



**U.S. Department of Justice
Office of the Inspector General
Evaluation and Inspections Division**

Interim Review of ATF's Project Gunrunner

September 2009

Report Number I-2009-006

EXECUTIVE SUMMARY

Mexican drug trafficking organizations (cartels) are a pervasive organized crime threat to the United States, according to the Department of Justice's 2009 National Drug Threat Assessment. The cartels use firearms trafficked from the United States – primarily from the Southwest border states of Texas, California, Arizona, and to a lesser extent, New Mexico – in their lucrative drug trafficking operations. Project Gunrunner is the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) national initiative to reduce firearms trafficking to Mexico and associated violence along the Southwest border.

In the *American Recovery and Reinvestment Act of 2009* (Recovery Act) and in fiscal year (FY) 2009 appropriations, ATF received \$21.9 million in funding to support and expand Project Gunrunner. In May 2009, the Office of the Inspector General (OIG) opened an evaluation of Project Gunrunner, which is ongoing. We are issuing this interim report on Project Gunrunner plans as ATF is expanding the project.

In our review, we concluded that aspects of ATF's Project Gunrunner expansion plans will enhance its ability to combat firearms trafficking. However, in our view some planned Project Gunrunner activities do not appear to represent the best use of resources to reduce firearms trafficking, and issues with new office locations, staffing structure, personnel with Spanish proficiency, and program measures need to be addressed.

ATF has reported that by September 30, 2010, it plans to place Gunrunner resources (personnel, offices, and equipment) dedicated to firearms trafficking investigations in McAllen, Texas; El Centro, California; and Las Cruces, New Mexico, including a satellite office in Roswell, New Mexico. Each of the three office locations will be staffed by a Gunrunner team, which will consist of Special Agents, Industry Operation Investigators, Intelligence Research Specialists, and Investigative Analysts. Four ATF agents will also be located in Ciudad Juarez and Tijuana, Mexico. We believe the decisions to place new Gunrunner resources in McAllen, El Centro, Juarez, and Tijuana to be sound, based on ATF's own criteria and our additional analysis. However, we question the decision to place Gunrunner teams in Las Cruces and Roswell.

We also concluded that the staffing model ATF plans to use for the new Gunrunner teams appears adequate, provided ATF defines the reporting and supervisory structure. However, we found that ATF has

insufficient numbers of personnel proficient in Spanish on Gunrunner teams.

Finally, we concluded that more specific program measures are needed to accurately measure Project Gunrunner's impact on cross-border firearms trafficking.

In this interim report we make seven recommendations for ATF to improve its allocation of resources and implementation of Project Gunrunner expansion plans.

TABLE OF CONTENTS

Background 1

Purpose, Scope, and Methodology of the OIG Review 7

Results of the Review..... 10

 Part I: Locations for New Gunrunner Resources 11

 Part II: Staffing Model for New Gunrunner Teams 21

 Part III: Spanish Language Proficiency 27

 Part IV: Program Measures for New Gunrunner Teams..... 30

Conclusion and Recommendations 34

Appendix I: Timeline of Key Project Gunrunner Events 36

Appendix II: Position Descriptions for ATF Staff..... 37

Appendix III: Congressional Testimony Reviewed by the OIG..... 39

Appendix IV: ATF's Response..... 40

Appendix V: OIG Analysis of the ATF's Response 46

BACKGROUND

Introduction

Mexican drug trafficking organizations (cartels) are a pervasive organized crime threat to the United States, according to the Department of Justice's (Department) 2009 National Drug Threat Assessment. That assessment found that Mexican cartels operate in at least 230 cities throughout the United States and are active in every region of the country. In Mexico, over 6,000 people, including hundreds of police officers, were killed by drug-related violence in 2008 – more than double the murders in 2007. Murders in 2009 are projected to exceed the previous year's total according to Mexican government statistics cited in a recent Government Accountability Office report.¹

Mexican cartels use violence to control the lucrative drug trafficking corridors along the Southwest border through which drugs flow north from Mexico into the United States, while firearms and cash flow south to Mexico.² Because Mexico severely restricts firearm ownership, the cartels utilize firearms trafficking to obtain weapons they need to commit violent crimes. The Southwest border states – primarily Texas, California, Arizona, and to a lesser extent, New Mexico – are a primary source of the firearms used by Mexican drug cartels. The growing crime in Mexico and fears of spillover violence in the United States have led to an effort by U.S. and Mexican authorities to curb firearms trafficking.

Firearms Trafficking

“The illegal diversion of firearms out of lawful commerce and into the hands of criminals, prohibited persons, and unsupervised juveniles for the purpose of profit, prestige or power.”

– ATF definition
November 2004

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the primary U.S. agency leading the effort against firearms trafficking. ATF regulates and enforces federal criminal laws related to firearms and the firearms industry, as authorized by the *Gun Control Act of 1968*. ATF is the only federal agency authorized to issue licenses and inspect gun dealers to

¹ U.S. Government Accountability Office, *Firearms Trafficking: U.S. Efforts to Combat Arms Trafficking to Mexico Face Planning and Coordination Challenges*, GAO-09-709 (June 2009).

² Congressional Research Service, *Mexico's Drug-Related Violence*, CRS Report R40582 (May 27, 2009).

ensure compliance with laws governing the sale, transfer, possession, and transport of firearms.³ ATF is also the agency responsible for analyzing trace data received from “crime guns” recovered in Mexico. According to ATF, crime guns include all firearms “recovered by law enforcement that were used in a crime, suspected to have been used in a crime, or recovered in relation to a crime.”⁴ Although ATF’s access to crime guns in Mexico is limited, the Government Accountability Office and ATF have reported that about 90 percent of the firearms submitted to ATF by the government of Mexico for tracing originated in the United States.

ATF has two distinct but complementary roles pertaining to firearms trafficking. ATF’s law enforcement role involves criminal investigations of violations of U.S. firearms law by Special Agents (agents) who are part of enforcement groups. ATF’s regulatory role involves educating gun dealers about their legal and regulatory responsibilities and evaluating their level of compliance with the relevant firearms laws and regulations. Industry Operations Investigators performing this function are part of ATF’s industry operations groups.

Project Gunrunner

Project Gunrunner is ATF’s national initiative to stem firearms trafficking to Mexico by organized criminal groups.⁵ It is intended to support the Department’s overall Southwest Border Initiative to combat Mexican drug cartels in the United States and to help Mexican law enforcement battle cartels in their own country.⁶ ATF has announced that, in partnership with other U.S. agencies and the government of Mexico, it is “deploying its resources strategically on the Southwest border to deny firearms, the ‘tools of the trade,’ to criminal organizations in Mexico and along the border, and to combat firearms-related violence affecting

³ The term “gun dealers” refers to federal firearms licensees who are licensed through ATF to manufacture, import, or deal in firearms.

⁴ Mark Kraft, “Firearms Trafficking 101 or Where do Crime Guns Come From?,” *United States Attorneys’ Bulletin* (January 2002).

⁵ Department Fact Sheet: Department of Justice Efforts to Combat Mexican Drug Cartels (April 2, 2009).

⁶ According to the Department of Justice, the Southwest Border Initiative is a multi-agency federal law enforcement effort to dismantle drug cartels by addressing cross-border drug and weapons trafficking by Mexican cartels that operate along the Southwest Border.

communities on both sides of the border.”⁷ According to ATF officials, although ATF has been investigating firearms trafficking cases for over 40 years, the increased violence in Mexico in recent years has sparked a renewed ATF emphasis on firearms trafficking along the Southwest border. Consequently, ATF’s four Southwest field divisions that provide coverage for the almost 2,000-mile U.S. and Mexico border – Houston, Dallas, Phoenix, and Los Angeles – are the primary focus of Project Gunrunner.

ATF has established four main objectives for Project Gunrunner:

1. Investigate individuals responsible for illicit firearms trafficking along the Southwest border.
2. Coordinate with U.S. and Mexican law enforcement along the border in firearms cases and violent crime.
3. Train U.S. and Mexican law enforcement officials to identify firearms traffickers.
4. Provide outreach education to gun dealers.
5. Trace all firearms to identify firearms traffickers, trends, patterns, and networks.

Project Gunrunner began in 2005 as a pilot project in Laredo, Texas.⁸ In January 2008, ATF announced that it would expand its Project Gunrunner efforts to combat illegal firearms into Mexico by: (1) adding 35 agents, 15 Industry Operations Investigators, and 4 Intelligence Research Specialists to the Southwest border; (2) assigning 3 additional ATF staff members to the El Paso Intelligence Center (EPIC); and (3) deploying eTrace – ATF’s firearms tracing system – to the 9 U.S. consulates in Mexico.⁹

In March 2009, ATF reported to Congress that it had 207 personnel committed to Project Gunrunner in its 4 Southwest border field divisions. These personnel consisted of 148 agents dedicated to investigating firearms trafficking full-time (about 6 percent of ATF’s total agents) and 59 Industry Operations Investigators responsible for conducting regulatory inspections of

⁷ ATF website and ATF “Fact Sheet: Project Gunrunner” (September 2008).

⁸ The exact inception date of Project Gunrunner is unclear. According to an April 28, 2009, ATF news release, Project Gunrunner began in 2005. However, other ATF officials told us that they consider April 2006 the official implementation date of Project Gunrunner.

⁹ EPIC is a multi-agency intelligence center that supports U.S. law enforcement agencies. ATF contributes staff to EPIC to support Project Gunrunner.

gun dealers along the Southwest border (about 5 percent of ATF's Industry Operations Investigators).¹⁰ Appendix I provides a timeline of key events related to the development and expansion of Project Gunrunner.

Funding for Project Gunrunner

ATF is funding Project Gunrunner from several sources, including ATF's general appropriation and three dedicated appropriations it received in FY 2009. Prior to FY 2009, ATF funded all of its Project Gunrunner operations out of its general appropriation. However, ATF was unable to provide us with the total amount of general appropriation funds it dedicated in FY 2009 to Project Gunrunner efforts along the Southwest border.

In FY 2009, ATF received a total of \$21.9 million from three different sources specifically to support and expand Project Gunrunner. On February 17, 2009, the President signed into law the *American Recovery and Reinvestment Act of 2009* (Recovery Act), which allocated \$10 million to Project Gunrunner efforts.¹¹ ATF also received \$5.9 million in annual FY 2009 appropriation for Project Gunrunner and \$6 million under the President's global war on terror funding. The Recovery Act funds and the funding from the President's global war on terror may be spent over 2 years (FY 2009 and FY 2010), while the \$5.9 million FY 2009 annual appropriation must be spent during FY 2009.

ATF's FY 2010 budget request asks for \$17.9 million and 92 additional positions for Project Gunrunner.¹²

Project Gunrunner Expansion Plans

In FY 2009 and FY 2010, ATF plans to create new Gunrunner teams in five offices along the Southwest border and place additional agents in U.S. consulates in Mexico.¹³ According to the Program Plan, a document ATF submitted to Congress summarizing its planned activities and

¹⁰ William Hoover, ATF Deputy Director for Field Operations, before the Senate Committee on the Judiciary, Subcommittee on Crime and Drugs (March 17, 2009).

¹¹ Pub. L. No. 111-5.

¹² We noted in a FY 2010 funding proposal for Southwest Border Enforcement that ATF stated it would actually need \$39.5 million to combat firearms trafficking along the Southwest border.

¹³ "Gunrunner teams" refers to the new teams that ATF plans to create with staff it is hiring and relocating under the Project Gunrunner expansion.

categories of expenditures using Recovery Act funding, by September 30, 2010, ATF will establish new Gunrunner teams in (1) McAllen, Texas; (2) El Centro, California; and (3) Las Cruces, New Mexico, including a satellite office in Roswell, New Mexico.¹⁴ In addition, four ATF agents will be located in Ciudad Juarez and Tijuana, Mexico, to provide Gunrunner support to the government of Mexico. ATF plans to staff these locations with a total of 37 employees by hiring new employees and relocating experienced personnel. Table 1 shows the type of personnel planned for each team using the Recovery Act funding, and Appendix II provides a description of the general duties for each of these job categories.

