
From: Richardson, Margaret (SMO)
To: Grindler, Gary (OAG)
CC: Wilkinson, Monty (OAG)
Sent: 7/6/2011 2:56:14 PM
Subject: Fw: Grassley Letter - News Clips

From: Schmalzer, Tracy (SMO)
Sent: Wednesday, July 06, 2011 02:54 PM
To: Reich, Steven (ODAG); Axelrod, Matthew (ODAG); Richardson, Margaret (SMO); Wilkinson, Monty (OAG); Weich, Ron (SMO); Burton, Faith (SMO); Ramirez, Monica (ODAG); Colborn, Paul P (SMO)
Subject: Grassley Letter - News Clips

ATF Head Says Didn't Know Details of Fast and Furious

Wall Street Journal – Evan Perez

WASHINGTON—The head of the Bureau of Alcohol, Tobacco, Firearms and Explosives told congressional investigators he wasn't aware of details of a troubled gun-running probe until after controversy erupted over the program, as he pushed back against efforts to blame him for the scandal and oust him from his job.

Kenneth Melson, the acting ATF director, in his first detailed comments addressing the scandal, contradicted testimony and documents previously released by lawmakers that suggested he was much more familiar with the program.

Mr. Melson also drew into the brewing scandal two other Justice Department agencies, the Federal Bureau of Investigation and the Drug Enforcement Administration, faulting them for not sharing information about informants and suspects.

Republican Sens. Charles Grassley and Rep. Darrell Issa Wednesday released details of the Melson interview, which took place a day earlier, in a letter to Attorney General Eric Holder. The Justice Department didn't immediately have a comment on the letter.

The operation in question, known as Fast and Furious, was designed by ATF agents to monitor purchases of buyers suspected of buying firearms for others, in particular drug cartel gangs in Mexico. ATF agents hoped to monitor the purchases to build a major case against top traffickers, but many of the arms turned up at crime scenes on both sides of the U.S.-Mexico border.

The Wall Street Journal reported last month that Mr. Melson was expected to be ousted from his post as Congress and others ramped up their criticism of the program. Other media reports followed, suggesting he would resign. Mr. Melson denied those reports to the congressional staff.

His departure has been delayed by Justice Department deliberations aimed at figuring out how to move Mr. Melson from his post, and likely reassign him, without appearing to punish him while an internal probe of the operation is conducted, according to people familiar with the matter.

Richard Cullen, Mr. Melson's attorney, said the blame on Mr. Melson was misplaced. "Often times in investigations, particularly ones with public interest and fascination, things that appear to be true in the beginning turn out not to be true." He added that when all becomes known about Fast and Furious, Mr. Melson "will be seen as somebody who did a very good job and continues to do a very good job at ATF."

Mr. Cullen said Mr. Melson expected to be moved to another position within the Justice Department, which he said was the plan after Justice Department officials appointed him to the ATF post in early 2009. President Barack

Obama's nominee to fill the post permanently is blocked in the Senate because of opposition from lawmakers and gun-rights groups.

Previous documents released by the lawmakers and testimony from ATF agents and officials showed Mr. Melson to have hands-on involvement with the Fast and Furious operation. At a hearing last month, Mr. Issa released ATF emails showing Mr. Melson seeking to watch from his desk live hidden camera footage from cooperating gun shops involved in the operation.

In their letter released Wednesday, the lawmakers said Mr. Melson disavowed knowing details of the operation, suggesting he had only superficial knowledge about the tactics being used. A person familiar with the interview said Mr. Melson contended the email was misinterpreted. Instead, he was only seeking to test the equipment.

Mr. Melson "was candid in admitting mistakes that his agency made and described various ways he says that he tried to remedy the problems," the lawmakers said in their letter. "According to Mr. Melson, it was not until after the public controversy that he personally reviewed hundreds of documents relating to the case, including wiretap applications and Reports of Investigation. By his account, he was sick to his stomach when he obtained those documents and learned the full story."

The letter also said Mr. Melson raised concerns about a separate investigation run by the FBI and the Drug Enforcement Administration, sister agencies that also are part of the Justice Department. Higher-level suspected traffickers, targeted by ATF, were possibly paid informants of the FBI and DEA, according to the letter.

People familiar with the probe say the lack of information sharing raises the prospect that taxpayer funds used to pay informants ended up being used to smuggle weapons.

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities," they wrote.

Messrs. Issa and Grassley say the ATF should have known it couldn't track the weapons and that firearms ended up in the hands of deadly drug squads.

The lawmakers also raised questions about whether the Justice Department's plans to move Mr. Melson out of his post came after he complained about the department's delays in turning over documents and cooperating with the congressional probe.

The ATF hasn't had a Senate-approved director since 2006; lawmakers and gun-rights groups have opposed nominees in the Bush and Obama administrations.

ATF director testifies on bungled gun operation

Washington Post – Sari Horwitz

Kenneth E. Melson, ATF's acting director, has told congressional investigators that the FBI and the DEA may have been working with the very people the firearms bureau suspected of gun trafficking and was trying to target in its controversial undercover gun operation known as Fast and Furious.

