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**From:** Weinstein, Jason (CRM)  
**To:** Schmalzer, Tracy (SMO)  
**CC:** Pope, Amy (CRM); Reich, Steven (ODAG); Weich, Ron (SMO)  
**Sent:** 7/26/2011 9:24:34 AM  
**Subject:** Fw: clips

T, Just checking in on status of your draft proposed response. Thanks. J

Also, can we tell Solomon

DP

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**From:** Finelli, Alisa (SMO) <Alisa.Finelli2@usdoj.gov>  
**To:** Raman, Mythili; Weinstein, Jason; Pope, Amy  
**Cc:** Sweeney, Laura (SMO) (JMD)  
**Sent:** Tue Jul 26 07:10:30 2011  
**Subject:** clips

Stories that posted overnight on new report from the House committee are below.

## Justice's Bungled Gun Sting

### The Daily Beast

***A House committee report blasts the Justice Department over an ATF operation where guns ended up with Mexican drug cartels and at crime scenes on both sides of the border. By John Solomon.***

by [John Solomon](#) | July 26, 2011 1:53 AM EDT

A House committee is accusing top [Justice Department](#) officials of turning a blind eye to a bungled gun sting that allowed hundreds of semiautomatic [weapons to flow](#) to straw buyers for [Mexican drug cartels](#) and be used in crimes on both sides of the border.

In an investigative report to be released Tuesday, the House Oversight and Government Reform Committee lays out detailed evidence that guns from a Bureau of [Alcohol, Tobacco, Firearms and Explosives \(ATF\)](#) operation known as Operation Fast and Furious fell into the hands of criminals with federal agents' knowledge and were used in crimes.

“The faulty design of Operation Fast and Furious led to tragic consequences,” said the report, obtained early by The Daily Beast. “Countless United States and Mexican citizens suffered as a result.”

The report also discloses that a top Justice Department official was sent by Assistant Attorney General [Lanny Breuer](#) to a briefing in 2010 in which concerns about the bungled sting—particularly the large number of weapons it allowed to flow into Mexico—were discussed, but there was no action to halt the operation. As a result, more guns flowed across the border for months until two weapons from the bungled sting showed up at the scene of the murder of a

U.S. border agent last December, forcing the immediate shutdown of the case, the report states.

Earlier this year when the gun controversy first erupted, Justice officials claimed they didn't know anything about the controversial tactics used in the Arizona-based operation. But the congressional report concludes that senior Justice officials did know about the operation and should have acted sooner to stop the tactics.

The report quotes ATF officials in Mexico who allege that Breuer, who oversees all criminal prosecutions inside the Justice Department, attended a meeting with them in summer 2010 and made statements suggesting to them he was aware of the Arizona case and expected it to result in a good outcome.

“The Department of Justice and more specifically Assistant Attorney General Lanny Breuer, clearly knew about Operation Fast and Furious,” the report concludes. “...Instead of stemming the flow of firearms to Mexico, Operation Fast and Furious arguably contributed to an increase in weapons and violence.”

Justice Department spokeswoman Tracy Schmalzer said Monday night the department had not yet seen the congressional report and couldn't comment on its conclusions.

The bungled gun sting, which began in late 2009 and was finally shut down in early 2011, has spawned controversy on both sides of the border after revelations that ATF agents were instructed to knowingly let guns “walk” into the hands of drug cartel straw buyers with the expectation the weapons would flow across the border into Mexico's drug wars.

The agency allowed more than 1,700 weapons to flow to the straw buyers, abandoning its normal tactic of trying to interdict such weapons. As a result, hundreds of the guns that “walked” later showed up at crime scenes, murders and drug seizures on both sides of the border. ATF has said it hoped the controversial tactic would allow its agents to trace guns used in crimes in Mexico to the cartels, allowing for bigger prosecutions.

President Obama has since said he believes the strategy was mistaken. Justice ordered an internal review and instructed federal law enforcement to return to the practice of interdicting weapons as soon as they fall into the hands of criminals.

The House committee investigation, led by Rep. Darrell Issa, R-Calif., has tried to determine who in government knew about the sting and approved of its tactics.

### **ATF 'stonewalled' agents on botched gun probe, report says**

**Washington (CNN)** -- U.S. 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.

"Fast and Furious" has been the subject of congressional investigations since December, when two weapons traced to the operation were found at the scene of a U.S. Border Patrol agent's killing in Arizona. More than 2,000 guns may have reached the hands of the cartels as a result of the probe, in which ATF agents allowed weapons bought in the United States to "walk" into Mexico.

