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**From:** Gonzales, Mary (ATF)  
**To:** Gaston, Molly (SMO); Wade, Jill C (SMO)  
**CC:** Weich, Ron (SMO)  
**Sent:** 7/26/2011 7:59:32 AM  
**Subject:** Issa Says ATF Warned Witnesses To Limit Testimony; Guns At Mexican Crime Scenes Linked To ATF Operation;

**I've been trying to find the HOCR report on line...no luck yet.**

**Issa Says ATF Warned Witnesses To Limit Testimony.** The Washington Times (7/26, Dinan, Neubauer, 77K) reports, "The Obama administration sought to intimidate witnesses into not testifying to Congress on Tuesday about whether ATF knowingly allowed weapons, including assault rifles, to be 'walked' into Mexico, the chairman of a House committee investigating the program said in an interview Monday." House Oversight and Government Reform Committee Chairman Darrell E. Issa (R-CA), "said at least two scheduled witnesses expected to be asked about a controversial weapons investigation known as 'Fast and Furious' received warning letters from the Bureau of Alcohol, Tobacco, Firearms and Explosives to limit their testimony. Mr. Issa's committee is set to hear testimony from six current or former ATF employees, including agents and attaches assigned to the bureau's offices in Mexico, about the operation - in which, federal agents say, they were told to stand down and watch as guns flowed from US dealers in Arizona to violent criminals and drug cartels in Mexico."

**Report: ATF Officials Kept Mexican Gun Plans Secret.** Several articles in major newspapers this morning focus on a report by congressional investigators on "Operation Fast and Furious," which is slated for release today. USA Today (7/26, Johnson, 1.83M) reports, "Federal gun agents and Justice Department officials did not share crucial information about a risky gun trafficking investigation with their US colleagues in Mexico, even as those colleagues expressed concerns about a sudden spike in the number of US guns linked to the probe that were being recovered at crime scenes in Mexico, congressional investigators found." USA continues, "A new report prepared for Rep. Darrell Issa, R-Calif., and Sen. Chuck Grassley, R-Iowa, concludes that Justice and ATF officials "in Arizona and Washington 'kept their own personnel in Mexico ... totally in the dark' about the operation that allowed hundreds of weapons to flow into Mexico. The officials feared, according to the report released today, that information about the operation would be leaked to the Mexican government or the US ambassador to Mexico."

The Los Angeles Times (7/26, Serrano, 657K) reports, "As a surge of weapons from the United States began to show up at homicide scenes in Mexico last summer, officials in the US Embassy sent a cable to Washington that asserted authorities needed to focus on small-time operators as the suppliers of guns to the drug cartels. What embassy officials did not know was that at least some of the weapons they were noticing were guns that" the ATF "had allowed straw purchasers to buy as part of" Operation Fast and Furious. "Ultimately, ATF lost track of an estimated 1,700 guns as they flowed into Mexico."

**Report Details Objections To Operation.** The Washington Post (7/26, Horwitz, 572K) reports, "When assault weapons from Phoenix showed up in large numbers at Mexican crime scenes last year, federal agents posted in Mexico City called their superiors in Washington and Phoenix and urged them to shut down any gun operation they might be running because of the mounting violence. But their concerns were brushed aside, according to a new report that will be released Tuesday by Republican lawmakers. The report follows a congressional investigation of the controversial gunrunning sting, known as Operation Fast and Furious, that was overseen by the Phoenix office of the Bureau of Alcohol, Tobacco, Firearms and Explosives. The frustration of Darren Gil, the former ATF attache to Mexico, reached such a boiling point that he got into a screaming match with his superior about the large volume of AK-47 variants and .50-caliber sniper rifles recovered at Mexican crime scenes and traced back to the same Phoenix gun stores."

**Guns At Mexican Crime Scenes Linked To ATF Operation.** The New York Times (7/26, Savage, Subscription Publication, 950K) reports, "Congressional investigators examining a gun-trafficking sting investigation known as Operation Fast and Furious have identified 122 weapons linked to the operation that have been recovered at crime scenes in Mexico, according to a report they are expected to release Tuesday." The Times continues, "The report, which offers new details about the operation, lists 48 occasions between November 2009 and February 2011 in which Mexican authorities found one or more such weapons, based on internal e-mails of the Bureau of Alcohol, Tobacco, Firearms and Explosives, whose Phoenix office set up the operation. It was compiled by the staffs of Representative

Darrell Issa of California and Senator Charles E. Grassley of Iowa, the two Republicans leading the investigation."

The Wall Street Journal (7/26, Perez, Subscription Publication, 2.02M) reports that ATF agents probing Operation Fast and Furious have found that they cannot account for more than 1,000 weapons bought by suspected smugglers.