The now-defunct program allowed the suspected illegal purchase of hundreds of semiautomatic firearms in Arizona gun shops so that the Bureau of Alcohol, Tobacco, Firearms and Explosives could watch where the firearms ended up in Mexico, with the hope of bringing down a Mexican cartel. It's been alleged that the Department of Justice and ATF allowed nearly 2,500 guns to flow illegally into Mexico as part of the program.

Melson, who spoke on the Fourth of July with investigators for the House Oversight and Government Reform and Senate Judiciary committees, also said that it was only after the public controversy about the operation that he personally reviewed hundreds of documents in the case and learned of the mistakes.

“By his account, he was sick to his stomach when he obtained those documents and learned the full story,” wrote Rep. Darrell Issa (R-Calif.), chairman of the House Oversight and Government Reform Committee, and Sen. Charles E. Grassley (R-Iowa), ranking minority member of the Senate Judiciary committee, in a letter they sent late Tuesday to Attorney General Eric Holder.

Firearms associated with Fast and Furious have been linked to the killing of U.S. Border Patrol Agent Brian Terry and the murder of a prominent Mexican attorney. Two of the assault rifles purchased by a suspect in the Fast and Furious case were found at the scene of Terry’s Dec. 14 shooting.

Issa and Grassley said that several unnamed sources had told congressional investigators that some of the gun trafficking “higher-ups” whom the ATF was trying to identify through Fast and Furious were already known to other law enforcement agencies, and may even have been paid informants. Melson testified Monday that the ATF was “kept in the dark” about certain activities of other agencies, including DEA and FBI, according to the letter to Holder.

“Mr. Melson said that he learned from ATF agents in the field that information obtained by these agencies could have had a material impact on the Fast and Furious investigation as far back as late 2009 or early 2010,” the letter said. After learning about this, Melson told congressional investigators that he reported the information in April 2011 to the acting inspector general and directly to then-acting Deputy Attorney General James Cole on June 16.

Issa and Grassley, who are leading the investigation into the program, have been trying to talk to Melson for months. In their letter to Holder, they accuse the Justice Department of “muzzling” the ATF director, and they urge the attorney general not to retaliate against Melson.

“It would be inappropriate to make Mr. Melson the fall guy in an attempt to prevent further congressional oversight,” Issa and Grassley wrote.

Issa and Grassley have repeatedly called for top Justice Department officials to be held accountable in the operation. Republicans in Congress have also criticized the ATF over its handling of the operation, with Issa calling it “felony-stupid bad judgment” during a hearing last month in which he grilled a Justice Department official.

During hours of testimony before congressional investigators Monday, Melson, accompanied by his personal attorney, said that he recently learned that other federal agencies may not have shared critical information with ATF about the gun traffickers targeted by Fast and Furious.

“We have very real indications from several sources that some of the gun-trafficking ‘higher-ups’ that the ATF sought to identify were already known to other agencies and may even have been paid as informants,” Issa and Grassley wrote to Holder. “The Acting Director said that ATF was kept in the dark about certain activities of other agencies, including DEA and FBI. Mr. Melson said he learned from ATF agents in the field that information obtained by these agencies could have had a material impact on the Fast and Furious.”

It is unclear whether the FBI and DEA were involved with the suspects in the ATF’s operation, and congressional investigators are continuing to explore that possibility.

Melson also told investigators that Fast and Furious was operating under the direction of Arizona U.S. Attorney Dennis Burke. He acknowledged that his agents had witnessed the transfer of weapons from so-called straw purchasers to third parties without following the guns further, an allegation made to Congress by several Phoenix agents who were upset that further surveillance or interdiction of the weapons was stopped.

Melson’s interview with congressional investigators was originally scheduled through the Justice Department to occur July 13 in the presence of Justice Department and ATF lawyers. But Issa and Grassley said that once Melson was told that he could testify with his lawyer present rather than with counsel representing the department’s interests, he chose that option.

“Acting Director Melson’s cooperation was extremely helpful to our investigation,” Issa and Grassley wrote Holder.

"He was candid in admitting mistakes that his agency made and described various ways he says that he tried to remedy the problems."

Melson told the committees that he and ATF's senior officials reassigned every manager involved in Fast and Furious after learning the facts of the operation. Melson also said he wanted to be more cooperative in the congressional investigation months ago but was prohibited from talking.

"He said that Justice Department officials directed them not to respond," Issa and Grassley wrote Holder.

Holder testified last month that he only learned of Fast and Furious recently. Justice Department officials have said that the department's inspector general is investigating the various allegations about the operation.

U.S. firearms head admits Mexico gun sting mistakes

Reuters – Jeremy Pelofsky

WASHINGTON - The acting head of the U.S. firearms agency admitted during secret talks at Congress that mistakes were made in a botched operation to track the illegal movement of guns to Mexico, lawmakers said on Wednesday.

The operation, dubbed "Fast and Furious," has put the Obama administration on the defensive, provoking questions about who knew what and when within the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Justice Department, as well as questions about their cooperation with Congress.

Congressional investigators interviewed acting ATF Director Kenneth Melson on the July 4 holiday. He had his own lawyer present rather than counsel from ATF or the Justice Department.

"He was candid in admitting mistakes that his agency made and described various ways he says that he tried to remedy the problems," two senior lawmakers who have been investigating the failed program said in a letter to Attorney General Eric Holder.

