R.
Sent: Thursday, December 02, 2010 11:42 AM
To: ATF
Subject: FW: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

Group VII

From: ATF
Sent: Tuesday, November 02, 2010 8:38 AM
To: Needles, James R.
Subject: RE: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

ATF

Per the message below here are the top three priorities and responses for Group VII:

1. **Threat** - The sheer volume of straw purchasers acquiring large number of weapons of choice. **Response** - Working with the USAO to secure judicial civil forfeiture of these firearms in order to interdict/seize these firearms prior to them being trafficked south to Mexico.
2. **Threat** - The larger trafficking organization; the straw purchasers, the recruiters, the leaders, and transportation component. **Response** - Identify these organizations and the initiation of the OCDETF platform to coordinate with the USAO and with the other law enforcement agencies on the OCDETF Strike Force to best utilize the combined resources to target and dismantle these organizations.
3. **Threat** - Make the larger connection to the Mexican DTO/Cartel acquiring the firearms. **Response** - To build off the response above, utilize the OCDETF platform, and the combined resources within the Strike Force groups (especially DEA) to capture the DTO/Cartel acquiring these firearms over T-III lawful court intercepts.

Phoenix Group VII Strategic Plan

Firearms Trafficking - Investigations will focus on disrupting the illegal source(s) of firearms destined to violent gangs and drug trafficking organizations operating in and through the Phoenix Group VII AOR. This includes a primary focus on "Gunrunner" related firearms trafficking investigations, which are those that involve the trafficking of firearms to Mexico. The Phoenix VII firearms trafficking interdiction effort will be addressed using the full resources of the OCDETF Strike Force and will follow Department of Justice plan which integrates an investigative and prosecutorial strategy

ATF

Thanks,

ATF

From: Needles, James R.
Sent: Tuesday, November 02, 2010 5:22 AM
To: ATF
Cc: ATF
Subject: FW: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

Supervisors

See the below message; have your response to me by cob Thursday. Any questions let me know.

From:

ATF

HOCR ATF - 001651

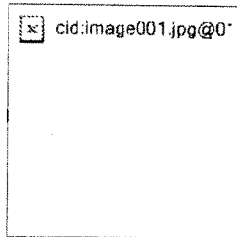
Sent: Monday, November 01, 2010 1:21 PM
To: Gillett, George T. Jr.; Needles, James R.; Cook, Nancy F.
Cc: ATF
Subject: Identification of Top (3) Threats and Priorities; Updates to the Attached Strategic Plan

The Strategic Plan for 2011 was a topic of today's staff meeting. SAC Newell requested that the ASAC's and the DIO forward a request for input to all of their respective supervisory staff. Specifically, SAC Newell would like each group to identify the top three threats (eg. Illegal Firearm Trafficking; Criminal Groups and Gangs; Explosives, Bombs, and Bombings; and Fire and Arson) and their top three priorities (responses) related to the threats.

In addition, SAC Newell requested that the supervisors review the attached Strategic Plan and provide updated information, where necessary. Further, SAC Newell directed that the updated information should include information pertaining to the new Sierra Vista and Tucson IV offices.

Please coordinate the response from your respective supervisors to be provided to SAC Newell by close of business this Friday (11/5/2010).

Thank you,



ATF

Special Agent

Senior Operations Officer

Phoenix Field Division

Bureau of Alcohol, Tobacco, Firearms and Explosives

Office: [REDACTED] *Cellular:* [REDACTED]

Fax: [REDACTED]

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HOCR ATF - 001652

DOJ-FF-44469

From: ATF
Sent: Monday, May 24, 2010 5:11 PM
To: ATF
Subject: RE: Final draft.

Yeah -- Its as good as its gonna get

From: ATF
Sent: Monday, May 24, 2010 2:08 PM
To: ATF
Subject: RE: Final draft.

Are you sure?

ATF
Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012
T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

"We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day." -- William Shakespeare, *Henry V*

From: ATF
Sent: Monday, May 24, 2010 2:07 PM
To: ATF
Subject: RE: Final draft.

Looks good to me -- good luck! ☺

From: ATF
Sent: Monday, May 24, 2010 1:58 PM
To: ATF
Subject: Final draft.

