

# Congressional Budget Submission

Fiscal Year 2013



A T F

UNITED STATES DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

***At The Frontline - Against Violent Crime***

February 2012

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## **I. Overview for the Bureau of Alcohol, Tobacco, Firearms and Explosives**

### **A. Summary of Budget Request**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) requests \$1,153,345,000 for FY 2013, including 4,937 positions and 4,861 full time equivalents (FTE). This request includes \$28,239,000 in adjustments-to-base, and program offsets of \$26,894,000. The FY 2013 request also proposes a rescission of \$12,400,000 in expired balances and \$1,028,000 in unobligated Violent Crime Reduction Program balances. The FY 2013 request supports ATF and Department of Justice (DOJ) priorities for reducing violent crime, detecting and preventing terrorism, and enforcing Federal firearms, arson, explosives, and contraband tobacco laws. These resources will allow ATF to maintain a focused operational capacity.

This budget request supports ATF's capacity to:

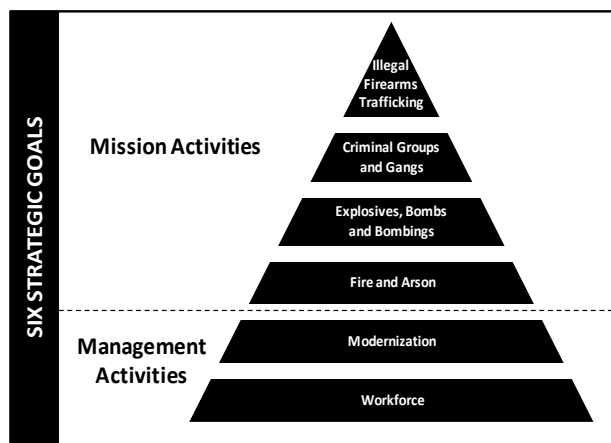
1. Combat violent firearms crimes and illegal firearms trafficking;
2. Reduce the incidence and impact of violent gang activity involving firearms and explosives;
3. Stem the flow of illegally trafficked firearms and associated violence along the Southwest Border region and other areas of the U.S.;
4. Protect the public by ensuring compliance through fair and effective regulation of the firearms and explosives industries;
5. Support Violent Crime Impact Teams (VCIT);
6. Interdict the illegal commerce in contraband tobacco and alcohol products;
7. Disrupt and prevent the use of firearms and explosives in terrorist acts;
8. Disseminate and leverage ATF's technical expertise in explosives, improvised explosive devices (IEDs), and post-blast investigations by providing advanced training for Federal, state, local, international and U.S. military personnel;
9. Use advanced technology to share information and intelligence among law enforcement agencies and the Intelligence Community;
10. Improve efficiencies in managing financial and human resources; and
11. Assist state and local law enforcement agencies in fighting violent crimes involving firearms, explosives, and arson.

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://justice.gov/02organizations/bpp.htm>

### **B. Mission and Strategic Goals**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is a law enforcement organization within the U.S. Department of Justice (DOJ). ATF is dedicated to the reduction of violent crime, prevention of terrorism, and protection of our Nation. ATF investigates and prevents crimes that involve the unlawful manufacture, sale, possession and use of firearms and explosives; acts of arson and bombings; and illegal trafficking of alcohol and tobacco products. ATF regulates the firearms and explosives industries from manufacture and/or importation through retail sale. We screen and license entities that engage in commerce in these

commodities, and specify the form and content of their business records. In the case of explosives, we have established standards for the safe storage of materials to which licensees must adhere.



ATF groups its activities into 10 core functions. Through these core functions ATF reduces violent crime by enforcing Federal laws and regulations related to firearms, criminal groups and gangs, explosives, arson, alcohol and tobacco

ATF's Strategic Plan for 2010 – 2016 defines four core mission activities and the two core management activities as strategic goals. The mission goals in illegal firearms trafficking, explosives, criminal organizations, and

fire/arson reflect our core areas of expertise, which we consistently work to strengthen. The management goals — managing our workforce and modernizing our organization — will support our mission and ensure its successful accomplishment. The framework focuses on strategic planning, budgeting, performance measurement, and Bureau operations.

### Mission Activities:

- **Strategic Goal - Illegal Firearms Trafficking:** Reduce violent firearms crimes by strengthening firearms trafficking intelligence gathering, analysis, inspection, and investigative activities.
- **Strategic Goal - Criminal Groups and Gangs:** The prevalence of criminal groups and gangs requires strategies to make our communities safer by expanding our efforts to identify, target, and dismantle those criminal gangs and organizations that utilize firearms, arson, explosives and alcohol and tobacco diversion in furtherance of violent criminal activity.
- **Strategic Goal - Explosives, Bombs and Bombings:** Investigate the criminal use of explosives and bombings while advancing the whole-of-Government counter-IED effort to prevent, detect, and investigate violent crime and terrorism and to enhance public safety.
- **Strategic Goal - Fire and Arson:** Protecting our country and our communities from the illegal use of fire by advancing the science of fire investigation globally, by setting and delivering the highest standards in response, research, information sharing and training.

### Management Activities:

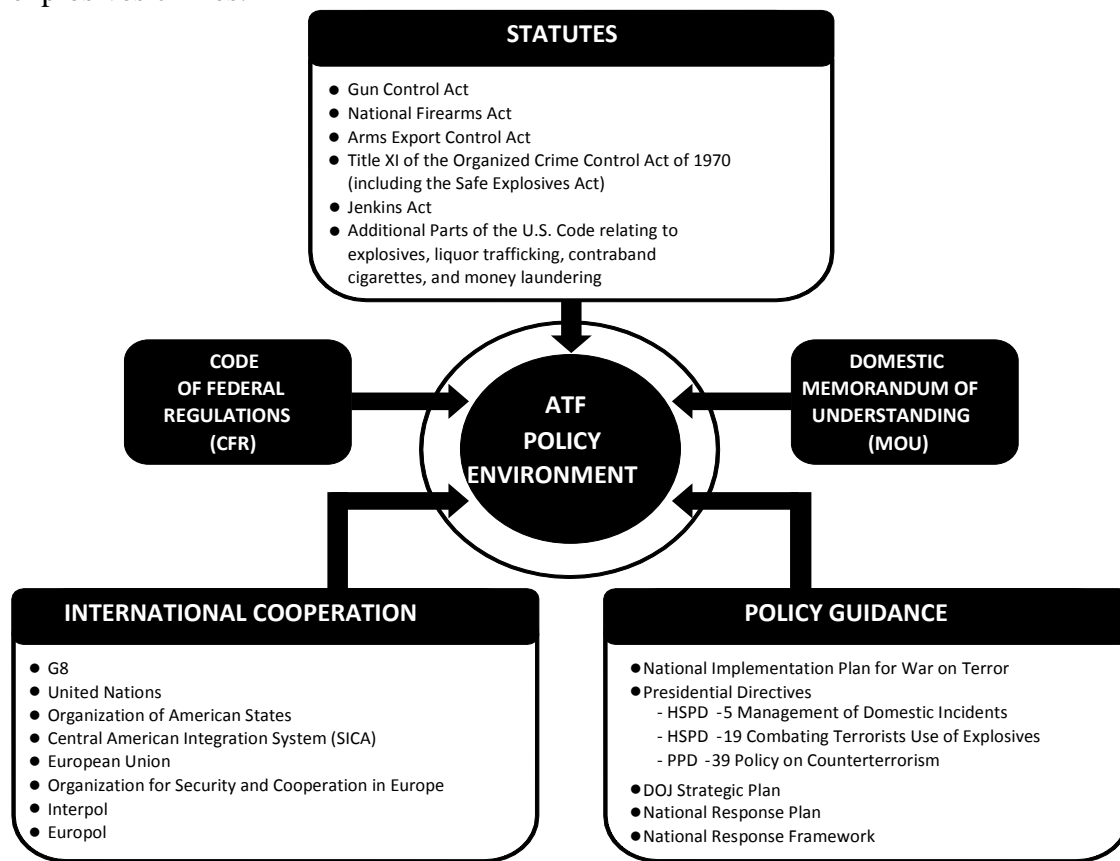
- **Strategic Goal - Modernization:** Modernize business processes and systems for improved information sharing, knowledge management, and use of innovative technologies to support ATF's critical mission.

- **Strategic Goal - Workforce:** ATF considers strengthening its workforce to be a strategic management goal to attract, develop, and retain an expert workforce to execute the ATF mission in the emerging business environment.

ATF’s 2010-2016 Strategic Plan can be found at the following link:  
[www.atf.gov/publications/general/strategic-plan/](http://www.atf.gov/publications/general/strategic-plan/).

### C. The Strategic and Statutory Approach

ATF protects our communities from violent crime and terrorism by investigating and preventing the illicit use of firearms and explosives. The combined impact of ATF’s regulatory authorities and investigative expertise makes ATF the preeminent agency for investigating firearms and explosives crimes.



### Policy and Statutory Environment for the ATF Strategy

ATF achieves results in addressing violent crime through our authority to enforce Federal firearms laws and regulations. ATF regulates the firearms and explosives industries to ensure Federal Firearms Licensees (FFL) and Federal Explosives Licensees (FEL) comply with all applicable laws and regulations. ATF regulates the firearms and explosives industries from the point of manufacture and/or importation through retail sale to ensure that FFLs and FELs and permittees comply with all applicable laws and regulations. ATF provides appropriate safeguards of inventories from theft, full accountability, and proactive inspection reporting.

As part of ATF's statutory responsibilities, ATF collects a series of taxes and fees. In the past five years, ATF has collected over \$112 million in taxes and fees on firearms and explosives that were deposited into the U.S. Treasury General Fund; these taxes and fees do not support any ATF operations or activities.

<b>ATF TAXES &amp; FEES COLLECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>5 Year Total</b>
<b>NFA Making and Transfer Taxes Collected</b>	\$4,982,707	\$6,509,993	\$7,649,312	\$7,183,511	\$9,575,859	<b>\$35,901,382</b>
<b>Special Occupational Taxes Collected</b>	\$1,928,866	\$2,115,783	\$2,267,008	\$2,530,463	\$2,951,807	<b>\$11,793,927</b>
<b>Taxes and Fees Collected (includes License Fees &amp; NFA Taxes)</b>	\$10,331,320	\$12,929,707	\$13,940,666	\$13,596,784	\$14,160,815	<b>\$64,959,292</b>
<b>Total Collected to Treasury General Fund</b>	\$17,242,893	\$21,555,483	\$23,856,986	\$23,310,758	\$26,688,481	<b>\$112,654,601</b>

ATF conducts outreach with the industries to educate and encourage voluntary controls and cooperation with law enforcement officials. ATF's regulatory function is a key component in the effort to stem the flow of firearms to prohibited persons and criminal organizations.

ATF enforces the provisions of the Gun Control Act (GCA) of 1968 and the National Firearms Act (NFA) of 1934--the two major laws enacted by Congress addressing firearms violence. ATF oversees the importation of arms, ammunitions, and implements of war as authorized by the Arms Export Control Act of 1976. ATF enforces the explosives and arson laws enacted by Title XI of the Organized Crime Control Act, as well as provisions of the Safe Explosives Act of 2002 (SEA), which expanded the Federal explosives laws and regulations by placing controls on the intrastate movement of explosives and mandating that all persons who receive explosives obtain a Federal license or permit and undergo a background check. ATF enforces the Contraband Cigarette Trafficking Act (CCTA), which focuses on detecting and disrupting tax evasion at the state and local levels in interstate commerce.

#### **D. Impacts on Violent Crimes**

ATF has played a significant role in reducing violent crime in the United States. The following statistics demonstrate ATF's successes.

- Between fiscal years 2003 and 2011, across all of ATF's violent crime programs, ATF recommended 110,650 cases and 162,577 defendants for prosecution.
- Over 61% of these defendants are previously convicted felons and 84% have prior arrest records.
- Of those recommended for prosecution, approximately 84,000 of the cases resulted in the indictment of about 121,200 defendants; of those, almost 66,200 cases resulted in the conviction of about 92,000 defendants.
- Nearly 74,600 defendants sentenced to an average prison term of 170 months.
- From FY 2003 through FY 2011, ATF recommended prosecution of 15,613 cases and 30,388 defendants for firearms trafficking- related offenses involving an estimated 494,562 weapons.



- In FY 2011, ATF's tobacco diversion program seized \$31.9 million in crime proceeds in tobacco diversion. These funds are either available for new tobacco diversion cases or are recouped to the Asset Forfeiture Fund.
- In FY 2009-10, ATF conducted an integrated training program focusing on firearms tracing, trafficking, and enforcement strategies for 2,892 Federal, state, and local law enforcement personnel.

ATF's active interdiction of firearms trafficking in the Southwest Border States of Arizona, California, New Mexico, and Texas between FY 2005 and FY 2011 is shown below.

- 1,471 cases involving 3,438 defendants have been recommended for prosecution.
- As of September 30, 2011, 2,376 defendants have been arrested, 2,338 defendants have been indicted, 1,549 defendants have been convicted, and 1,070 defendants have been sentenced to an average of 112 months incarceration.
- 442 of the cases and 1,467 of the defendants recommended for prosecution involve gang-related offenses.
- 752 cases have charged violations related to the trafficking of an estimated 26,129 firearms. A sub-set of 244 of these cases involved gang-related trafficking of over 8,564 firearms.
- In all investigations, over 10,500 firearms and approximately 1,407,000 rounds of ammunition have been seized and are no longer available to violent criminals and gang members and Mexican drug cartels.

*“The violence fueled by firearms trafficking is demonstrated in the crisis on our Southwest Border. Through firearms trafficking interdiction efforts, the Department will work to decrease the availability of illicit firearms and prosecute those who illegally supply firearms to persons prohibited from possessing them.”*

US Department of Justice Fiscal Years 2012-2016 Strategic Plan, page 18

## **E. Environmental Management**

ATF has fully implemented Environmental Management Systems at its four laboratories, in fact the Fire Research Laboratory (FRL) was designed to be environmentally-friendly. The FRL reuses 75% of the water utilized for fire suppression and controls its test fire emissions into the outside environment by using a wet electrostatic precipitator which virtually eliminates the exhaust contaminates. Additionally, ATF has reviewed its acquisition policy and procedures complying with the Department's Green Purchasing Program. Green purchasing training has been conducted for all Contracting Officers and Purchase Card Holders. The ATF established and met its Green Purchasing Program training goals in June 2010. ATF ensures that all new purchased and leased computers and monitors are EPEAT (Electronic Product Environmental Assessment Tool - [www.epeat.net](http://www.epeat.net)) – Silver rated and registered, and that IT service contracts and leases support EPEAT-registered products, ENERGY STAR features, environmentally sound management techniques, and do extend product lifecycles. ATF is developing policy and procedures to ensure compliance with Executive Order 13423, as it relates to Toxic and

Hazardous Chemical reduction, Sustainable Buildings, Energy Management, Transportation, Recycling, Water Management, Environmental Management Systems, and Electronics Stewardship. More information on Federal Environmental Requirements and DOJ's Environmental Programs can be found at [www.usdoj.gov/jmd/ep](http://www.usdoj.gov/jmd/ep).

## **F. Strategic Management of Human Capital**

ATF determined that improvements in human capital management could be achieved through the integration of the human resources and training functions in the workforce. This resulted in a consolidation of the training functions in the Office of Training and Professional Development (TPD) and the human resource functions in the Office of Management (OM). This consolidation established a single focal point for indentifying and addressing workforce issues, achieved a more comprehensive architecture and governance process for talent management, and ensured the alignment of human resource and training business processes to maximize the value of both. ATF can now establish a fully integrated workforce management strategy, using a competency-based approach to link recruitment, training, skill sets, succession planning, continuous learning, and performance management.

ATF continues to ensure that its promotion process is technically and legally sound. ATF continues to implement the President's Hiring Reform memorandum issued on May 11, 2010. The Hiring Reform memorandum included provisions for eliminating "essay questions" and narrative Knowledge, Skills, and Ability responses, allowing applications to apply with only a resume and increased the hiring manager's responsibility and accountability for successful recruitment and hiring. ATF continues to leverage technology with the use of an automated hiring system that allows applicants to upload their resumes and notifies them as they progress through the hiring timeline. ATF is focused on implementing improvements in the management of the on-boarding process and assimilation of new employees in order to improve job satisfaction and retention rates.

ATF has a significant technology-based training capability. In FY 2010, ATF received the Office of Government Ethics Education and Communication award in recognition of the use of technology to deliver ethics training to its employees. ATF utilizes a virtual classroom platform "LearnATF Live" generating efficiencies to allow Bureau employees nationwide to receive mandatory and professional training through the web while at their desks. In FY 2011, on-line courseware was improved through the integration of video, most prominently in our Occupant Emergency Plan training and our Professionalism in ATF courses. OPM has indicated an interest in the latter for potential availability to a wider government audience.

In March of 2011, ATF's first training program was accredited by the Federal Law Enforcement Training Accreditation (FLETA) Board. ATF's Explosives Detection Canine (EDC) Training Program was formally accredited. The accreditation signifies that the EDC program meets extensive, training program standards for assessment, design, delivery, and evaluation. The successful accreditation process is ATF's commitment to quality, professional training for our employees and stakeholders.