The two lawmakers are Chuck Grassley, the senior Republican on the Senate Judiciary Committee, and Representative Darrell Issa, the chairman of the House of Representatives' Oversight Committee. Neither was present when Melson was questioned.

At issue is an undercover sting to catch gun buyers on the U.S. border who were smuggling them illegally to Mexico for drug cartels. Authorities hoped the program would help track the guns to cartel leaders.

Lawmakers have blasted the Obama administration over the sting, particularly in the wake of the discovery that two weapons from the program were found at the scene where a U.S. Border Patrol agent, Brian Terry, was killed in a shootout with illegal immigrants.

It still has not been revealed whether either of those weapons were responsible for his death.

The Justice Department's inspector general is also investigating the matter.

According to Grassley and Issa, Melson said during his interview that ATF was not given crucial information that the Federal Bureau of Investigation and the Drug Enforcement Administration already knew about key gun traffickers.

"Mr. Melson said that he learned from ATF agents in the field that information obtained by these agencies could have had a material impact on the Fast and Furious investigation as far back as late 2009 or early 2010," Issa and Grassley said.

Further, Melson also told lawmakers that he did not review the details of the program until after the controversy erupted, and that "he was sick to his stomach when he obtained those documents and learned the full story," they said.

He said that the managers involved in the operation are being reassigned, Issa and Grassley said.

Melson also told the lawmakers that he provided information to the Justice Department's inspector general and Deputy Attorney General James Cole, drawing further ire from Grassley and Issa because they have not received those documents.

"If his account is accurate, then ATF leadership appears to have been effectively muzzled while the DOJ sent over false denials and buried its head in the sand. That approach distorted the truth and obstructed our investigation," they said.

Justice Department officials had no immediate comment.

U.S. Gun Program to Track Cartels Probed Over Possible Smuggler Payments

Bloomberg - Justin Blum

Congressional investigators looking into a U.S. law enforcement program to track guns shipped illegally to Mexico are examining whether government-paid informants were involved in smuggling weapons.

Representative Darrell Issa, a Republican from California, and Senator Charles Grassley, a Republican from Iowa, have been investigating a program run by the Bureau of Alcohol, Tobacco, Firearms and Explosives that allowed illegal purchases in the U.S. in an effort to link guns to Mexican drug cartels.

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities," the two lawmakers wrote in a letter to Attorney General Eric Holder that was released today.

The ATF operation, called Fast and Furious, has prompted criticism from lawmakers. Holder has said he asked the Justice Department's inspector general to investigate.

Two of about 2,000 guns that ATF allowed to be carried away were found at the Arizona murder scene of U.S. Border Patrol agent Brian Terry in December 2010, according to a report released in June by Issa, chairman of the House Oversight and Government Reform Committee, and Grassley, the top Republican on the Senate Judiciary Committee.

Straw Buyers

The operation sought to show a connection between straw buyers of assault-style weapons in the U.S. and Mexican drug trafficking organizations working on both sides of the border, according to the report.

Congressional investigators are looking into whether the Drug Enforcement Administration or Federal Bureau of Investigation paid any informants involved in gun smuggling, according to a congressional staff member who spoke on condition of anonymity and wasn't authorized to discuss the matter publicly.

The lawmakers' letter to Holder said they had "very real indications" that the gun traffickers the ATF tried to identify were "already known to other agencies and may even have been paid as informants."

The letter also said acting ATF Director Kenneth Melson told congressional staff that his agency was not informed about certain activities of the FBI and DEA. All three agencies are part of the Justice Department.

Chris Jakim, a spokesman for the DEA, referred questions to the Justice Department. Tracy Schmaler, a Justice Department spokeswoman, didn't immediately return a phone call. Paul Bresson, a spokesman for the FBI, didn't immediately return a phone call seeking comment.

In Secret Testimony ATF Chief Tells Congress about Controversial Gun Program

The acting head of the ATF voluntarily appeared before two congressional oversight committees and revealed that senior Justice Department officials tried to limit his communications with Congress about an investigation into a controversial ATF program known as "Fast and Furious," according to a letter from the heads of two oversight committees.

The House Oversight and Government Reform Committee and U.S. Sen. Charles Grassley, R-Iowa, have been investigating the program where ATF agents recorded and tracked straw purchases of weapons and allowed the guns to "walk" across the U.S. border into Mexico in an effort to locate major weapons traffickers.

Rather than appear with lawyers from the Justice Department and the ATF, Acting Director Ken Melson hired his own private attorney and secretly appeared before congressional investigators on July 4th. According to sources close to the investigation, Melson had previously wanted to testify before the oversight committees but Justice Department officials sought to delay his testimony.

Melson's testimony came weeks after three current ATF agents who were involved with the program testified before Congress about the botched operation and how **ATF failed to stop guns from going to Mexico.**

The operation **took a tragic toll** in December 2010 when two weapons found on the scene where Border Patrol agent Brian Terry was murdered were linked to the ATF program. According to reports by the ABC affiliate in Phoenix, other guns have now also been linked to additional crimes.

ATF officials say they were trying to build cases that would allow them to target senior drug cartel leaders and key weapons traffickers not low-level gun runners.

