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To: Spencer, Lashawna
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Subject: RE: AG News Brief Summary

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Sent: Thursday, July 07, 2011 5:41 PM
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Melson Implicates DOJ, FBI, DEA In Gun-Tracking Operation. Acting ATF director Kenneth Melson's interview with congressional investigators probing the "Fast and Furious" gun-tracking operation generated news coverage that portrays several federal agencies in generally negative terms. Melson reportedly blamed Justice Department officials with trying to thwart the congressional probe, and he also implicated FBI and DEA officials in the operation.

The Los Angeles Times (7/6, Serrano, 657K) reports that the "embattled" Melson "told congressional investigators that the FBI and Drug Enforcement Administration kept his agency 'in the dark' about their dealings with Mexican drug cartel figures linked to a controversial gun-trafficking investigation." Melson "has been under pressure to resign over the agency's handling of the gun-trafficking operation," but "in two days of meetings with investigators," he "disclosed that other law enforcement agencies had a connection to the operation. His statements sharply ratcheted up the affair, and strongly suggested that House and Senate investigations, as well as an internal review by the Justice Department, will widen."

The Washington Post (7/6, Markon, Horwitz, 572K) reports that Melson "had been scheduled to speak to congressional investigators next Wednesday, in the presence of Justice Department and ATF lawyers," but instead, "he brought his own attorney and was interviewed twice over the Fourth of July weekend," a decision that "took ATF and Justice Department officials by surprise." The Post reports that people familiar with the unreleased transcript of the interview "said that the ATF leader indicated that Attorney General Eric H. Holder Jr. did not know about the operation, that it would be unusual for other Justice Department officials in Washington to know the details and that the US attorney's office in Phoenix was overseeing the program."

The Wall Street Journal (7/6, Perez, Subscription Publication, 2.02M) reports that Melson's testimony contradicted previous reports on the operation, and that he told investigators that he was unaware of the details of the operation until questions had been raised about it publicly. The Journal also notes that Sen. Charles Grassley (R-IA) and Rep. Darrell Issa (R-CA) included details of Melson's interview in a letter to Attorney General Holder.

The Washington Times (7/6, Seper, 77K) reports that Melson told investigators that Justice Department officials "blocked senior ATF leaders from cooperating with Congress in its investigation of" the operation, "ordering them not to respond to questions and taking full control of replying to briefing and document requests." The Times also reports that Melson told congressional investigators "that he was 'sick to his stomach' when he learned about problems with the controversial operation," and that "after he and ATF's senior leadership team reassigned every manager involved in Operation Fast and Furious, they were prohibited from telling Congress about the reassignments."

The TPM Muckraker blog (7/7) reports, "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 US to Mexican drug cartels. 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. '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.'"

Bloomberg News (7/7, Blum) reports, "The lawmakers said they want to know whether suspects identified in that program were serving as informants for other law enforcement agencies without 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,' the two lawmakers wrote."

The Houston Chronicle (7/7, Freedman, 342K) reports that Grassley and Issa alleged that Justice Department officials "may have tried to set up" Melson "as a 'fall guy' to squelch" the probe. The lawmakers "said dismissing Melson would 'have the effect of intimidating others' who are cooperating with investigators. 'ATF leadership appears to have been effectively muzzled while DOJ sent over false denials and buried its head in the sand,' the letter by Grassley and Issa said."

The New York Times (7/7, Walsh, Subscription Publication, 950K) reports, "Mr. Melson told committee staff members, the letter said, that he had wanted to cooperate with the investigation earlier but that the Justice Department had directed him and other officials 'not to respond and took full control of replying to briefing and document requests from Congress.' The congressmen added, 'The result is that Congress only got the parts of the story that the department wanted us to hear.' An assistant attorney general, Ronald Weich, responded to Mr. Issa and Mr. Grassley in a letter on Wednesday, saying that 'dozens of attorneys and reviewers' are working to comply with the broad subpoenas from Mr. Issa's committee and that more than 2,000 pages of documents have been made available. He said some material could not be released immediately because it contained information about investigations."

