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**From:** Attorney General  
**To:** Schmaler, Tracy (SMO)  
**Sent:** 8/30/2011 1:59:27 PM  
**Subject:** Re: Clips - Round 1

You little investigator you.

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**From:** Schmaler, Tracy (SMO)  
**Sent:** Tuesday, August 30, 2011 01:55 PM  
**To:** Attorney General  
**Subject:** RE: Clips - Round 1

she sourced the resignation to a call Ken had w. reporters but it was in fact a call he had w. SACs. Someone on that call gave her the info.

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**From:** Attorney General  
**Sent:** Tuesday, August 30, 2011 1:53 PM  
**To:** Schmaler, Tracy (SMO)  
**Subject:** Re: Clips - Round 1

How does it identify the leak?

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**From:** Schmaler, Tracy (SMO)  
**Sent:** Tuesday, August 30, 2011 01:15 PM  
**To:** Attorney General; Cole, James (ODAG); Perrelli, Thomas J. (OAAG); Grindler, Gary (OAG); Delery, Stuart F. (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Reich, Steven (ODAG); Weich, Ron (SMO)  
**Subject:** Clips - Round 1

So far, coverage is good. I'm checking on the CBS report that Ken held a conference call w. reporters. I believe that's inaccurate and she miswrote that as a conference call w. SACs. (helps identify where the leaks are over there)

***WSJ: ATF Chief Reassigned After Troubled Gun Sting (August 30, 2011; 12:51 PM)***

The Justice Department reassigned the head of the Bureau of Alcohol, Tobacco, Firearms and Explosives amid criticism over a troubled federal antitrafficking operation.

The shakeup is part of an overhaul that Attorney General Eric Holder ordered after months of controversy over a gun-trafficking operation called Fast and Furious, which used tactics that allowed suspected smugglers to buy more than a thousand firearms. Many of the weapons are believed to have been trafficked to Mexican drug cartel gangs and have turned up in crime scenes in Mexico and the U.S.

Mr. Holder said of Mr. Jones, "I have great confidence that he will be a strong and steady influence guiding ATF in fulfilling its mission of combating violent crime by enforcing federal criminal laws and regulations in the firearms and explosives industries."

Other ATF and Justice Department officials involved in the program are expected to leave their posts in response to missteps in the operation. The controversy over the program has paralyzed a long-beleaguered agency buffeted by partisan battles.

Mr. Melson issued a statement saying: "ATF employees are hard working and dedicated to the mission of protecting the public every day, and in my time here I have seen firsthand their extraordinary commitment to stopping violent crime. I will miss working with them, but know that my continued work at the Department will contribute in their pursuit and prosecution of violent criminals."

Rep. Darrell Issa (R., Calif.), chairman of the Oversight and Government Reform Committee, and Sen. Chuck Grassley (R., Iowa) have led congressional probes of the program.

The ATF Phoenix office ran the program in 2009-10 to monitor weapons purchases by suspected gun smugglers. Agency officials hoped eventually to build a case against major arms smugglers serving Mexican drug cartels. The ATF has struggled to stanch the flow of U.S. weapons to Mexican drug gangs.

The Fast and Furious operation came to light after an Arizona shootout in December that killed a U.S. border agent. Two assault weapons bought in a gun shop that was part of the operation were found at the scene. The shooter and the gun used to kill the agent haven't been identified. A Mexican national is charged in the shootout.

Mr. Jones, a former Marine, will continue to serve as the top federal prosecutor in Minnesota.

The ATF has been without a Senate-confirmed director since 2006, with both the Bush and Obama administrations unable to overcome opposition from gun-rights groups to win approval of nominees. In November, President Barack Obama nominated Andrew Traver, the head of the ATF's Chicago office, as permanent ATF director. The nomination stalled in the Senate after the National Rifle Association said Mr. Traver had a "demonstrated hostility" to the rights of gun owners.