ATF

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 [REDACTED] and [REDACTED] ATF

ATF
ATF

"an AUSA won't be able to approve of letting firearms "walk" in furtherance of your

HOCR ATF - 001653

investigation without first briefing the US Attorney and Criminal Chief.”

I appreciate your help and guidance on this,

ATF

ATF

/ Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012

T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

“We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day.” -- William Shakespeare, *Henry V*

HOCR ATF - 001654

DOJ-FF-44471

From: ATF
Sent: Monday, May 24, 2010 3:15 PM
To: ATF
Subject: RE: Question?

Take a walk -

From: ATF
Sent: Monday, May 24, 2010 12:15 PM
To: ATF
Subject: RE: Question?

Yours just seems more abrasive. I.e. - "I definitely need"

ATF Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012
T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

"We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day." -- William Shakespeare, *Henry V*

From: ATF
Sent: Monday, May 24, 2010 12:13 PM
To: ATF
Subject: RE: Question?

?

From: ATF
Sent: Monday, May 24, 2010 12:13 PM
To: ATF
Subject: RE: Question?

Yours seems far more "Grit" than mine. WTF?

ATF Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012
T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

"We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day." -- William Shakespeare, *Henry V*

From: ATF
Sent: Monday, May 24, 2010 12:12 PM
To: ATF
Subject: RE: Question?

What did you think?

HOCR ATF - 001655

DOJ-FF-44472

From: ATF
Sent: Monday, May 24, 2010 12:06 PM
To: ATF
Subject: RE: Question?

Less abrasive? I

ATF

ATF

/ Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012

T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

"We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day." -- William Shakespeare, *Henry V*

From: ATF
Sent: Monday, May 24, 2010 12:05 PM
To: ATF
Subject: RE: Question?

I edited – see attached (somewhat less abrasive)

From: ATF
Sent: Monday, May 24, 2010 11:49 AM
To: ATF
Subject: Question?

ATF

I know that we have spoken about most of this but I wanted to take the time to ensure that everything was addressed. First, thank you for the accolades. I too believe this to be a great case with a tremendous amount of potential. Furthermore, I am excited, as a member of Group VII, to be afforded the opportunity to work it.

ATF

ATF

ATF

ATF

ATF

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HOCR ATF - 001656

ATF

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ATF

Thanks again and I look forward to your feedback,

ATF

ATF

/ Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012

T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

"We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day." -- William Shakespeare, *Henry V*

HOCR ATF - 001657

DOJ-FF-44474

From: ATF
Sent: Monday, May 24, 2010 3:05 PM
To: ATF
Subject: RE: Question?
Attachments: ATF Etter.docx

I edited – see attached (somewhat less abrasive)

From: ATF
Sent: Monday, May 24, 2010 11:49 AM
To: ATF
Subject: Question?

ATF

I know that we have spoken about most of this but I wanted to take the time to ensure that everything was addressed. First, thank you for the accolades. I too believe this to be a great case with a tremendous amount of potential. Furthermore, I am excited, as a member of Group VII, to be afforded the opportunity to work it.

ATF

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[REDACTED]

ATF

ATF

ATF

ATF

[REDACTED]

Thanks again and I look forward to your feedback,

ATF

ATF

/ Special Agent / ATF - Phoenix Group VII
3010 N 2nd ST, Suite #301
Phoenix, AZ 85012

T: [REDACTED] / Fax: [REDACTED] / C: [REDACTED]

"We few, we happy few, we band of brothers; For he to-day that sheds his blood with me shall be my brother; be he ne'er so vile, this day shall gentle his condition; and gentlemen in England now-a-bed shall think themselves accurs'd they were not here, and hold their manhoods cheap whiles any speaks that fought with us upon Saint Crispin's day." -- William Shakespeare, *Henry V*

HOCR ATF - 001659

DOJ-FF-44476

ATF

ATF

took on; compared with the priorities of other traveling team 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.

That being said, now that direct contact has been made between [REDACTED] ATF

ATF

I appreciate your help with this.

ATF

Deleted: I know that we have spoken about most of this but I wanted to take the time to ensure that everything was addressed. First, thank you for the accolades. I too believe this to be a great case with a tremendous amount of potential. Furthermore, I am excited, as a member of Group VII, to be afforded the opportunity to work it.¶

¶
As you are aware, the ROI's have been turned in and NFORCE issues made current. (Lacking the most recent events that I discussed with you, in person, which will be entered prior to the closing of the "5 Day" window.)