OPM approved a Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) for ATF in FY 2011, and these incentives were implemented in early FY 2012. Through these incentives, ATF was able to accelerate attrition and reduce salary costs.

### **G. Adjustments-to-Base (ATB) and Program Reductions:**

ATF requests \$28,239,000 in net ATBs to maintain current services levels in firearms, explosives, and arson enforcement activities; regulation of the industries; and in meeting critical Administration priorities. This ATB level supports additional rent costs for ATF's 99 New York Avenue NE Headquarters. Rent costs have increased due to the expiration of a GSA rent credit associated with the acquisition of the land on which ATF's Headquarters was constructed. Prior to construction, ATF acquired the property at 99 New York Avenue for \$15 Million. That cost was amortized for the last five years against ATF's monthly GSA rent at the Headquarters, reducing the annual cost. This credit ends in August 2012 and consequently ATF Headquarters rent will be increased.

ATF is experiencing personnel benefits and change in compensable days cost increases based on Federal Employees Retirement System (FERS), employee health insurance and employee retirement contribution increases and the Employee Compensation Fund for FY 2013. Additionally, the adjustments to base realize the increase for the FY 2013 pay raise.

In FY 2013, ATF will be responsible for centrally funded radio and information technology telecommunication costs previously managed by the Department. The transfer of this funding is critical to provide support to mission critical on site telecommunications in support of daily operations in the field.

ATF provided cost efficiencies in FY 2012 of \$13.5 million as noted in the FY 2012 Congressional spend plan highlighting demonstrating cost avoidance for the VERA/VSIP personnel reductions, National Integrated Ballistic Information Network (NIBIN) consolidation, reductions in state and local training, task force consolidations, and office closures and space reductions. In FY 2013, ATF will realize a payroll and benefit cost savings of approximately \$24.8 million as a result of the payroll and benefits reductions of the FY 2012 staffing reductions, including the VERA/VSIP action and hiring freeze, as well as general, administrative and program reductions. The 2012 and 2013 cost efficiencies totaling \$40.4 million will allow programs that are critical to public safety and continue at current rates in FY 2013.

Each of ATF's programs is essential to reducing violent crime, preventing terrorism, and protecting the Nation. ATF's unique regulatory authority over the firearms and explosives industries provides strong support to accomplishment of its law enforcement mission. ATF's mission and its FY 2013 budget request support the priorities of the Attorney General under the Department's Strategic Goals of promoting the Nation's security and preventing crime, enforcing Federal laws, and representing the rights of the American people.

**H. FY 2013 Decision Unit Profile:**

In response to the FY 2012 budget enacted annualizations of \$44.3 million for Southwest Border efforts from previous appropriations, in FY 2013 ATF realigned its budget request to reflect a Decision Unit structure as follows: Firearms – 76 %; Arson & Explosives – 22%; and Alcohol & Tobacco Diversion – 2%. This resource alignment is reflected below.

**ATF Resource Profile FY 2013**

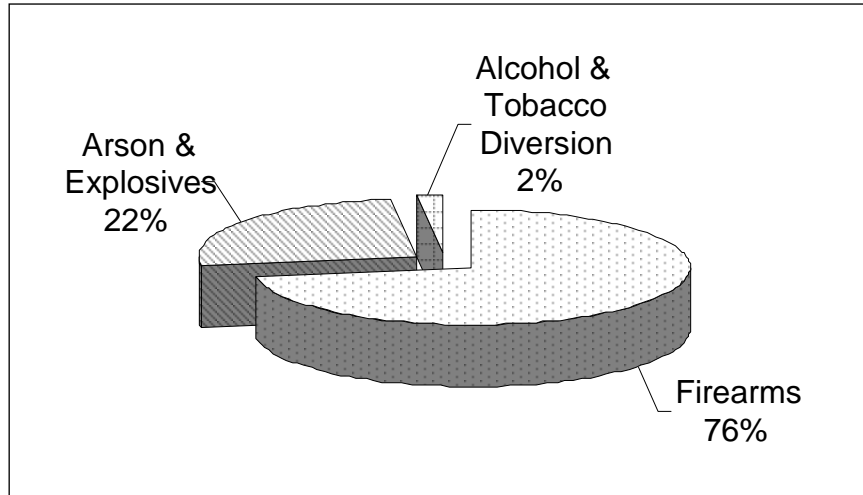
**Resources in Support of DOJ Strategic Goals 1 & 2**

<b>Decision Unit</b>	<b>FY 2011 Enacted FTE</b>	<b>FY 2011 Enacted (\$000)</b>	<b>FY 2012 Enacted FTE</b>	<b>FY 2012 Enacted (\$000)</b>	<b>FY 2013 Request FTE</b>	<b>FY 2013 Request (\$000)</b>
Firearms	3,698	\$834,407	3,769	\$875,520	3,694	\$876,542
Arson and Explosives	1,237	\$255,885	1,156	\$253,440	1,070	\$253,736
Alcohol and Tobacco Diversion	90	\$22,250	100	\$23,040	97	\$23,067
<b>Total ATF S&amp;E</b>	<b>5,025</b>	<b>\$1,112,542</b>	<b>5,025</b>	<b>\$1,152,000</b>	<b>4,861</b>	<b>\$1,153,345</b>

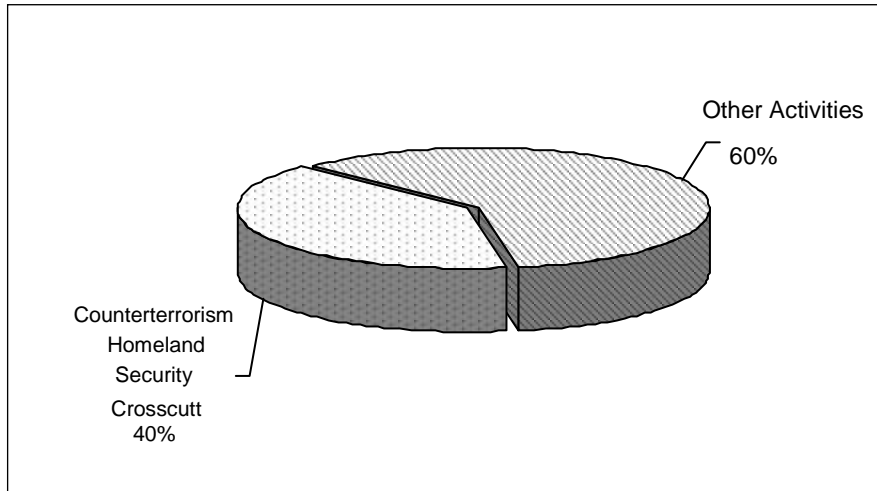
## S&E Resources in Support of DOJ Strategic Goals 1 & 2

### By Decision Units and Counterterrorism Crosscut

#### Decision Units



#### ATF Homeland Security Counterterrorism Crosscut



## II. Summary of Program Changes

Item Name	Description				Page
	S & E	Pos.	FTE	Dollars (\$000)	
Savings from Staffing and Contract Reductions	The Department and its components were under a hiring freeze during FY 2011 and 2012. ATF received VERA/VSIP authority to attain cost avoidance through these staffing reductions. Additionally, ATF has achieved administrative and program efficiencies through management of its contractual services.	(164)	(164)	(\$24,799)	
Information Technology (IT) Savings	The Department is implementing a cost saving through IT projects that are developing an infrastructure to enable DOJ components to better collaborate on IT contracting.	0	0	(\$2,095)	

### **III. Appropriations Language and Analysis of Appropriations Language**

#### **Appropriations Language**

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives, for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and for provision of laboratory assistance to State and local law enforcement agencies, with or without reimbursement, [\$1,152,000,000] *\$1,153,345,000*, of which not to exceed \$36,000 shall be for official reception and representation expenses, not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by section 924(d)(2) of title 18, United States Code, and not to exceed [\$15,000,000]*\$20,000,000* shall remain available until expended: Provided, That no funds appropriated herein [or hereafter] shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement an amendment or amendments to 27 CFR 478.118 or to change the definition of "Curios or relics" in 27 CFR 478.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, United States Code: Provided further, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments: Provided further, That[, during the current fiscal year and in each fiscal year thereafter,] no funds appropriated under this or any other Act may be used to disclose part or all of the contents of the Firearms Trace System database maintained by the National Trace Center of the Bureau of Alcohol, Tobacco, Firearms and Explosives or any information required to be kept by licensees pursuant to section 923(g) of title 18, United States Code, or required to be reported pursuant to paragraphs (3) and (7) of such section, except to: (1) a Federal, State, local, or tribal law enforcement agency, or a Federal, State, or local prosecutor; or (2) a foreign law enforcement agency solely in connection with or for use in a criminal investigation or prosecution; or (3) a Federal agency for a national security or intelligence purpose; unless such disclosure of such data to any of the entities described in (1), (2) or (3) of this proviso would compromise the identity of any undercover law enforcement officer or confidential informant, or interfere with any case under investigation; and no person or entity described in (1), (2) or (3) shall knowingly and publicly disclose such data; and all such data shall be immune from legal process, shall not be subject to subpoena or other discovery, shall be inadmissible in evidence, and shall not be used, relied on, or disclosed in any manner, nor shall testimony or other evidence be permitted based on the data, in a civil action in any State (including the District of Columbia) or Federal court or in an administrative proceeding other than a proceeding commenced by the Bureau of Alcohol, Tobacco,

Firearms and Explosives to enforce the provisions of chapter 44 of such title, or a review of such an action or proceeding; except that this proviso shall not be construed to prevent: (A) the disclosure of statistical information concerning total production, importation, and exportation by each licensed importer (as defined in section 921(a)(9) of such title) and licensed manufacturer (as defined in section 921(a)(10) of such title); (B) the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or (C) the publication of annual statistical reports on products regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives, including total production, importation, and exportation by each licensed importer (as so defined) and licensed manufacturer (as so defined), or statistical aggregate data regarding firearms traffickers and trafficking channels, or firearms misuse, felons, and trafficking investigations: Provided further, That no funds made available by this or any other Act shall be expended to promulgate or implement any rule requiring a physical inventory of any business licensed under section 923 of title 18, United States Code: Provided further, That[, hereafter,] no funds made available by this or any other Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code: Provided further, That no funds authorized or made available under this or any other Act may be used to deny any application for a license under section 923 of title 18, United States Code, or renewal of such a license due to a lack of business activity, provided that the applicant is otherwise eligible to receive such a license, and is eligible to report business income or to claim an income tax deduction for business expenses under the Internal Revenue Code of 1986.

(Cancellation)

Of the unobligated balances from prior year appropriations under this heading, \$12,400,000 are hereby permanently cancelled: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. (Department of Justice Appropriations Act, 2012.)

Note: The language proposed above differs from the language included in the Budget Appendix regarding the types of balances proposed for cancellation. The difference is due only to timing restrictions during production of these separate documents as it is the intent of both the language proposed in the Budget Appendix and the language proposed here to cancel expired balances or balances currently available.

### **Recommended change to Department of Justice General Provision for FY 2013**

Sec. 206. The Attorney General is authorized to extend through September 30, [2013] 2014 the Personnel Management demonstration project transferred to the Attorney General pursuant to section 1115 of the Homeland Security Act of 2002, Public Law 107-296 (28 U.S.C. 599B) without limitation on the number of employees or the positions covered.



### **Analysis of Appropriations Language**

Would extend the pay demonstration project for one year through September 30, 2013 with limit on the number of employees covered.

### **Recommended rescission to the Violent Crime Reduction Program**

Of the unobligated balances from prior year appropriations available under this heading, \$1,028,000 are hereby permanently cancelled: *Provided*, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

### **Analysis of Appropriations Language**

ATF is proposing a cancellation of \$1,028,000 from the Violent Crime Reduction Program that is statutorily unavailable for obligation in the VCRP account as ATF is not statutorily authorized to obligate funding for grants or cooperative agreements.

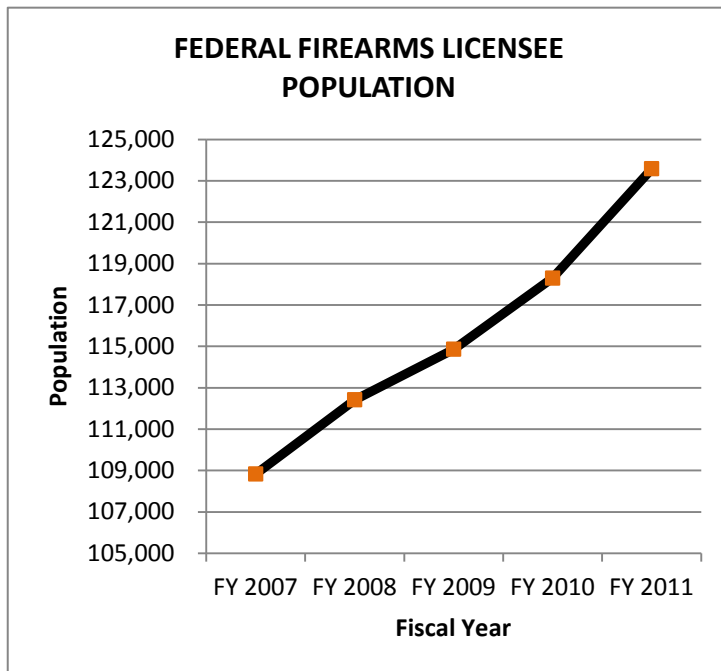
## IV. Decision Unit Justification

### A. Firearms

<b>Firearms TOTAL</b>	<b>Perm Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2011 Enacted w/Rescissions	3,826	3,769	834,407
2011 Supplemental	0	0	0
2011 Enacted w/Rescissions and Supplemental	3,826	3,769	834,407
2012 Enacted	3,826	3,769	875,520
Adjustments to Base and Technical Adjustments	51	50	21,461
2013 Current Services	3,877	3,819	896,981
2013 Program Increases	0	0	0
2013 Program Offsets	(125)	(125)	(20,439)
2013 Request	3,752	3,694	876,542
<b>Total Change 2012-2013</b>	<b>(74)</b>	<b>(75)</b>	<b>1,022</b>

#### 1. Program Description

ATF addresses firearms-related violent crime by enforcing Federal laws and regulations. We ensure that Federal Firearms Licensees (FFLs) comply with applicable laws and regulations, and we educate and recommend industry members implement voluntary controls and cooperate with law enforcement officials. ATF's regulatory function is a key component in our effort to stem the flow of firearms to prohibited persons and criminal organizations.



ATF regulates the manufacture, importation, and sale of firearms in the United States. ATF investigates FFL applicants to determine their eligibility to engage in a firearms business, and educates licensees on their legal responsibilities. ATF enforces the Brady Law, which requires that all FFL sales to non-licensed individuals include a background check to ensure that the purchaser is not a felon or other prohibited person. ATF requires that FFLs maintain records of their acquisition and disposition of firearms. ATF has the authority to request information from these records to assist with criminal investigations.

Through this regulatory framework, ATF tracks each firearm recovered in a crime from its point of manufacture or importation through the chain of distribution to the point of first retail sale, a

process known as “tracing.” By tracing all crime gun recoveries submitted to ATF, investigators are able to discern patterns of persons purchasing firearms, locations of purchase, and weapon types. These patterns provide invaluable leads in identifying persons who divert firearms into illegal commerce. By identifying and targeting these persons, ATF stems the flow of illegal guns and makes it difficult for convicted felons, drug traffickers, or gang members to obtain firearms for use in violent crimes. Moreover, by connecting a firearm to a gun trafficker, ATF links firearms sold by that trafficker to those who use firearms in violent crimes.

### ***ATF’s Integrated Violence Reduction Strategy (IVRS)***

According to the Centers for Disease Control’s National Center for Injury Prevention and Control, 44,466 people were assaulted with a firearm United States in 2009, the latest year’s data available. That equates to 122 people feloniously shot each day, of which 33 die. Firearms-related violent crimes, while fueled by various causes, often relate to, or stem from unlawful diversion of firearms from legal commerce into the hands of prohibited individuals who then leverage firearms acquisition to fund terrorism or to support drug or organized crime enterprises.

IVRS breaks this link by enforcing firearms laws to remove violent offenders from our communities, keeping firearms from prohibited possessors, halting illegal weapons transfers, eliminating illegal sources of firearms, and pursuing outreach and prevention efforts. The IVRS builds upon traditional enforcement efforts with state-of-the-art ballistic imaging technology, firearms tracing, intelligence and information sharing.

This is accomplished by:

- Partnering with Federal, state, local and tribal law enforcement agencies and prosecutors to develop focused enforcement strategies to investigate, arrest, and prosecute violent offenders and illegal domestic and international firearms traffickers.
- Providing leadership within the law enforcement community to effectively solve violent crimes using specialized resources, technology, and training.
- Ensuring FFLs implement accountable recordkeeping and business practices to prevent the acquisition of firearms by prohibited persons.
- Meeting with industry leaders to communicate firearms issues and government concerns through industry outreach.

### ***Reducing Violence through the Interdiction and Prevention of Firearms Trafficking***

ATF focuses on prohibiting access by individuals who cannot legally obtain a firearm at regulated retailers and secondary markets such as gun shows, flea markets, and the Internet. ATF’s statutory authority and long experience regulating the firearms industry, together with its unique technical/forensic capabilities, make ATF the Federal authority on illegal firearms trafficking and investigations.