<http://online.wsj.com/article/SB10001424053111904332804576540492675657816.html>

***USA Today: ATF Chief Ousted Amid Gun Trafficking Probes (August 30, 2011; 12:39 PM)***

The acting director of the beleaguered Bureau of Alcohol Tobacco Firearms and Explosives was ousted today in the midst of ongoing congressional and internal Justice inquiries into a controversial gun trafficking investigation that allowed hundreds of firearms to fall into the hands of Mexican drug cartel enforcers and criminals in the U.S., USA TODAY's Kevin Johnson reports

Attorney General Eric Holder said B. Todd Jones, the top federal prosecutor in Minnesota, would replace Kenneth Melson as acting director of the ATF. Holder said Melson will become senior advisor on forensic science in the Justice Department's Office of Legal Policy.

"As a seasoned prosecutor and former military judge advocate, Jones is a demonstrated leader who brings a wealth of experience to this position," Holder said. "I have great confidence that he will be a strong and steady influence guiding ATF in fulfilling its mission of combating violent crime by enforcing federal criminal laws and regulations in the firearms and explosives industries."

<http://content.usatoday.com/communities/ondeadline/post/2011/08/atf-chief-ousted-amid-gun-trafficking-probes/1>

***AP: Amid Controversy, ATF gets a new acting director (August 30, 2011; 12:35PM)***

A new acting director is taking over at the Bureau of Alcohol, Tobacco, Firearms and Explosives following congressional hearings into a flawed law enforcement operation aimed at major gun-trafficking networks in the Southwest.

The Justice Department says the U.S. Attorney in Minnesota, B. Todd Jones, will replace the bureau's acting director, Kenneth Melson.

Picture (Device Independent Bitmap)del.icio.us

Picture (Device Independent Bitmap)Digg It!

Picture (Device Independent Bitmap)yahoo

Picture (Device Independent Bitmap)Facebook

Picture (Device Independent Bitmap)Twitter

Picture (Device Independent Bitmap)Reddit

Picture (Device Independent Bitmap)rss

Melson will become senior adviser on forensic science in the Justice Department's Office of Legal Policy.

ATF has been criticized by Republicans on Capitol Hill for a law enforcement operation in Arizona designed to track small-time gun buyers up to major weapons traffickers along the Southwest border.

ATF intelligence analyst Lorren Leadmon testified that of more than 2,000 weapons linked to the operation, some 1,400 have not been recovered.

[http://www.forbes.com/feeds/ap/2011/08/30/general-us-atf-director\\_8650350.html](http://www.forbes.com/feeds/ap/2011/08/30/general-us-atf-director_8650350.html)

***NPR: Under Scrutiny for 'Fast And Furious,' ATF Announces New Leader (August 30, 2011; 12:36 PM)***

Justice Department officials announced Tuesday that the troubled Bureau of Alcohol, Tobacco, Firearms and Explosives has a new leader. Officials handpicked Minnesota's top federal prosecutor, B. Todd Jones, to serve as the bureau's acting director.

Jones is a former military judge advocate with broad experience in sensitive cases. And that could come in handy at the ATF, which is under intense scrutiny from Republicans in Congress over a failed gun trafficking investigation called Fast and Furious. The agency was supposed to be stopping the flow of guns to Mexico, but instead agents sometimes lost track of assault weapons that later turned up at crime scenes on both sides of the Southwest border.

Jones will serve as acting director of the ATF, and he won't give up his Senate confirmed job as the U.S. attorney in Minnesota. The ATF position requires Senate confirmation, too, but no nominee has gotten a successful vote in years because of fights in Congress about gun policy. Kenneth E. Melson, who had been leading the ATF on an interim basis since 2009, has been named a senior advisor on forensic science issues in the Justice Department's Office of Legal Policy.

Attorney General Eric Holder said he has "great confidence that (Jones) will be a strong and steady influence guiding ATF." Holder also thanked Melson for his service and said he would be a "valuable contributor" on forensic issues. Melson is a past president of the American Academy of Forensic Sciences.