Deleted: It was never my intent to be tardy in the reporting requirements nor did I think them insignificant.

Deleted: In accordance with that

Deleted: ,

Deleted: is the appointment of a co-case agent/handle possible?

Deleted: If so, I would appreciate the

ATF

ATF thank you for your help yesterday. I look forward to working with you on your trafficking cases. I won't know if I am keeping the case we discussed yesterday until my chief officially assign... [1]

Deleted: Thanks again and I look forward to your feedback

Deleted: ,

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From: ATF
Sent: Wednesday, August 18, 2010 1:27 PM
To: ATF
CC: ATF
Subject: Op-plan for approval
Attachments: [REDACTED] Op-Plan 08182010.pdf

Importance: High

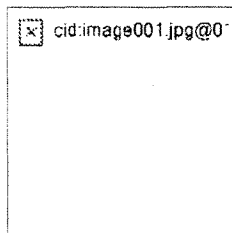
ATF

Please find attached a new surveillance op-plan for approval. This is essentially the same op as yesterday with the players and facts amended.

In addition, the surveillance team will attempt to identify and observe the sale/disposition of (7) Century Int. Arms (AK-47) 7.62 rifles to [REDACTED] (also identified in the "[REDACTED] Case"). I did not submit another op-plan for this surveillance – I do not anticipate enforcement action, just surveillance.

Please advise regarding approval.

Thank you,



ATF
Special Agent
U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Phoenix Strike Force/Phoenix Group VII
Office: [REDACTED] *Cellular:* [REDACTED]
Fax: [REDACTED]

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HOCR ATF - 001662

DOJ-FF-44479

From: ATF
Sent: Tuesday, March 15, 2011 6:58 PM
To: ATF
Subject: Directive from DAG Related to DOJ Policy on Firearms Investigations

I understand none of you are currently working in an enforcement group. I only want you to be aware of the directive below that relates to firearm investigations with a nexus to Mexico.

Thank you.

Special Agent ATF
Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - Suite 940
Phoenix, Arizona 85004-2428

From: Clemens, Shelley (USAAZ) [mailto:]
Sent: Thursday, March 10, 2011 7:42 AM
To: Crocker, Richard L; Bartlett, S. Annette (FBI); Nallin, Michael T.
Subject: Firearms cases

Yesterday, we received a directive from the DAG, instructing on DOJ's policy regarding guns going south into Mexico. "We should not design or conduct undercover operations which include guns crossing the border. If we have knowledge that guns are about to cross the border, we must take immediate action to stop the firearms from crossing the border, even if that prematurely terminates or otherwise jeopardizes an investigation." This would include cases where we are working with the Mexican government to have them follow the vehicles once they are in Mexico in order to find the purchaser. If a vehicle is lost in surveillance, take all steps to notify the ports to be on the look out to stop the vehicle/person at the POE.

Please distribute this to your agents to ensure they are clear on this policy.

If you have any questions about this policy, please call me.

Thanks

Shelley Clemens

HOCR ATF - 001663

DOJ-FF-44480

From: [redacted] **ATF** [redacted]
Sent: Friday, May 21, 2010 1:11:29 PM
To: [redacted] **ATF**
Subject: Your new case

ATF

Thank you,

[redacted] **ATF**
[redacted]

HOCR ATF - 001664



Memorandum

To: Dennis K. Burke
From: Emory Hurley
Subject: ATF
Date: January 28, 2011

The two AK-47 type rifles associated with the U.S. Border Patrol shooting, specifically two ROMARM WASR-10 7.62x39 mm rifles, Serial Numbers [DP] ATF [DP] were purchased by [ATF]. The three rifles were purchased in a single transaction from [ATF] [DP] ATF. ATF was not notified of this purchase until Monday, January 19, 2010, when ATF received the ATF Form 4473 documenting [DEA] ATF [ATF]. These were forwarded to ATF by the PFL and the purchase is documented in ATF ROI #67.

[DP] [DEA] [ATF] [DEA] [DP] [DEA] [DEA] [DP]

[ATF] [DP] [ATF] This is documented in ATF ROI # 12. As of this date, the five (5) FN pistols [ATF] [ATF] the ATF case management system as a suspect in the investigation. This event does not result in the creation of an ROI.