According to a letter to Attorney General Eric Holder from Rep. Darrell Issa, R-Calif., chairman of the House Oversight and Government Reform Committee and Sen. Grassley, Melson expressed dismay over how the operation was run and that "he was sick to his stomach" when he reviewed internal documents. The letter also notes that Melson's testimony corroborated information that DEA and FBI may have had a role in the operation.

The letter sent to Attorney General Holder notes of Melson's testimony: "He was candid in admitting mistakes that his agency made and described various ways he says that he tried to remedy the problems. According to Mr. Melson, it was not until after the public controversy that he personally reviewed hundreds of documents relating to the case, including wiretap applications and Reports of Investigation (ROIs). By his account, he was sick to his stomach when he obtained those documents and learned the full story."

Melson testified that he and top management at ATF moved to reassign supervisors working on Fast and Furious and that officials at DOJ allegedly tried to prevent ATF from notifying the oversight committees about the full nature of the management moves. The letter sent to Holder notes, "If his account is accurate, then ATF leadership appears to have been effectively muzzled while the DOJ sent over false denials and buried its head in the sand. That approach distorted the truth and obstructed our investigation. The Department's inability or unwillingness to be more forthcoming served to conceal critical information that we are now learning about the involvement of other agencies, including the DEA and the FBI."

The letter further notes on that issue, "[Melson] said that ATF was kept in the dark about certain activities of other agencies, including DEA and FBI. Mr. Melson said that he learned from ATF agents in the field that information obtained by these agencies could have had a material impact on the Fast and Furious investigation as far back as late 2009 or early 2010."

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities," Issa and Grassley noted.

According to the letter based on Melson's testimony Justice Department officials in the Office of the Deputy Attorney General (ODAG) have not been forthcoming with the congressional investigation. "Mr. Melson provided documents months ago supporting his concerns to the official in the ODAG responsible for document production to the Committees, but those documents have not been provided to us."

Melson has been acting director of ATF since April 2009. Before that he oversaw the Executive Office of U.S. Attorneys and held the office after the U.S. Attorney's scandal rocked the Bush Justice Department. Prior to that Melson was a long-time career prosecutor in the Eastern District of Virginia where he served as the top career official in the U.S. Attorney's Office.

Recently there have been several news accounts that officials were trying to oust Melson from DOJ. In their letter to Attorney General Holder the lawmakers who previously have been very critical of Melson and his tenure at ATF have changed their tune and urge the Attorney General to ensure Melson is not treated unfairly, "Given his testimony, unless a permanent director is confirmed, it would be inappropriate for the Justice Department to take action against him that could have the effect of intimidating others who might want to provide additional information to the Committees."

Justice Department Obstructing 'Fast and Furious' Gun Probe, ATF Director Says

Fox News - William Lajeunesse

v:shapes="_x0000_i1030">The Justice Department is obstructing the congressional investigation of a U.S. law enforcement operation intended to crack down on major weapons traffickers on the Southwest border, according to the embattled leader of the Bureau of Alcohol, Tobacco, Firearms and Explosives.

Ken Melson, the acting director of the ATF, lobbed the accusation when he sneaked in for an interview with congressional investigators on July 4, two days ahead of his scheduled interview with the inspector general about the operation known as "Fast and Furious," Fox News has learned.

"If his account is accurate, then ATF leadership appears to have been effectively muzzled while the DOJ sent over false denials and buried its head in the sand," Rep. Darrell Issa, chairman of the Oversight and Government Reform Committee, said in a letter Tuesday to Attorney General Eric Holder. "That approach distorted the truth and obstructed our investigation."

The Justice Department is reportedly looking to oust Melson, who has been acting ATF director since April 2009, as the agency deals with its biggest scandal in nearly two decades. Andrew Traver, who was tapped in November by President Obama to become the permanent ATF director, could be named as acting director until the Senate acts on his nomination, sources have said.

In a separate development, congressional sources have learned that not only was U.S. taxpayer money being used to buy guns that were later sent to Mexico, but the main target of the investigation was actually a FBI informant and former drug dealer who had been deported years ago.

"Fast and Furious" has been at the center of an investigation by Issa and Sen. Charles Grassley, R-Iowa. The operation began in the fall of 2009 as an effort to trace and stop the trafficking of illegal guns on the Southwest border, but instead allowed thousands of guns to get into the hands of Mexican cartel members.

The two say they learned about the program after Border Patrol Agent Brian Terry was killed in December 2010. At the crime scene were two guns linked to the "Fast and Furious" operation.

At an Oversight and Government Reform Committee hearing last month, three federal firearms investigators testified that they wanted to "intervene and interdict" loads of guns, but were repeatedly ordered to step aside to allow suspected smugglers to carry the weapons over the border.

Issa and Grassley have urged Holder to cooperate and turn over subpoenaed records that would reveal the scope of

the government coverup.

The alleged coverup involves three law enforcement agencies: the ATF, FBI and the DEA, or Drug Enforcement Administration.

According to sources, unbeknown to the ATF, the target of their operation was a FBI confidential informant, a fact that only became known to them in April of this year after an 18-month investigation that cost millions of dollars of tax dollars.

"They were going after someone they could never have," a source in Washington told Fox News. "The Mr. Big they wanted was using government money to buy guns that went to the cartels. The FBI knew it and didn't tell them."