Sen. John Cornyn (R-Tex.) signaled in a written statement that a change at the top of ATF won't make the climate any easier. "Instead of reassigning those responsible for Fast and Furious within the Department of Justice, Attorney General Holder should ask for their resignations and come clean on all alleged gun walking operations...", Cornyn said.

<http://www.npr.org/blogs/thetwo-way/2011/08/30/140059798/under-scrutiny-for-fast-and-furious-atf-announces-new-leader>

***Fox News: ATF Director Reassigned; Sources Say U.S. Attorney Out Amid 'Fast and Furious' Uproar (August 30, 2011)***

Acting ATF Director Kenneth Melson has been reassigned to a lesser post in the Justice Department and the U.S. attorney for Arizona is also "out," sources told Fox News Tuesday as fallout from Operation Fast and Furious reached new heights.

Melson's step down from his role as head of the Bureau of Alcohol, Tobacco, Firearms and Explosives to the position of senior adviser on forensic science in the Department of Justice's Office of Legal Programs is effective by close of business Tuesday, administration officials announced. U.S. Attorney for the District of Minnesota B. Todd Jones will replace Melson.

U.S. Attorney for Arizona Dennis Burke, one of the officials closely tied to Fast and Furious, is also a casualty in a shakeup tied to the botched gun-running program. Burke was on the hot seat last week with congressional investigators, and according to several sources, got physically sick during questioning and could not finish his session.

The purge of those responsible for the firearms trafficking scandal continued as new documents reveal a deeper involvement of federal agencies beyond ATF.

In Phoenix, Assistant U.S. Attorney Emory Hurley, who oversaw Fast and Furious on a day-to-day basis, was reassigned from the criminal to civil division. Also in Phoenix, three out of the four whistleblowers involved in the case have been reassigned to new positions outside Arizona. Two are headed to Florida, one to South Carolina.

Hurley's reassignment came after three ATF supervisors responsible for the operation were promoted. William G. McMahon, a former deputy director of operations, took over the Office of Professional Responsibility. Field supervisors William D. Newell and David Voth, also moved up despite heavy criticism.

The moves follow a series of reports on Fox News detailing the face-off between Attorney General Eric Holder, Rep. Darrell Issa, R-Calif., and Sen. Charles Grassley, R-Iowa, whose investigators have recently broadened their probe. It now reportedly shows a deeper involvement of the FBI, Drug Enforcement Administration and the Department of Homeland Security.

"While the reckless disregard for safety that took place in Operation Fast and Furious certainly merits changes within the Department of Justice, the Oversight and Government Reform Committee will continue its investigation to ensure that blame isn't offloaded on just a few individuals for a matter that involved much higher levels of the Justice Department," Issa, chairman of the House panel.

"There are still many questions to be answered about what happened in Operation Fast and Furious and who else bears responsibility, but these changes are warranted. ... I also remain very concerned by Acting Director Melson's statement that the Department of Justice is managing its response in a manner intended to protect its political appointees," Issa continued.

Operation Fast and Furious, a program designed to track illegal gun sales, turned into an embarrassing scandal after weapons linked to it were found at the scene of a U.S. Border Patrol agent's murder last year. Thousands of guns ended up in the hands of Mexican cartel members.

Melson has led the agency since April 2009 supplanting a Bush administration acting director who was also unable to get Senate confirmation over the objections of gun rights groups. It was during his tenure that the ATF Phoenix office began Operation Fast and Furious in the fall of 2009.

According to the Justice Department, Jones will take over ATF in place of Melson beginning Wednesday, and will continue to serve as a U.S. attorney. A permanent replacement at ATF would need to be confirmed by the U.S. Senate.

"As a seasoned prosecutor and former military judge advocate, U.S. Attorney Jones is a demonstrated leader who brings a wealth of experience to this position," Holder said. "I have great confidence that he will be a strong and steady influence guiding ATF in fulfilling its mission of combating violent crime by enforcing federal criminal laws and regulations in the firearms and explosives industries."