Table 1: Location of ATF's Planned Personnel Under the Recovery Act

Locations	ATF Personnel				Total
	Agents	Inspectors	Intelligence Research Specialists	Investigative Analysts	
McAllen, TX	7	2	1	1	11
El Centro, CA	7	2	1	1	11
Las Cruces, NM	5	2	1	1	9
Roswell, NM (satellite)	2	0	0	0	2
Tijuana, MX	2	0	0	0	2
Ciudad Juarez, MX	2	0	0	0	2
Total	25	6	3	3	37

Source: ATF, Program-Specific Plan for Management of Recovery Act Funds (May 15, 2009).

According to ATF officials, ATF is also developing plans to create two new Gunrunner teams in Phoenix and Houston. These 2 teams will be staffed with 28 additional positions, and each team will have 11 agents, 2 Industry Operations Investigators, and 1 Investigative Analyst. ATF is also planning to add 12 Industry Operations Investigators to Southwest border offices (locations not yet determined). Although ATF's plans are still in development, as of August 2009, ATF planned to add 77 positions to the current 207 staff who were working on Project Gunrunner as of March 2009, bringing the project's staffing in the 4 Southwest border field divisions to 284. ATF has also requested additional funding and 92 new positions in

¹⁴ ATF submitted the May 15, 2009, Program Plan to Congress to explain how it intended to use the \$10 million allocated for Project Gunrunner in the Recovery Act.

its FY 2010 budget request to establish additional Gunrunner teams in El Paso, Texas, and Tucson, Arizona, and provide additional staff for the U.S. consulates in Mexico.¹⁵

Purpose of New Gunrunner Teams

ATF reported to Congress in its Program Plan for Recovery Act expenditures that its Project Gunrunner resources would be:

dedicated to firearms trafficking investigations . . . [to] help support the southwest border initiative to reduce cross-border drug and weapons trafficking and the associated high level of violence occurring on the border between the United States and Mexico.

According to ATF, the Gunrunner teams will enhance ATF's law enforcement and regulatory mission to reduce firearms and explosives-related violent crime in both countries. ATF also reported in the Program Plan that the new teams will increase its ability to deny guns to firearms traffickers, prohibited persons, and potential criminals.

¹⁵ ATF's plans to expand Project Gunrunner beyond the Program Plan it provided to Congress will be addressed in the full OIG report.

PURPOSE, SCOPE, AND METHODOLOGY OF THE OIG REVIEW

Purpose

To determine the extent to which the planned expansion of Project Gunrunner will enhance ATF's capacity to reduce firearms trafficking and violence along the Southwest border, we examined the planning, hiring, staffing, and allocation of resources for the project. Specifically, we sought to examine ATF's decisions about spending its FY 2009 Project Gunrunner funding – including the \$10 million Recovery Act funds – and staffing the new Gunrunner teams. We also analyzed whether ATF's resources will be allocated in a manner that will achieve the greatest impact on firearms trafficking.

Scope

We conducted our fieldwork from May to August 2009. In examining ATF's planned expansion of Project Gunrunner, we focused on the actions ATF took from the February 2009 passage of the Recovery Act until August 2009. This is the first of two reviews by the Office of the Inspector General (OIG) examining the extent to which the expansion of Project Gunrunner improves ATF's capability to reduce firearms trafficking and violence along the Southwest border.

This interim review focuses on ATF's current plans for expanding Project Gunrunner and is intended to report on Project Gunrunner plans as ATF expands the project. We could not measure the impact of ATF's Project Gunrunner because ATF is in the early stages of hiring and training staff. Issues regarding the implementation and impact of Project Gunrunner will be addressed in our subsequent report.

This review also responds to Recovery Act guidance that the OIG report on activities and the Department's Agency Plan for Management of Recovery Act Funds.

Methodology

The OIG conducted 67 in-person and telephone interviews with personnel from ATF, United States Attorneys' Offices (USAO), and several state and local law enforcement agencies. We conducted site visits at ATF's Houston Field Division and ATF field offices in McAllen, Texas, and Las Cruces, New Mexico, as well as at EPIC. We also attended an ATF-sponsored violent crime summit in Albuquerque, New Mexico, and a course

on firearms trafficking at the National Advocacy Center in Columbia, South Carolina. To prevent duplication of effort, we coordinated with Government Accountability Office staff members who had conducted a prior review on firearms trafficking to Mexico.

Interviews

ATF. We conducted 54 interviews of ATF personnel at headquarters and in ATF field offices. Our headquarters interviews included the Deputy Assistant Director of Field Operations for the Western United States; the Deputy Assistant Director for Industry Operations; staff from the Southwest Border Working Group; the Office of Strategic Intelligence and Information; the Office of Management; the Recruitment, Hiring, and Staffing Center; the Office of Field Operations; and the Office of International Affairs.¹⁶ We interviewed ATF field personnel from the Southwest border field divisions and offices, including a Director for Industry Operations, Special Agents in Charge, Assistant Special Agents in Charge, Resident Agents in Charge, other supervisors, agents, Industry Operations Investigators, Intelligence Research Specialists, and Investigative Analysts.

USAOs. We interviewed two prosecutors from the USAOs for the Southern District of Texas (Houston) and the District of New Mexico (Las Cruces) to understand their firearms trafficking caseload and coordination between those offices and the local ATF offices regarding prosecuting firearms trafficking cases.

State and local agencies. We interviewed eight law enforcement personnel from city police and sheriffs' offices to understand the types of crimes in their areas and the relationship between those agencies and the local ATF offices regarding firearms trafficking cases.

Data Analysis

To assess the process used to select the locations for the new Gunrunner teams, we analyzed ATF data, including information on active gun dealers in the Southwest border region (defined by ATF as field divisions encompassing Southern California, Arizona, New Mexico, Texas, and Oklahoma); locations of gun dealers who provided firearms recovered in crimes in Mexico; statistics on successful gun traces; and firearms trafficking cases initiated and referred for prosecution. The data we

¹⁶ The Southwest Border Working Group is an entity at ATF headquarters that was created after the February 2009 Recovery Act disbursement to oversee ATF's Southwest border divisions and offices.

reviewed generally covered calendar years (CY) 2004 to 2008, and portions of CY 2009.¹⁷

Document Review

To understand how ATF allocated its funding for Project Gunrunner, we reviewed expenditures prepared by the Chief Financial Officer's staff, the Recovery Act Program Plan, and other documents ATF submitted to Congress, as well as budget requests and justifications. We also reviewed ATF policies, guidelines, and plans relating to Project Gunrunner, including performance measures, operating plans, and field office documents. We reviewed and analyzed ATF management's statements and testimony to Congress on firearms trafficking and Southwest border violence, including nine hearings held from March to July 2009. Appendix III provides a list of those hearings.

¹⁷ The gun dealer data ATF provided included gun dealers who sell in stores or pawn shops and had active licenses in CY 2008, per ATF's Federal Licensing System. The crime gun trace data ATF provided covered CY 2004 through May 19, 2009, and included gun dealers whose licenses were active and inactive during that time.

RESULTS OF THE REVIEW

We found aspects of ATF's Project Gunrunner expansion plans should enhance its ability to combat firearms trafficking along the Southwest border. However, some planned Gunrunner activities do not appear to represent the best use of resources to reduce firearms trafficking, and some issues have yet to be addressed, such as staffing structure, Spanish proficiency, and program measures. While we believe that four of the locations selected by ATF for new Gunrunner resources are sound, the other two locations are questionable and unlikely to create the most significant reduction in firearms trafficking and related violent crime. The staffing model planned for the new Gunrunner teams appears adequate, provided ATF defines the teams' reporting and supervisory structure. In addition, we found that ATF has insufficient numbers of personnel proficient in Spanish to staff Project Gunrunner. Finally, we believe that ATF needs to develop better program measures to assess the impact new Gunrunner teams have on firearms trafficking and related violent crime along the Southwest border.

Part I of this report describes ATF's selections for new locations to create Gunrunner teams. Part II discusses the staffing model ATF plans to use for the Gunrunner teams. Part III describes ATF's need for Spanish language skills along the Southwest border. Part IV discusses ATF's program measures for new Gunrunner teams.

PART I: LOCATIONS FOR NEW GUNRUNNER RESOURCES

Soundness of ATF's location decisions varies.

We reviewed ATF's selection of locations for new Gunrunner personnel funded by the Recovery Act and found that the decisions to place new staff in McAllen, El Centro, Tijuana, and Juarez appear sound based on the selection criteria discussed below. However, our analysis indicated that the new Gunrunner team planned for Las Cruces and the new satellite office planned for Roswell are both questionable.

ATF reported to the OIG that, to help determine the locations of the new Gunrunner teams, the ATF executive leadership team, in collaboration with the affected field divisions, analyzed firearms trace statistics and existing staffing levels in the four Southwest border field divisions (Dallas, Houston, Los Angeles, and Phoenix).¹⁸ According to ATF, these locations were chosen based on "the number of firearms trace referrals, proximity to federal firearms licensees [gun dealers], the presence of experienced special agents in locations without a permanent field office, proximity to the southwest border and locations of other federal agencies' field offices."

We analyzed data related to several of these factors to determine whether the selected sites are those in which a Gunrunner team is likely to represent the best use of resources to reduce firearms trafficking and related violent crime. To evaluate the location decisions, we considered data related to the five criteria ATF told us it used in its analysis. In addition, we analyzed ATF's FY 2008 firearms trafficking workload for the Project Gunrunner locations and interviewed ATF headquarters and field personnel, USAO prosecutors, and state and local law enforcement officials located in or familiar with each area.

ATF has identified the top corridors along the Southwest border used to supply the firearms that were recovered in crimes throughout Mexico. According to ATF, the three main firearms trafficking corridors from the United States to Mexico are: (1) the "Houston Corridor," running from Houston, San Antonio, and Laredo, Texas, and crossing the border into Nuevo Laredo, Reynosa, and Matamoros; (2) the "El Paso Corridor," running from El Paso, Texas, across the border at Ciudad Juarez; and (3) the

¹⁸ ATF's executive leadership team includes the Assistant Director of Field Operations and the Deputy Assistant Director of Field Operations for the Western United States.

“Tucson Corridor,” running from Tucson, Arizona, across the border at Nogales.¹⁹ See Figure 1.

Figure 1: Firearms Trafficking Corridors and Planned ATF Gunrunner Team Locations Along the Southwest Border



Note: Not to scale.

Source: Graphic representation of ATF’s three major firearms trafficking corridors as described in the “Southwest Border Initiative: Project Gunrunner” (June 2007).

ATF’s Process for Choosing New Locations

ATF provided us with the following explanation of how it chose the new domestic locations:

Due to the time considerations necessary to establish new field offices and the impact these decisions have on the success of our enforcement efforts, ATF’s executive leadership utilized a modified organizational change proposal process in selecting the proposed locations. The affected field divisions were not

¹⁹ “Southwest Border Initiative: Project Gunrunner” (June 2007), pp. 3-4.

required to submit formal requests for new offices as outlined in ATF Order 1030.1.²⁰

Also, the ATF Deputy Assistant Director of Field Operations for the Western United States told us that the New Mexico locations and El Centro were selected because ATF did not have a significant presence in those locations.

ATF used somewhat different criteria for the selections of Tijuana and Juarez. For these sites, ATF reported that its executive leadership team and International Affairs Office (which supervises ATF's staff in Mexico) analyzed firearms recoveries and associated levels of violence in Mexico.

Information Summary for New Locations

The OIG analyzed and compared data on active gun dealers and traces from Mexico to gun dealers in each of the four U.S. locations for the new Gunrunner staff, as well as other pertinent demographic information. Table 2 provides a summary of the geographical information, gun dealer population, crime gun trace data, and workload for each of the four locations.