ATF traces the movement of firearms from legal to illegal commerce, from source area to market area, and from trafficker to triggerman. ATF agents, Industry Operations Investigators (IOIs), and Federal prosecutors work together in a source area to deliver a major impact on violent crime

and gang violence in the respective market area, often thousands of miles away. These are often complex investigations targeting trafficking networks involving multiple sources, T-III interceptions, undercover surveillance and developing sources of information. Dismantling a gun trafficking organization wherever it operates, impacts the ability of criminals to threaten or harm our communities across the country.

The ATF National Tracing Center (NTC) is the only Federal law enforcement entity that can trace firearms from their manufacture or importation through distribution to the point of initial retail sale. Firearms trace data shows geographic market areas where crime guns are recovered and source areas that provide firearms to those markets. Illegal firearms traffickers employ a variety of schemes to obtain firearms which include straw purchases (where a legal purchaser buys a firearm on behalf of, or at the direction of, a prohibited purchaser), illegal acquisitions at gun shows, burglaries of gun stores, and thefts of interstate shipments of firearms by criminal organizations.

ATF's firearms trafficking interdiction strategy deploys resources to specific localities where there is a high incidence of gang and gun violence. ATF's Violent Crime Impact Team (VCIT) program, a vital IVRS component, is a particularly effective example of how focused law enforcement in violence-plagued, gang-infected communities reduces violent crime.

### ***Reducing Violent Gang Crime***

Since its creation as a bureau in 1972, ATF has established itself as a lead Federal agency in the investigation of violent gang-related crime. ATF has unique statutory authority over the "tools of the trade" that make gangs a threat to public safety. These tools include guns in the hands of felons and prohibited persons, and weapons and explosives used to further criminal activity. ATF targets and dismantles criminal organizations like Mara Salvatrucha (MS-13), Latin Kings, outlaw motorcycle gangs such as the Hells Angels and the Mongols, national gangs like the Crips and Bloods, Asian gangs, white supremacists, and innumerable neighborhood-based gangs that individually and collectively pose a great threat to the public safety. ATF's anti-gang strategy includes enforcing Federal statutes such as the Racketeer Influenced and Corrupt Organizations Act (RICO), the Hobbs Act and the Armed Career Criminal statute.

- ❖ Criminal gangs are active within all 50 states, the District of Columbia, and the American Commonwealths. Approximately 1.4 million gang members belong to more than 33,000 gangs.
- ❖ Gangs are responsible for an average of 48 percent of violent crime in most jurisdictions and up to 90 percent in several others.
- ❖ In 2009, the National Gang Threat Assessment reported that 94.3 percent of gang-related homicides involved the use of a firearm.

*“Law enforcement officials in 34 jurisdictions report that the majority of gang-related crime is committed with firearms... Gang members are acquiring high-powered, military-style weapons and equipment, resulting in potentially lethal encounters with law enforcement officers, rival gang*

*members, and innocent bystanders. Law enforcement officials in several regions nationwide report gang members in their jurisdiction are armed with military-style weapons, such as high-caliber semiautomatic rifles, semiautomatic variants of AK-47 assault rifles, grenades and body armor.”*

Source: The 2011 National Gang Threat Assessment

ATF's overall violent crime strategy is a comprehensive and aggressive approach utilizing unique and effective programs to impact violent crime. ATF's Frontline Initiative leverages all components of ATF to focus resources and enforcement activity into those areas most plagued by violent crime. Frontline is grounded in sound intelligence collection, analysis and sharing which allows for flexibility and de-confliction necessary for a cooperative approach with local and federal law enforcement agencies to identify and dismantle the most violent criminal organizations. Many successful programs, such as VCIT, are being revised and repositioned through the implementation of the Frontline Initiative so there will be consistency in mission, accountability, and standardized measurements for success across the country. ATF's Frontline Initiative will bring training resources in cutting edge enforcement strategies, violent crime trends and patterns and other pertinent subjects to local ATF offices and other state and local agencies. With VCIT and other programs uniquely tailored to ATF's mission of combating violent crime and with effective and pertinent training, ATF's Frontline Initiative will allow for effective use of resources and productive cooperation with law enforcement and community partners.

One of the signature programs within the national violent crime strategy is the VCIT program. The VCIT program was implemented in 2004 and focuses ATF's unique investigative resources on identifying the urban areas experiencing the most violent crime and then partnering with other Federal, state and local law enforcement agencies to dismantle these armed violent criminal organizations in selected areas and the “worst of the worst” operating within them. The selected areas will create a localized strategy and implementation plan and the VCIT activity will be measured with standardized metrics to ensure that ATF is effectively and efficiently focusing its unique investigative efforts where they are most needed.

### **Baltimore VCIT - Operation Tourniquet**

The VCIT, composed of ATF agents and Baltimore City police officers, performs long-term investigations that root out entire organizations responsible for violent crime. On May 28, 2009, the Baltimore VCIT led a force of over 300 agents and officers from local, State and Federal law enforcement agencies in dozens of raids at locations throughout Baltimore City and various counties in Maryland and California, seizing drugs and firearms and arresting 40 people on Federal gang racketeering and drug conspiracy charges. The arrests followed a sweeping, year-long investigation into criminal activity of the Pasadena Denver Lanes (PDL) Bloods gang, which originated in Southern California, but operates in Baltimore through various subsets.

The PDL Bloods gang operated in Maryland as an organized criminal enterprise with leaders and followers, who committed violent crimes, sold illegal drugs and paid dues to gang leaders in California. The suspected gang members engaged in attempted murders, assaults, robberies and

drug trafficking, and were required to commit acts of violence to maintain membership, according to the indictment. On December 3, 2011, the final PDL member pleaded guilty and was sentenced for racketeering conspiracy. With this guilty plea, all 23 defendants charged in the indictment with participating in the racketeering enterprise activities of the PDL Bloods gang have been convicted.

### **Pittsburgh VCIT - Northview Heights/Brighton Place Crips**

ATF perfected a comprehensive historical RICO investigation into these groups focusing on the violence they perpetrated. In February of 2010, a thirty-five (35) count indictment charged twenty-six (26) Crip members with Racketeering, Racketeering Conspiracy, Violent Crimes in Aid of Racketeering (VICAR) and other violent crimes, including Carjacking and Witness Intimidation. As of September 2011, all of these defendants have pled guilty and are facing sentencing ranges of up to 40 years incarceration.

From the early 1990s through present, members of the Brighton Place Crips (BPC) and Northview Heights Crips (NVHC) criminal street gangs have maintained a base of operation within the City of Pittsburgh's North Side and have allegedly committed numerous acts of violence to include over 50 homicides and over 150 non-fatal shootings. They engaged in firearms and narcotics trafficking as well as utilizing firearms in furtherance of the gang(s) enterprise.

ATF is currently leveraging information acquired through proffers of some of these defendants to solve several homicide cases, including the murder of a five-year-old child and a double homicide that resulted from a home invasion. Information provided by the Pittsburgh Bureau of Police (PBP) indicates a significant reduction in gang activity and firearms related violent crime on the North Side of Pittsburgh since these indictments and arrests.

### **Richmond VCIT – Gilpin Court**

In Richmond, Virginia VCIT is part of Crime Sweep which is thirteen local, state, and Federal law enforcement and criminal justice stakeholders who coordinate efforts to reduce violence and improve the quality of life in Richmond. The Crime Sweep, through crime analysis, deploys respective agency resources throughout the city with focused individual missions tailored to each agency's own mission, abilities and resources. Since its inception VCIT has fluidly adjusted its resources depending on the changing criminal environment. Over the years VCIT focused on select geographic areas for usually 12 month periods and arm commercial robberies.

Most recently in January 2011, VCIT targeted the Gilpin Court housing project in Richmond while maintaining resources dedicated to robberies and the Richmond Police Department (RPD) Violent Crime Unit. VCIT joined with the Virginia Attorney General's Office and their Gang Reduction and Intervention Program (GRIP) to address the violent crime that has become systemic in the Gilpin Court housing project.

Gilpin Court is comprised of 781 low income subsidized housing units with an estimated 2,400 residents. In the calendar year of 2010 there were 24 shooting victims within Gilpin Court which

is significantly higher than any other neighborhood within the city. The Gilpin VCIT enlisted tactics with a focus on disrupting the systemic violence associated with individuals and loosely confederated individuals that are involved in the use and/or distribution of illegal drugs and/or other inherently violent illegal enterprises through enforcement, prevention and education. Arguably the most significant tactics employed by the VCIT were: 1) identifying through human intelligence the most violent offenders in the area; 2) making home and street visits with these subjects; and 3) notifying them that VCIT was aware of their propensity for violence and that all legal means available would be employed to hold those responsible for past and future violent acts. As an alternative all were offered the services being provided by GRIP. As a result of the efforts of ATF and its partners the number of shooting victims in 2011 was reduced to five.

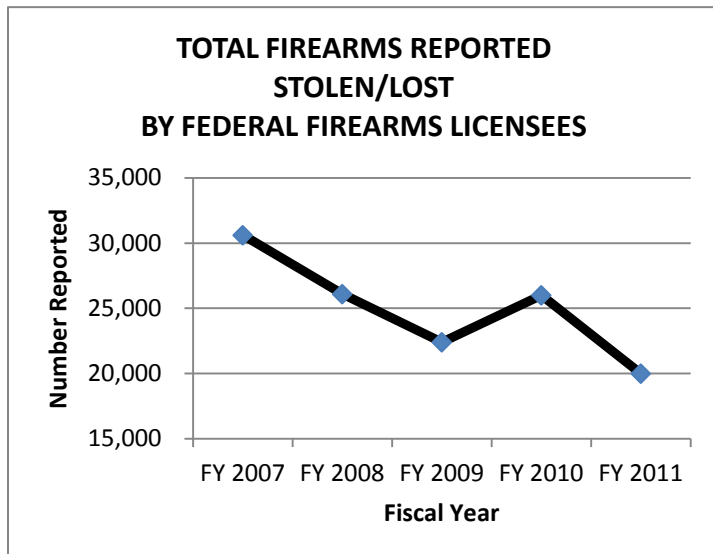
*“Confronting violent street gangs, international gangs operating within the United States and abroad, and cartels along the Southwest Border is a paramount concern for the United States.”*

Source: US Department of Justice Fiscal Years 2012-2016 Strategic Plan, page 17

- In the 31 VCIT task force cities since 2004:
- ❖ The teams have obtained convictions against over 4,950 defendants; nearly 84% were sentenced to prison, with an average sentence of 19.7 years.
  - ❖ In FY 2011, ATF referred 5,206 gang related defendants for prosecution.
  - ❖ In fiscal years 2003 through 2011, an average of 12% of all ATF cases and 21% of all ATF defendants referred for prosecution (13,585 cases and 33,563 defendants) involved allegations of gang-related criminal conduct.
  - ❖ Many of these cases involve firearms and RICO violations, as well as violations of explosives laws.

***Reducing Violent Crime through Effective Regulation of the Firearms Industry***

To prevent individuals from buying firearms by falsely claiming to be an FFL, ATF provides licensees with access to the “FFL EZ Check” database, which allows FFLs to verify the



legitimacy of the licensee before shipping or disposing of a firearm.

ATF’s Federal Firearms Licensing Center (FFLC) issues licenses to legitimate firearms manufacturers, importers, and dealers. ATF investigates firearms license applicants for Federal prohibitions such as felony convictions, illicit drug use, illegal alien status, mental illness, or minimum age requirement.

Proper and timely recordkeeping by FFLs is critical to the success of a

crime gun trace and is required for all firearms transactions by licensees. This is critical nexus unique in law enforcement between industry and tracing that ATF applies to violent criminal activity. Failing to account for firearms is a serious public safety concern because unaccounted firearms cannot be completely traced to the retail purchaser. ATF's FFL inspection program includes using firearms trace information on recovered firearms to detect indicators of illegal firearms trafficking and provide leads for inspections of specific dealers.

Along with conducting face-to-face qualifying inspections of all new license applicants, ATF conducts compliance inspections of current FFLs and collaborates with the industry on voluntary compliance efforts. ATF employs approximately 650 non-supervisory, field-based IOIs to investigate approximately 124,600 firearms licensees, approximately 59,700 of which are collectors of specialty firearms, *e.g.* curios and relics. In FY 2011, these IOIs conducted compliance inspections of more than 11,400 active FFLs.

ATF IOIs inspect FFLs to ensure compliance with the Gun Control Act (GCA). Responses to non-compliance include issuing a "Report of Violations," sending a "Warning Letter," or holding a "Warning Conference" with the FFL. On rare occasions, ATF encounters a licensee who fails to comply with laws and regulations or who demonstrates a lack of commitment to improving their business practices. In such cases, ATF's obligation to protect public safety may require revocation of the Federal firearms license.

The Attorney General has delegated to ATF the authority to administer the permanent importation provisions of the Arms Export control Act (AECA). Under the AECA, ATF regulates the permanent importation of firearms, ammunition, and implements of war into the U.S. ATF processes applications to import items from domestic businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after having lived abroad. Through industry outreach and regulation, ATF provides technical advice to the public regarding import requirements applicable to firearms, ammunition, and implements of war.

- In fiscal year 2011, ATF conducted 13,159 compliance inspections.
- 50.3 percent of the licensees inspected were determined to be in full compliance with the law and regulations and no violations of any type were cited.
- 74 percent of the licensees inspected as "Compliant" with laws and regulations.
- 16 percent as "At risk".
- 4 percent as "Non-compliant".
- 6 percent of compliance inspections did not require a determination of the licensees' level of compliance (*e.g.*, theft investigations, assists to criminal investigations, etc.).
- 57 compliance inspections recommended license revocation or denial of an application for renewal of a Federal firearms license due to willful violations, representing less than one percent of the number of licensees inspected.
- ATF reviewed more than 1.76 million firearms transfer records for legal sufficiency and validated over 322,000 National Instant Check submissions.



- During compliance inspections conducted in 2011, ATF investigators identified 177,514 firearms that FFLs could not locate in inventory or account for by disposition or theft.
- By working with industry members, IOIs reduced the 177,514 unaccounted-for firearms to approximately 18,527 unaccounted-for firearms. ATF successfully improved the rate of potential firearms traces by 90 percent.
- In FY 2011, as a result of firearms licensee inspections, ATF IOI's made 977 referrals of information to ATF criminal enforcement and other law enforcement agencies which identified potential criminal activity.

### ***Reducing Violence on the Southwest Border***

The violence fueled by firearms trafficking is evident in the crisis on our Southwest Border. Our firearms trafficking strategy complements our continued focus on deploying resources to specific localities where there is a high incidence of gang and gun violence. Recent investigative data have shown an increase in the number of firearms recovered in Mexico, and these firearms fuel the growing violence within Mexico and along the border. In partnership with other U.S. agencies and the government of Mexico, ATF investigates the sources of firearms illegally trafficked from the U.S. into the hands of Mexican criminal groups and individuals. These firearms are identified from trace data derived from firearm recoveries and subsequent trace requests made by our Mexican counterparts, as well as through proactive criminal investigations initiated in the U.S. based on tactical and strategic intelligence and information. In the overarching U.S. Government Southwest Border strategy, ATF stems the illegal trafficking of weapons across the border and reduces the firearms-driven violence now occurring on both sides of the border.

ATF's firearms trafficking strategy is successfully interdicting the flow of weapons along the Southwest Border. ATF continues to focus on investigative resources in specific localities where there is a high incidence of gang and gun violence. ATF's comprehensive eTrace training program in Mexico, assisted in increasing that nation's firearms investigative capability. In calendar year 2010 the Government of Mexico recovered and traced 8,060 firearms while in calendar year 2011, after ongoing training by ATF, the Government of Mexico recovered and traced 13,594 firearms. The increase in recoveries provided critical information in identifying suspected firearms traffickers.

In partnership with other U.S. agencies and the Government of Mexico, ATF investigates the sources of firearms illegally trafficked from the U.S. into the hands of Mexican criminal groups and individuals. These firearms are identified from trace data derived from firearm recoveries and subsequent trace requests made by our Mexican counterparts, as well as through proactive criminal investigations initiated in the U.S. based on tactical and strategic intelligence and information. Since 2006, ATF has seized over 10,300 firearms and 1.3 million rounds of ammunition that was headed towards Mexico.

Firearms tracing, including the expansion of the eTrace (electronic firearms tracing system) into the nine U.S. Consulates in Mexico, has been critical to a comprehensive Southwest Border strategy. Further, ATF extensively trains Mexican law enforcement personnel on firearms

tracing and trafficking techniques. ATF and the Government of Mexico continue to enhance the firearms tracing process through deployment of a Spanish-language version of eTrace to designated Mexican law enforcement agencies. ATF has deployed eTrace to 31 countries including Mexico. Brazil may be added in FY 2013.

In 2011, ATF opened two new offices in Sierra Vista, AZ., and Brownsville, TX. These offices will allow ATF to have a greater impact on the trafficking of weapons to Mexico. It will also allow ATF to better coordinate its investigative resources with other Federal, state, local and tribal law enforcement partners. These offices will also deploy increased IOI capacity to more effectively inspect FFL's along the border to identify possible trafficking schemes as they are occurring.