The confidential informant is a former high-level drug dealer who had been deported by the DEA. The FBI, however, recruited him as a counter-terrorism informant, providing information on potential dirty bombs or Al Qaeda suspects moving through the border region.

The FBI informant was picked up on a DEA wiretap, and forwarded to the ATF.

ATF Director 'Sick To His Stomach' When He Learned Details Of Fast And Furious

Talking Points Memo – Susan Crabtree

Ken Melson, the embattled acting head of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), told Congressional investigators that he became "sick to his stomach" after learning details of the troubled anti-gun-trafficking program called Fast and Furious.

Melson on Tuesday testified for the first time before investigators for the House Oversight and Government Reform and Senate Judiciary Committees, which have been pummeling the administration with questions about controversial tactics to stop the flow of weapons from the U.S. to Mexican drug cartels. Melson, who appeared in a private meeting before the panel with his own personal counsel rather than Justice Department attorneys, said DOJ officials had prevented him from cooperating with Congress' investigations thus far.

The two panels have spent months investigating ATF's strategy of letting guns "walk" by instructing cooperating gun dealers to sell to people they suspected were straw purchasers in the hopes of building cases against major arms smugglers. Two of those guns were eventually found at the scene of the murder of American Border Patrol agent Brian Terry.

After interviewing Melson extensively Tuesday, Sen. Chuck Grassley (R-IA), the ranking member of the Judiciary Committee, and Rep. Darrell Issa (R-CA), who chairs the House Oversight Committee, wrote a letter to Attorney General Eric Holder, expressing deep concerns about several issues raised during Melson's testimony. Read the full letter [here](#).

"Acting Director Melson's cooperation was extremely helpful to our investigation," Grassley and Issa wrote. "He was candid in admitting mistakes that his agency made and described various ways he says that he tried to remedy the problems."

Melson told Congressional investigators Tuesday that only after the controversy became public in the wake of Terry's death did he review hundreds of documents related to the case including wire tap applications and investigative reports.

"By his account, he was sick to his stomach when he obtained those documents and learned the full story," Grassley and Issa wrote in their letter to Holder.

Melson also said he told the Office of the Deputy Attorney General (ODAG) at the end of March that the Department needed to reexamine how it was responding to the requests for information from Congress, according to the letter.

More broadly, Grassley and Issa said Melson told them that the Drug Enforcement Agency, FBI and other agencies, were possibly aware or even working with people connected to Fast and Furious suspects with ATF's knowledge.

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities," they wrote. "While this is preliminary information, we must find out if there is any truth to it."

Grassley and Issa also pointed to two other key assertions Melson made to investigators:

Contrary to denials by the Justice Department, Acting Director Melson acknowledged the agents had in fact witnessed transfers of weapons from straw purchasers to third parties without following the guns any further.

The ATF group executing Operation Fast and Furious had been placed under the direction of the Arizona U.S. Attorney's office.

The pair took particular exception to the Melson's testimony about the Justice Department's role in obstructing Congressional investigations, noting that Melson claimed that ATF's senior leadership would have preferred to be more cooperative with Congress much earlier in the process, but DOJ officials "directed them not to respond and took full control of replying to briefing and document requests from Congress."

"The result is that Congress only got the parts of the story that the department wanted us to hear," Grassley and Issa wrote. "If this account is accurate, then ATF leadership appears to have been effectively muzzled while the DOJ sent over false denials and buried its head in the sand."

Contrary to recent press reports, Melson also told investigators he was not recently asked to resign -- and Grassley and Issa stressed that it would be inappropriate to ask him to do so given his testimony and cooperation with the committees.

"Given his testimony, unless a permanent director is confirmed, it would be inappropriate for the Justice Department to take action against him that could have the effect of intimidating others who might want to provide additional information to the Committees," they wrote. "We hope that the Department will take a much more candid and forthcoming approach in addressing these very serious matters with the Committees."

Issa, Grassley Charge DOJ Covered Up Gun Probe Blunders

Main Justice

Issa, Grassley Charge DOJ Covered Up Gun Probe Blunders

Posted By [Channing Turner](#) On July 6, 2011 @ 12:45 pm In [News](#) | [No Comments](#)

Two key Republicans are charging that, based on an interview with the acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives, they now believe that Justice Department officials covered up mistakes made in a controversial gun smuggling program.

Investigators from the House Oversight and Government Reform Committee on Monday interviewed acting ATF Director **Kenneth Melson** about ATF's Fast and Furious gun operation, according to a letter by the Committee Chairman, Rep. **Darrell Issa** of California, and Sen. **Charles Grassley** of Iowa, the Senate Judiciary Committee's ranking GOP member.

The two said that Melson told investigators that because of poor communication among agencies, including the Drug Enforcement Agency and FBI, one federal agency may have hired as informants many drug-trafficking suspects targeted by another federal law enforcement agency.

They said that Melson also suggested that high-level Justice Department officials knew about the operation's blunders but kept that information from Congress and that ATF officials were prohibited from discussing the probe with congressional investigators.

The revelations come from a [letter](#) in which the congressmen relayed their interpretation of Melson's testimony and rebuked the department for not providing investigators with the "full story."

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities," the congressmen wrote in the letter.

The Justice Department did not immediately return requests for comment.