²⁰ Pursuant to ATF Order 1030.1, ATF must submit an Organizational Change Proposal for, among other things, establishing a new field office or group.

**Table 2: Summary of Information for New Gunrunner Locations
Partially Funded by the Recovery Act**

	McAllen	El Centro	Las Cruces	Roswell (satellite)
Field Division	Houston	Los Angeles	Phoenix	Phoenix
Proximity to Mexico Border	10 miles	10 miles	47 miles	130 miles
Counties Covered	4	2	14	1
Field Division Coverage (in square land miles)	4,295	8,374	57,574	6,070
Population of All Counties Covered	978,369	2,956,194	569,007	61,382
Other Federal Agency Presence:				
o DEA	Yes	Yes	Yes	No
o USMS	Yes	Yes	Yes	Yes
o FBI	Yes	Yes	Yes	Yes
o USAO	Yes	Yes	Yes	No
Mexican Crime Guns Traced to Gun Dealers in Area, CY 2008 (Total Southwest border traces = 5,106)	656	160	70	8
Percentage of Total Southwest Border Mexican Crime Gun Traces	12.8%	3.1%	1.4%	0.16%
Active Gun Dealers in Area, CY 2008 (Total Southwest border gun dealers = 8,653)	112	104	237	22
Percentage of Total Southwest Border Gun Dealers	1.3%	1.2%	2.7%	0.25%
Workload - Firearms Trafficking Cases Referred for Prosecution in FY 2008:				
o Trafficking Cases	37	0	0	0
o Trafficking Defendants	51	0	0	0
o Guns Believed Trafficked	1,120	0	0	0

Sources: ATF data and 2000 U.S. Census. "Total Southwest border" numbers are based on the four Southwest border field divisions.

McAllen appears supported by selection criteria.

The OIG found that ATF's selection of McAllen for the location of a new Gunrunner team appears to be supported by ATF's selection criteria and our additional analysis. In CY 2008, Texas was the source of more crime guns recovered in Mexico than any other state. The data provided by ATF on crime guns recovered in Mexico in CY 2008, active gun dealer data for CY 2008, and firearms trafficking workload for FY 2008 showed that the McAllen area was the source for 656 traces, or 12.8 percent of the 5,106 total traces to the Southwest border region. That number of traces was

proportionally high because McAllen had only 1.3 percent of the total gun dealers for the Southwest border (112 of 8,653 active gun dealers). The OIG found that in FY 2008 there were 37 firearms trafficking cases in the McAllen area referred for prosecution, involving 51 defendants and 1,120 guns. The McAllen Field Office is only 10 miles from the Mexican border and is on a firearms trafficking corridor.

Most (14 of 16) ATF field personnel we interviewed regarding the McAllen location concurred that a new Gunrunner team in McAllen was justified and will make a significant impact on firearms trafficking to Mexico. Two staff questioned the decision and cited additional locations in Texas where new Gunrunner teams are also needed, including El Paso, Brownsville, San Antonio, Eagle Pass, Del Rio, and Laredo. Although there may be additional needs for Gunrunner teams in other locations, the OIG believes ATF's decision to place a new Gunrunner team in McAllen is sound.

El Centro appears supported by selection criteria.

The OIG found that ATF's selection of El Centro as a location for a new Gunrunner team also appears to be supported by ATF's selection criteria and our analysis. The El Centro area itself did not have a high percentage of crime gun traces from Mexico (3.1 percent, 160 traces) or active gun dealers (1.2 percent, 104 gun dealers) in the Southwest border region in CY 2008. However, California was the second highest source state for guns traced from Mexico to U.S. gun dealers in CY 2008. According to ATF, firearms purchased in California and Arizona are primarily transported into Mexico via the Tucson Corridor. El Centro is on the Tucson corridor at Interstate 8 (running east-west), just 10 miles from the Mexican border near a point-of-entry to Mexico.

Placing a Gunrunner team in this location was supported by ATF management and other personnel we interviewed. The Deputy Assistant Director for the Western United States and the Assistant Special Agent in Charge of the Los Angeles Field Division (who will oversee the El Centro Gunrunner team) both said that the creation of the new team is necessary because of El Centro's proximity to a major point of entry from Mexico and the fact that ATF previously had only one agent in the area. ATF management believes that new staff, if stationed in the area, will be able to build firearms trafficking cases. Five of six field personnel that we asked about El Centro said it was a good decision strategically because it is close to the border. In addition, ATF has been trying to establish an office in El Centro since May 2006.

We believe El Centro's close proximity to Mexico and location on the Tucson Corridor support the need for a Gunrunner team that can focus solely on firearms trafficking cases.

Juarez and Tijuana appear supported by selection criteria.

The OIG found that ATF's decision to add staff to the U.S. consulates in Juarez and Tijuana also appears to be supported by ATF's selection criteria and our additional analysis. According to ATF, Ciudad Juarez and Tijuana are two of the main border crossing points between the United States and Mexico, and both fall within two of the main firearms trafficking corridors. Additionally, ATF field and headquarters personnel – including agents working in Mexico – note that Ciudad Juarez and Tijuana are “hot spots” for violent crime and drug cartels associated with firearms trafficked from the United States. Our analysis of data on firearms recovered in Mexico and successfully traced by ATF in CY 2008 showed that both Tijuana and Juarez were among the top six locations.²¹ Tijuana ranked second and accounted for 24 percent of the recoveries, while Juarez ranked sixth.

We also noted that ATF has only four agents in Mexico, stationed in Mexico City and Monterrey. Many of the personnel we interviewed said that ATF's presence in Mexico is inadequate, particularly compared to other U.S. federal law enforcement presence in the country. ATF personnel suggested that to be successful in Mexico, there should be agents at each of the nine U.S. consulates. For these reasons, the OIG believes that ATF's decision to station ATF agents in these two locations is supportable.

Establishing a Gunrunner team in Las Cruces is questionable.

The OIG found that ATF's decision to place a new Gunrunner team in Las Cruces is questionable. The data provided by ATF on crime guns recovered in Mexico in CY 2008, active gun dealer data for CY 2008, and firearms trafficking workload for FY 2008, did not support that the Las Cruces area is a significant source of trafficked guns. Data showed that only 1.4 percent (70 of 5,106) of firearms traces from Mexico to the Southwest border came from gun dealers in the area to be covered by the Las Cruces Field Office, although those gun dealers comprised 2.7 percent of the gun dealers in the region in CY 2008. In fact, of all the Southwest border states New Mexico has the lowest number of Mexican crime guns traced to the state's gun dealers, and it ranked 10th nationwide in firearm traces from Mexico in CY 2008.

²¹ Not all firearms that are recovered by Mexican authorities are traced by ATF.

The low number of traces from Mexico indicates that gun dealers in Las Cruces are not being used as a significant source for trafficked guns compared to Texas and California, which are the top source states for crime guns recovered in Mexico. That observation was confirmed by local law enforcement officials. We were also told by senior Las Cruces law enforcement officers that 99 percent of the crime in Las Cruces is domestic crime related to local gangs, not firearms trafficking or crime related to Mexican drug cartels. In addition, senior Las Cruces police officials we interviewed said they had not heard of any corrupt gun dealers in Las Cruces and did not think straw purchasing was an issue.²² We noted that Las Cruces is not on one of the major firearms trafficking routes to Mexico identified by ATF and is located 47 miles from the Mexican border.

We also found that the firearms trafficking workload of the agents in the Las Cruces Field Office is lower than in the other proposed locations. As of June 2009, the Las Cruces Field Office had six agents, one Investigative Analyst, and two Industry Operations Investigators. ATF's firearms trafficking data showed that the Las Cruces Field Office did not generate any firearms trafficking cases that were referred for prosecution in FY 2008. Agents in the Las Cruces Field Office estimate that they spend no more than 30 percent of their time investigating firearms trafficking, even though Las Cruces Field Office management said they put a high priority on firearms trafficking investigations. The Resident Agent in Charge told us that the Las Cruces Field Office investigates all cases with a firearms trafficking nexus that are referred to it.

We discussed the decision to locate a new Gunrunner team in Las Cruces with ATF personnel and several told us they found the decision puzzling. ATF field personnel we interviewed said that the new Las Cruces Gunrunner team was originally intended to be located in El Paso, where there is a greater need for a new Gunrunner team due to the greater firearms trafficking workload there. By way of comparison, ATF's El Paso Field Office is located only seven blocks from the Mexican border and Juarez, and has the largest area of responsibility for the United States-Mexico border. At least 50 percent of its cases involve firearms trafficking, according to the Resident Agent in Charge.

ATF field personnel also told us that if a Gunrunner team is sent to Las Cruces, deconfliction issues are likely to occur because of its proximity

²² A "straw purchase" is the lawful acquisition of a firearm from a gun dealer by an individual who then unlawfully provides the firearm to a prohibited person. According to ATF, straw purchasing is one of the most frequent methods used to divert firearms out of lawful commerce.

to El Paso and the resulting jurisdictional overlap. Organizationally, the Las Cruces Field Office is under ATF's Phoenix Field Division and the El Paso Field Office is under the Dallas Field Division. Agents explained that the firearms trafficking that does occur in Las Cruces is often run out of El Paso, creating investigational overlaps with the El Paso Field Office. When that happens, the Las Cruces personnel must travel frequently to El Paso (for example, to follow leads, meet with attorneys, attend court proceedings), and they lose productive time driving over an hour each way from Las Cruces to El Paso. Additionally, Las Cruces and El Paso are located in different judicial districts, as well as in two different federal judicial circuits, the Fifth and Ninth, respectively, which presents more complicated prosecutorial and litigation issues.

Managers for the two field offices told the OIG that they communicate when such overlaps happen now, but according to the Resident Agent in Charge for the Las Cruces Field Office it can be very difficult and involve lots of red tape. Although field office management from the Dallas Field Division and the El Paso Field Office said that they believed jurisdictional problems do not currently exist between El Paso and Las Cruces, they acknowledged that the new Gunrunner team might create jurisdictional issues and agreed that having a memorandum of understanding to resolve jurisdictional issues would be helpful.

In sum, the OIG's analysis indicates that the Las Cruces Field Office lacks sufficient firearms trafficking work to support a new Gunrunner team focused solely on firearms trafficking, as ATF's Program Plan to Congress outlined. Data does not show that the Las Cruces area is a high trace location for crime guns recovered in Mexico or that there is violent crime related to trafficking in the Las Cruces area. The data we reviewed and discussions we had with ATF and local law enforcement personnel indicate that all identified firearms trafficking leads are investigated with existing resources. Consequently, we concluded that the decision to locate a Gunrunner team in Las Cruces does not appear to represent the best use of ATF resources for reducing firearms trafficking along the Southwest border.

Establishing a satellite office for a Gunrunner team in Roswell is questionable.

The OIG found that ATF's decision to create a new satellite office for a Gunrunner team in Roswell is also questionable. Roswell is 130 miles from the Mexican border, farther than any of the other locations for Gunrunner teams. We found that the Roswell area is not a high source location for firearms recovered in Mexico. Only 8 of the 5,106 (0.16 percent) Mexican crime guns successfully traced in CY 2008 were sold by gun dealers in the

Roswell area. Further, there were only 22 active gun dealers in the area in CY 2008, just 0.25 percent of the 8,653 active gun dealers along the Southwest border. Roswell is not on or near a known firearms trafficking corridor to Mexico, and currently there is no ATF presence in the area.²³

ATF field personnel we interviewed stated that firearms trafficking has not been and is not currently a problem in Roswell. They stated that, based on the types of crime in Roswell, they did not believe there will be enough firearms trafficking cases, or even cases with a nexus to firearms trafficking, to keep two agents busy there. The ATF agents and other law enforcement personnel we interviewed about Roswell – including Las Cruces police officers and an Assistant United States Attorney – told us that Roswell has a significant gang and “home grown” illegal drug problem (methamphetamine), but neither of those types of crimes has known ties to firearm trafficking or Mexican cartels. The ATF Deputy Assistant Director of Field Operations for the Western United States told us that New Mexico locations were selected because ATF did not have a significant presence in those locations.