Mexican drug cartels minimize risk by acquiring the firearms for crimes as close to the U.S.-Mexico border as possible. Varying State firearms laws along the U.S. – Mexico border assist drug cartels to acquire weapons. Texas and Arizona are the top two source states for short time-to-crime firearms recovered in Mexico (time-to-crime is the amount of time from when an FFL records the purchase of a firearm and the time it is recovered in a crime and traced). There are firearms trafficked to Mexico from other U.S. states, but the short time-to-crime firearms crimes in Mexico are not as prevalent as those from U.S. border States. This is not to minimize crime guns from other U.S. source states. ATF's impact is its focus on short time-to-crime firearms with intelligence efforts centered on firearms recovered in Mexico and enforcement efforts directed at U.S. Southwest border source states.

Trends indicate that the firearms illegally crossing the U.S.-Mexico border, in particular the "weapons of choice" of Mexican criminal organizations, are increasingly of higher calibers and greater lethality. In many cases these firearms meet or exceed the caliber of weapons used by Mexican law enforcement and military forces, thus increasing the criminal threat to the population. ATF analyzed tracing data from firearms seizures in Mexico from FY 2007 to FY 2011 and identified 7.62mm and .223 caliber as those most commonly used by criminals. Most of the firearms violence in Mexico is perpetrated by cartels/transnational criminal organizations (TCOs). These Mexican TCOs, among the leading gun trafficking organizations operating in the U.S., compete for control of highly lucrative drug and firearms trafficking routes into and out of the United States. TCOs in Mexico enforce and maintain their narcotics operations by relying on a steady supply of firearms from a variety of legal and illegal sources. A contiguous land border and a U.S. legal retail market for firearms make the border area an attractive source for Mexican cartels to acquire weapons. Intelligence indicates that the Mexican cartels have tasked their financial, distribution, and transportation infrastructures with reaching into the U.S. to acquire firearms and ammunition.

To disrupt firearms trafficking corridors along the Southwest Border, groups located in El Paso, Brownsville, Houston, McAllen, El Centro, Las Cruces, Phoenix, Sierra Vista and Tucson are focused exclusively on investigating firearms trafficking to Mexico. These nine groups employ both special agents and IOIs to aggressively bring to bear ATF's unique abilities to stem the flow of firearms into Mexico. The groups compliment ATF's overall mission of stemming the illegal trafficking of firearms, within the U.S. to countries across the world. In addition to the special

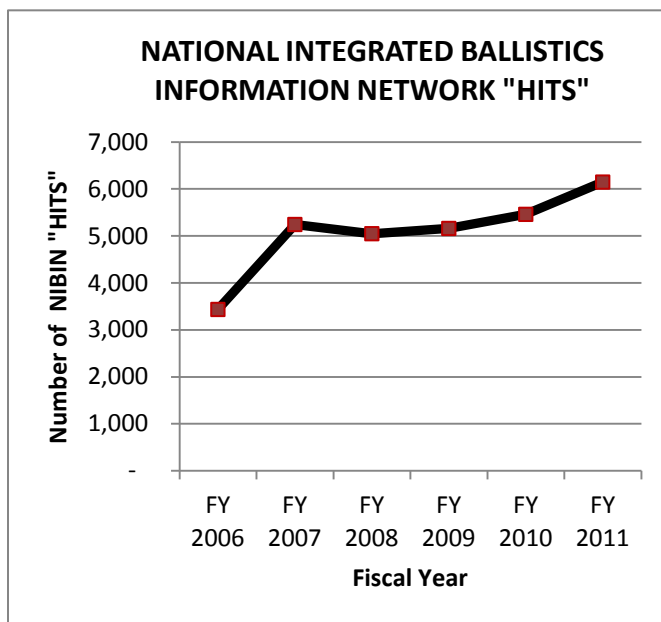
agents and IOIs, ATF utilizes forensic auditors, laboratory personnel and explosives specialists throughout the U.S. and in Mexico to investigate firearms trafficking.

*“The desired outcomes of the strategies are to increase the security U.S. citizens along the Southwest Border and throughout the country; reduce the flow of contraband, primarily drugs, entering the United States; reduce the flow of weapons and illegal cash into Mexico. The strategies will continue to foster coordinated, nationwide investigations and prosecutions that incapacitate the cartels by incarcerating large segments of the leadership cadres while simultaneously destroying their financial infrastructure through seizure and forfeiture of cartel assets.”*

Source: US Department of Justice Fiscal Years 2012-2016 Strategic Plan, pages 23-24

### ***Reducing Violent Firearm Crime with National Information Sharing***

ATF maintains an extensive firearms reference collection that includes technical firearms



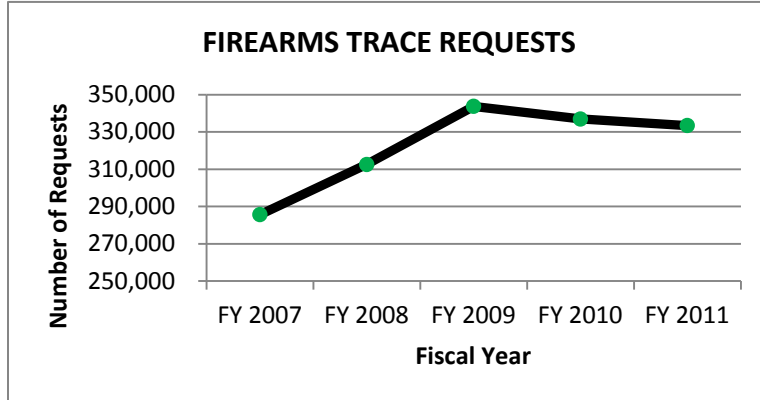
reference files, a library, and firearms technical and reference databases. ATF responds to Federal, state, and local law enforcement agencies, the firearms industry, Congress, and the public when requested to test, evaluate, or provide expert testimony regarding firearms and ammunition. ATF is responsible for rendering opinions regarding the classification of suspected illegal firearms and newly designed firearms.

ATF collects, reports, and shares ballistic intelligence to identify, target, and dismantle violent gangs and criminal organizations engaged in firearms-related violent crimes. ATF administers automated ballistic imaging technology for

Federal, state, and local law enforcement, forensic science, and attorney agencies in the United States through ATF’s National Integrated Ballistic Information Network (NIBIN). NIBIN partners use Integrated Ballistic Identification Systems (IBIS) to acquire digital images of markings made on spent ammunition recovered from a crime scene or a crime gun test fire, and then match and compare those images with earlier NIBIN entries. These matches are commonly referred to as “hits.”

ATF’s National Tracing Center (NTC) is another key component in fighting violent crime. Each year, the NTC traces hundreds of thousands of recovered crime guns for law enforcement. In FY 2011, the NTC traced 333,445 firearms recovered in crimes for law enforcement agencies in over 50 different countries. The NTC anticipates that it will receive about 293,000 trace requests in

FY 2012 and about 330,000 trace requests in FY 2013. The NTC is the only repository of all



crime gun trace data, multiple handgun sales information, FFL Theft information, Interstate Theft information, suspect gun information, and over 400 million firearms transaction records from out-of-business FFLs.

The trace information allows ATF to link suspects to firearms in criminal investigations for Federal, state, and local law enforcement

agencies making the trace requests; to identify illegal firearms traffickers through recurring patterns and trends indicative of illegal firearms trafficking; and provides ATF a means through analysis of the aggregate trace data to help communities develop focused strategies and programs that address specific factors that contribute to armed crime.

Information gathered from tracing firearms recovered in crimes provides investigative leads to identify illegal firearms traffickers, straw purchasers, and others involved in violent firearms crime, including criminal gang members. Firearm trace data identifies “hot spots” of criminal activity and locates weapons sources even if they are in other states, across the country, or in another country. ATF uses this data to target and perfect its own criminal investigations, and transmits information to Foreign, Federal, state and local law enforcement.

ATF’s National Tracing Center performs a number of functions that play a critical role in disrupting the flow of illegal guns and improving FFL compliance with Federal gun laws. Below are some of the key functions of the NTC.

- **Firearms Tracing Program:** The NTC conducts firearms tracing for Federal, state, local and foreign law enforcement agencies in order to produce investigative leads. A firearms trace is the systematic tracking of a firearm recovered by law enforcement in a crime from its manufacturer or importation, through a chain of distribution, normally involving a wholesaler and a retail dealer, to the first unlicensed purchaser. The NTC traced 333,445 requests in FY 2011.
- **eTrace Program:** This is a web-based firearms tracing system interface that ATF developed to allow law enforcement agencies to securely submit trace requests via the Internet, receive trace results, and perform analysis of the data. eTrace is the primary means through which a law enforcement agency interacts with the NTC. To date, more than 3,900 law enforcement agencies use eTrace to submit their trace requests to the NTC, including law enforcement agencies from 31 foreign countries.
- **Suspect Gun Program:** A suspect gun is a firearm that has not been recovered by law enforcement but is suspected to be involved in criminal activity by ATF. An ATF agent with an open criminal investigation may flag the firearm in the Firearms Tracing System

(FTS) so that if it is subsequently recovered and traced by a law enforcement agency, the ATF agent will be notified of its recovery and criminal investigations can be coordinated.

- **FFL Theft Program:** FFLs are required to report the theft or loss of firearms in their inventory to ATF's National Tracing Center within 48 hours so that when they are recovered and traced by a law enforcement agency, the criminal investigations can be coordinated. There is an average of about 19,000 firearms reported stolen or lost each year.
- **Interstate Theft Program:** Interstate carriers can voluntarily report the theft or loss of firearms in transit to ATF's National Tracing Center so that if they are recovered and traced by a law enforcement agency, the criminal investigations can be coordinated. There were about 1,000 firearms reported stolen by interstate carriers in FY 2011.
- **Obliterated Serial Number Program:** Allows law enforcement agencies to submit firearms trace requests to ATF's National Tracing Center with partial serial numbers from crime guns recovered with obliterated serial numbers to identify the crime gun and develop investigative leads. The NTC received about 10,000 firearm trace requests in FY 2011 with only partial serial numbers.
- **International Tracing:** ATF traces firearms for foreign law enforcement agencies to provide investigative leads, detect firearms traffickers and to determine international firearms trafficking routes. More than 50 countries annually submit trace requests to the NTC.
- **Out-Of-Business Records:** When an FFL discontinues business, it must send its firearms transactions records to the NTC. The NTC receives an average of 1.2 million out-of-business records per month and is the only repository for these records within the U.S. These records are used to complete trace requests. On average nearly 39 percent of all trace requests have at least one FFL in the chain of distribution that has gone out of business.
- **Record Search Requests:** By searching the out-of-business FFL records, the NTC can assist law enforcement agencies investigating the theft of firearms to obtain firearms serial numbers. This is conducted when the owner has no record of the firearm serial number and the FFL from whom the owner purchased the firearm is now out of business. The NTC conducts record search requests for law enforcement over 1,000 times each year.
- **Certified Trace Requests:** The NTC validates and certifies firearms trace records and FFL out-of-business records for ATF and U.S. prosecutors for criminal court purposes.
- **Access 2000 Program:** FFLs are required to respond to trace requests within 24 hours. Often times this is a burden on FFLs as they may voluntarily participate in the ATF program that places a server at their location to handle trace requests. The FFL can export their firearm disposition information to the ATF server; allowing FFLs to comply

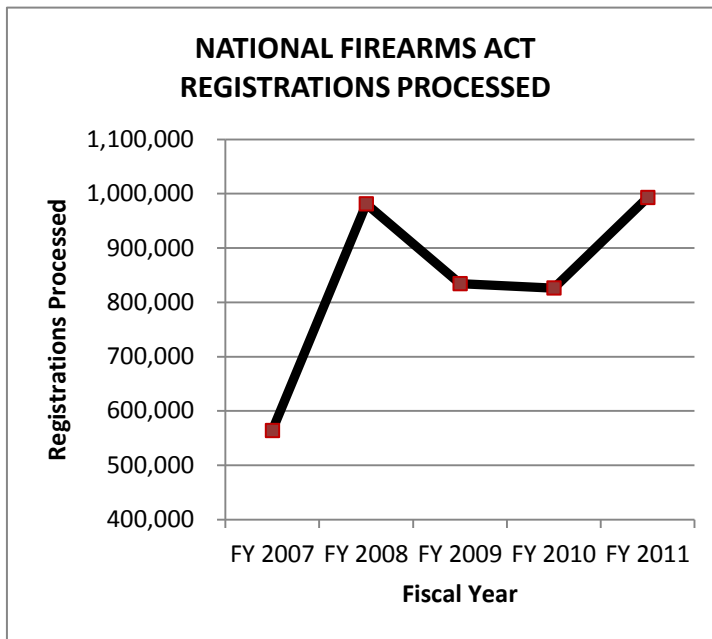
with disposition information requirements without the FFL having to staff the process on their end. The NTC used Access 2000 to acquire dispositions for over 138,000 firearms trace requests in FY 2011.

- **Demand Letter 2 Project:** The NTC is authorized to require FFL who have had 10 or more crime guns traced through them in the previous year to provide the NTC with their acquisition records relating to used firearms on a quarterly basis. This requirement is referred to as Demand Letter 2 by ATF. There were about 900 FFLs subject to Demand Letter 2 in FY-2011. The NTC received reports involving more than 600,000 used firearms in FY 2011 and completed more than 7,700 firearms trace requests using the Demand Letter 2 data.

### National Firearms Act (NFA) Enforcement

- **Weapons.** The NFA requires registration and tax payment for making or transferring the following types of firearms: machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as “any other weapons.” The NFA mandates that individuals as well as firearms manufacturers and importers register the NFA firearms that they make, manufacture, or import, and that ATF approve in advance all NFA firearms transfers and exports.

The NFA taxes the manufacture and transfer of NFA firearms, and directs manufacturers, importers, and dealers to pay a special occupational tax.



ATF processes all applications to manufacture, transfer, and register NFA firearms, as well as notices of NFA firearms manufactured or imported. During FY 2011 ATF processed 105,373 NFA applications involving 992,975 NFA weapons. The registration information is recorded in the National Firearms Registration and Transfer Record (NFRTR). The NFRTR supports ATF’s efforts to inspect firearms licensees and conduct criminal investigations. ATF has unique statutory authority to

classify weapons under the NFA. ATF continually provides technical information to the industry and the public concerning compliance with the NFA.

- ***Importation of Firearms.*** ATF regulates the importation of firearms, ammunition, and other defense-related articles by issuing import permits. ATF also regulates the importation of firearms and ammunition by non-immigrant aliens. ATF maintains close liaison with the Department of State and U.S. Customs and Border Protection to ensure that the permits issued do not conflict with the foreign policy and national security interests of the U.S.
- ***ATF Interaction with the Firearms Industry.*** ATF updates members of the regulated firearms community on statutory, regulatory, and policy changes that affect their day-to-day operations and routinely holds seminars with industry associations such as the National Firearms Act Trade and Collectors Association, Firearms and Ammunition Importers Roundtable, National Shooting Sports Foundation, National Pawnbrokers Association, the National Association of Arms Shows, and similar industry groups.

ATF publishes pertinent articles in its semi-annual FFL Newsletter and conducts seminars for licensees at various locations. In addition, ATF frequently participates in gun show events throughout the country to answer questions and provide handout material about firearms laws and regulations to the public.

- ***International Policy.*** At the request of the Department of State, ATF serves as an advocate for the firearms policies of the U.S. in international forums such as the United Nations and the Organization of American States. ATF ensures that the international firearms agreements in which the U.S. participates are consistent with U.S. laws, regulations, policies, and practices. The United Nations Program of Action, the Organization of American States Convention on Firearms, and the International Tracing Instrument are just a few of the agreements through which ATF protects the policies of the U.S. in international settings.

### **Emergency Support Function #13 (ESF #13)**

In reaction to *The Federal Response to Hurricane Katrina: Lessons Learned* report of February 2006, the Department of Justice (DOJ) was appointed the sole coordinating agency for ESF #13. DOJ has designated ATF as the DOJ coordinating agency for ESF #13.

ESF #13, Public Safety and Security, is one of the 15 Emergency Support Functions (ESFs) that support the National Response Framework (NRF), originally adopted as the National Response Plan by President George W. Bush in 2004. The NRF presents the guiding principles that enable all response partners to prepare for and provide a unified national response to disasters and emergencies. It was written to guide the integration of Federal, State, local, tribal and territorial (FSLTT) response efforts. ESF #13 serves as coordination mechanism that enhances the capabilities of law enforcement overwhelmed or incapacitated by a disaster or incident.

The ESF #13 mission consists of three primary functions:

- Provide Federal law enforcement assistance to other FSLTT departments/agencies (D/As) overwhelmed by the consequences of an incident.

- Provide assistance to FSLTT law enforcement D/As to protect critical infrastructure/key resources when a credible threat exists and security is insufficient.
- Provide force protection to other responding ESF resources when their parent D/A is not capable of providing security.

ESF #13 capabilities support incident management requirements including, but not limited to, force and critical infrastructure protection, security planning and technical assistance, technology support, and general law enforcement assistance in both pre-incident and post-incident situations.