Melson reportedly told investigators that he reviewed hundreds of documents and learned of the other agencies' involvement shortly after the public controversy surrounding Fast and Furious began. He said he relayed that knowledge in April 2011 to the DOJ Acting Inspector General **Cynthia A. Schnedar** and to Deputy Attorney General **James Cole** in June 2011.

"By his account, he was sick to his stomach when he obtained those documents and learned the full story," Issa and Grassley wrote.

Melson told them that he and ATF's senior leadership moved to reassign the managers involved in Fast and Furious after reading those documents, but DOJ officials directed him not to answer congressional inquiries regarding the reason for those reassignments.

Instead, the department took direct control over responding to Congress and providing documents, and Issa and Grassley wrote that much of the heat Melson and the ATF have taken over the operation in recent weeks could have been avoided had the DOJ allowed them to be more forthcoming.

"The result is that Congress only got the parts of the story that the Department wanted us to hear," the congressmen wrote. "If his account is accurate, then ATF leadership appears to have been effectively muzzled while the DOJ sent over false denials and buried its head in the sand. That approach distorted the truth and obstructed our investigation."

The letter also alleged that department officials had not told Melson he could appear before the committee with his own personal counsel rather than with DOJ lawyers that would have represented the department's interests.

Melson, who was originally scheduled to appear on July 13 with DOJ counsel, chose to be interviewed earlier and with his own lawyer, **Richard Cullen** of McGuireWoods LLP, according to the letter.

For the past few months, Issa and Grassley have led an investigation into Fast and Furious, an operation in which ATF agents allowed the sale of firearms to straw purchasers for drug cartels and then allowed them to be trafficked into Mexico – a violation of federal law.

Two guns from the operation were also recovered at the scene of a shootout between Border Patrol agents and Mexican bandits near Rio Rico, Ariz., that ended in the death of agent **Brian A. Terry**.

ATF chief: Higher-ups at Justice blocked reply to Congress

The Washington Times – Jerry Seper

The Justice Department blocked senior leaders at the Bureau of Alcohol, Tobacco, Firearms and Explosives from cooperating with Congress in its investigation of a controversial weapons program known as "Fast and Furious," directing top ATF officials not to respond to questions and taking full control of replying to briefing and document requests, the agency's top boss told congressional investigators this week.

Acting ATF Director Kenneth E. Melson told investigators from the Senate Judiciary Committee and the House Committee on Oversight and Government Reform that he was "sick to his stomach" when he learned about problems with the operation, and that after he and ATF's senior leadership team moved to reassign every manager involved in the program, they were prohibited from telling Congress the reasons for the reassignments.

Mr. Melson was interviewed secretly on the Fourth of July by investigators from the two committees, who have been looking into allegations that ATF allowed the sale of thousands of weapons to "straw buyers" in Arizona and Texas that later were "walked" to drug smugglers in Mexico.

At least three of those weapons, including AK-47 assault rifles, later were discovered at the sites where U.S. Immigration and Customs Enforcement (ICE) Agent Jaime Zapata was killed in a daylight ambush on a major Mexican highway and U.S. Border Patrol Agent Brian A. Terry died during a shootout with bandits just north of the Mexican border.

Sen. Charles E. Grassley, Iowa Republican, who is his party's ranking member on the Senate Judiciary Committee, and Rep. Darrell Issa, California Republican and chairman of the House Oversight and Government Reform Committee, have been unsuccessful in their pursuit of information on the Fast and Furious program over the past several months.

Mr. Melson originally was scheduled through the Justice Department to be interviewed on July 13, with lawyers from both the department and ATF present. Instead, he opted to appear before the investigators in a voluntary interview on Monday with his personal lawyer, Richard Cullen.

In a letter Tuesday to Attorney General Eric H. Holder Jr., Mr. Grassley and Mr. Issa said they were "disappointed" that Justice had failed to tell Mr. Melson that he had the right to choose a voluntary interview rather than participate with counsel representing the department's interests. They accused the department of seeking to "limit and control his communications with Congress."

The two lawmakers accused the Justice Department of "muzzling" Mr. Melson and encouraged Mr. Holder not to retaliate against the director.

"We believe it would be inappropriate to make Mr. Melson the fall guy in an attempt to prevent further congressional oversight," they said.

Mr. Melson also told the investigators that some of the suspected gun traffickers targeted by ATF in the Fast and Furious investigation actually may have been working as informants for the FBI and the U.S. Drug Enforcement Administration (DEA) — without ATF's knowledge.

"We have very real indications from several sources that some of the gun-trafficking 'higher-ups' that the ATF sought to identify were already known to other agencies and may even have been paid as informants," Mr. Grassley and Mr. Issa wrote. "The acting director said ATF was kept in the dark about certain activities of other agencies, including DEA and FBI. Mr. Melson said he learned from ATF agents in the field that information obtained by these agencies could have had a material impact on Fast and Furious."

Issa, Grassley blast Holder in letter after secret meeting with ATF's Ken Melson

The Daily Caller – Matthew Boyle

Top Republican lawmakers have authored an explosive new letter containing details of secret testimony by acting ATF Director Kenneth Melson, which reveal for the first time the extent to which his agency was involved in an international gun selling scandal.