ATF personnel in Las Cruces and other areas told us there are other areas along the Southwest border that have a greater immediate need for a satellite office or additional agents than does Roswell. For example, ATF personnel in the Houston Field Division noted that Brownsville has a significant firearms trafficking problem that warrants dedicated resources. ATF personnel also cited Laredo and Del Rio as locations presently in need of additional resources dedicated to firearms trafficking.

We believe the evidence does not support Roswell as a location where ATF’s limited resources can make the greatest contribution to reducing firearms trafficking, particularly given other locations along the Southwest border that have a more immediate firearms trafficking problem.

Conclusion

The OIG believes ATF’s decisions to place new Gunrunner resources in McAllen, El Centro, Tijuana, and Juarez are sound. However, the new resources planned for Las Cruces and Roswell appear unlikely to have the greatest impact on firearms trafficking and related violent crime along the Southwest border. We based these conclusions on ATF’s own criteria, other pertinent data, and input from ATF, USAO, and state and local law enforcement officials familiar with each of those areas.

²³ “Efforts to Combat Firearms Trafficking to Mexico: Project Gunrunner,” March 17, 2009.

Because we did not fully assess the potential locations suggested by ATF personnel, or other locations that ATF could consider, we do not identify specific locations that would represent the ideal location for the teams. Nonetheless, we believe that ATF management should reassess potential locations to identify and assess other sites that would provide a better use of its resources.

Recommendations

We recommend that ATF:

1. assess whether other locations along the Southwest border represent a better use of Gunrunner resources intended for Roswell and Las Cruces to ensure maximum impact of Gunrunner resources.
2. Phoenix and Dallas Field Divisions develop deconfliction protocols to manage current and potential jurisdictional overlaps.

PART II: STAFFING MODEL FOR NEW GUNRUNNER TEAMS

The staffing model planned for the new Gunrunner teams appears adequate provided ATF defines the reporting and supervisory structure.

The staffing model planned for the new Gunrunner teams differs from the standard ATF staffing model, but our analysis shows that it appears sound and should assist the teams in managing their work efficiently. However, the roles of the personnel that compose the teams have not yet been defined, and the reporting and management structure is ambiguous. Specifically, ATF has not yet defined the supervisory structure, the role of Industry Operations Investigators and Intelligence Research Specialists on the new Gunrunner teams, and the extent to which staff members will work exclusively on firearms trafficking cases.

ATF's Gunrunner team staffing model differs from its standard model.

The staffing model ATF plans to use for personnel assigned to the new Gunrunner teams in McAllen, El Centro, and Las Cruces differs from ATF's standard model because it includes Industry Operations Investigators and Intelligence Research Specialists as members of the enforcement groups.²⁴ According to ATF officials, the standard ATF staffing model for an enforcement group calls for 10 agents, 1 group supervisor, and 1 Investigative Analyst.²⁵ Similarly, the standard staffing model for ATF industry operations groups is 10 Industry Operations Investigators and 1 area supervisor. According to ATF officials, they have successfully used these staffing models over the last decade and believe that they strike an efficient balance between staffing levels and span of control. The OIG was told that most personnel in existing ATF field offices, satellite offices, and divisions are organized using these staffing models.

Enforcement and industry operations groups are located at both ATF field divisions and field offices. Field office agents report to the group supervisor or Resident Agent in Charge for their office, while Industry Operations Investigators typically report to an area supervisor for industry operations who may be based in a different location. There is also typically a Field Intelligence Group at the field division level composed of agents, Industry Operations Investigators, Intelligence Research Specialists, and support staff. This group is responsible for supporting the field division's

²⁴ The Roswell satellite location will not have a full Gunrunner team.

²⁵ These models describe the optimum staffing levels, but the OIG was told that ATF field offices are frequently short staffed.

criminal investigations and industry operations groups by producing tactical and strategic intelligence products and other analytical services.

The new Gunrunner teams that ATF plans to deploy as part of its expanded Project Gunrunner use a staffing model that incorporates both industry operations and investigations personnel in a single team. In a June 17, 2009, memorandum to all Special Agents in Charge communicating ATF's national firearms trafficking enforcement strategy, the Acting Assistant Director for Field Operations stated that ATF's "regulatory and enforcement missions are interwoven and provide a comprehensive approach to ATF's mission – reducing violent crime, protecting the public and preventing terrorism." The memorandum also states that these goals can be achieved only by the integrated efforts of agents, Industry Operations Investigators, Intelligence Research Specialists, and support personnel. To promote this integration, ATF's staffing model for the new Gunrunner teams includes six agents, one supervisor, two Industry Operations Investigators, one Intelligence Research Specialist, and one Investigative Analyst.

Houston Field Division: Case Example

In one investigation, the Industry Operations Investigator assigned to the enforcement group identified a trend in which certain individuals were buying guns that are frequently used by Mexican drug traffickers for Mexican cartels. That discovery led to an investigation that resulted in the identification and indictment of 10 individuals involved in gun trafficking who had supplied weapons used in the murder of 11 Mexican police officers.

ATF's Gunrunner team staffing model appears adequate.

ATF's Gunrunner team staffing model appears sound. ATF told us that so far on Project Gunrunner the industry operations and enforcement elements of ATF have worked together well. Many of the leads that ATF uses to develop firearms trafficking cases are generated by Industry Operations Investigators who have experience, knowledge, and contact with gun dealers that benefit agents working on firearms trafficking cases. In addition, an Intelligence Research Specialist assigned to a Gunrunner team will gain more access to investigatory information through direct contact with agents and Industry Operations Investigators. The Gunrunner team staffing model will provide agents, Industry Operations Investigators, and Intelligence Research Specialists with greater access to each other. This allows ATF staff who normally work in different organizational units to interact directly with each other without having to prepare formal referrals or "go through channels" to obtain or share information.

ATF had previously assigned industry operations and intelligence staff to enforcement groups that focus on Project Gunrunner cases, and some

personnel we spoke with said the experience was successful. For example, one Industry Operations Investigator and one Intelligence Research Specialist in the Houston Field Division are assigned to an enforcement group that focuses on firearms trafficking cases related to Project Gunrunner. Both ATF personnel assigned to this group and their managers told us they have been pleased with the results of the collaboration between enforcement and industry operations. The group supervisor described the Intelligence Research Specialists as being “absolutely necessary” to investigate firearms trafficking to Mexico. According to ATF division managers, the Industry Operations Investigator and Intelligence Research Specialist in Houston used their experience and knowledge to contribute to the efforts of the enforcement group.

Support for ATF’s Gunrunner team staffing model was widespread among ATF staff we interviewed at headquarters and in the Southwest border field offices and divisions. In fact, 24 of 28 (86 percent) of the field personnel we asked about this staffing model responded favorably. For example, one agent who had experience working with Industry Operations Investigators told the OIG, “The ability for us to identify traffickers has been unbelievably more effective . . . an agent cannot do that [type of analysis].” An ATF manager said it was advantageous to have an Intelligence Research Specialist position attached to the enforcement group because it helped the agents be a lot more productive. Those staff that did not support the model agreed with the concept of combining personnel from different functional areas, but suggested different mixes of positions (Intelligence Research Specialists, Investigative Analysts, Industry Operations Investigators, and agents). However, the overall sentiment expressed to the OIG was that the new model would be more effective than the standard staffing model because ATF staff with different skill sets from investigative, regulatory, and intelligence positions could more easily communicate with each other.

ATF should define Gunrunner team member roles and reporting structures.

Although the Gunrunner team staffing model brings together the expertise of agents, Industry Operations Investigators, and Intelligence Research Specialists, we found that the supervisory and reporting structure, the expected roles of team members, and the extent to which team members will be dedicated to firearms trafficking investigations remain undefined. Similarly, it is unclear what role Industry Operations Investigators and Intelligence Research Specialists will have on the new Gunrunner teams or what their exact duties will be.

Supervisory Structure. We found that ATF has not yet clearly defined the organizational and supervisory structure for Gunrunner team members. In the standard ATF staffing model, Industry Operations Investigators and

Intelligence Research Specialists (even when assigned to an enforcement group) report to an Industry Operations area supervisor and Field Intelligence Group supervisor, respectively. These supervisors are responsible for completing annual performance evaluations for their subordinate staff. However, the supervisory structure for the Gunrunner team staffing model remains vague because Industry Operations Investigators and Intelligence Research Specialists will be working on a Gunrunner team led by a group supervisor. It is unclear whether ATF plans to maintain the current chain of command structure for the new model Gunrunner teams or whether all staff members will report to the group supervisor. While this was not a problem in the Houston Field Division because the area supervisor and group supervisor were co-located and worked closely together, we believe that the lack of clarity in the reporting structure in new Gunrunner teams may create issues in locations where area supervisors and group supervisors are not co-located.

Roles of Inspectors and Intelligence Research Specialists. Similarly, it is unclear what role Industry Operations Investigators and Intelligence Research Specialists will have on the new Gunrunner teams or what their exact duties will be. According to Houston Field Division staff, the Industry Operations Investigator currently assigned to an enforcement group in the Houston Field Division is expected by division management to dedicate 30 percent of his time to conducting “targeted inspections” of gun dealers suspected of trafficking.²⁶ However, ATF managers were not consistent in their opinions of whether Industry Operations Investigators on the new Gunrunner team would be completing “targeted inspections” or be assigned a normal inspection load from their area supervisor. One ATF supervisor, speaking about ATF staff assigned to Project Gunrunner, told the OIG, “You need to have some guidelines, but not so strict that you don’t take the different demographics and everything else into consideration.” Lack of guidance for Industry Operations Investigators assigned to Gunrunner teams could lead to their being diverted from their regular gun dealer inspection duties or not assisting their Gunrunner team to the full extent possible. This could diminish their contributions to the group to which they are assigned and to Project Gunrunner efforts as a whole.

There is also ambiguity about whether Intelligence Research Specialists assigned to new Gunrunner teams will be solely responsible for supporting their teams or whether they also will be responsible for supporting other ATF staff. Typically, an Intelligence Research Specialist

²⁶ “Targeted inspections” are ATF compliance inspections conducted on suspect gun dealers, as opposed to a routine inspection conducted based on the time since the dealers’ last inspection.

assigned to a field division produces intelligence products and supports ATF staff for a geographic area. Their role has not been limited to an ATF group or to a specific functional jurisdiction, such as arson or firearms trafficking. But the Gunrunner team staffing model, which assigns an Intelligence Research Specialist directly to each Gunrunner team, has left their role unclear. In addition, because an Investigative Analyst and an Intelligence Research Specialist will be on the same team, there could be an overlap in some duties, such as compiling research from ATF and public databases and providing direct case support. Since ATF has not yet issued formal guidelines for the two positions, these resources could be performing duplicate functions.

Firearms Trafficking Workload. Another undefined staffing issue is the extent to which team members will be devoted exclusively to Project Gunrunner versus assisting with other areas of ATF's jurisdiction. The ATF Program Plan makes clear that the new Gunrunner teams will be dedicated to firearms trafficking investigations and reducing the associated high level of related violence on the border between the United States and Mexico. However, there is significant uncertainty about whether personnel assigned to the new Gunrunner teams will be dedicated exclusively to support Project Gunrunner.

In some locations, such as McAllen and Las Cruces, other ATF enforcement groups will be able to investigate other matters within ATF's jurisdiction, such as arson and explosives cases. Other locations such as El Centro and Roswell have little ATF presence. There is no precedent for a Gunrunner team being the only ATF presence in a given area, and ATF has no guidelines defining when, if at all, a team created with funds dedicated to Project Gunrunner should work on non-firearms trafficking matters. Consequently, without such guidelines, resources intended to support Project Gunrunner could be used to carry out non-Project Gunrunner tasks.