## 2. Performance Tables – Firearms

PERFORMANCE AND RESOURCES TABLE											
Decision Unit: Firearms											
DOJ Strategic Goal/Objective: Goal 2, Objective 2.2											
WORKLOAD/RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2011		FY 2011		FY 2012		Current Services Adjustments and FY 2013 Program Change		FY 2013 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		3,769	\$834,407	3,377	\$839,579	3,769	\$875,520	(75)	\$1,022	3,694	\$876,542
Program Activity	Criminal Enforcement	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		3,002	\$701,945	2,735	\$705,246	3,060	\$736,532	(60)	\$860	3,000	\$737,392
OUTCOME Measure	Reduce the risk to public safety caused by illegal firearms trafficking	100		100.8		89		(1)		88	
OUTCOME Measure	Reduce the risk to public safety caused by criminal possession and use of firearms	100		100.6		79		(3)		76	
OUTCOME Measure	Reduce the risk to public safety caused by criminal organizations and gangs	100		96.8		74		(1)		73	

**Footnote:** ATF has established a benchmark for its performance index using FY 2010 actual performance data and resource levels. The benchmark level is expressed as a performance index target of “100” in the FY 2011 Congressional Budget Request. From this benchmark, ATF has determined the FY 2012 performance targets by estimating expected performance with the level of resources at the FY 2012 current rate. ATF’s FY 2012 performance targets represent the Bureau’s capability (relative to the FY 2010 benchmark level and within the resources requested) to impact strategic risk areas (Performance Goals/Outcome). Using the underlying benchmarked proxy index indicators as a starting point, ATF is able to project anticipated mission performance, with results displayed at the performance goal index levels (Actuals). Please refer to section 3.a. for a discussion of the Performance Plan and Report of Outcomes.

		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2011		FY 2011		FY 2012		Current Services Adjustments and FY 2013 Program Change		FY 2013 Request	
Program Activity	Regulatory Compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
				696	\$132,462	642	\$134,333	709	\$138,988	(15)	163
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members	100		102.2		70		1		71	

**PERFORMANCE MEASURE TABLE**

**Decision Unit: Firearms**

Performance Report and Performance Plan Targets		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		FY 2012	FY 2013
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the risk to public safety caused by illegal firearms trafficking	N/A	N/A	N/A	N/A	N/A	100.4	100	100.8	89	88
OUTCOME Measure	Reduce the risk to public safety caused by criminal possession and use of firearms	N/A	N/A	N/A	N/A	N/A	99.8	100	100.6	79	76
OUTCOME Measure	Reduce the risk to public safety caused by criminal organizations and gangs	N/A	N/A	N/A	N/A	N/A	95.8	100	96.8	74	73
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members	N/A	N/A	N/A	N/A	N/A	98.7	100	102.2	70	71

### 3. Performance, Resources, and Strategies (Firearms)

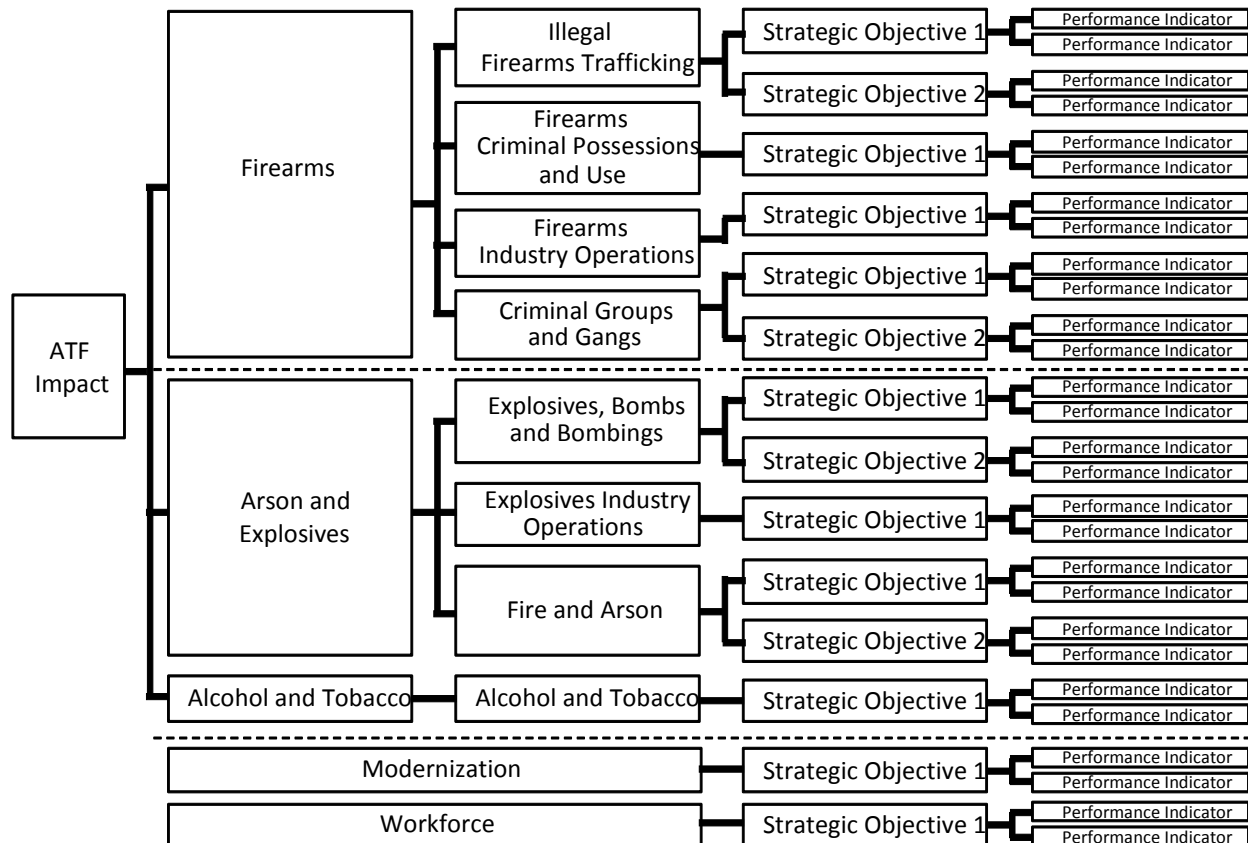
ATF specializes in investigating sources of illegal crime guns; the illegal acquisition of firearms; and the possession, use, and trafficking of firearms at the national and international level. ATF aligns assets to maximize performance by leveraging forensic, technical, scientific and legal expertise, and sustaining partnerships with other law enforcement agencies.

#### a. Performance Plan and Report for Outcomes

ATF has developed a Performance Index to measure ATF’s 10 core functions as well as the strategic goals and strategic objectives. The Index includes a performance goal statement for each core function. ATF’s outcome-based performance goal statements are shown below:

<i>Core Function</i>	<i>Performance Goal Statement</i>
<b>Illegal Firearms Trafficking</b>	Reduce the risk to public safety caused by illegal firearms trafficking
<b>Firearms Criminal Possession and Use</b>	Reduce the risk to public safety caused by criminal possession and use of firearms
<b>Firearms Industry Operations</b>	Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members
<b>Criminal Groups and Gangs</b>	Reduce the risk to public safety caused by criminal organizations and gangs
<b>Explosives, Bombs, and Bombings</b>	Reduce the risk to public safety caused by bombs and explosives
<b>Explosives Industry Operations</b>	Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members
<b>Fire and Arson</b>	Reduce the risk to public safety caused by the criminal use of fire
<b>Alcohol and Tobacco</b>	Reduce the risk to public safety and reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking
<b>Modernization</b>	Modernize business processes and systems for improved mission effectiveness and transparency
<b>Workforce</b>	Attract, develop, and retain an expert workforce to execute the ATF mission

In the Index, each performance goal statement aligns with specified strategic objectives and their corresponding performance indicators. This structure allows ATF to evaluate performance at each level: enterprise, budget decision unit, core function/performance goal statement, and strategic objective, and to use performance indicators to track progress against targets.



Applying an index to gauge performance is a widely accepted practice for compiling multiple performance indicators into a single number. Examples of indices used elsewhere in the Federal government include the Environmental Protection Agency’s UV Index and the FBI’s annual calculation of a crime rate that results in the FBI Uniform Crime Report. As used at ATF, the Index number moves up or down and portrays the progress made against pre-established performance goal statements.

The Index measures progress against quantifiable goals or targets. ATF has established a target for each performance indicator included in the Index based on historic performance and ATF’s current or anticipated operating environment. Each element of the Index (performance indicator, strategic objective, performance goal statement, and budget decision unit) is assigned a weight to show its strength relative to the overall Index. The weight assigned to each of the performance indicators is based on the indicator’s effectiveness as a measure of its respective performance goal statement. The weight of each strategic objective is the sum of the weights of the performance indicators that comprise it. The performance goal statements are weighted according to two criteria: impact on its respective budget decision unit mission (e.g., the impact of Illegal Firearms Trafficking on ATF’s Firearms mission), and ATF’s current capabilities in

the area of the performance goal statement. Weights are assigned to ATF's budget decision units (firearms, arson and explosives, and alcohol and tobacco) in accordance with established Congressional reprogramming thresholds among these mission areas.

The Index compiles mathematical calculations that combine ATF's actual progress toward targets, and the weight of the performance indicator, strategic objective, performance goal statement, and budget decision unit. The calculations to determine the value for each level of ATF's Performance Index is as follows:

Per Performance Indicator: Actual ÷ Target x Weight of Performance Indicator  
 Per Strategic Objective: Sum of Performance Indicator Subtotals  
 Per Performance Goal Statement: Sum of Strategic Objective Totals x Weight of Performance Goal Statement  
 Per Budget Decision Unit: Sum of Performance Goal Statement Subtotals x Weight of Budget Decision Unit  
 ATF Performance Index: Sum of All Budget Decision Unit Subtotals

The calculations at the performance indicator and strategic objective levels are displayed in the example below.

<b>Example Strategic Objective Calculation</b>					
<b>Performance Indicator</b>	<b>Actual</b>	<b>Target</b>	<b>Score (Actual / Target)</b>	<b>Weight (Percent)</b>	<b>Subtotal (Score x Weight)</b>
A	65	100	0.65	0.15	0.0975
B	180	200	0.90	0.75	0.675
C	50	250	0.20	0.10	0.02
Sum of Subtotals =					0.7925
<b>Example Strategic Objective Value (Sum x 100) =</b>					<b>79.25 %</b>

The sum of the strategic objectives respective to each performance goal statement is then multiplied by the weight assigned to the performance goal statement. The sum of the budget decision unit subtotals establishes the score of the ATF Performance Index. ATF's application of the performance index is applicable to each of its decision units.

**b. Strategies to Accomplish Outcomes**

Violent firearms crime and firearms trafficking continue to plague the Nation and our international neighbors. As the agency responsible for enforcing Federal firearms laws, ATF leads the fight to reduce violent firearms crime domestically. To achieve the performance goals outlined for FYs 2012 and 2013, as well as the long-term goals into FY 2016, ATF's strategy is balanced between maximizing personnel and resources by leveraging partnerships, technology,

and expertise. ATF supports the Administration and the Department in various domestic and international initiatives under national counterterrorism strategies and other U.S. government policy measures. ATF pursues creative and innovative solutions to use technology in its strategies to accomplish the Bureau's goals and meet national and Departmental priorities.

ATF's Integrated Violence Reduction Strategy (IVRS) addresses firearms violence nationwide. ATF works closely with other Federal, state, and local agencies to prevent armed offenders from victimizing the American public, to end illegal gun sales, to apprehend illegal possessors, and to confirm industry adherence to applicable laws and regulations.

ATF continuously evaluates the integrity of the licensee population to ensure they operate within the law and applicable regulations. ATF continually reviews procedures involving the selection of licensees for inspection and license revocation for those who violate the law.

ATF's strategic success in reducing violent firearms crime depends upon the effective use of technology. ATF continues to improve its data quality and data capabilities so that timely and integrated information is available for all ATF employees, and shares this information when appropriate and when authorized by law with the Bureau's Federal partners, industry members, stakeholders, and the general public.

The National Field Office Case Information System (NFOCIS), ATF's case management system, enhances the ability to collect, disseminate, manage, and analyze data by providing an integrated and centralized data management solution that allows for oversight of all criminal enforcement and industry regulatory operations in the field. The system provides a platform for statistical analysis of case information. NFOCIS is the key source of criminal and regulatory data in support of ATF's Performance Index and is shared with the Law Enforcement Information Sharing Program (LEISP).

ATF is implementing computer applications that will allow field employees greater access to needed data, provide an electronic interface with the FBI for submission of fingerprints and retrieval of results, and facilitate sharing of domestic intelligence information with the Department of Homeland Security (DHS).

The Gang Targeting, Enforcement, and Coordination Center (Gang TECC) was an example of technology and information sharing that is critical to successful law enforcement operations. This multi-agency endeavor develops strategies and facilitates operations across agency lines to dismantle national and transnational violent gangs. In October 2010, DOJ realigned the Gang TECC functions and personnel, including two ATF special agents, to become part of the DEA Special Operations Division. Since 2010 ATF has assigned special ATF agents to the DEA Special Operations Division. ATF also contributes one special agent to the OCEDTF Fusion Center and two intelligence research specialists to the National Gang Intelligence Center (NGIC).

Significant outreach measures complement ATF's enforcement and industry operations strategies. For example, ATF presentations to schoolchildren and the general public promote

public safety and prevent violence. ATF offers training and other services to employees of Federal agencies to improve their professional capabilities.

ATF participates in numerous multi-agency initiatives, including the Joint Terrorism Task Force (JTTF), and works within DOJ to coordinate regional, national, and transnational criminal investigations and prosecutions against major criminal organizations and terrorists at home and abroad. ATF staffs liaisons at law enforcement and intelligence agencies including the Defense Intelligence Agency (DIA), FBI, DHS, Department of State and other government agencies (OGAs).

ATF partners with various law enforcement and prosecutorial entities to conduct innovative regional firearms enforcement cross-training of agents, officers, and attorneys, and also delivers firearms trafficking and tracing training to enforcement agencies through offices in Mexico, Canada, Colombia, and El Salvador. ATF has liaison officers at INTERPOL, Lyon, France; and EUROPOL, The Hague, The Netherlands. These officers facilitate the efficient exchange of information and expertise within the international law enforcement community.

### **Crosscutting Activities**

ATF plays a major role in the prevention and investigation of violent firearms crimes involving gangs and organized criminal enterprises. ATF, through the multi-agency efforts of the Organized Crime Drug Enforcement Task Force (OCDETF) and High Intensity Drug Trafficking Area (HIDTA) task forces, provides direct investigative expertise in partnership with other law enforcement agencies. Both organizations are key components in combating international organized crime that threatens U.S. national and economic security.

## B. Arson and Explosives

<b>Arson and Explosives TOTAL</b>	<b>Perm Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2011 Enacted w/Rescissions	1,173	1,156	255,885
2011 Supplemental	0	0	0
2011 Enacted w/Rescissions and Supplemental	1,173	1,156	255,885
2012 Enacted	1,173	1,156	253,440
Adjustments to Base and Technical Adjustments	(51)	(50)	6,213
2013 Current Services	1,122	1,106	259,653
2013 Program Increases	0	0	0
2013 Program Offsets	(36)	(36)	(5,917)
2013 Request	1,086	1,070	253,736
<b>Total Change 2012-2013</b>	<b>(87)</b>	<b>(86)</b>	<b>296</b>

### 1. Program Description

ATF has unique expertise in the investigation and forensic analysis of fire, arson, and explosives incidents arising from criminal or terrorists acts, and it shares its technical and scientific expertise and resources with Federal, state, local, tribal, and international law enforcement partners and fire service agencies. ATF is the primary Federal agency responsible for administering and enforcing the regulatory and criminal provisions of Federal laws pertaining to destructive devices, explosives, bombs, and arson. One of ATF's greatest strengths is its dual regulatory and criminal enforcement mission.

ATF guides and instructs public safety officials, explosives industry members, and state governments on all aspects of explosives law, including the Safe Explosives Act (SEA), to make regulation less burdensome and to promote compliance with Federal law. ATF's mission extends to ensuring that only qualified and legitimate applicants enter the explosives industry and that licensees keep proper records and use sound business practices to help prevent theft, explosives incidents, or the diversion of explosives to criminal or terrorist purposes.

With its long history of investigating fires and criminal bombings, ATF has the training, experience, and ability to detect, prevent, protect against, and respond to such incidents. Whether investigating fires at houses of worship, large fires in commercial facilities, fires involving multiple fatalities, serial arsons, or fire incidental to acts of terrorism, ATF provides one of the most highly proficient and respected response capabilities in the world. The following illustrates ATF's impact relative to bombing and explosives incidents.

- Since 1978, ATF has investigated more than 32,000 bombings and attempted bombings, almost 1,500 accidental explosions, and more than 23,500 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of improvised explosives devices.
- Between 1992 and 2008, 98.5 percent of the 26,919 bombing incidents in the U.S. were determined to be criminal acts.