**Report: ATF "Stonewalled" Agents.** CNN (7/26, Schwarzschild, Griffin) reports, "US officials kept their Mexican counterparts in the dark about a widely criticized gun-trafficking probe even as rising numbers of weapons reached the hands of Mexico's drug cartels, a congressional committee reported Tuesday. The Justice Department's Bureau of Alcohol, Tobacco, Firearms and Explosives also held back key details about 'Operation Fast and Furious' from agents based in Mexico City when they raised alarms, according to the report. 'Not only were they stonewalled by their colleagues, they were actively thwarted in their attempts to find out what was happening,' the House Oversight and Government Reform Committee concluded."

**ATF "Armed Cartel For War," According To Documents.** FOX News (7/26, Lajeunesse) reports that the operation "got so out of control in November 2009, it appeared the US government was single-handedly 'arming for war' the Sinaloa Cartel, documents show, even as ATF officials here kept lying to fellow agents in Mexico about the volume of guns it helped send south of the border. At one point, agents say guns sold under the watch of the program took just 24 hours to travel from a gun store in Phoenix to a crime scene in Mexico. ATF agents there pleaded for help but were told nothing about Fast and Furious, which was intended to let guns 'walk' in order to track them to higher-profile traffickers. Meanwhile, the report claims the agents' superiors in Washington met every Tuesday, to review the latest sales figures and the number of guns recovered in Mexico."

**Analysis: "Spotlight" Moving Toward Holder, Other Senior DOJ Officials.** In a 3,000 word story headlined "A Gunrunning Sting Gone Fatally Wrong," the Washington Post (7/26, Horwitz, 572K) takes a highly critical look at the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)'s "Operation Fast and Furious" gun-tracking program, the intent of which was for ATF agents "to follow the paths of guns from illegal buyers known as 'straw purchasers' through middlemen and into the hierarchy of the powerful Sinaloa drug cartel." But, as the Post notes, "ATF agents hate to let the guns 'walk,'" and the operation caused much division within the agency, to the point where what "began as a mutiny inside ATF's Phoenix office has blown up into a Capitol Hill donnybrook that is rocking the Justice Department. The spotlight was now moving toward senior Justice officials, including" Attorney General Eric Holder.

**Work Of ATF's Tracing Center Profiled.** A piece prepared by the Partnership For Public Service that runs in the Washington Post (7/26, Service, 572K) reports on the work of the ATF's National Tracing Center, which "traced nearly 337,000 recovered firearms for US law enforcement agencies and international partners. Based in West Virginia, the NTC is the country's only facility that tracks firearms from a manufacturer to a purchaser. The center aids law enforcement in identifying suspects involved in criminal violations, detects firearms trafficking, and tracks the intrastate, interstate and international movement of crime guns." The center "is headed by ATF Special Agent Charles J. Houser, who is credited with building NTC's capacity, responding quickly to urgent requests from police and introducing eTrace, an Internet-based system that allows participating law enforcement agencies to submit firearm traces to NTC and receive firearm trace results electronically."

**Administration Launches New Initiative To Combat Global Organized Crime.** The AP (7/26, Braun) reports that the Obama Administration "announced a broadside of harsh new sanctions against four far-flung criminal cartels on Monday, part of what it said is a coordinated strategy to fight international underworld factions that could harm US interests or security." An executive order signed Sunday by President Obama "outlined a regime of harsh sanctions against so-called transnational criminal groups, blocking any American property interests and freezing their assets, authorizing financial sanctions against anyone aiding them and barring their members from entering the United States." The AP notes that under the new strategy, the Justice Department and the FBI "would appear to have heightened roles in the government's effort to tackle transnational threats."

USA Today (7/26, Jackson, 1.83M) reports, "While waiting to see what kind of debt reduction deal Congress produces, President Obama today unveiled a strategy to battle international organized crime. 'While this strategy is intended to assist the United States government in combating transnational crime, it also serves as an invitation for enhanced international cooperation,' Obama said in a statement accompanying the release of the strategy. He said, 'We encourage our partners and allies to echo the commitment we have made here and join in building a new

framework for international cooperation to protect all our citizens from the violence, harm and exploitation wrought by transnational organized crime."

Bloomberg News (7/26, Bliss) reports that the order authorizes US officials "to freeze property and other assets owned by international criminal organizations and give immigration officials more authority to keep suspected members out of the US, according to a fact sheet on the administration's strategy. 'Criminal networks are not only expanding their operations, but they are also diversifying their activities, resulting in a convergence of transnational threats that has evolved to become more complex, volatile and destabilizing,' Obama wrote in the introduction of the 28-page strategy released" on Monday. "In the executive order, Obama specified four criminal groups whose assets are among the initial targets of its sanctions: the Yakuza of Japan, Los Zetas of Mexico, Camorra of Italy and the Brothers' Circle of Russia."

CNN (7/26, Cratty) reports on its website, "John Brennan, assistant to the president for counterterrorism and homeland security, said transnational criminals 'have forged new and powerful alliances and are engaged in an unprecedented range of illicit activities that are destabilizing to nations and populations around the globe.' He said criminal networks 'are striking alliances with corrupt elements of national governments including intelligence and security personnel and they use the power and influence of those elements to further their criminal activities.'"