Conclusion

The staffing model ATF plans to use for the expansion of Project Gunrunner appears sound, and the overwhelming number of ATF field personnel we spoke to agreed. However, several elements to the new model remain unclear: (1) the role of Industry Operations Investigators and Intelligence Research Specialists on the new teams, (2) the teams' supervisory structure, and (3) the level of exclusivity with which staff on the new teams will be dedicated to Project Gunrunner investigations. Clearly defining the roles of each team member and the reporting structure for the Gunrunner teams prior to their inception will help ATF ensure that future Gunrunner teams operate smoothly.

Recommendation

We recommend that ATF:

3. clearly define the roles and reporting structure of each staff member on the new Gunrunner teams.
4. ensure that staff on the new Gunrunner teams are not regularly diverted from working on firearms trafficking investigations to Mexico or related violent crime.

PART III: SPANISH LANGUAGE PROFICIENCY

ATF has insufficient numbers of personnel proficient in Spanish on Gunrunner teams.

We found that a lack of Spanish language skills poses operational and safety challenges for Project Gunrunner personnel. The personnel assigned to locations where new Gunrunner teams will be placed generally lack proficient Spanish language skills. Over the past year, ATF has implemented several Spanish language pilot programs and has made efforts to hire staff with proficiency in Spanish. However, improved training and hiring are needed to ensure a sufficient number of Spanish-speaking employees for effective operations and personnel safety on the new Gunrunner teams.

ATF will be locating new Gunrunner teams in McAllen, El Centro, and Las Cruces where more than half of the population speaks predominately Spanish (see text box). Each new Gunrunner team will be staffed with agents and Industry Operations Investigators who will conduct surveillance, interview suspects and witnesses, make arrests, obtain and execute search warrants, and interact with gun dealers. To perform these duties, agents and Industry Operations Investigators must often use Spanish to communicate with witnesses, suspects, and community members to gather and analyze evidence. ATF's lack of sufficient Spanish-speaking personnel will increase the workload of its bilingual staff and extend the time required to follow up on intelligence leads or handle investigative matters.

Percentage of Population with Spanish as Native Language

- McAllen, Texas: 88%
- El Centro, California: 74%
- Las Cruces, New Mexico: 51%

Source: 2000 U.S. Census Bureau

ATF personnel we interviewed also told us that the safety of agents and Industry Operations Investigators who lack Spanish language skills along the Southwest border can be compromised. ATF staff can be confronted with dangerous situations if they are unable to speak Spanish during surveillance operations, interviewing suspects and witnesses, making arrests, or executing search warrants. We believe it is critical for ATF to ensure that sufficient Southwest border personnel speak Spanish to safely and effectively perform their Gunrunner duties.

However, we found that ATF's current and newly hired Gunrunner team members lack Spanish language skills. For example, according to the

Assistant Special Agent in Charge of the division who will oversee the new Gunrunner team in El Centro, none of the four newly hired agents speaks Spanish. In McAllen only two of five ATF agents currently assigned there speak Spanish. Several ATF staff identified a lack of Spanish proficiency as the biggest challenge facing Project Gunrunner.

Spanish Language Training for Personnel Along the Southwest Border

Almost 50 percent of ATF personnel we interviewed in the field – including agents, Industry Operations Investigators, Assistant Special Agents in Charge, Special Agents in Charge, and others stationed along the Southwest border – told the OIG that they had a strong interest in Spanish language training. However, most were unsure whether ATF provides such training.

ATF officials said they are aware of the need for Spanish language skills along the Southwest border and have made some training available. ATF piloted online and classroom Spanish courses during FY 2009 for employees assigned to Southwest border states, including a 120-day online pilot course and two 10-day classroom Spanish immersion courses. ATF officials told the OIG that in May 2009 the Federal Law Enforcement Training Center provided a 40-hour Law Enforcement Survival Spanish course for ATF personnel.²⁷ In its FY 2010 budget, ATF requested \$200,000 for Spanish language training. However, this request was removed from the Department's budget during the Office of Management and Budget review process. ATF officials told us they had hoped to use the money to, among other things, provide additional Law Enforcement Survival Spanish courses.

New Qualifications for Hiring New Gunrunner Team Members

In addition to training current staff, ATF has also attempted to improve its hiring process to recruit personnel already proficient in Spanish. ATF added a special qualification for Spanish language skills in its fall 2008 agent vacancy announcement.²⁸ According to the Director of ATF's Recruiting, Hiring, and Staffing Office, this was the first time ATF had advertised for such a skill. The vacancy announcement closed on December 31, 2008, and ATF officials told us it began assessing and testing applicants in early 2009. As of September 2009 that process remained ongoing, and

²⁷ According to ATF, this class is designed to familiarize students with Spanish slang, arrest expressions, and cultural information, as well as to enable them to identify potentially dangerous situations and communicate key phrases in Spanish.

²⁸ The four individuals hired for El Centro discussed earlier were part of ATF's FY 2007 recruitment.

ATF projected it would complete its review of applicant qualifications by October 31, 2009. Because it has not completed processing the applications, ATF could not tell us how many of these applicants meet the proficiency requirement and may be available for assignment to Gunrunner teams.

Conclusion

ATF must act to improve the Spanish language proficiency of its staff along the Southwest border. Such proficiency is important to the safety and effectiveness of the new Gunrunner teams.

Recommendation

We recommend that ATF:

5. ensure sufficient current staff are proficient in Spanish by:
 - a. identifying the positions and job categories of new Gunrunner team members that require Spanish language proficiency,
 - b. prioritizing training for those individuals having a safety-related need for Spanish language skills, and
 - c. establishing measurable goals for providing Spanish language training to Gunrunner team members.
6. include in future vacancy announcements for Gunrunner team members that Spanish language proficiency is desirable.

PART IV: PROGRAM MEASURES FOR NEW GUNRUNNER TEAMS

More specific program measures are needed to accurately measure the impact of Project Gunrunner.

We concluded that the program measures and performance goals that ATF developed to track the results of Project Gunrunner under the Recovery Act will not fully demonstrate what impact, if any, the new resources dedicated to Project Gunrunner will have on ATF's ability to combat firearms trafficking. The performance measures are based on general nationwide data, not data specific to either investigations accomplished under Project Gunrunner or the primary geographic area in which the new Gunrunner teams will operate (the four Southwest border field divisions).

ATF developed three Recovery Act program measures.

All Department components that received Recovery Act funds are required by the Office of Management and Budget to develop program measures and regularly monitor performance to ensure they achieve program-specific objectives. To facilitate that performance monitoring, each component is required to include key performance output and outcome indicators and targeted performance levels with associated milestone dates. ATF reported in its Program Plan that it would use three measures to track its progress on a quarterly basis against achievement of Recovery Act and program-specific objectives. The three measures and associated performance goals are:

1. Measure: Number of firearms criminal investigations initiated
Goal: 63 more cases recommended for prosecution
2. Measure: Number of defendants recommended for prosecution
Goal: 90 more defendants recommended for prosecution
3. Measure: Number of federal government personnel hired
Goal: 37 federal employees to be hired by September 20, 2010

According to ATF, the time period it plans to track for the first 2 measures will be the 1-year period after all 21 newly hired agents enter on duty (of the 37 personnel to be hired, 21 will be agents). Consequently, the first 2 measures represent ATF's expectation that the 21 new agents will generate 3 cases each per year and that there will be an average of about 1.5 defendants per case.

ATF funds Project Gunrunner activities through multiple sources, including Recovery Act funding. Although the Office of Management and Budget requires ATF to track and demonstrate Project Gunrunner results for only the Recovery Act funding, it is unclear whether ATF will be able to attribute the results recorded under its program measures and performance goals exclusively to Recovery Act funding.

Recovery Act program measures are not based on Project Gunrunner firearms trafficking data.

We believe ATF has not selected relevant measures or set reasonable goals for the new Gunrunner teams. The data used to develop the measures was not specific to the type of case likely to be generated under Project Gunrunner – investigations of firearms trafficking – or to the four Southwest border field divisions where Gunrunner teams will operate. Although ATF’s case management database (N-Force) could provide data specific to Project Gunrunner, ATF is not planning to use such data to measure its performance.²⁹

We believe that the measure of three new investigations referred for prosecution (63 cases) is not an accurate measure for several reasons. First, it was based on a national average of *all* types of ATF criminal cases referred for prosecution, including arson, explosives, and alcohol and tobacco diversion. Second, the measure uses aggregated data from ATF’s 25 field divisions to project the number of cases that will be generated in ATF’s Southwest border field divisions. Third, the measure of three cases per new agent reflects a seemingly arbitrary reduction of almost 40 percent from the nationwide average of 4.9 cases per agent to account for inexperienced personnel.³⁰ While we agree that new employees are likely to be less productive than experienced employees, we received no information indicating that the reduction was based on known lower productivity rates.

ATF’s measure of 90 defendants referred for prosecution was only slightly more specific and was established by multiplying the goals for new

²⁹ N-Force collects many data points related to each investigation, such as case type, special project codes, case initiation date, initiating field office, referrals for prosecution, number of defendants, and case disposition. Using that data, ATF can generate statistical reports on its accomplishments for specific time periods, locations, or types of activities.

³⁰ The exact data used by ATF to develop this measure cannot be reproduced (as data in N-Force changes daily), but the data available to us from FY 2004 through June 30, 2009, indicates that the average number of cases per agent (based on an average of 2,500 agents) is about 4.9.

cases referred for prosecution (63) by 1.5, the average number of defendants referred for prosecution from cases labeled as Southwest border in N-Force. Cases labeled as Southwest border are still not specific to Project Gunrunner and include all cases that have any nexus to Mexico, including general gang or drug crimes anywhere in the United States. The measure would arguably be more accurate if it were based on the number of defendants referred for prosecution from firearms trafficking cases in the four ATF Southwest border field divisions.

Specific Recovery Act program measures are needed to more accurately measure Project Gunrunner’s impact under the Recovery Act.

ATF has identified several program metrics for Project Gunrunner, many of which N-Force is already designed to capture, which we believe would enhance the measurement of Recovery Act performance. ATF personnel also told us that other measures would be more valid than the selected measures. For example, in addition to the numbers of firearms trafficking cases referred for prosecution and the number of defendants, pertinent measures could include the number of:

1. firearms trafficking leads started and cleared,
2. referrals to Mexican and U.S. law enforcement agencies,
3. gun dealer inspections resulting in referrals to agents,
4. firearms seized,
5. firearms submitted for tracing that lead to trafficking investigations,
6. firearms that were prevented from being trafficked,
7. potential firearms trafficking suspects identified,
8. arrests, and
9. ATF collaborations with other agencies resulting in exchange of information and reduction of firearms trafficking-related violence.

Conclusion

Overall, we concluded that ATF’s measures for “firearms criminal investigations initiated” and “defendants recommended for prosecution” will not capture specific data on the results of the new Gunrunner teams. We believe that measuring additional factors, such as those listed above, would enhance ATF’s ability to assess the specific impact of the new Gunrunner teams.

Recommendation

We recommend that ATF:

7. develop more specific Recovery Act program measures to reflect firearms trafficking-specific data for criminal cases and defendants referred for prosecution as a result of Project Gunrunner.

CONCLUSION AND RECOMMENDATIONS

The Recovery Act and other recent appropriations have enabled ATF to expand Project Gunrunner. ATF has taken a series of steps to identify new locations for Gunrunner teams, create a new staffing structure, ensure more staff along the Southwest border are proficient in Spanish, and establish program measures to evaluate the impact of these resources. However, ATF also needs to take several additional actions to ensure Gunrunner resources are used efficiently and effectively to combat firearms trafficking to Mexico.