- Using a broad definition of terrorism (to include hate groups, animal rights groups, and reproductive rights motivations), 405 incidents or 1.5% of the total, were identified as terrorist related.
- Since 1978, ATF's National Response Team (NRT) has responded to more than 700 significant incidents throughout the U.S., including the Oklahoma City Bombing, the 1993 World Trade Center bombing, and the September 11, 2001 attack on the Pentagon.

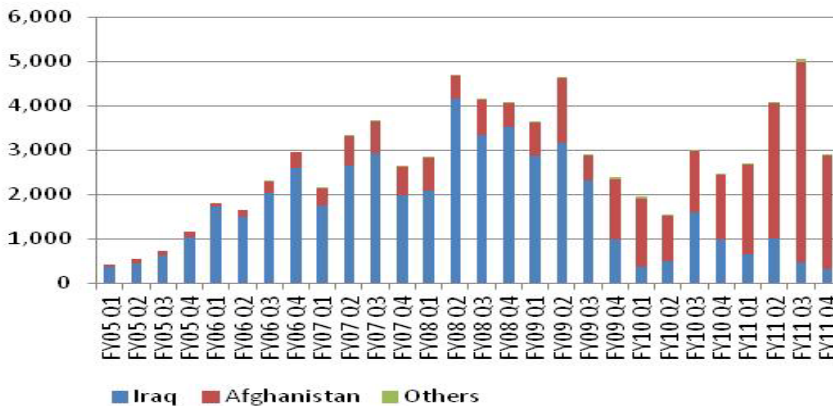
***Participation in Joint Terrorism Task Forces (JTTFs)***

ATF fully supports Government anti-terrorism efforts, especially the FBI-led JTTFs. ATF participates in all 106 JTTFs, and assigns one ATF agent to the National JTTF at the National Counter-Terrorism Center. In working with the JTTF, ATF plays an important part in terrorism cases that involve firearms smuggling, bombs, illegal explosive possession, and tobacco diversion.

***Terrorist Explosive Device Analytical Center (TEDAC)***

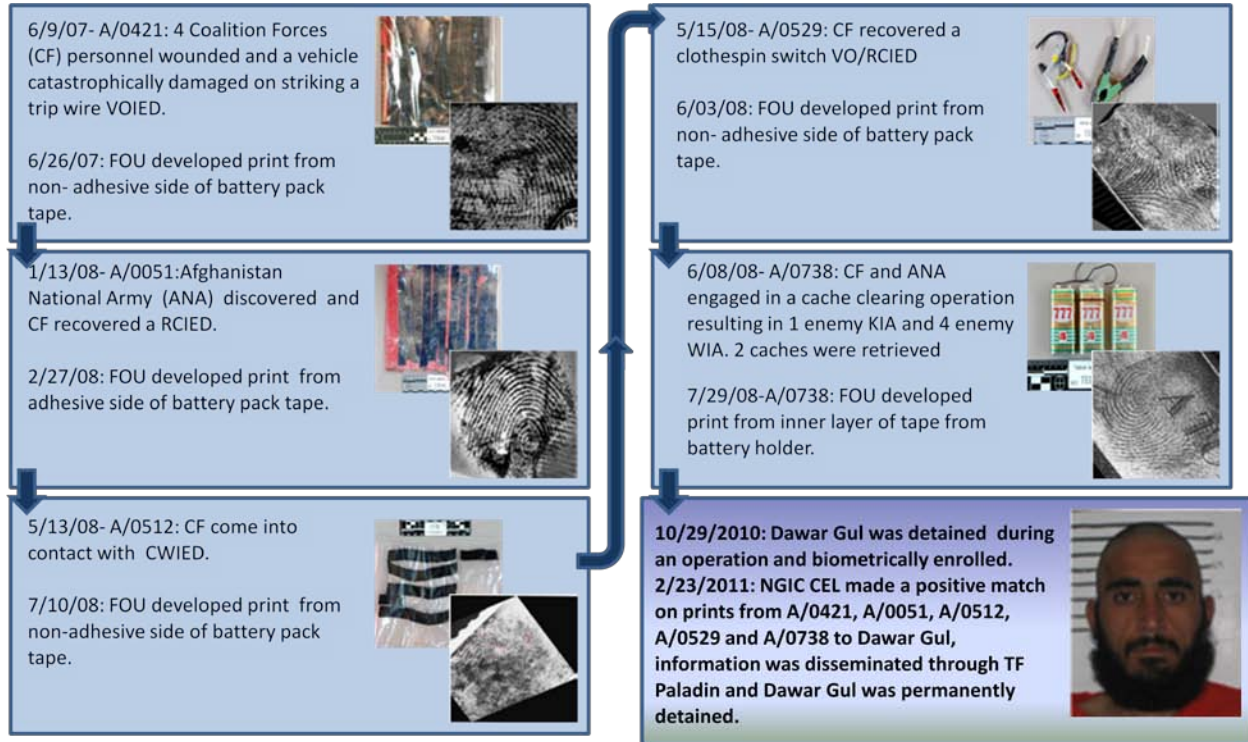
An ATF special agent serves as the deputy director of the TEDAC. Jointly, ATF and the FBI coordinate and manage the TEDAC providing technical and forensic analysis of evidence recovered from improvised explosive devices (IEDs) of interest to the U.S. Government (principally derived from CEXC activities in the Iraq and Afghanistan conflicts). The TEDAC combines law enforcement, military, and intelligence assets to classify the operation, bomb components, and deployment of IEDs. These efforts help prevent IED detonations, protect our armed forces, and identify those who manufacture and place these devices.

**Boxes of Collected Items Submitted to TEDAC**



From inception through October 27, 2011 the TEDAC has received 77,298 boxes of collected items, primarily from Iraq and Afghanistan.

## TEDAC Forensic Operation Unit (FOU) Biometric Identification of Dawar Gul

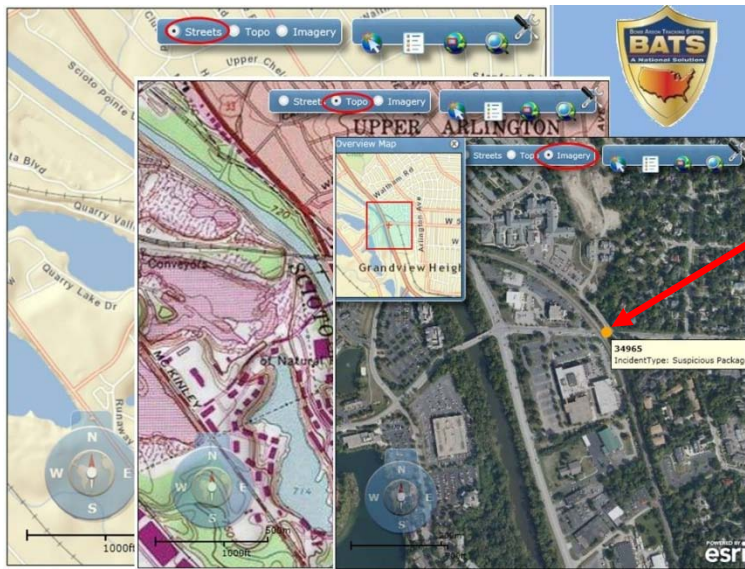


TEDAC's forensic exploitation at the intersection of law enforcement, intelligence, and the military, provides a key perspective from which to research the science and technology of improvised explosive devices (IEDs). TEDAC research and testing program supports IED detection, countermeasures and post-blast analysis. TEDAC identifies emerging international IED threats such as concentrated hydrogen peroxide liquid explosives and chemical initiators before they were ever used in attacks on the homeland.

### *U.S. Bomb Data Center (USBDC)*

ATF has been collecting, storing, and analyzing data on explosives and arson incidents since 1976. ATF, through the U.S. Department of the Treasury, was mandated by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives. This authority, as contained in 18 U.S.C. § 846(b) and delegated to ATF by the Secretary of the Treasury, was moved with ATF to the authority of the Attorney General by the Homeland Security Act of 2002.

The USBDC collects, analyzes, and disseminates timely information and relevant tactical and statistical intelligence within ATF, and to external Federal, state, local, tribal, military, and international partners. The USBDC provides statistical analyses of current trends and patterns to help prevent criminal misuse of explosives. The U.S. uses approximately six billion pounds of explosive materials annually. Each year, eight billion pounds of ammonium nitrate are produced, of which half is used for explosives.



BATS GIS capability identifies and maps the incident location.

### **BATS Geospatial Information System (GIS) Mapping Capability**

The USBDC is the sole repository for arson and explosives related incident data, and contains information on more than 241,188 arson and explosives incidents investigated by ATF and other Federal, state, and local law enforcement and fire investigation agencies. The USBDC’s Bomb Arson Tracking System (BATS) is the explosives and arson investigator’s link to the USBDC and all the information therein. Investigators use BATS to perform trend analysis and compare incidents for similarities in motives, device components, suspects, and crime methodologies for possible investigative leads nationwide. Images of arson scenes, improvised explosive devices, and crime scenes can be shared through the BATS secure web connection.

Investigators capture details of bomb and arson cases, including the area of origin or device placement, casualties, dollar losses, fire descriptors, collateral crimes, device components, and descriptions of how the device was delivered. BATS also functions as a case management system, allowing investigators to build cases in the BATS application while maintaining critical operational security.

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and in foreign countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and foreign countries cooperate in tracing by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only Federal agency authorized access to these records.

ATF serves as the Secretary for the International Bomb Data Center Working Group (IBDCWG) and the co-representative for the Americas. ATF also serves as the Administrator for the

IBDCWG Portal (developed and maintained by the USBDC). Significant ATF partners at the USBDC include the U.S. Secret Service, the U.S. Capitol Police and the DoD.

### ***ATF National Center for Explosives Training and Research (NCETR)***

Established as a result of the 2002 Homeland Security Act, NCETR delivers basic and advanced courses on various explosives topics to ATF personnel, law enforcement partners, the U.S. military, and other Federal agencies. In 2010, the NCETR moved from its original site at Ft. A.P. Hill in Bowling Green, Virginia, to a permanent location at the Redstone Arsenal in Huntsville, Alabama. The NCETR consolidates ATF explosives expertise and research, thereby developing and enhancing technical knowledge and building partnerships for the dissemination of this knowledge across Federal, state, and local law enforcement agencies.

The centerpiece of NCETR is an 83,500 square foot conference, training and research facility. The main NCETR building, other supplemental facilities, and over 1,000 acres of explosives ranges make NCETR an extremely unique resource in the fight against explosives-related violent crime and the whole-of-Government counter-IED effort. The main facility houses eight classrooms, 14,000 square feet of laboratories, a conference facility, and office space for ATF personnel and other Government partners. The establishment of NCETR has allowed ATF to bring together its explosives programs, training, research, and information-sharing activities, affording maximum synergy across these inter-related disciplines. Several other Governmental agencies have taken notice of this unique resource and are partnering with ATF to conduct explosives training and research at NCETR.

ATF equips its explosive personnel at the NCETR with the tools to respond to criminal activity with layers of specialized personnel training, techniques, technology, and forensic support. These include:

- Special agent Certified Explosives Specialist (CESs), who average over 12 years of relevant experience in post-blast investigation.
- Special agent explosives detection canine handlers (who are also CESs), who provide preventive detection and post-blast evidence recovery capabilities applicable to explosives and firearms investigations.
- Explosives Enforcement Officers (EEOs), most of whom are former military explosive ordnance disposal (EOD) personnel with extensive experience in render safe techniques and explosives technology.
- The National Response Team (NRT), a multi-disciplinary team composed of veteran special agents, CESs, and Certified Fire Investigators (CFIs) having post-blast and fire origin and cause expertise, forensic chemists, EEOs, fire protection engineers, and accelerant- and explosives-detection canines. The NRT responds in less than 24 hours with a full range of capabilities and has processed over 685 of this country's most complex fire and explosion scenes since its inception.
- IOIs, who regularly interact with Federal explosives licensees (FELs) and permittees who manufacture, import, sell, or store explosives in the United States.
- Forensic laboratory personnel, which specialize in processing explosive-related evidence, such as forensic chemists, electrical engineers, etc.

- A range of intelligence, legal, forensic audit, and technical support services.

ATF is the only agency with authority to inspect the storage of explosives by Federal explosives licensees and to track thefts, losses, and recoveries of explosives. ATF's criminal enforcement mission, combined with ATF's regulatory responsibility, gives ATF a unique perspective on activity involving explosives in this country. This perspective allows ATF to impact public safety through the identification and correction of explosives storage violations that, unchecked, could pose significant risk to the public, to investigate and prosecute those who use explosives for criminal purposes, and to provide unique explosives-related training to a wide audience of ATF personnel; other Federal, State and local law enforcement personnel; U.S. military personnel; and many international law enforcement and military explosives specialists.

### ***Certified Explosives Specialists (CES)***

ATF's CESs conduct expert explosives crime scene examinations; lend expertise in support of security measures at special events; and assist ATF's law enforcement counterparts at the Federal, state, local, and international levels in investigations of explosives-related incidents. ATF's CESs acquired expertise in post-blast analysis through years of experience in the field. Their training consists of a multiphase program that includes a two-year candidacy, ensuring their continued proficiency in all aspects of explosives handling, instruction, identification, demonstration, and destruction, as well as training in the chemistry of pyrotechnics, hazardous materials incident response operations, advanced explosives destruction techniques, and advanced IEDs.

### ***Explosives Enforcement Officers (EEO)***

EEOs are ATF's explosives technology experts. They have extensive knowledge and experience in explosives, explosives weapons systems, and bomb disposal. They render explosive devices safe and/or disassemble explosive and incendiary devices, author destructive device determinations, coordinate with ATF special agents and prosecutors on prosecution strategy related to device determinations, and give expert testimony in support of such determinations in Federal and state criminal court proceedings. EEOs provide expert analysis and onsite investigative technical assistance at bomb scenes and where explosions of an undetermined nature have occurred and they classify explosives materials for the industry. Determining what constitutes an explosive, incendiary, or destructive device under Federal explosives laws and the NFA involves highly technical examinations and analysis. EEOs also provide assistance and training in all aspects of explosives handling, usage, and destruction; threat vulnerability assessments; and all other explosives-related matters for ATF, Federal, state, local and international law enforcement agencies.

### ***Explosives Industry Regulation***

Federal law requires that any manufacturer, importer, or dealer of explosives must have a Federal explosives license, and anyone who acquires for use or transports explosives must hold a Federal explosives permit or license. ATF's criminal and regulatory programs are a key means by which

the U.S. Government enforces Federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings.

ATF's IOIs conduct compliance inspections of the nearly 11,000 explosives licensees and permittees nationwide to detect, investigate and prevent diversion, and promote the safe and secure storage of explosives. The Federal Explosives Licensing Center (FELC) screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF established standards applicable to all licensees and permittees for the storage of explosives materials and related record keeping requirements, which helps to ensure that explosives are properly accounted for and tracked. In FY 2011, ATF:

- Conducted 4,320 explosives licensee and permittee compliance inspections that identified and corrected 1,392 public safety violations.
- Completed 1,176 FEL applicant inspections
- Processed 2,711 FEL applications (New & Renewal)
- Completed 56,113 Explosives Employee/Possessor Background Checks
- Completed 9,197 Explosives Responsible Persons Background Checks

The amount of time IOIs must dedicate to explosives application and compliance inspection work has increased since the enactment of the SEA of 2002. The initial requirement to inspect 100 percent of the licensees and permittees within their three-year license/permit cycle has resulted in between 25 percent and 41 percent of available IOI resources being devoted to SEA work in any given year.

### ***Arson Program***

ATF is the sole Federal law enforcement entity with the expertise, experience, and specialized resources necessary to address arson crimes. ATF's combination of Certified Fire Investigators, Accelerant Detection Canines, National Response Team, Financial Auditors, and the Fire Research Lab provide a basis for investigating arson crimes. The loss of lives and property that result from arson cases in the United States each year remains significant.

*“In 2009, an estimated 278,900 fires were reported to U.S. fire departments, with associated losses of 400 civilian deaths, 1,310 civilian injuries, and \$1.4 billion in direct property damage. Also in 2009, 6 firefighters were fatally injured at the scene or during response to/from intentional fires, and there were 5,800 firefighter injuries at the scene of intentional fires.”*

Source: Intentional Fires by Ben Evarts, National Fire Protection Association  
Quincy, MA, January 2012

The vast majority of those fires are investigated at the local level. However, in many significant cases, only the knowledge, technical resources, forensic capabilities, and



jurisdictional reach of the Federal Government are adequate to solve crimes and remove arsonists from communities.

ATF agents investigate potential acts of arson motivated by profit, ideology or other criminal intent. They also train federal, state, local, and international law enforcement agencies on how to investigate and solve such crimes. In FY 2011, ATF spent approximately \$41.9 million on arson/fire enforcement activities, including salaries and overhead costs. ATF is recognized for its expertise in fire investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial investigations to identify illegal arson-for-profit schemes. Additionally, ATF continues to employ its authorities and assets to investigate and resolve arsons of houses of worship. ATF's arrest rate for church arsons is more than twice the national average for such cases.