[DEA] [ATF] [DP] [ATF] This is documented in ATF ROI # 46. As of this date, these five AK-47 type rifles have not been recovered.

On December 17, 2009, this AUSA, ATF Group Supervisor David [ATF] ATF Special Agent [ATF] met with [ATF] [DP] [ATF] [ATF] [DP] had been providing information to ATF on large firearms purchases, including large purchases of (only) long guns which do not trigger any multiple purchase reporting requirements. This information was being provided voluntarily and without compensation from ATF. [ATF] [DP] expressed concerns about the cooperation he was providing and whether he was endangering himself or implicating himself in a criminal investigation.

[DP] [ATF] was advised by the agents and this AUSA that they could not tell him who he could or could not sell to and that they could not instruct him to make a sale in violation of the law or to refuse to

make a lawful sale. He was advised by the agents that as an FFL he has to comply with all of the statutes and regulations that govern the sale and transfer of firearms and cannot sell firearms unless the required paperwork and background check were completed. As long as the required forms were properly filled out and the FFL did not know or have a reason to know that the firearms were part of a straw purchase or intended to be used in a crime, that he could complete the transfer. [DP] was also told by the agents and this AUSA that the information he provided to ATF regarding large firearms transactions, particularly sales involving only long guns, was very important and useful to ongoing ATF investigations.

During this meeting, ATF agents also described additional information that Mr. [DP] [ATF] [ATF] might receive from purchasers which would not necessarily be required by the provisions of Chapter 44 of Title 18 to be kept in his records, but which would prove useful to ATF. This information included [ATF] [ATF]. As of the date of this meeting, [DP] [ATF] [ATF] and continued to do so throughout the course of the investigation.

[DEA] [DP] [ATF] was not advised of this purchase by the FFL, however, on January 14, 2010, [ATF] [ATF] These firearms were discovered by law enforcement on January 14, 2010, in Columbus, New Mexico, but were not traced and were returned to person carrying them. ATF Phoenix was not notified of this law enforcement contact until May 17, 2010. ATF ROI #254.

On January 14, 2010, in Columbus, New Mexico, (a border town), U.S. Border Patrol agents pulled over a vehicle driven by [DP] with passenger [DP] due to suspicious driving behavior. In the vehicle they found three AK-47 type rifles purchased [ATF] [DEA] three FN Herstal Five-Seven pistols purchased by [DEA] [ATF] [DP] and two Ruger pistols purchased by another. U.S. Border Patrol agents did not observe any other criminal conduct and so returned the firearms to the occupants of the vehicle. They did not trace any of the firearms. ATF Phoenix was notified of the observation of the firearms on May 17, 2010, after ATF Las Cruces forwarded information in connection with a firearms trafficking investigation in [DP] involving [DP] and others. The investigation of [DP] is still on going, [DP] [DP] and must be viewed as close-hold.

[ATF] [DEA] purchased the three ROMARM WASR-10 AK-47 type rifles, Serial Numbers [ATF] [DP] and [ATF] [DP] as well as [ATF] [DP]. As detailed above, ATF was not notified of this purchase until January 19, 2010. This notification came only through the cooperation of the FFL as this long gun only purchase would not trigger any affirmative reporting requirements. ATF ROI #67.

[ATF] [DEA] was arrested for using a false address on the ATF Form 4473 on June 15, 2010. A complaint was filed on December 16, 2010, and he was indicted on January 11, 2011, for making false statements in connection with the acquisition of a firearm. On January 19, 2011, he was indicted as part of the overall Fast and Furious conspiracy.

Agents were able to determine that when [DEA] [ATF] that he no longer lived at the [DP] address listed on the ATF Form 4473 and his drivers license. His drivers license was changed in August of 2010, to reflect a different address. In the course of his post arrest interview in December 2010, he admitted that he had not lived at the [DP] address for two or three years. However, earlier in the investigation, agents had no reason to believe that this was not his address because his drivers license and the registration to the car that he was driving came back to the [DP] address. See ATF ROI #12.

On [ATF] [DEA], purchased one FN Herstal Five-Seven pistol from [ATF] [DP] [ATF] [DP] a single-firearm transaction. On or about March 3, 2010, this pistol was recovered by Phoenix Police in connection with a drug house in Phoenix. This was the first actual recovery of a firearm purchased by [ATF] [DEA] ATF ROI #107 and 156.