"ATF senior leadership allegedly feared that any such disclosure would compromise their investigation," states the report, written by the joint staff of the committee. "Instead, ATF and DOJ leaderships' reluctance to share information may have only prolonged the flow of weapons from this straw purchasing

ring into Mexico."

Carlos Canino, the ATF's acting attache in Mexico City, informed the country's attorney general of the probe only after learning that guns monitored by the investigation were involved in the killing of the brother of a top prosecutor in Mexico's Chihuahua state. Canino said he disclosed the operation despite the absence of clear direction from Washington "because I did not want her to find out through media reports where these guns had come from."

"If I hadn't told the attorney general this, and this had come out in the news media, I would never be able to work with her ever again, and we would be done in Mexico," the report quotes Canino. "We just might as well pack up the office and go home."

Even then, ATF officials in Mexico City did not learn the full extent of the "Fast and Furious" probe until after it was shut down, following the December killing of Border Patrol Agent Brian Terry.

The operation began in late 2009 and concluded in January. Investigators say the ATF allowed more than 2,000 weapons to be purchased illegally and transported in to Mexico, where heavily armed drug gangs have been battling Mexican authorities for control of the streets for several years.

In an interview with committee investigators, Canino called the operation "the perfect storm of idiocy" and warned, "Brian Terry is not the last guy."

"Unfortunately, there are hundreds of Brian Terrys, probably, in Mexico," he said.

The result has been a major black eye for the agency and put the future of its acting director, Kenneth Melson, under a cloud.

Canino and his then-boss, Darren Gil, were told to "stand down" about the Phoenix-based operation by ATF leaders in Washington, the report states.

"According to ATF leadership, not only was everything 'under control,' but everyone in ATF and DOJ were well aware of the investigation in Phoenix," the report states.

The congressional investigation has been led by Rep. Darrell Issa, R-California, the oversight committee's chairman, and by Iowa GOP Sen. Charles Grassley, whose office was approached by ATF whistleblowers.

Lawmakers have repeatedly questioned which top officials were told about the operation, and Tuesday's report names Assistant Attorney General Lanny Breuer as the top Justice Department official in the know. Wiretap applications were also signed "on behalf of" then-Deputy Attorney General David Ogden in the spring of 2010, the report adds.

The Justice Department did not respond to a request for comment on the report.

## **ATF Accused in Congressional Report of 'Arming' Cartel for 'War' Through Operation Fast and Furious**

### **Fox News**

By William Lajeunesse

Published July 26, 2011 | FoxNews.com

The failed federal anti-gunrunning program known as Operation Fast and Furious got so out of control in November 2009, it appeared the U.S. 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.

Those shocking allegations are revealed in the latest congressional report investigating the operation.

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.

"How long are you going to let this go on?" Steve Martin, an assistant director of intelligence operations asked the ATF top brass at meeting Jan. 5, 2010. None of the men responded and several quickly left the room, according to a transcript of the meeting.

By Feb. 27, 2010, Lanny Breuer, the head of the Criminal Division of the Justice Department in Washington, D.C., was allegedly told that the ATF had successfully helped sell 1,026 weapons worth more than \$650,000 to members of the Sinaloa cartel. The briefing included all top ATF officials, including the agents in charge in Los Angeles and Houston, as well as a half dozen top Justice Department attorneys.

"So there's no doubt after this briefing that guns in this case were being linked to the Sinaloa Cartel?" a congressional investigator asked Martin during a July 2011 interview.

"I'd say yes." Martin replied.

"Very apparent to everyone in the room?" the investigator asked.

"That's correct," Martin said.

Meanwhile, ATF agents in Mexico were seeing a flood of weapons coming south. When asked, ATF brass told the resident ATF attache in Mexico things were "under control."

"They were afraid I was going to brief the ambassador on it or brief the government of Mexico," said Darren Gil, former ATF attache in Mexico.

For months, officials assured Gil that Fast and Furious was going to be "shut down," but it wasn't.

"We're getting hurt down here," Gil told ATF International Affairs Chief Daniel Kumor.

Kumor reportedly raised Gil's concerns and was told the case "was going great," and nothing happened until the death of Agent Brian Terry in December 2010.

Ironically, a year before, in December 2009, Southwest Border Czar Ray Rowley threatened to expose Operation Fast and Furious because of "the large number of guns that had already been trafficked" but ATF officials talked him out of it.

When the case was finally revealed in the press, Gil said, "never in my wildest dreams ever would I have thought of (gun walking) as an (investigative) technique. Never. Ever. It was just inconceivable to me."