### ***Arson Task Forces***

For over 30 years, ATF has led or participated in formal and informal task forces in major cities that have significant arson problems. Each task force is configured based on the available resources and specific needs of the particular city. In addition to ATF special agents, including certified fire investigators and ATF forensic auditors, task forces typically include local fire officials, arson investigators, and police.

### ***National and International Response Teams***

As an integral part of ATF's overall violent crime reduction strategy, ATF provides vital resources to local communities to investigate explosives and fire incidents. ATF's arson and explosives National Response Team (NRT) was formed in 1978 to help meet the needs of those who are responding to and investigating complex incidents. The NRT was designed to bring together all of ATF's expertise and experience to work alongside state and local officials in reconstructing the scene, identifying the seat of the blast or origin of the fire, conducting interviews, sifting through debris to obtain evidence related to the explosion and/or fire, participating in the ensuing investigation, and providing expert court testimony.

The NRT consists of three regional response units. Each unit is comprised of veteran special agents having post-blast and fire origin and cause expertise, including certified explosives,, specialists, certified fire investigators, forensic chemists, explosives enforcement officers, fire protection engineers, and accelerant—and explosives-detection canines. Further complementing the team's efforts are intelligence, forensic audit, technical, and legal support. NRT members are trained in all levels of personal protective equipment, up to and including Level A protection, and HAZMAT certified. A fleet of fully equipped response vehicles provides logistical support.

A Federal response to fire incidents can mean the difference between identifying and prosecuting suspects and leaving violent offenders on the streets:

- In August 2010, a fire at a block of retail stores in Detroit, MI, injured seven firefighters, including three who were so seriously wounded they were forced into disability retirements, one of whom remains paralyzed in a wheelchair. The investigation, which

involved personnel from ATF's Detroit Field Division, the NRT (including Certified Fire Investigators), and the Fire Research Laboratory (FRL) revealed that the fire was an arson and identified those responsible. To date, two defendants have been convicted in Federal Court; one was sentenced to 15 years' imprisonment, and the other is facing up to 40 years' imprisonment at his upcoming sentencing. A third Federal Court indictment charging additional defendants is anticipated.

- The NRT was called to investigate a string of arson fires in several locations throughout Los Angeles. The arson fires began on Friday, Dec. 30, 2011 and ended Monday, Jan. 2, which resulted in more than \$2 million of damage to vehicles and structures. In addition to the damage, one fire fighter and one citizen were injured. No fatalities were reported. The NRT was called to collect evidence, review reports, and work with the Los Angeles Fire Department to file criminal charges in the investigation.

### ***Investigating Fires and Bombings at Houses of Worship***

ATF is accountable to the Department of Justice and Congress for tracking and reporting all church fire or bombing investigations relative to any Federal or state civil rights violations (hate crimes) against any of these institutions, and continues to monitor and assist in investigations of house of worship incidents. ATF's NRT investigations of 16 church fires in Texas in early 2010 were effectively utilized to identify two defendants sentenced to life in prison in January 2011, for multiple arson convictions. ATF lead a multi-agency task force to investigate the fires, which quickly identified two suspects charged and held over for trial. The evidence in fire scenes can deteriorate quickly. ATF's rapid response and investigation by the NRT means the difference between identifying and prosecuting suspects and leaving violent offenders on the streets.

### ***Investigating Complex or Large-Scale Commercial Fires***

In October 2010, a fire caused over \$50 million in damage to the Westfield Galleria, a large shopping mall in Roseville, CA. The investigation, which involved personnel from ATF's San Francisco Field Division, the NRT and CFI programs, and the FRL confirmed the fire was an arson and recovered key evidence against a suspect who had already been arrested on local charges. During the investigation, evidence was found that the suspect had committed another arson at a nearby Walmart store. The defendant subsequently pled guilty in Federal Court and was sentenced to 15 years in prison.

### ***Arson and Explosives Detection Canine Training***

The ATF Canine Program is the only canine program in the United States supported by a laboratory and has the first, and only, federally accredited explosive detection canine program. The ATF National Forensic Laboratory supports the ATF Canine Program in the research and development of explosive and accelerant compounds and compositions for canine training, third party testing and certification on the mandated odors, instruction into the properties and chemical breakdown of accelerant and explosives and support in all forensic related issues.



The ATF Canine Program conducts evaluation and analysis of all new and emerging facets within the explosives detection canine arena. In turn the ATF Canine Program shares this vital information with other handlers and programs in the related fields in a concerted effort to provide the best tools possible for safety and security in the fight against violent crime and terrorism. The ATF Canine Program is also supported by the ATF Explosives Technology Branch, the ATF National Center for Explosives Training and Research (NCETR) and the U.S. Bomb Data Center.

In 2009, ATF began working with the Department of Defense to provide Homemade Explosives (HME) imprint training for Military Working Dogs (MWD) before deployment to Afghanistan, Iraq and other undisclosed locations. To date, ATF has trained over 1,672 MWDs. This effort is of critical importance to combating the IED threat in Afghanistan.

There are 29 ATF-trained explosives detection canine teams and 57 ATF-trained accelerant detection canine teams currently active in the U.S. There are 127 ATF-trained explosives detection canine teams deployed throughout the U.S. with other Federal, state and local agencies. ATF has trained 366 international canine teams in 21 foreign countries in partnership with the Department of State. ATF remains at the forefront of combating violent crime through such innovative programs as training other Federal, state, local, and international law enforcement explosives detection canines in peroxide explosives and standardized national odor recognition testing.

### ***Certified Fire Investigators (CFI)***

ATF's CFIs are agents who have completed an extensive two-year training program in advanced fire scene examination with an emphasis on the modern principles of fire dynamics. They conduct fire scene examinations and render origin and cause determinations on behalf of ATF, provide expert testimony on fire scene determinations, and provide technical support and analysis to assist other agents and prosecutors with court preparation, presentation of evidence, and technical interpretation of fire-related information. The agents lend technical guidance in support of field arson investigative activities; conduct arson-related training for ATF agents and other Federal, state, and local fire investigators; and conduct research to identify trends and patterns in fire incidents. The CFIs are supported in their investigations by the ATF Fire Research Laboratory, which has the unique capability to re-create fire scenarios, both large and small, in its fire testing facility.

CFIs were instrumental to the successful prosecution of the defendant in an April 2010 arson at a fur and leather goods distributor in Glendale, CO. CFIs and other ATF agents were able to link the arson to a similar incident at a leather goods manufacturer and distributor that occurred in Salt Lake City, UT, in June 2010, and to a third arson incident at a restaurant in Salt Lake City in July 2010. The subject was charged in Federal Court and in 2011 was convicted and sentenced to 7 years in prison.

## **ATF Technical and Outreach Capabilities in Support of the Mission**

*“Strengthen the Department’s intelligence base and analytical capability to assess and respond to intelligence threats.”*

Source: US Department of Justice Fiscal Years 2012-2016 Strategic Plan, page 15

### ***Cybercrime Detection and Analysis***

In response to the increase in Internet-based criminal activity, ATF established a Cyber Crime Unit (CCU). The CCU addresses Internet-based criminal activity involving violations of statutes enforced by ATF. The CCU collects and processes Internet-based intelligence in order to identify those individuals, businesses and organizations involved in potential criminal activity, as well as their methods and means of operation. The unit provides targets for investigation to the appropriate field divisions, refers Internet-based leads to investigators, provides guidance and technical support for Internet investigations and undercover operations, assists with the preparation of Internet-related search warrants and subpoenas, develops guidelines concerning Internet investigations and provides Internet investigation training. The scale of data availability has limited ATF’s ability to fully exploit Internet and cyber-based crimes and to investigate regulated commodity-based violations of the Federal firearms, explosives and tobacco statutes.

### ***ATF Laboratories***

ATF laboratories play a critical role in meeting the mission of ATF by providing analytical examinations of evidence and scientific validation for many ATF programs. Our examiners play an integral role supporting the NRT, the canine program, and homemade explosives programs, facilitating technical training exercises in all mission related functions, and providing expert witness testimony.

ATF’s Laboratory Services personnel collectively average over 1,000 days annually out of the laboratory providing these services. Laboratory Services has four organizational groups: the Forensic Science Laboratory (FSL) in the Atlanta, San Francisco, and Washington metropolitan areas and the Fire Research Laboratory (FRL). The National Laboratory Center houses the FSL in Washington metropolitan area the NIBIN Branch and the FRL, and serves as the administrative center for Laboratory Services. Laboratory staff is composed of approximately 100 biologists, chemists, scientists, engineers, fingerprint specialists, firearm and tool mark examiners, document examiners, and technical specialists. These examiners have hundreds of years of combined experience in the examination of fire, explosive, tobacco, and firearms cases.

All of the ATF Laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB), a voluntary program in which crime laboratories participate to demonstrate that their management, operations, personnel, procedures, equipment, physical plant, security, and safety meet the industry standards. ASCLD-LAB accreditation is renewed every five years. The ATF Laboratories recently added DNA and tobacco analysis in support of ATF investigations. DNA analysis has added significant

capability for linking a suspect to a crime. Tobacco analysis was developed to support Bureau needs for analysis of counterfeit and contraband tobacco products and tax stamps.

### ***Fire Research Laboratory***

A critical component of ATF's fire investigation mission is ATF's FRL, a one-of-a-kind fire testing facility able to replicate fire scenarios under controlled conditions. This facility supports ATF's arson investigative requirements and functions as a unique and innovative resource for law enforcement, fire services, public safety agencies, industry, and academia. FRL scientists use the most advanced scientific, technical, educational, and training methods to distinguish ATF and its partners as leaders in fire investigation science.

### ***Financial Investigations***

ATF forensic auditors provide support for a full range of ATF programs including arson-for-profit, alcohol and tobacco diversion, firearms and narcotics trafficking cases, the use of explosives and bombings in the furtherance of financial frauds, counter-terrorism, threats to public safety, as well as investigations into gang and other organized criminal enterprises, and complex investigations involving money laundering. ATF forensic auditors focus on the financial infrastructure that supports targeted criminal organizations and individuals with the goal of taking the profits of crimes through asset identification and forfeiture, and also identifying and eliminating sources of terrorist funding.

### ***National Outreach Activities***

ATF provides services such as NRT responses, guidance, and advice to arson and explosives programs customers and to explosives industry members. Through partnership with the U.S. Fire Administration's (USFA) National Fire Academy (NFA), ATF has developed a cutting-edge program that offers the best science-based technical fire investigation training available to state and local fire investigators. Since its first pilot delivery in July 2007, the ATF Arson Training Branch has delivered Fire/Arson Origin and Cause training to more than 1,000 state and local fire investigators.

ATF has recently entered into the fifth year of the cooperative effort with the U.S. Fire Administration. Students are given a solid foundation in the areas of fire dynamics, cause and origin determination, investigation methodology and legal concepts pertaining to the successful prosecution of criminal acts involving fire. ATF Laboratory Services plays a critical role in this training. FRL engineers provide fire dynamics instruction both in the class room and through practical exercises. For many students this is their first time interacting with an engineer in the field of fire science. Case studies and lessons learned from years of fire testing and engineering analyses are incorporated into presentations to enhance students understanding of otherwise complex material. Chemists from FSL instruct students on the proper collection of evidence and the science behind sample analysis.

ATF communicates with the fire and explosives investigation community through arson and explosives advisory groups, the National Bomb Squad Commander Advisory Board (NBSCAB)

and the International Bomb Data Center Working Group (IBDCWG) meetings. Each week, the USBDC provides information on ATF's arson and explosives investigative activity. The advisory reports are distributed to other Federal, state, and local law enforcement agencies. The USBDC also publishes explosives theft advisory reports and periodic advisories highlighting specific or emerging threats to public safety or the bomb technician community.

ATF laboratory experts have played an integral part in international training through active partnerships with the ILEA, CARSI, ICITAP, and the U.S. State Department. Due to their recognized leadership worldwide in the profession, ATF forensic examiners have provided scientific and technical training to foreign law enforcement personnel in the Netherlands, Thailand, Canada, Morocco, and Botswana. Laboratory personnel have assessed foreign laboratory capabilities and share their expertise in El Salvador, Costa Rica, and in Russia.

**2. Performance Tables - Arson and Explosives**

<b>PERFORMANCE AND RESOURCES TABLE</b>										
<b>Decision Unit: Arson &amp; Explosives</b>										
<b>DOJ Strategic Goal/Objective: Goal 1, Objective 1.2; Goal 2, Objective 2.2</b>										
<b>RESOURCES</b>	<b>Final Target</b>		<b>Actual</b>		<b>Enacted</b>		<b>Changes</b>		<b>Requested (Total)</b>	
	<b>FY 2011</b>		<b>FY 2011</b>		<b>FY 2012</b>		<b>Current Services Adjustments and FY 2013 Program Change</b>		<b>FY 2013 Request</b>	
<b>Total Costs and FTE</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
	<b>1,156</b>	<b>\$255,885</b>	<b>1,077</b>	<b>\$248,579</b>	<b>1,156</b>	<b>\$253,440</b>	<b>(86)</b>	<b>\$296</b>	<b>1,070</b>	<b>\$253,736</b>

<b>Program Activity</b>	<b>Criminal investigations</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		<b>878</b>	<b>\$204,429</b>	<b>765</b>	<b>\$198,863</b>	<b>821</b>	<b>\$202,475</b>	<b>(62)</b>	<b>\$236</b>	<b>759</b>	<b>\$202,711</b>
<b>OUTCOME Measure</b>	Reduce the risk to public safety caused by bomb and explosives	100		96		73		0		73	
<b>OUTCOME Measure</b>	Reduce the risk to public safety caused by criminal use of fire	100		68.2		79		(1)		78	
<b>Program Activity</b>	<b>Regulatory compliance</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		<b>359</b>	<b>\$51,456</b>	<b>312</b>	<b>\$49,716</b>	<b>335</b>	<b>\$50,965</b>	<b>(24)</b>	<b>\$60</b>	<b>311</b>	<b>\$50,025</b>
<b>OUTCOME Measure</b>	Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members	100		95.8		88		(3)		85	

**Performance Measure Table**

**Decision Unit: Arson & Explosives**

Performance Report and Performance Plan Targets		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		FY 2012	FY 2013
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the risk to public safety caused by bomb and explosives	N/A	N/A	N/A	N/A	N/A	92.8	100	96.0	73	73
OUTCOME Measure	Reduce the risk to public safety caused by criminal use of fire	N/A	N/A	N/A	N/A	N/A	99.9	100	68.2	79	78
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members	N/A	N/A	N/A	N/A	N/A	93.5	100	95.8	88	85

**Footnote:** ATF has established a benchmark for its performance index using FY 2010 actual performance data and resource levels. The benchmark level is expressed as a performance index target of “100” in the FY 2011 Congressional Budget Request. From this benchmark, ATF has determined the FY 2012 performance targets by estimating expected performance with the level of resources at the FY 2012 current rate. ATF’s FY 2012 performance targets represent the Bureau’s capability (relative to the FY 2010 benchmark level and within the resources requested) to impact strategic risk areas (Performance Goals/Outcome). Using the underlying benchmarked proxy index indicators as a starting point, ATF is able to project anticipated mission performance, with results displayed at the performance goal index levels (Actuals). Please refer to section 3.a. for a discussion of the Performance Plan and Report of Outcomes.

### **3. Performance, Resources, and Strategies (Arson and Explosives)**

#### **a. Performance Plan and Report for Outcomes**

The arson and explosives decision unit contributes to DOJ's Strategic Goal 1 - Preventing Terrorism and Promoting the Nation's Security and Strategic Goal 2 - Preventing Crime, Enforcing Federal Laws, and Representing the Rights and Interests of the American People.

This unit complements ATF's firearms decision unit by effectively applying advanced investigative techniques, vigorous referrals for prosecution, targeting training and prevention strategies to focus ATF's expertise in law enforcement, industry regulation, industry outreach, technology, and mitigation of public safety risks relative to regulated commodities.

ATF, as the sole explosives regulatory enforcement entity, safeguards the American public from explosives incidents caused by improperly stored materials. The regulatory program minimizes criminals' access to and use of explosive materials by heightening accountability for and increasing the traceability of materials in partnership with the explosives industry.

#### **b. Strategies to Accomplish Outcomes**

ATF's core mission concentrates resources and specialized expertise to achieve post-explosives incident and to deny the criminal use of explosives. ATF provides the sole commercial explosives industry inspection program that protects the public from the unauthorized use of explosive materials.

Educating the explosives industry on Federal policies and regulations, product storage safety, and theft prevention, as well as inspecting industry members, to secure public safety remain among ATF's core mission objectives. ATF's Federal oversight of explosives licensees and permittees, in cooperation with the chemical industries and public safety agencies, will mitigate the possibility of terrorists obtaining explosives through the legal explosives industry.

#### **Crosscutting Activities**

ATF participates in multi-agency efforts such as the JTTF, High Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA), the Organized Crime Drug Enforcement Task Force (OCDETF), and the Terrorist Explosives Devices Analytical Center (TEDAC), by direct investigative expertise to criminal explosives, arson incidents and threats.