Politico (7/7, Gerstein, 25K) reports, "Weich said the decision to centralize the department's response to Congressional inquiries was made 'to ensure that the information being provided to the Committee was accurate, complete and timely.'" Of Melson's interviews with congressional probers, Weich "said there were two sessions, an untranscribed three-hour interview on July 3 and a second, transcribed session the following day. DOJ officials learned about them Tuesday evening, Weich wrote."

The Daily Caller (7/7, Boyle) reports that Weich "accused Issa and Grassley of ginning up controversy and claims their allegations of the Department of Justice's transparency failure aren't true. Weich's July 6 letter was an official DOJ response to Grassley's and Issa's July 5 letter to Holder detailing the key findings from a secret transcribed interview with acting ATF director Ken Melson on July 4. 'We are puzzled by your criticism of the Department for its efforts to facilitate the Committee's access to documents and witnesses,' Weich wrote. 'Indeed, those concerns seem flatly inconsistent with statements that Chairman Issa has made on this subject in the recent past.'"

ABC News (7/7) reports on its website, "Melson's testimony came for the Congressional committee 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. 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 Daily Caller (7/7) reports, "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 US 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 US Attorney's office. The US Attorney in Arizona, Dennis Burke, is a political appointee of the Obama administration."

Fox News (7/7) reports, "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."

CBS News (7/7, Scholl) reports on its website, "Melson told investigators he did not know the full story of the 'Fast and Furious' operation until he began looking into it after the controversy became public. This appears contrary to internal ATF emails uncovered by CBS News. One of those emails, written by a Phoenix-based Assistant Special Agent in Charge reported that Melson was 'briefed weekly' on the investigation and was 'keenly interested in case updates.'" Reuters (7/7, Pelofsky) also reports this story.

Anonymous Releases Threatening "Operation Orlando" Photos. The Orlando Sentinel (7/7, 187K) reports, "Orlando police said Wednesday they are treating a photo taken by computer hackers outside the mayor's house as a threat. Members of the group Anonymous, which has been launching cyberattacks on Orlando-related websites, turned up the dial on what it calls 'Operation Orlando.' During the weekend, the group posted online a nighttime picture taken outside Mayor Buddy Dyer's home in College Park." WESH-TV Orlando, FL (7/7) reports, "The photo captures a small mask, similar to the masks seen in other photos, dangling from a street sign in the mayor's neighborhood. Another threatening image surfaced that appears to depict the Orlando Police Department. The image shows two headless police officers, an OPD badge and another signature mask."

WFTV-TV Orlando, FL (7/7) reports that, according to Anonymous, "the pictures were meant to prove a point."

Anonymous Announces "Operation Turkey." Computerworld (7/7, Lohman) reports, "Hactivist group Anonymous appears to have taken ownership of the Turkish domain of International Center for Human Development as part of its latest protest action, Operation Turkey. As at this morning icdh.org site was this morning inaccessible, and Anonymous advised via icdh.gov.tr that the domain had been seized as part of its ongoing 'Antisec' campaign. In a statement on the icdh.org.tr site, Anonymous said the action was in response to what the group claims are restrictions placed by the Turkish government on internet freedoms."

Anonymous Denies Claim That Italian Affiliate Members Were Arrested, Promises Retaliation. The Wall Street Journal (7/7, Bryan-low, Zevi, Subscription Publication, 2.02M) reports that the Italian and Swiss authorities raided more than 30 apartments in their recent search for Anonymous hackers. Since December, the operation has resulted in more than 40 arrests.

Nonetheless, the International Business Times (7/7) reports, "Just after the Italian Police reported the successful arrest of several Anonymous members the hacker collective posted a statement promising revenge attacks." The group denied "the Italian Police's earlier claims, alleging that the country's law enforcement had enacted several successful raids against the Italian arm of Anonymous. ... Anonymous went on to promise to enact a series of revenge attacks against Italian law enforcement."

PayPal Joins Ranks Of Those Hacked By Anonymous. The AP (7/7) reports, "Despite the long holiday break, hackers kept up their attacks, targeting Apple Inc. and Fox News before hacking PayPal Inc. on Tuesday in the latest rash of cyber strikes. ... The e-commerce company confirmed the attack and said the account had been taken offline."

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