House Oversight Committee Chairman Rep. Darrell Issa, California Republican, and Sen. Chuck Grassley, Iowa Republican, fired off [the letter](#) to Attorney General Eric Holder Tuesday detailing what Melson told Congressional investigators in a secret July 4 testimony.

One key takeaway from the meeting was that Melson acknowledged to investigators that agents had witnessed transfers of weapons from straw purchasers to third parties without following the guns afterwards. Straw purchasers are people who could technically legally buy guns in the U.S. but their intent was to turn around and sell them to drug cartels in Mexico.

Another point Melson clarified for investigators was that the ATF group carrying out the mission of Operation Fast and Furious was placed under the direction of the Arizona U.S. Attorney's office. The U.S. Attorney in Arizona, Dennis Burke, is a political appointee of the Obama administration.

Melson appeared with only his personal attorney at the secret meeting with Congressional investigators. Melson was originally scheduled to conduct the interview on July 13 with Justice Department attorneys and his personal attorney present, but Melson abandoned DOJ representation after learning of a provision in his agreement to testify that allowed him to do so. **(Issa staffer: Gunrunner investigation points much higher than ATF director)**

"We are disappointed that no one had previously informed him of that provision of the agreement," Issa and Grassley wrote to Holder on Tuesday afternoon. "Instead, Justice Department officials sought to limit and control his communications with Congress. This is yet another example of why direct communications with Congress are so important and are protected by law."

Issa and Grassley wrote that Melson's interview "was extremely helpful to our investigation." They said Melson told them he did not review the "hundreds of documents" the DOJ is withholding until after the public controversy about the operation. Issa and Grassley said Melson claims he was "sick to his stomach" when he obtained the documents and learned the full story.

The DOJ has not been fully cooperative with a number of Issa's and Grassley's requests for documents and other evidence in this investigation. According to the July 5 letter, Issa and Grassley said Melson told them he asked the Office of the Deputy Attorney General (ODAG) to be more cooperative with Congressional requests for information, evidence and documents.

Their letter also details how Melson told Issa and Grassley that he and other senior ATF officials moved to reassign every major official involved in Operation Fast and Furious. Melson said Obama administration Justice Department officials directed him and other ATF officials to not communicate to Congress the reasoning behind the reassignments.

The ultimate point behind Issa's and Grassley's letter to Holder was to request Melson be provided with the protections that bureaucratic whistleblowers normally enjoy. Because Melson, a longtime career government employee, now serves as a political appointee of the Obama administration, he doesn't automatically enjoy whistleblower protections.

In recent weeks, rumors have floated throughout the press that Melson was going to resign his post as acting ATF Director. Melson told Congressional investigators on July 4, though, that those reports were "untrue."

"Technically, Mr. Melson no longer enjoys the due process protections afforded to career officials," Issa and Grassley wrote. "Given his testimony, unless a permanent director is confirmed, it would be inappropriate for the Justice Department to take action against him that could have the effect of intimidating others who might want to provide additional information to the Committees."

Melson also confirmed many suspicions Issa and Grassley had of the existence of documents and other evidence in Justice Department possession. The Republican members called on Holder to be more transparent and honest in responses to their requests for information, and that DOJ officials should be informed of their right to communicate with Congressional committees without Holder's oversight.

"We hope that the Department will take a much more candid and forthcoming approach in addressing these very serious matters with the Committee," Issa and Grassley wrote. "If other important fact witnesses like Mr. Melson have a desire to communicate directly with the Committees they should be informed that they are free to do so. They should also be notified that if they are represented by personal counsel, they may appear with personal counsel rather than with Department lawyers."

BLOGS

ATF Chief Tells Congress What He Knows About 'Fast And Furious'

NPR – Carrie Johnson

Key lawmakers in Congress are warning the Justice Department not to retaliate against whistle-blowers and leaders at the Bureau of Alcohol Tobacco and Firearms. They're reaching out only days after the ATF leader met with congressional investigators to talk about a gun trafficking scandal.

Specifically, Sen. Charles Grassley (R-IO) and Rep. Darrell Issa (R-CA) say in a letter sent Tuesday to Attorney Gen. Eric Holder that "it would be inappropriate for the Justice Department to take action against [Acting ATF Director Ken Melson] that could have the effect of intimidating others who might want to provide additional information to the Committees."

Grassley, Issa and key committees in the House and Senate are asking who knew about and approved the gun trafficking operation known as Fast and Furious — a program that some officials hoped would lead them to drug traffickers.

The Justice Department's inspector general is also on the case. Melson, a central figure, went to Congress with his own lawyer on Monday — July 4 — to share what he knows about the program.

Whistle blowers say there could be more than 1,000 loose guns in the U.S. and Mexico that were bought by straw buyers under the watch of ATF. Many weapons turned up later at crime scenes along the Southwest border.

A lawyer for Melson says when all the investigations end, the ATF will come out a lot better than the headlines reflect.

The lawyer, Richard Cullen, said today in an interview with NPR that "often times in a politically charged investigation, whether it's in government or it's in private industry, facts that people think are true in the beginning turn out to be not true. That's why it's so important to let an investigation run its course...and then you'll get to the truth."

He added that, "it's real important to let those investigations play out, to let people testify under oath and be cross examined and then conclusions be made. And if that's done here I think Mr. Melson will be very pleased and so will ATF."