We concluded ATF's decisions to place Gunrunner resources in McAllen, El Centro, Ciudad Juarez, and Tijuana are sound. However, ATF crime gun and workload data shows that Las Cruces and Roswell do not have large amounts of firearms trafficking or crime that is linked to Mexican cartels. Therefore, we concluded that assigning Gunrunner resources to these two locations is questionable. Additional staff dedicated to the Las Cruces Field Office could create a jurisdictional overlap with the El Paso Field Office.

The staffing model ATF plans to use for the new Gunrunner teams appears sound and should allow it to utilize its resources more effectively by combining personnel from enforcement and industry operations within the same team. However, the supervisory structure, roles of the individual team members, and the extent to which members will work exclusively on firearms trafficking cases should be further defined.

We found that the personnel assigned to locations where new Gunrunner teams will be located generally lack proficient Spanish language skills, which could pose significant safety and operational challenges. ATF has implemented several Spanish language pilots and has also made efforts to hire staff with proficiency in Spanish. However, improved training and hiring are needed to ensure effective operations and personnel safety on the new Gunrunner teams.

Finally, the program measures ATF developed are insufficient to fully evaluate the impact the new Gunrunner teams will have on ATF's ability to combat firearms trafficking and related violence along the Southwest border.

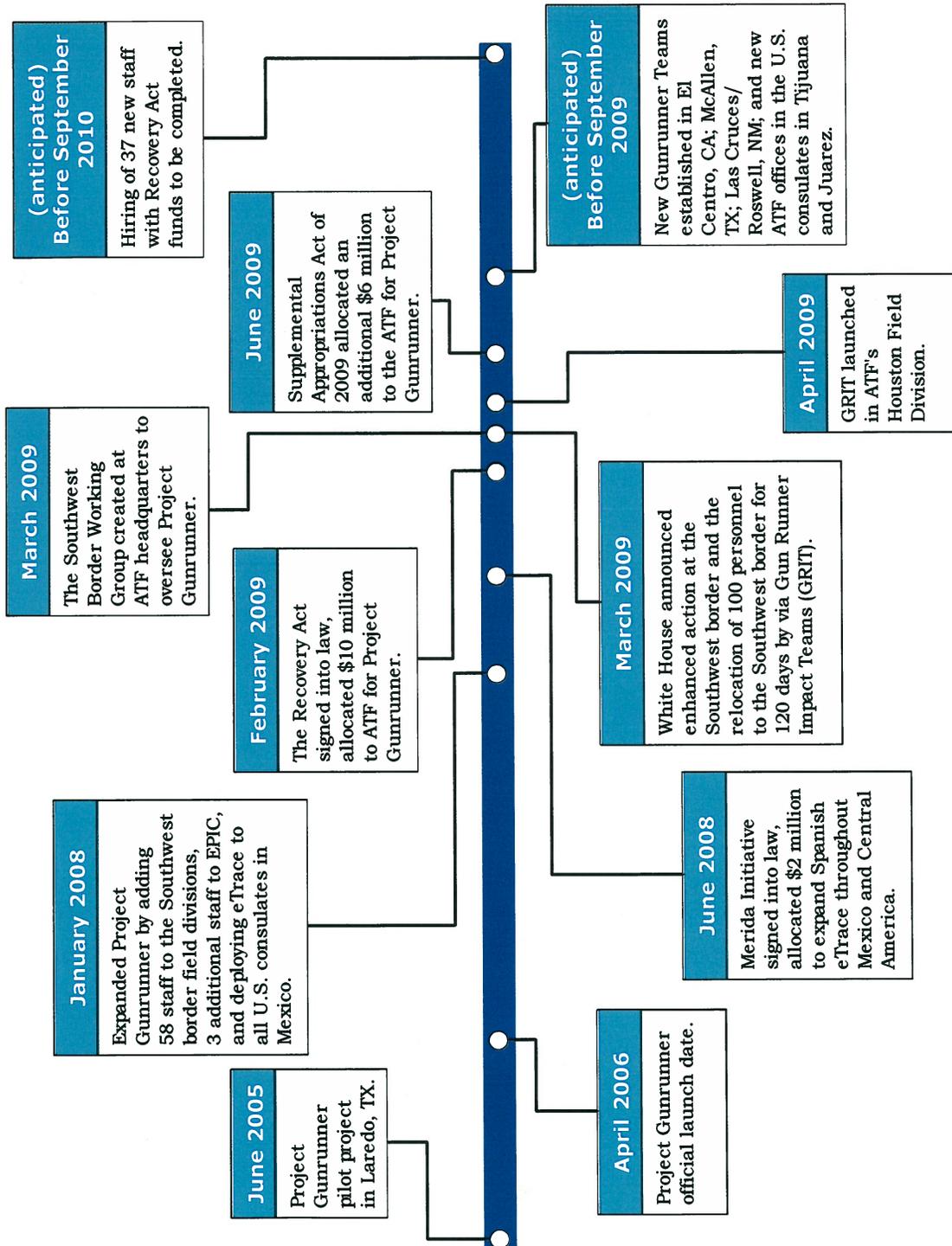
We recommend that ATF:

1. assess whether other locations along the Southwest border represent a better use of Gunrunner resources intended for

Roswell and Las Cruces to ensure maximum impact of Gunrunner resources.

2. Phoenix and Dallas Field Divisions develop deconfliction protocols to manage current and potential jurisdictional overlaps.
3. clearly define the roles and reporting structure of each staff member on the new Gunrunner teams.
4. ensure that staff on the new Gunrunner teams are not regularly diverted from working on firearms trafficking investigations to Mexico or related violent crime.
5. ensure sufficient current staff are proficient in Spanish by:
 - a. identifying the positions and job categories of new Gunrunner team members that require Spanish language proficiency,
 - b. prioritizing training for those individuals having a safety-related need for Spanish language skills, and
 - c. establishing measurable goals for providing Spanish language training to Gunrunner team members.
6. include in future vacancy announcements for Gunrunner team members that Spanish language proficiency is desirable.
7. develop more specific Recovery Act program measures to reflect firearms trafficking-specific data for criminal cases and defendants referred for prosecution as a result of Project Gunrunner.

APPENDIX I: TIMELINE OF KEY PROJECT GUNRUNNER EVENTS



APPENDIX II: POSITION DESCRIPTIONS FOR ATF STAFF

The information below was derived from ATF's official position descriptions and interviews with ATF staff.

Special Agent (agent) federal law enforcement officers who generally investigate criminal violations of federal laws that fall under the jurisdiction of ATF such as arson and explosive cases, convicted felon in possession of a firearm, alcohol and tobacco crimes, and firearms trafficking. They contribute to Project Gunrunner by investigating crimes linked to firearms trafficking to Mexico, securing indictments from the Assistant United States Attorneys, and arresting the individuals. Such crimes include guns acquired by straw purchasers, corrupt gun dealers, and conspiracy firearms trafficking cases.

Industry Operations Investigator generally conducts inspections of new gun dealers and federal explosives licensees by reviewing records, inventory, and the licensee's conduct of business. They are also responsible for training gun dealers on the relevant laws as well as detecting and preventing gun trafficking by noticing indicators and suspicious behaviors. Inspectors have an important role in Project Gunrunner to educate gun dealers to avoid selling firearms to suspected gun traffickers, provide intelligence and make referrals to ATF agents when suspected gun trafficking activity is taking place, and assist with the analysis of gun dealers and the records they keep.

Intelligence Research Specialist performs in-depth intelligence analyses in support of ATF operations. They provide intelligence products such as link analyses, visual investigative analyses, and telephone toll record analyses to provide ATF staff with information about ongoing or emerging investigations. Intelligence Research Specialists also act in liaison and coordination functions both within ATF (with headquarters and other field offices) as well as with external partners, such as other federal law enforcement.

Investigative Analyst functions in an investigative and research support position for ATF which includes compiling information from ATF databases on criminal leads and compiling reports for the use of ATF staff. Investigative Analysts also perform many of the administrative functions for an enforcement group or field office.

Area Supervisor typically manages a group of about 10 Industry Operations Investigators, although they are frequently dispersed throughout satellite offices. In addition to managing, hiring, and training, an area supervisor assigns Industry Operations Investigators to inspect gun dealers as well as explosive dealers and, when needed, receives referrals for criminal investigations from Industry Operations Investigators and passes them on to the intelligence group.

Group Supervisor typically manages a group of about 10 agents who comprise an enforcement group. He or she provides guidance and supervision for criminal investigations and distributes work to these agents, often based on referrals from intelligence and industry operations. A group supervisor can also be called a “resident agent in charge” when the head of an enforcement group located in a city that is not the field division headquarters.

Director of Industry Operations is in charge of all the Industry Operations Investigators and area supervisors within a field division. He or she determines where to locate staff within the field division and decides which gun dealers are inspected, usually based on the time since the last compliance inspection.

**APPENDIX III: CONGRESSIONAL TESTIMONY
REVIEWED BY THE OIG**

1. “Law Enforcement Response to Mexican Drugs Cartel,” Panels I and II, Joint Hearing of the Crimes and Drugs Subcommittee of the Senate Judiciary Committee and the Senate Caucus on Int’l Narcotics Control, March 17, 2009
2. U.S. House of Representatives, Committee on Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies, March 24, 2009
3. “Southern Border Violence, Homeland Security Threats, Vulnerabilities,” Panels I and II, Senate Homeland Security and Governmental Affairs Committee, March 25, 2009
4. “Southern Border Violence, Homeland Security Threats, Vulnerabilities,” Foreign Relations Committee, March 30, 2009
5. “Examining Preparedness and Coordination Efforts of First Responders Along the Southwest Border,” House Homeland Security, Subcommittee on Emergency Communications, Preparedness, March 31, 2009
6. “Department of Justice,” House Committee on Appropriations, April 23, 2009
7. “Escalating Violence in Mexico and the Southwest border as a Result of Mexican Drug Trade,” House Judiciary, Subcommittee on Crime, May 6, 2009
8. “Southern Border Violence: State and Local Perspectives,” Senate Committee on Homeland Security, April 20, 2009; “Rise of Mexican Drug Cartels and US National Security,” House Committee on Oversight and Government Reform, July 9, 2009
9. “Combating Border Violence: The Role of Interagency Cooperation in Investigations,” House Homeland Security, Subcommittee on Border, July 16, 2009

**APPENDIX IV: THE BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND
EXPLOSIVES' RESPONSE**



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Office of the Director

Washington, DC 20226

SEP 29 2009

Mr. Michael D. Gulledge
Assistant Inspector General
for Evaluation and Inspections
United States Department of Justice
1425 New York Avenue, N.W.
Suite 6100
Washington, DC 20530

Dear Mr. Gulledge:

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has reviewed the Office of Inspector General's (OIG) draft report entitled, "Interim Review of ATF's Project Gunrunner." We appreciate the opportunity to provide comments on the draft report.

OIG's Recommendation Number 1: We recommend that ATF assess whether other locations along with the southwest border represent a better use of Gunrunner resources intended for Roswell and Las Cruces to ensure maximum impact of Gunrunner resources.

ATF's Response: ATF acknowledges that based purely on an analysis of trace data, there may seem to be higher priority locations than Las Cruces and Roswell, New Mexico to establish enforcement groups to combat firearms trafficking along and across the southwest Border. However, we believe that the establishment of these offices is both a justifiable and reasonable use of Recovery Act funds that will significantly impact firearms trafficking and related violent crime along the southwest border.

This conclusion is based on our belief that having field offices strategically located in each of our four principal southwest border divisions is essential to effectively combat firearms trafficking from the United States to Mexico and to address resulting border related violence. This is particularly important in an environment in which it is generally acknowledged that a significant number of firearms recovered in Mexico are not traced or the trace submissions are inaccurate or incomplete, thus denying ATF a complete picture of the trafficking problem, including source locations.