The New York Daily News (7/26, Straw, 506K) reports in its "DC" blog, "The administration's plan starts with better enforcement at home: cut demand for narcotics and stop firearms from leaving the country. To date, government efforts to cut off the 'river of steel' that arms combatants in that country's drug war have resulted in tragedy. The Bureau of Alcohol, Tobacco, Firearms and Explosives released close to 2,000 guns into the illicit supply chain in hopes of tracking them, and one was used to kill a US Border Patrol agent last year."

The Washington D.C. Examiner (7/26, Johnson) reports, "Even with limited resources in a sluggish economy, the new strategy will allow the Administration to be more effective in disbanding crime syndicates and local gangs." Attorney General Eric Holder "also states that government and law enforcement agencies will 'have the tools and authorities necessary to protect the American people from some of today's most urgent, and complex, threats.'"

The BLT blog of the Legal Times (7/26, Scarcella) reports, "Attorney General Eric Holder Jr., Homeland Security Secretary Janet Napolitano and David Cohen, the Treasury Department under secretary for terrorism and financial intelligence, presented the plan" on Monday "to State, DOJ and other officials. In prepared remarks, Holder said the legislative updates, including extending the reach of anti-money laundering provisions, will target the "financial backbone" of criminal groups. 'They also would enhance our ability to identify and respond to the most common, and often evolving, tactics-and methods of communication-that criminal organizations use to conceal their illicit operations and profits,' Holder said."

Main Justice (7/26, Viswanatha) reports, "The new tools promoted under the strategy include a sanctions program to block the property of the worst groups and bar group members from entering the United States; a new program to reward tipsters with information that leads to the arrests; and proposed legislation to make it easier to investigate and prosecute the global networks." Voice of America (7/26) also reports this story.

**House Votes To Extend Mueller's Term.** The AP (7/26) reports that on Monday, the House voted to authorize FBI Director Robert Mueller to "keep his job for up to two more years." President Obama will now send Mueller's nomination to the Senate, where "leaders of both parties have promised a vote by Aug. 2." This report was picked up by the Washington Post, New York Times, Chicago Tribune and CBS News, among other sources.

The Hill (7/26, Kasperowicz) notes in its "Floor Action" blog that the legislation was passed after a "brief debate Monday evening." Earlier this year, President Obama and Congress agreed to extend Mueller's term to provide continuity of leadership in the agency in light of the death of Osama Bin Laden and the coming 10th anniversary of the attacks of 9/11. The new bill will push Mueller's term to September 4, 2013.

CQ (7/26, Anderson) reports the bill "drew bipartisan praise Monday, receiving the endorsement of the GOP chairman of the House Judiciary Committee, Lamar Smith of Texas, and the panel's top Democrat, John Conyers Jr., of Michigan." Smith said that the killing of Osama Bin Laden and personnel changes in other security posts "make these unusual times that justify a short term extension." Meanwhile, Senate Judiciary Chairman Patrick Leahy expressed his hope that "Senate leaders will promptly schedule a confirmation vote on the nomination."

**ATF Probes Arizona Explosion.** KNXV-TV (7/26, Gregory) reports from Glendale, AZ, "An explosion Monday morning in a Glendale neighborhood has sparked an investigation. Glendale's Explosive Ordinance Division and the Bureau of Alcohol, Tobacco and Firearms responded to a call around 1:30 a.m. from a Glendale resident who said he heard a loud boom near 66th and Olive avenues, said Brent Coombs with the Glendale Police Department."

The Arizona Republic (7/26, Ottens, 335K) reports, "A resident called Glendale police after hearing a loud boom in the area, said Sgt. Brent Coombs, a spokesman for Glendale police. Police found remnants of a suspicious device near the 8800 block of 66th Avenue, he said. The ATF agents assisted the Glendale officers because they specialize in explosive devices, Coombs said."

**California Crime Sweep Nets 117 Arrests.** KXTV-TV Sacramento, CA (7/26, Johnson) reports from Stockton, CA, "A four-day sweep in the Stockton area to combat increasing crime and gang activity resulted in the arrests of 117 criminals and confiscation of 15 firearms, methamphetamine and crack, say law enforcement authorities. Among the arrests were four suspects wanted for murder, three for attempted murder and two for robbery and kidnapping." KXTV-TV adds, "Sixty officers from the US Marshals Service, Stockton Police Department, the Bureau of Alcohol, Tobacco, Firearms and Explosives, California Department of Corrections and Rehabilitation Office of Correctional Safety, San Joaquin County Sheriff's Department and other law agencies participated in the roundup. The sweep commenced July 20 and concluded Saturday."

Mary Gonzales | Congressional Liaison Specialist | Office of Legislative Affairs | Bureau of Alcohol, Tobacco, Firearms & Explosives | p 202\*648\*7039 | c 202\*731\*2350 | f 202\*648\*9708 | [mary.gonzales@atf.gov](mailto:mary.gonzales@atf.gov)

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