Cullen also said that Melson, a career prosecutor, is not worried about recent reports he may lose his job.

"What Ken cares about is ATF and doing a good job for them and having the confidence of the attorney general and the people in the White House," Cullen said.

In their letter to Holder, Grassley and Issa say that:

"When confronted with information about serious issues involving lack of information sharing by other agencies, which Committee staff had originally learned from other witnesses, Mr. Melson's responses tended to corroborate what others had said. Specifically, we have very real indications from several sources that some of the gun trafficking 'higher-ups' that the ATF sought to identify were already known to other agencies and may even have been paid as informants. The Acting Director said that ATF was kept in the dark about certain activities of other agencies, including DEA and FBI. Mr. Melson said that he learned from ATF agents in the field that information obtained by these agencies could have had a material impact on the Fast and Furious investigation as far back as late 2009 or early 2010. After learning about the possible role of DEA and FBI, he testified that he reported this information in April 2011 to the Acting Inspector General and directly to then-Acting Deputy Attorney General James Cole on June 16, 2011.

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities. While this is preliminary information, we must find out if there is any truth to it."

ATF Chief Testifies Before Congress in Secret Over Controversial Gun Program

ABC – Jake Tapper

ABC's Jason Ryan (@JasonRyanABC) reports: The acting head of the Alcohol, Tobacco and Fire Arms agency, facing scrutiny over a controversial gun program across the U.S. - Mexico border linked to the death of a Border Patrol agent last year, appeared secretly before Congressional investigators on July 4 with his own private attorney, rather than lawyers from the Justice Department.

According to sources close to the investigation, ATF Acting Direction Ken Melson had previously wanted to testify before the oversight committees but Justice Department officials sought to delay his testimony.

Melson's testimony came weeks after three current ATF agents who were involved in the program known as "Fast and Furious" testified before Congress about the botched operation and how ATF failed to stop guns going into Mexico. The program allowed straw purchases of weapons that were then allowed to "walk" across the border into Mexico in an effort to locate major weapons traffickers.

But when Border Agent Brian Terry was murdered in December 2010 and two guns were found on the scene that were linked to the program, it came to a halt and was brought under Congressional investigation. According to reports by the ABC affiliate in Phoenix, other guns from the Fast and Furious program have now also been linked to additional crimes.

According to a letter sent to Attorney General Eric Holder by Rep Darrel Issa, R-CA and Senator Charles Grassley, R-Iowa, who have been investigating the Fast and Furious program, Melson expressed dismay during testimony over how the operation was run and that "he was sick to his stomach" when he reviewed internal documents." The letter also notes that Melson's testimony corroborated information indicating that DEA and FBI may have had a role in the operation.

In the July 5, 2011 letter (read more [HERE](#)) lawmakers who were once very critical of Melson and his tenure at ATF, have since changed their tune and are now urging the Attorney General to ensure Melson is being treated fairly – even suggesting that action against Melson by the Justice Department could have the effect of "intimidating others who might want to provide additional information to the committees."

Fast & Furious Was Much Broader, Issa Charges

US News & World Report – Paul Bedard

Acting Bureau of Alcohol, Tobacco and Firearms Director Kenneth Melson, in surprise July 4th testimony to chief House investigator Rep. [Darrell Issa's](#) panel, corroborated shocking suggestions that the Fast & Furious gun running scam on the U.S.-Mexico border included more federal agencies—and tax dollars—than previously revealed. What's more, he suggested that top Justice officials muzzled ATF as it sought to clean up the episode after two of the guns in the scam were linked to the December killing in Arizona of Border Patrol Agent Brian Terry.

In a five-page letter to Attorney General Eric Holder following Melson's testimony, Issa, chair of the House Oversight & Government Reform Committee and Senate Justice Committee ranking member Sen. [Charles Grassley](#), called for greater cooperation in Issa's probe of Fast & Furious. And they warned Holder not to fire Melson and make him "the fall guy in an attempt to prevent further congressional oversight."

"The evidence we have gathered raises the disturbing possibility that the Justice Department not only allowed criminals to smuggle weapons but that taxpayer dollars from other agencies may have financed those engaging in such activities. While this is preliminary information, we must find out if there is any truth to it. According to Acting

Director Melson, he became aware of this startling possibility only after the murder of Border Patrol Agent Brian Terry and the indictments of the straw purchasers, which we now know were substantially delayed by the U.S. Attorney's Office and Main Justice," the duo wrote.

Issa has been probing the scandal for months. He calls Fast and Furious a reckless ATF initiative to build a case against gun traffickers linked to Mexican drug cartels. In doing so, ATF allegedly allowed straw buyers, those who can legally buy guns, to do so and then sell them to criminals who passed them to drug cartels.

A pair of AK-47s linked to Fast & Furious were found at the site of Terry's killing.

The National Rifle Association has joined in the cause, charging that the scandal that included about 2,500 guns escalated the violence on the border.

Issa says that he's been stonewalled by Justice in his probe. Issa urged Americans to send questions about the affair to President Obama's Twitter forum today.

In their letter, Issa and Grassley suggest that ATF has been "muzzled" by Justice; that other agencies were involved in the scandal; and that Justice has "buried its head in the sand" to block the investigation.