We also believe that any evaluation of the locations where ATF proposes to place investigative resources using Recovery Act funds should be considered in the context of broader ATF plans to establish and resource new or existing offices with other funding streams. For example, the OIG report suggests that ATF would be better served by placing Recovery Act resources in El Paso,

Texas rather than Las Cruces and Roswell, New Mexico. Without debating the merits of our decision to use the Recovery Act funds for Las Cruces and Roswell, rather than El Paso, it should be noted that in keeping with ATF's overarching southwest border plan the Administration's FY 2010 budget request provides additional resources to El Paso and various other locations.

Las Cruces, New Mexico is fewer than 50 miles from the Mexican border and is strategically located near both Interstates 25 and 10. These two primary north-south and east-west routes are used to move firearms to Mexico acquired in areas of the United States away from the southwest border. We believe that successful enforcement actions by ATF and other Federal agencies along the border have played a role in forcing traffickers to acquire firearms from points in the U.S. further away from the southwest border. Evidence of our belief that Las Cruces is a transshipment point for trafficked firearms is an investigation being conducted by our Phoenix Field Division involving the theft of approximately 300 firearms and 10,000 rounds of ammunition from a New Mexico-based gun dealer that were trafficked to Mexico through the Las Cruces area. This conclusion is based on the fact that several of the stolen firearms have been recovered in Mexico and at a U.S. Border Patrol checkpoint in the Las Cruces area. We believe this trend will continue and that we will likely see an increase in the use of Interstates 25 and 10 to traffic firearms, acquired elsewhere in the U.S., through New Mexico and into Mexico.

There is also ample evidence that firearms traffickers use the same trafficking corridors that narcotics traffickers use. According to a July 2008 National Drug Intelligence Center report concerning Mexican drug trafficking organizations and arms trafficking along the southwest border, High Intensity Drug Trafficking Area (HIDTA) reporting indicates that weapons shipments are transported to staging areas located along the U.S.-Mexico border. Transporters then move the weapons across the border along established drug smuggling routes. The report cites Las Cruces, New Mexico as central point along one such trafficking route.

There are three main checkpoints along the New Mexico-Mexico border (Deming, Columbus, and Lordsburg), and there is significant smuggling activity in this area. With the increased violence in the El Paso/Ciudad Juarez area, narcotics traffickers are altering their tactics and are attempting to move their products through New Mexico, an area that does not currently have a significant Federal law enforcement presence. In fact, Las Cruces and Deming, New Mexico are sites of ICE-led Border Enforcement Security Teams (BEST) with which ATF has agreed to participate. A criticism cited in a recent report prepared by the Government Accountability Office (GAO) (and cited by the OIG) concerned the lack of information sharing and cooperation between ATF and ICE on the subject of firearms trafficking. Our participation on the Las Cruces and Deming BEST is intended to address the concern raised by the GAO. Without additional resources in the Las Cruces area, ATF will have to siphon off its limited resources for this purpose.

The OIG report states that senior law enforcement officers in Las Cruces advised that ninety-nine percent of Las Cruces crime is domestic in nature and is not attributable to firearms trafficking or crime related to Mexican drug cartels. This conclusion would seem to be contradicted (at least in

part) by the same 2009 National Drug Threat Assessment cited in the introduction of the OIG report. Specifically, the report states that Mexican drug trafficking organizations are a pervasive organized crime threat to the United States and that Mexican cartels operate in at least 230 U.S. cities. Las Cruces, New Mexico is listed as one such location. It should also be noted that the area to be served by the proposed Las Cruces and Roswell offices encompasses an area well beyond the borders of these specific cities. Furthermore the 2009 National Drug Threat Assessment and the 2009 National Gang Threat Assessment identify Barrio Azteca as a criminal gang located in southwestern Texas and southeastern New Mexico that has developed and strengthened its relationship with Mexican drug trafficking organizations. Members of Barrio Azteca often transport drugs across the U.S.-Mexico border for drug trafficking organizations and also engage in a variety of non-drug violent offenses, including weapons violations. ATF has also identified Barrio Azteca as operating in southeastern New Mexico, the principal areas to be served by the Las Cruces and Roswell offices.

It is unfortunate that the OIG report cited comments from Las Cruces police officials regarding the nature of the crime problem in the Roswell area. It is unclear to what extent, if any, the OIG interviewed law enforcement officials from the Roswell area regarding this matter and the impact that an infusion of ATF resources in Roswell would have on the reduction of firearms trafficking and violent crime related to Mexican drug trafficking organizations. The OIG report reveals that Roswell has a significant gang and drug problem; however, these problems were characterized as “home grown” and not connected to firearms trafficking and Mexican drug trafficking organizations. Without challenging the accuracy of this information, it has been our experience that an ATF investigative presence in an area generally leads to a better understanding of the crime problem and usually leads to uncovering violations within ATF’s jurisdiction, including instances of firearms trafficking.

The potential significance of the Las Cruces area as a source of trafficked firearms may be best demonstrated by a case that originated in Anthony, New Mexico, a city about midway between Las Cruces and El Paso. In this instance, ATF industry operations investigators (IOIs) and special agents worked cooperatively to uncover and investigate the criminal conduct of a licensed gun dealer responsible for selling more than 2,000 firearms that were trafficked to Mexico without recording the acquisitions and dispositions of these transactions. Many of these firearms have not been traced, probably due to the fact that the gun dealer was removing the serial numbers prior to their transfer to his Mexican contact(s).

These factors, along with the presence of nearly 600 licensed retail dealers and pawn shops in New Mexico and 260 licensed dealers in the Las Cruces and Roswell areas, make it likely that these areas will grow in prominence as both a source and staging/transshipment point of firearms trafficked to Mexico. As a result, ATF believes that the establishment of the Las Cruces and Roswell offices is a strategic response to developing trends.

OIG’s Recommendation Number 2: We recommend that ATF’s Phoenix and Dallas Field Divisions develop deconfliction protocols to manage current and potential jurisdictional overlaps.

ATF's Response: ATF does not believe that we need to develop specific protocols or memorandums of understanding between the Phoenix and Dallas Field Divisions in order to better coordinate investigative activities and avoid jurisdictional issues between the Las Cruces, New Mexico and El Paso, Texas Field Offices, or between any new enforcement groups established in those areas. Coordinating investigative and enforcement activities between field offices, including field offices that are components of different field divisions, is not a new issue to ATF. ATF has well established procedures for coordinating interdivisional activities that include communications between supervisory personnel whenever personnel from one division plan to conduct investigative or enforcement activity in another division's area of responsibility. ATF's Office of Field Operations is unaware of any significant deconfliction issues that exist between the Phoenix and Dallas Field Divisions.

OIG's Recommendation Number 3: We recommend that ATF clearly define the roles and reporting structure of each staff member on the new Gunrunner teams.

ATF's Response: ATF is aware that the proposed staffing model for the newly established Gunrunner groups is different from the enforcement group staffing model currently in use. It is encouraging that the OIG concurs with this new model for newly established Gunrunner groups. The IOI and intelligence research specialist (IRS) personnel assigned to the Gunrunner groups will be primarily, if not exclusively, responsible for supporting their respective enforcement groups. ATF will make clear the roles of the IOIs and IRSs assigned to these newly established groups. ATF will develop and disseminate clear guidelines regarding the use of IOIs and IRSs assigned to the Gunrunner groups, as well as their supervisory chain of command. However, with limited agency resources available to support ATF operations in the field divisions assigned, it is likely that these guidelines will retain the flexibility to utilize these personnel in support of non-Gunrunner operations, if necessary.

OIG's Recommendation Number 4: We recommend that ATF ensure that staffs on the new Gunrunner teams are not regularly diverted from working on firearms trafficking investigations to Mexico or related violent crime.

ATF's Response: ATF personnel assigned to the newly established Gunrunner enforcement groups will be responsible for conducting criminal investigations in support of Project Gunrunner and will not be regularly diverted from working on firearms trafficking investigations involving Mexico and related violent crime. The OIG report expressed concern that in locations such as El Centro, California and Roswell, New Mexico, where ATF currently has limited or no presence, resources will be diverted from the Gunrunner mission in order to conduct non-Gunrunner investigative work. We recognize the concern expressed by the OIG; however, we continue to believe that the strategic location of El Centro, California to both the Mexican border and a known trafficking corridor will allow ATF personnel to focus on Gunrunner related cases. The Roswell, New Mexico office is intended to operate as a satellite or sub-office of the Las Cruces Field Office. As such, it will have limited staffing. It is our expectation that with permanent staff in Roswell, ATF will be able to identify previously unknown violations related

to firearms trafficking to Mexico and related violent crime and to fully develop cases of known crime guns recovered in Mexico that originated from the Roswell area.

OIG's Recommendation Number 5: We recommend that ATF ensure sufficient current staff are proficient in Spanish by: a) identifying the positions and job categories of new Gunrunner team members that require Spanish language proficiency, b) prioritizing training for those individuals having a safety-related need for Spanish language skills, and c) establishing measurable goals for providing Spanish language training to Gunrunner team members.

ATF's Response: ATF concurs with the recommendation that southwest border personnel have the language skills necessary to ensure an appropriate level of safety and effectiveness in the conduct of ATF's mission. This is a function of both recruitment and training. We agree with the provisions of Recommendation 5.a, which will ensure that recruitment and training efforts are appropriately targeted.

We concur in concept with Recommendation 5.b, but note that it is in part a function of correlating language requirements to specific positions, and in part a function of resources. As the OIG report noted, ATF's FY 2010 budget request for additional funding for language training was deferred by the Office of Management and Budget (OMB). We have dedicated existing base resources to address this requirement and concur with prioritizing available language training resources to address those individuals where such training has a significant nexus to safety.

ATF supports and has in place mechanisms for measuring the training provided to southwest border and Project Gunrunner personnel. We concur with Recommendation 5.c.

While the review only covered the time period through August 2009, it should be noted that ATF sent 15 SWB personnel to the FLETC Law Enforcement Survival Spanish in late September. In addition, we will send the SABB class that graduates in October (the SWB class) to the same school upon completion of their basic training.

OIG's Recommendation Number 6: We recommend that ATF include in future vacancy announcements for Gunrunner team members that Spanish language proficiency is desirable.

ATF's Response: While the OIG report noted the current lack of Spanish speaking personnel assigned to our various southwest border groups, the report also notes the steps ATF has taken to close this gap. To further close this gap, ATF's Office of Management, Human Resources Division, will work with the Office of Field Operations to include language in their vacancy announcements for Gunrunner locations that proficiency in Spanish is desirable.

ATF has made the recruitment, testing, interviewing, and hiring of Spanish speaking special agent applicants a priority. The Bureau intends to hire a sufficient number of Spanish speaking personnel to fill a 2010 basic academy training class. ATF is currently conducting targeted recruitment for Spanish speaking applicants at various colleges and universities along the

southwest border. ATF will consider future Spanish language vacancy announcements as may be necessary.

Additionally, ATF has the ability to pay Spanish foreign language bonuses. These bonuses are available to ATF employees who can establish proficiency in Spanish and use Spanish in the performance of their duties for a substantial percentage of time on the job. We will encourage and facilitate ATF employees on the Southwest border to gain proficiency in Spanish so that they can qualify for this award.

OIG's Recommendation Number 7: We recommend that ATF develop more specific Recovery Act program measures to reflect firearms trafficking-specific data for criminal cases and defendants referred for prosecution as a result of Project Gunrunner.

ATF's Response: ATF will require additional time to properly consider this recommendation. ATF selected the performance measures listed in its program plan based in part on guidance provided by OMB, which limited ATF to three performance measures and required that one of the measures address hiring of personnel. Given OMB's guidance, we believe that the two remaining enforcement measures will adequately address the performance of our newly established groups. We believe that we can effectively use our case management system to track more detailed case information as recommended by the OIG. We believe that the performance goals (number of cases and defendants recommended for prosecution) listed are reasonable given the fact that newly hired agents spend a considerable amount of time during their first year of employment in a training status and may not work independently until released from serving a probationary period.