<http://www.foxnews.com/politics/2011/08/30/sources-atf-director-to-be-reassigned-amid-fast-and-furious-uproar/>

***Washington Post: ATF Head Kenneth Melson reassigned amid gun-trafficking probe (August 30, 2011; 12:32 PM)***

The head of the ATF has been reassigned amid an investigation into a controversial U.S. gun-trafficking operation, the Justice Department announced Tuesday.

Kenneth E. Melson, acting director of the Bureau of Alcohol, Tobacco, Firearms and Explosives, will become a senior advisor on forensic science in the department's Office of Legal Policy. He will be replaced at ATF by B. Todd Jones, the U.S. attorney in Minnesota.

government sources said was a mutual decision by Melson and Justice Department officials, follows months of controversy over the agency's "Operation Fast and Furious."

That now-defunct operation targeted Mexican gun traffickers, but it has been linked to the killing of a U.S. Border Patrol officer. Congressional Republicans have criticized ATF over the operation and are pushing to learn whether senior Justice Department officials were involved.

[http://www.washingtonpost.com/politics/atf-head-kenneth-melson-reassigned-amid-gun-trafficking-probe/2011/08/30/gIOAjALppJ\\_story.html](http://www.washingtonpost.com/politics/atf-head-kenneth-melson-reassigned-amid-gun-trafficking-probe/2011/08/30/gIOAjALppJ_story.html)

***Reuters: ATF Chief Reassigned After Botched Sting (August 30, 2011; 12:19 PM)***

The head of the U.S. agency that oversaw a botched attempt to track arms flowing to drug cartels in Mexico is being reassigned to the Justice Department headquarters, the Obama administration said on Tuesday.

Kenneth Melson, who has been acting director of the Bureau of Alcohol, Tobacco, Firearms and Explosives, has been under fire and admitted mistakes in the sting operation meant to try to crack down on the flow of weapons to violent drug gangs.

He will be reassigned to the Justice Department's Office of Legal Policy as an advisor on forensic science, the Justice Department said. The U.S. Attorney for Minnesota, Todd Jones, will serve as acting ATF director.

One administration official said this is a chance for a "fresh start given everything they've gone through lately."

The operation, dubbed "Fast and Furious", has spawned congressional and internal Justice Department probes and put the Obama administration on the defensive about whether dangerous weapons were knowingly allowed to cross the border.

Republicans in the U.S. Congress have been demanding the Obama administration explain who knew what and when about the ATF program, which was conceived of and run out of the agency's Phoenix division.

Numerous weapons from the operation, which began in late 2009 and ran through 2010, have shown up at crime scenes in Mexico and the United States.

<http://ca.reuters.com/article/topNews/idCATRE77T3NT20110830>

***CNN (Blog): Acting Director of ATF Reassigned (August 30, 2011; 12:20 PM)***

Kenneth Melson, the acting director of the Bureau of Alcohol, Tobacco, Firearms and Explosives who came under criticism for the "Fast and Furious" program involving illegal weapons sales, is being reassigned to the Department of Justice as a senior adviser on forensic issues, the department announced Tuesday.

The announcement said that Todd Jones, a U.S. attorney from Minnesota, will become the acting director of ATF.

<http://news.blogs.cnn.com/2011/08/30/acting-director-of-atf-reassigned/>

***CNN International: ATF Head Reassigned in wake of 'Fast and Furious' Controversy (August 30, 2011; 12:45 PM)***

Kenneth Melson, the acting director of the Bureau of Alcohol, Tobacco, Firearms and Explosives who came under criticism for the "Fast and Furious" operation involving illegal weapons sales, is being reassigned to the Justice Department as a senior adviser on forensic issues, the department announced Tuesday.

The announcement said that Todd Jones, a U.S. attorney from Minnesota, will become the acting director of ATF starting Wednesday.

Operation Fast and Furious allowed thousands of heavy-duty assault-type weapons to be illegally purchased. In the operation, straw buyers -- people who buy the weapons for others who might not legally be allowed to buy them -- were allowed to purchase illegally large numbers of weapons, some of which ended up in the hands of cartels in Mexico.