"You don't lose guns. You don't walk guns. You don't let guns out of your sight."

The precise number of casualties in Mexico isn't known, but ATF officials confirm the murder of Mario Gonzales Rodriguez, brother of the Chihuahua attorney general, with a Fast and Furious gun.

According to the report, the U.S. knew for eight months of the link between the ATF operation and his death, but refused to tell any Mexican officials. Finally the acting ATF attache told the Mexican Attorney General Maricela Morales. Her reply, "Hijole," which translates into "Oh my."

Read more: <http://www.foxnews.com/politics/2011/07/26/atf-accused-in-congressional-report-arming-cartel-for-war-through-operation/#ixzz1TCzEki2k>

## **New report shows American ATF officials in Mexico were kept in dark about 'Operation Fast and Furious'**

The Washington Examiner

By: [Philip Klein](#) | Senior editorial writer [Follow Him @Philipaklein](#) | 07/26/11 12:50 AM

In the fall of 2009, American officials from the Bureau of Alcohol, Tobacco, Firearms and Explosives who were stationed in Mexico started noticing a sharp spike in the number of guns heading into the country. But what made things especially strange was that many of them were being traced back to the ATF's own field office in Phoenix.

Over the next year, ATF's Mexico-based officials raised louder and louder alarms all the way to Washington, as the number of guns flooding into Mexico grew from the hundreds into the thousands, and even more disturbingly, a number of them flowed into the hands of Mexican drug cartels.

During this time, the United States representatives in Mexico were kept completely in the dark about the so-called "investigation." Little did they know that the surge in guns heading into Mexico was no accident, but part of an elaborate but ill-conceived effort by the Obama administration to allow front men to purchase guns in Arizona and sell them to smugglers, in the hopes that it would eventually lead U.S. law enforcement officials to Mexican drug cartels.

From at least early 2010, their superiors assured the ATF officials in Mexico that everything was "under control" and that that the investigation would soon end. Yet it only ended in January 2011. By then, guns that were part of the investigation had already been linked to the tragic murder of U.S. Border Patrol Agent Brian Terry.

These revelations are the latest in House Oversight and Government Reform Committee Chairman Rep. Darrell Issa's probe into the ATF's bungled "Operation Fast and Furious" program. A new report, released to coincide with a Tuesday hearing on the issue, focuses on the dangerous impact that the misguided program had on the Mexico side of the border.

"(T)his is the perfect storm of idiocy," Carlos Canino, the ATF's acting attaché to Mexico, said in the report, explaining how stunned he was when he finally found out about the "Fast and Furious" operation earlier this year.

According to interviews cited in the report with Canino, his predecessor Darren Gil, and others, the ATF in Mexico repeatedly aired concerns to the Phoenix field office and up the chain of command, to the ATF's Washington office and into the Department of Justice.

Eventually, matters became so intense that Gil got into screaming matches with his boss in Washington, ATF's international affairs chief, Dan Kumor. On one visit to Mexico, Lanny Breuer, the DOJ's assistant attorney for the criminal division, actually praised the operation, according to testimony.

Incredibly, despite the diplomatic problems posed by the program, ATF officials in Mexico were told that they couldn't learn more about the program because their superiors didn't want them to brief the Mexican government.

Guns that were allowed into Mexico as part of "Fast and Furious" were eventually linked to a drug cartel that had kidnapped and murdered the brother of the attorney general in a western Mexican state. Other guns from the

operation also may have been part of an incident in which members of a cartel shot at a federal police helicopter, forcing it to make an emergency landing and wounding two officers.

Due to the difficulty of tracing the guns, the full extent of the damage from the program may never be known, and 1,048 guns remain unaccounted for, according to the report.

“The faulty design of Operation Fast and Furious led to tragic consequences,” the report concludes. “The lessons learned from exposing the risky tactics used during Operation Fast and Furious will hopefully be a catalyst for better leadership and better law enforcement procedures.”

The report was put together by Issa’s committee, with help from Sen. Charles Grassley, R-Iowa, ranking member of the Senate Judiciary Committee.

At the Tuesday morning hearing, the House Oversight Committee will hear from a number of the figures whose names come up in the report, including Canino, Gil, William Newell (who formerly ran the Phoenix field division), and William McMahon, ATF’s deputy assistant director for field operations (including Phoenix and Mexico).

Read more at the Washington Examiner: <http://washingtonexaminer.com/blogs/beltway-confidential/2011/07/new-report-shows-american-atf-officials-mexico-were-kept-dark-abo#ixzz1TCzdGMVG>