Should you have any questions regarding this response, please contact Kelvin N. Crenshaw, Assistant Director, Office of Professional Responsibility and Security Operations, at (202) 648-7500.

Sincerely yours,



Kenneth Melson
Acting Director

APPENDIX V: OIG ANALYSIS OF THE BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES' RESPONSE

The Office of the Inspector General provided a draft of this report to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) for its comment. ATF's response is included in Appendix IV to this report. The OIG's analysis of ATF's response and the actions necessary to close the recommendations are discussed below.

Recommendation 1. ATF assess whether other locations along the Southwest border represent a better use of Gunrunner resources intended for Roswell and Las Cruces to ensure maximum impact of Gunrunner resources.

Status. Unresolved – open.

Summary of ATF Response. ATF did not concur with this recommendation and stated it believed the establishment of these offices was justifiable and reasonable. ATF cited multiple factors to support its position. ATF first stated that having field offices strategically located in the four Southwest border divisions is essential to combat firearms trafficking, and that placement of resources must be considered in the context of broader ATF plans. ATF also questioned whether crime gun trace data provides a complete picture of the firearms trafficking problem. ATF also cited one Phoenix Field Division case involving the movement of stolen firearms and ammunition through the Las Cruces area, and stated that Las Cruces is strategically located near primary routes for trafficking firearms to Mexico. ATF stated that it believes it will “likely see an increase in the use of Interstates 25 and 10 to traffic firearms, acquired elsewhere in the U.S.”

ATF also stated that drug traffickers are shifting their operations to move contraband through New Mexico, and that ATF has recently enhanced its cooperation with ICE by participating on ICE-led Border Enforcement Security Teams and needs additional resources in the Las Cruces area to support this effort. ATF next pointed out that Las Cruces was one of the 230 cities identified in the 2009 National Drug Threat Assessment as having Mexican drug cartel activity. ATF also noted that the OIG report relied on information from Las Cruces police officials regarding crime in the Roswell area, and stated that, even if the Las Cruces Police are correct that the current crime problem consists of “home grown” crime not connected to firearms trafficking, an ATF investigative presence “usually leads to uncovering violations within ATF's jurisdiction.” Finally, ATF cited a firearms trafficking case originating in a city between Las Cruces and El

Paso, and noted the population of licensed gun dealers in the Las Cruces and Roswell areas as evidence that it is “likely that these areas will grow in prominence” in the future.

OIG Analysis. We believe that ATF’s reasoning for not reconsidering its placement of Gunrunner resources in Las Cruces and Roswell is not persuasive. First, we agree that the strategic placement of resources is essential, but our assessment of the data and reasoning ATF told us it used, as well as our own analysis of crime gun trace data; firearms trafficking workload data; and interviews with ATF field office staff, and other federal, state, and local law enforcement officials did not support the decision to add Gunrunner resources to Las Cruces and Roswell. Regarding ATF’s statement that Mexican crime gun trace submissions are incomplete and inaccurate, the extensive data that is available from successful traces clearly show that the Las Cruces and Roswell areas are not significant sources of guns being used to commit crimes in Mexico. Moreover, ATF offered no information indicating that the trafficking patterns shown in the many successful traces are inaccurate.

While ATF predicts that Las Cruces and Roswell may experience firearms trafficking in the future, available data and knowledgeable law enforcement officials do not support that it is currently a problem. In fact, ATF staff in the Las Cruces Field Office told us that they are able to handle all firearms trafficking investigations using only about 30 percent of their current resources. By contrast, other areas along the Southwest border already have known firearms trafficking problems, yet have received little or no ATF resources. The OIG maintains that ATF resources should be used to address current firearms trafficking problems before they are placed in locations that face potential future problems. During our review, we found no evidence that the Las Cruces and Roswell areas have a current or emerging firearms trafficking problem. Moreover, in Las Cruces particularly, there is already a fully staffed ATF field office whose employees told us that it is able to address the firearms trafficking cases occurring there. If ATF’s prediction that the firearms trafficking problem may grow in the future to exceed the capacity of the staff already in Las Cruces comes to fruition, then we believe that would be the time to move more resources there. In the interim, it makes more sense to use the resources to combat ongoing firearms problems elsewhere along the Southwest Border.

ATF’s statement that Las Cruces is located near known firearms trafficking routes may be correct, but ATF’s own response makes clear that the firearms traveling on these routes were obtained in other locations, not Las Cruces. The Phoenix Field Division case in which stolen firearms transported through the Las Cruces area were interdicted at a Border Patrol

checkpoint is not evidence of the need for a Gunrunner team in Las Cruces, as vehicle interdiction is not a primary investigative responsibility of Gunrunner team members. Rather, vehicle interdiction at checkpoints and along trafficking routes is primarily the responsibility of the Border Patrol and state and local law enforcement. While ATF plans to increase its participation on ICE's Border Enforcement Security Teams, we do not believe that justifies the placement of a full Gunrunner team in an area that is not a known, significant source of Mexican crime guns.

Moreover, we do not believe that the 2009 National Drug Threat Assessment shows that Las Cruces and Roswell are the best locations for Project Gunrunner resources. That assessment identified 230 cities, in no rank ordering, in which Mexican cartels maintained drug distribution networks or supplied drugs to distributors. It did not consider firearms trafficking in identifying those cities. In addition, among the 230 cities the assessment identified are 26 other cities that, like Las Cruces, are on or within about 50 miles of the U.S.-Mexico border and have a Mexican cartel presence. Included in those cities are locations that ATF personnel told us need additional resources to combat firearms trafficking, such as Eagle Pass, Laredo, and Del Rio, Texas. Further, Roswell is not among the 230 cities identified in the National Drug Threat Assessment. Similarly, while we acknowledge the Threat Assessment reported activity by Barrio Azteca in the Las Cruces area, actual FY 2008 investigation data did not show that there is currently a significant firearms trafficking problem in Las Cruces, notwithstanding the presence of Barrio Azteca.

Regarding ATF's comments on Las Cruces police officials' assessments that the crime problem in Roswell is unrelated to firearms trafficking, we note that ATF did not challenge the accuracy of this information. Moreover, other federal law enforcement officials responsible for the Roswell area concurred with the police officials' assessments. Additionally, the likelihood that ATF investigators will identify matters within ATF's jurisdiction in any location they are placed does not support a decision to place resources in Las Cruces and Roswell in the absence of significant evidence of gun trafficking activity and in place of other areas with a demonstrated gun trafficking problem.

Finally, ATF cited two cases as indicative of a potential larger firearms trafficking problem in the Las Cruces and Roswell areas. However, our assessment of gun trafficking and crime gun trace data and our interviews with law enforcement officials across the Southwest border states do not support the contention that the Las Cruces and Roswell areas have a demonstrated firearms trafficking problem.

Consequently, we still believe that ATF should reconsider its decision to place Gunrunner resources in Las Cruces and Roswell, and instead consider areas with current firearms trafficking problems. By December 15, 2009, please provide us with a further response to this recommendation.

Recommendation 2. ATF Phoenix and Dallas Field Divisions develop deconfliction protocols to manage current and potential jurisdictional overlaps.

Status. Resolved – closed.

Summary of ATF Response. ATF stated it does not believe it needs to develop specific protocols between the Phoenix and Dallas Field Divisions and that it is unaware of any significant deconfliction issues between those two divisions. ATF stated that coordination among field divisions is not a new issue to ATF and it has “well established procedures for coordination.”

OIG Analysis. Although deconfliction issues have not yet occurred to a significant degree, field personnel in the Phoenix and Dallas Field Divisions told us that if a Gunrunner team is sent to Las Cruces, deconfliction issues are likely to occur because of the potential jurisdictional overlap. As a result, we intend to further examine ATF’s procedures for coordination among field divisions in our subsequent Project Gunrunner review.

Recommendation 3. ATF clearly define the roles and reporting structure of each staff member on the new Gunrunner teams.

Status. Resolved – open.

Summary of ATF Response. ATF did not state concurrence or nonconcurrence with this recommendation, but stated it would make clear the roles of Industry Operations Investigators and Intelligence Research Specialists assigned to Gunrunner teams, and would disseminate clear guidelines regarding their use and supervisory chain of command.

OIG Analysis. The action planned by ATF appears to be responsive to our recommendation. By December 15, 2009, please provide a copy of the guidelines for Gunrunner teams, or a status report on their development.

Recommendation 4. ATF ensure that staff on the new Gunrunner teams are not regularly diverted from working on firearms trafficking investigations to Mexico or related violent crime.

Status. Resolved – open.

Summary of ATF Response. ATF agreed that personnel assigned to the new Gunrunner teams would be responsible for conducting criminal investigations in support of Project Gunrunner and would not be regularly diverted from that work.

OIG Analysis. The action planned by ATF is responsive to our recommendation. By December 15, 2009, please provide ATF’s plan for monitoring the workload of Gunrunner personnel to ensure they are working primarily on firearms trafficking investigations as intended.

Recommendation 5. ATF ensure sufficient current staff are proficient in Spanish by:

- a. identifying the positions and job categories of new Gunrunner team members that require Spanish language proficiency,
- b. prioritizing training for those individuals having a safety-related need for Spanish language skills, and
- c. establishing measurable goals for providing Spanish language training to Gunrunner team members.

Status. Resolved – open.

Summary of ATF Response. ATF concurred with this recommendation. ATF agreed to identify the positions and job categories requiring Spanish language proficiency; to ensure recruitment and training efforts are appropriately targeted; to prioritize training for those individuals who need Spanish language skills for safety; and stated it has in place mechanisms for measuring the Spanish language training.

OIG Analysis. The action planned by ATF is responsive to the recommendation. By December 15, 2009, please provide copies of (1) the list of positions and job categories that require Spanish language proficiency; (2) the priority list of individuals needing Spanish language skills for safety and the planned dates for providing this training; and (3) the performance goals established for monitoring the provision of Spanish language training.

Recommendation 6. ATF include in future vacancy announcements for Gunrunner team members that Spanish language proficiency is desirable.

Status. Resolved – open.

Summary of ATF Response. ATF concurred with this recommendation and stated that it has taken steps to improve the hiring of personnel with Spanish language proficiency. ATF stated that its Human Resources Division and Office of Field Operations will work together to include a requirement for Spanish language skills in future vacancy announcements. ATF further stated it intends to hire “a sufficient number of Spanish speaking personnel to fill a 2010 basic academy training class.” ATF also noted it has the ability to pay Spanish language bonuses to current personnel who establish proficiency in Spanish, and stated that it will encourage and facilitate employees’ efforts to improve their Spanish language skills.

OIG Analysis. The action planned by ATF is responsive to the recommendation. By December 15, 2009, please provide copies of the revised vacancy announcements, and any notices or guidance to Southwest border personnel regarding bonuses or other support available for development of Spanish language skills. ATF’s stated intent to fill a 2010 basic academy training class with Spanish speaking recruits exceeds our recommendation and is commendable.

Recommendation 7. ATF develop more specific Recovery Act program measures to reflect firearms trafficking-specific data for criminal cases and defendants referred for prosecution as a result of Project Gunrunner.

Status. Resolved – open.

Summary of ATF Response. ATF stated it will need additional time to properly consider this recommendation. ATF also stated that OMB limited it to three program measures and specified that one address hiring. However, ATF asserted it can effectively use its case management system to track more detailed case information, as recommended by the OIG. Also, although not germane to our recommendation, ATF stated that it believes its Recovery Act performance goals are reasonable given that new agents are less productive.

OIG Analysis. The OIG will await ATF’s response after it has fully considered this recommendation. We continue to believe that the performance measures developed are insufficient to fully evaluate the impact the new Gunrunner teams will have on ATF’s ability to combat firearms trafficking and related violence along the Southwest border. By

December 15, 2009, please provide an update on ATF's Recovery Act performance measures for Project Gunrunner.