The operation has come under intense criticism since the December killing of U.S. Border Patrol Agent Brian Terry in Arizona. Two weapons that were allowed to be sold under the Fast and Furious program were found at the crime scene.

Last month, Sen. Charles Grassley, R-Iowa, and Rep. Darrell Issa, R-California, sent letters to agencies including the FBI and Drug Enforcement Administration demanding specific information and documents on the operation.

The letters followed a closed July 4 meeting between investigators and Melson, who sources said implicated FBI and DEA involvement in the controversial firearms purchasing operation.

Federal law enforcement officials familiar with the case said Melson was fighting to keep his job, and was unwilling to be a "fall guy" for Operation Fast and Furious.

The letters called for answers to a series of questions about informants, FBI and DEA officials in Arizona and Texas and the case agent from Tucson in charge of the Terry murder investigation.

The letters also demanded e-mails, memoranda, briefing papers and handwritten notes relating to the operation.

Operation Fast and Furious was "a colossal failure of leadership," Peter Forcelli, an ATF supervisor in Phoenix, has said.

The program focused on following people who legally bought weapons that were then transferred to criminals and destined for Mexico. But instead of intercepting the weapons when they switched hands, Operation Fast and Furious called for ATF agents to let the guns "walk" and wait for them to surface in Mexico, according to a report by the House Oversight and Government Reform Committee.

The idea was that once the weapons in Mexico were traced back to the straw purchasers, the entire arms smuggling network could be brought down. Instead, the report argues, letting the weapons slip into the wrong hands was a deadly miscalculation that resulted in preventable deaths, including that of Terry.

In Mexico, the case has drawn nationwide attention and sharp criticism from top officials, who have long stressed that U.S. weapons are fueling the country's drug war.

The Mexican attorney general's office demanded a quick U.S. investigation of the matter in March and said authorities must hold accountable anyone who was responsible for the operation.

<http://www.cnn.com/2011/POLITICS/08/30/fast.and.furious.melson/>

***CBS News: Gunwalker Scandal: ATF Director out of top job (August 30, 2011; 11:13 AM)***

ATF Acting Director Kenneth Melson is being moved out of the top job at the Bureau, ATF Special Agents in Charge

announced during a conference call with reporters today. He will transfer to the Justice Department and assume the position of senior advisor, Office of Legal Programs.

Melson's move is another in a number of high-level personnel shifts, as the Inspector General continues investigating the so-called gunwalker scandal at the Justice Department and the Bureau of Alcohol, Tobacco and Firearms.

The gunwalking scandal centered on an ATF program that allowed thousands of high-caliber weapons to knowingly be sold to so-called "straw buyers" who are suspected as middlemen for criminals. Those weapons, according to the Department of Justice, have been tied to at least 12 violent crimes in the United States, and an unknown number of violent crimes in Mexico.

Dubbed operation "Fast and Furious," the plan was designed to gather intelligence on gun sales, but ATF agents have told CBS News and members of Congress that they were routinely ordered to back off and allow weapons to "walk" when sold.

Sources tell CBS News that the Assistant US Attorney in Phoenix Emory Hurley, who helped oversee the controversial case, is expected to be transferred out of the Criminal Division into the Civil Division. Justice Department officials provided no immediate comment or confirmation. Hurley's boss, US Attorney in Arizona Dennis Burke, was interviewed by Congressional investigators behind closed doors on August 18.

Previously, ATF Phoenix Special Agent in Charge Bill Newell was reassigned to headquarters, and two Assistant Special Agents in Charge under Fast and Furious, George Gillett and Jim Needles, were also moved to other positions.

[http://www.cbsnews.com/8301-31727\\_162-20099228-10391695.html](http://www.cbsnews.com/8301-31727_162-20099228-10391695.html)

***POLITICO: Kenneth Melson, acting ATF chief, steps down (August 30, 2011; 12:21 PM)***

The man who led the controversial Fast and Furious anti-gun-trafficking operation will step down as the interim head of Bureau of Alcohol, Tobacco, Firearms and Explosives, the Justice Department announced Tuesday as it named a new acting director for the agency.

Kenneth Melson, the bureau's acting director, on Wednesday will move to the Office of Legal Policy, where he will be a senior adviser on forensic science, the department said, without making reference to the failed gun-tracking operation that is alleged to have ultimately put guns into the hands of criminals.

Ken brings decades of experience at the department and extensive knowledge in forensic science to his new role and I know he will be a valuable contributor on these issues," Attorney General Eric Holder said in a statement. "As he moves into this new role, I want to thank Ken for his dedication to the department over the last three decades."

Melson's replacement is B. Todd Jones, the U.S. Attorney for the District of Minnesota. Jones "is a demonstrated leader who brings a wealth of experience to this position," Holder said. "I have great confidence that he will be a strong and steady influence guiding ATF in fulfilling its mission of combating violent crime by enforcing federal criminal laws and regulations in the firearms and explosives industries."

Melson took the top spot at the ATF on an interim basis in 2009 and oversaw the execution of Fast and Furious, an effort that was aimed at rooting out gun smugglers selling weapons to Mexican cartels. Ultimately, the ATF lost track of as many as 2,000 guns that were sold during the operation, including two that were found near the scene of the killing of a Border Patrol agent.

An investigation of the operation by the House Oversight and Government Reform Committee found emails showing that Melson was regularly informed of the problems with the investigation.

One associate told POLITICO that despite news stories predicting Melson's exit since the beginning of the summer, he may have been reluctant to resign due to issues related to eligibility for retirement. Melson started at the Justice

Department in 1983 as a federal prosecutor in Virginia.

In June, Rep. Darrell Issa (R-Calif.), chairman of the House oversight committee, called on Melson to resign. But by July, Issa reversed course, saying that Melson should not be forced out until the facts about the operation were fully known.

The ATF has been without a permanent director since 2006. The confirmation process for the Obama administration's nominee, Andrew Traver, the head of the agency's Chicago office, has stalled under opposition from the National Rifle Association.

<http://www.politico.com/news/stories/0811/62320.html>

***Huffington Post: Kenneth Melson Resigns As ATF Chief Over 'Fast And Furious' Gun Trafficking Operation (August 30, 2011; 12:30 PM)***

Kenneth Melson is out as head of the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Department of Justice announced Tuesday.

Melson has been under fire from Republicans over the scandal surrounding the gun trafficking program Operation Fast and Furious. The Justice Department announced that Melson will be moving back to the Department of Justice to serve in the Office of Legal Programs.

Melson has been under pressure to step aside since earlier this summer, after a House Oversight Committee hearing revealed controversial aspects of the program. ATF agents charged with monitoring the illegal sale and transfer of guns from the U.S. To Mexican drug cartels told lawmakers that, instead of arresting small-time buyers, they were ordered to stand by and let the guns go through, in the hopes of tracing them to larger arms dealers.

After border patrol agent Brian Terry was murdered in a shootout along the Arizona-Mexico border in December 2010, two weapons found on the scene were linked that the Fast and Furious program.

This month, the Justice Department announced that guns from the program had turned up at the scenes of at least 11 crimes in the U.S. In El Paso, Texas, 42 weapons were seized from two crime scenes alone.

Melson "was part of the bad judgment. ... This was a program so stupid from the start," Rep. Darrell Issa (R-Calif.), the head of the Oversight Committee, told Fox News in June.

In July, after a review of the program, Melson admitted that, in at least one instance, agents could and should have intercepted the weapons. "I read through those and found ROIs (reports of investigation) that indeed suggested that interdiction could have occurred, and probably should have occurred, but did not occur," Melson told congressional lawmakers.

[http://www.huffingtonpost.com/2011/08/30/kenneth-melson-atf-fast-furious-guns\\_n\\_941909.html](http://www.huffingtonpost.com/2011/08/30/kenneth-melson-atf-fast-furious-guns_n_941909.html)