The Bomb and Arson Tracking System (BATS) provides valuable investigative information and intelligence to share with ATF's Federal, state, local, and international law enforcement partners such as the National Gang Intelligence Center (NGIC), Regional Information Sharing System (RISS), International Organized Crime (IOC) Coordination Center, and the OCDETF Fusion Center. ATF assigns representatives to various law enforcement and intelligence agencies such as the DIA, FBI, Department of Homeland Security (DHS), the Department of State and OGAs to leverage Federal response.

ATF fulfills its responsibilities under the National Implementation Plan for the War on Terror, by supporting the implementation plan for Homeland Security Presidential Directive 19 (Combating Terrorist Use of Explosives in the U.S.), and through ATF's explosives canine programs, contributions on the TEDAC staff, and by hosting technology resources such as BATS and Dfuze data bases for domestic and international explosive incidents.



## C. Alcohol and Tobacco

<b>Alcohol and Tobacco TOTAL</b>	<b>Perm Pos.</b>	<b>FTE</b>	<b>Amount</b>
2011 Enacted w/Rescissions	102	100	22,250
2011 Supplemental	0	0	0
2011 Enacted w/Rescissions and Supplemental	102	100	22,250
2012 Enacted	102	100	23,040
Adjustments to Base and Technical Adjustments	0	0	565
2013 Current Services	102	100	23,605
2013 Program Increases	0	0	0
2013 Program Offsets	(3)	(3)	(538)
2013 Request	99	97	23,067
<b>Total Change 2012-2013</b>	<b>(3)</b>	<b>(3)</b>	<b>27</b>

### 1. Program Description

Illegal diversion of tobacco products deprives governments of due revenue (tax losses are estimated in the billions of dollars) and enables organized criminal enterprises (including terrorist organizations) to gain substantial profits. Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attracts less scrutiny and has a reduced risk of apprehension while still offering high potential profits. In addition, immense profits and relatively low penalties attract organized crime and fundraisers for terrorist groups.

Criminals have long exploited the differences among Federal and state excise tax rates on alcohol and cigarettes by illegally producing, distributing, and smuggling alcohol and cigarettes into domestic and international high tax jurisdictions, activities collectively referred to as diversion.

Alcohol diversion raises images of prohibition-era moonshiners and bootleggers. While moonshiners still exist, more recent and complex alcohol diversion includes the diversion of distilled spirits from the U.S. to the former Soviet countries and to European Union countries. In many of these cases, distilled spirits are mislabeled as industrial products to perpetrate the fraud. ATF's primary jurisdiction relating to tobacco is the Contraband Cigarette Trafficking Act (CCTA), which makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of state tax payment for the state in which the cigarettes are found. The CCTA was enacted to support state and local law enforcement agencies in efforts to stop structured and organized criminal groups that derive significant financial gain through the transportation of contraband tobacco from no- or low-tax locales to high-tax locales. To prevent these crimes, ATF works with other Federal law enforcement and revenue agencies, state and local law enforcement and revenue agencies, and international law enforcement and revenue agencies. ATF often charges defendants with



violations other than CCTA violations, ranging from conspiracy to Federal charges of murder-for-hire. Through the successful prosecution and plea agreements in these complex cases involving interstate commerce, states have recovered millions of dollars in excise tax revenues.

Organized criminal groups, including those with ties to terrorist organizations, have increasingly engaged in the illegal trafficking in tobacco products, particularly counterfeit and lawfully manufactured cigarettes. The proliferation of large volume trafficking across international borders and interstate commerce, without payment of tax, provides funding and material support to terrorist organizations and other organized criminal enterprises. ATF has conducted two tobacco diversion investigations, which resulted in convictions for Material Support to a Terrorist Organization.

*“Integrate federal law enforcement and domestic/international intelligence efforts to dismantle terrorist networks and diminish their support worldwide.”*

Source: US Department of Justice Fiscal Years 2012-2016 Strategic Plan, page 12

During FY 2011, ATF opened approximately 1,125 investigations into the diversion of alcohol and tobacco products, recommending the prosecution of approximately 213 defendants and seizing approximately \$32 million in valued assets. Recently, ATF has seen a sharp increase in the involvement of organized criminal groups in the diversion of tobacco products. These groups are increasing their involvement due to the huge profits tobacco diversion generates for their criminal organizations. The profits gained through tobacco diversion are then filtered back into their criminal organizations to fund other criminal activities, including other types of fraud and violent crime. These criminal organizations affect the core of national and financial security and the quality of life of all Americans.

## **Tobacco Diversion Investigations**

### *Silver Cloud Smoke Shop*

On October 14, 2011, in Albuquerque Federal court, a member of the Pueblo de San Ildefonso was sentenced to a 33-month term of imprisonment to be followed by 3 years of supervised release for illegally trafficking in contraband cigarettes. ATF successfully initiated the investigation into Rainbird’s internet business, which conspired to sell contraband cigarettes in interstate commerce without paying the applicable State cigarette taxes from 2003 through 2008. The business sold to over 6,000 customers in 30 states. ATF estimates that Rainbird evaded paying more than \$7 million in taxes. Rainbird was ordered to pay \$60,000 in restitution to the Pueblo de San Ildefonso and \$34,500 in restitution to the New Mexico Taxation and Revenue Department. ATF seized and forfeited various assets derived from his criminal activity, including \$169,446.72 located in four bank accounts; a 2001 Chevrolet Corvette and a 2004 Infinity FX; and 4,829 cartons of cigarettes.

- **Foreign Tobacco:** Foreign market tobacco imported and sold in the United States without tax

### *Operation Little Saigon*

Operation Little Saigon is an investigation out of the Seattle Field Division with nexus to Boston and Dallas. A massive amount of Vietnamese cigarettes are being mailed to individuals in the United States from Vietnam, and then sold to stores and individuals in the Vietnamese communities in large American cities. There is no U.S. or State tax on these cigarettes, nor do they meet FDA requirements. The cigarettes are hidden in packages labeled “gift” and pass undetected through the U.S. Postal Service/CBP inspections at major airports. Millions of dollars of tax loss results, as well as the presence of non-regulated tobacco product on U.S. streets. Investigation is ongoing, but ATF has served numerous Federal search warrants and seized over \$300,000 in currency.

- **Churning:** Proceeds from tobacco used by ATF to further investigation

### *The Eduard Ifraimov Case*

In the summer of 2008, ATF learned that for 2 years Eduard Ifraimov had been purchasing large amounts of cigarettes in Delaware and transporting them back to New York City where he sold them, avoiding the New York State and City cigarette taxes. An undercover ATF Special Agent, posing as a smuggler in untaxed cigarettes, was introduced to Ifraimov, who from August 2008 to the date of his arrest on April 23, 2010, purchased from the undercover agent more than 23,000 cartons of cigarettes at a price exceeding \$900,000. These cigarettes bore counterfeit Delaware tax stamps or were unstamped. In selling the cigarettes in New York City, Ifraimov avoided New York State and City taxes totaling \$42.50 per carton, for a total tax loss in those jurisdictions exceeding \$975,000. Eduard Ifraimov was sentenced to 21 months in prison for trafficking in untaxed cigarettes, receipt of counterfeit cigarette tax stamps, and money laundering. ATF returned the proceeds of goods sold to its churning account for future investigations.

- **Other Tobacco Products (OTP):** Diversion of Non-Cigarette Tobacco products (Chew, Snuff, Snus, etc)

### *Ideal Tobacco*

ATF initiated a 3-year investigation into the diversion of “other tobacco products” by Ideal Tobacco, located in Las Vegas, Nevada. Ideal Tobacco sold large quantities of other tobacco products in the State of California and evaded or conspired to evade the California excise tax. It has been estimated that Ideal Tobacco and its customers deprived the State of California of over \$30 million in excise tax revenue. ATF served eight search warrants and seven seizure warrants for residences and businesses in Las Vegas, Nevada; Phoenix, Arizona; and Los Angeles, California. As a result of these warrants, ATF seized an estimated wholesale value of \$15 million in other tobacco

products and a total of \$227,830 in cash and bank accounts. Furthermore, ATF filed real property complaints against two warehouse locations with an appraised value of \$5.1 million. Fourteen individuals and three companies, who were customers of Ideal Tobacco, have been indicted in Los Angeles and Sacramento for violations of the Contraband Cigarette Trafficking Act and mail fraud. Fourteen of seventeen defendants have plead guilty to date.

- **CCTA:** Traditional CCTA investigation

#### *The Mohammed Alazzam Case*

From December 2008 through May 2011, ATF initiated an investigation into Mohammed Alazzam, et al, for suspected contraband cigarette trafficking in the New York City and Westchester County areas. This investigation identified an organized conspiracy of individuals engaged in cigarette trafficking, in which the source of supply spanned from Long Island Indian Reservations, to Southern and Midwest States. The Alazzam organization operated a black market for the wholesale distribution of contraband cigarettes. In May 2011, ATF Agents from the New York and New Jersey Field Divisions, and detectives from the Yonkers Police Department, affected numerous Federal arrest and search warrants for multiple individuals, residences, and storage facilities. ATF seized approximately \$135,000 and over 3,000 cartons of contraband cigarettes. Alazzam and ten other defendants have been charged with conspiracy to distribute contraband cigarettes.

#### **Financial Impacts of Tobacco Diversion**

- **ATF is currently investigating an illegal internet cigarette trafficker who in the past five years has gained over \$130 million in proceeds through his illegal diversion scheme.** The investigation produced information that led to the serving of search warrants at the sixth largest tobacco manufacturer in the U.S. for being complicit in the illegal scheme.
- In April 2011, New York City filed a federal lawsuit accusing 32 people of evading millions of dollars in cigarette taxes by buying large quantities of cartons over the internet, and then reselling them on the black market. **As part of the ongoing investigation, ATF calculated in excess of \$120 million was owed to all fifty states due to the companies' failure to file Jenkins Act reports to the states.** In addition, millions of dollars of excise taxes were also evaded through tobacco diversion invoicing schemes. This suit takes aim at city residents who bought cigarettes from an internet tobacco retailer, a Kentucky company that was raided by federal agents in late 2009 and has since ceased operations. The city is seeking \$6.5 million in unpaid taxes from the company and the other defendants, plus another \$13 million in penalties.
- In August 2010, 15 individuals were arrested for charges including mail fraud, violations of the Contraband Cigarette Trafficking Act (CCTA) and conspiracy.

**These individuals evaded approximately \$35,000,000 in excise tax due to the State of California. The indictments include criminal forfeiture provisions for up to \$23,228,000.** Fourteen suspects were indicted for a total of 194 counts of mail fraud, 44 counts of violations of the CCTA, and four counts of conspiracy all based on bringing untaxed other tobacco products into California and not paying the excise tax due. This case was conducted by ATF, the California Board of Equalization, and the California Department of Justice.

- In November 2010, a California businessman was sentenced after pleading guilty (in April 2010) to one count each of *Conspiracy to Traffic in Contraband Cigarettes* and *Conspiracy to Launder Monetary Instruments*. The U.S. District Court for the Western District of Washington sentenced the defendant to 18 months of imprisonment and three years of supervised release. **The defendant was ordered to pay \$18,003,341 in restitution to the State of Washington, which represented the excise tax loss on 917,413 cartons of contraband cigarettes transported to smoke shops located in western Washington.** Four co-conspirators were previously imposed similar sentences after pleading guilty to the same violations: These defendants were also imposed to pay restitution, joint and several in part with each other and additional defendants.
- A tobacco wholesaler and other co-conspirators devised a scheme to defraud the Commonwealth of Kentucky of excise tax revenues. The object of the conspiracy was the creation of invoices between March 2008 and June 2010, which made it appear that cigarettes purchased from the Kentucky tobacco wholesaler were shipped to an out of state location. The Commonwealth of Kentucky requires that all cigarettes purchased by licensed resident and non-resident wholesalers have a Kentucky tax stamp affixed. **This scheme allowed the purchasers to avoid approximately \$6 million in Kentucky taxes.**
- A defendant of Las Vegas, Nevada, was sentenced on November 16, 2011, to 27 months in jail and ordered to pay \$690,000 in restitution to the State of California for his involvement in a scheme to defraud California out of excise taxes on other tobacco products. **The defendant purchased an untaxed product and distributed it in California without paying the excise tax due.** The defendant pled guilty to 1 count of Conspiracy to Commit Mail Fraud as part of his plea agreement entered in June 2011. This investigation was conducted by ATF and the California State Board of Equalization.
- In December 2010, a defendant who was a suspect in several other tobacco investigations, was convicted of 23 counts of mail fraud and violations of the CCTA. **The State of California estimated that the defendant may have evaded as much as \$10 million in tobacco excise taxes.** The evidence at trial showed that he purchased other untaxed tobacco products from out-of-state distributors as far away as Chicago, shipped the product into the state using smaller, less regulated, interstate carriers and did not report the shipments to the state. This case, and the related cases, is the result of an investigation conducted

by ATF, the California Attorney General's Office, and the California State Board of Equalization.

In addition to investigations related to the CCTA, ATF plays a vital role in implementing and overseeing the Prevent All Cigarette Trafficking Act of 2009 (PACT Act), signed by President Obama in March 2010. At its core, the new law provides investigative tools to Federal and state law enforcement agencies to identify and investigate individuals who engage in the sale and shipment of contraband tobacco products directly to the consumer in non-face-to-face transactions. ATF develops the PACT Act mandate of developing the Delivery Seller Noncompliant List. The list, continually updated, comprises individuals engaged in internet or mail order tobacco transactions and in violation of the PACT Act. The Federal listing developed by ATF is distributed to the state governments, Tribal governments and to common carriers. The PACT Act prohibits common carriers from delivering packages by the individuals on the list.

## 2. Performance Table - Alcohol and Tobacco

PERFORMANCE AND RESOURCES TABLE											
Decision Unit: Alcohol and Tobacco											
DOJ Strategic Goal/Objective: Goal 2, Objective 2.2											
RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2011		FY 2011		FY 2012		Current Services Adj and FY 2013 Program Change		FY 2013 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		100	\$22,250	94	\$22,487	100	\$23,040	(3)	\$27	97	\$23,067
Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000				
		100	\$22,250	94	\$22,487	100	\$23,040	(3)	\$27	97	\$23,067
OUTCOME Measure	Reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking	100		85.5		82		(1)		81	

Performance Measure Table											
Decision Unit: Alcohol and Tobacco											
Performance Report and Performance Plan Targets		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		FY 2012	FY 2013
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking	N/A	N/A	N/A	N/A	N/A	98.6	100	85.5	82	81

**Footnote:** ATF has established a benchmark for its performance index using FY 2010 actual performance data and resource levels. The benchmark level is expressed as a performance index target of "100" in the FY 2011 Congressional Budget Request. From this benchmark, ATF has determined the FY 2012 performance targets by estimating expected performance with the level of resources at the FY 2012 current rate. ATF's FY 2012 performance targets represent the Bureau's capability (relative to the FY 2010 benchmark level and within the resources requested) to impact strategic risk areas (Performance Goals/Outcome). Using the underlying benchmarked proxy index indicators as a starting point, ATF is able to project anticipated mission performance, with results displayed at the performance goal index levels (Actuals). Please refer to section 3.a. for a discussion of the Performance Plan and Report of Outcomes

### **3. Performance, Resources, and Strategies (Alcohol & Tobacco)**

#### **a. Performance Plan and Report for Outcomes**

ATF's alcohol and tobacco diversion program focuses on criminal enforcement on illegal activities that produce revenues for funding violent criminal and terrorist enterprises. ATF's core mission focuses on interdiction and investigation of interstate commerce violations that result in tax revenue losses by preventing illicit alcohol and tobacco product trafficking from one state to another or across international borders.

#### **b. Strategies to Accomplish Outcomes**

ATF investigates and dismantles schemes that divert alcohol and tobacco products from low tax jurisdictions to high tax jurisdictions and removes the proceeds of such activity from the hands of organized crime enterprises. The legal statutes mandate ATF as the primary Federal law enforcement agency in the investigation of the diversion of alcohol and tobacco products in interstate commerce.

#### **Crosscutting Activities**

ATF participates in multi-agency efforts such as the Framework Convention on Tobacco Control, the Federation of Tax Administrators, and the Canada/U.S. working group to address illicit alcohol diversion and contraband cigarette trafficking activity. ATF fosters effective working relationships with alcohol and tobacco industry members as well as law enforcement partnerships with members of the international law enforcement community.



**Item Name:** **Information Technology (IT) Savings**

Budget Decision Unit(s): Firearms, Arson & Explosives, Alcohol & Tobacco

Organizational Program: Bureau-wide

Component Ranking of Item: 1 of 2

Program Reduction: Positions 0 Agt/Atty 0 FTE 0 Dollars \$2,095,000

Description of Item

The IT contract savings offset is a program initiative generated by the SAVE Council with the full support of Departmental Leadership. It is designed to accomplish two objectives; first, it encourages components to make thoughtful decisions regarding procurement spending and to participate in a Department-wide effort to generate management savings; second, it provides a source of funding, without requiring a program enhancement request, for two major priority initiatives of the Department and the Administration – Cybersecurity and IT Transformation (including email system upgrade and data center consolidation).

Summary Justification

As part of its effort to increase IT management efficiency and comply with OMB’s direction to reform IT management activities, the Department is implementing a cost saving initiative as well as IT transformation projects. To support cost savings, the Department is developing an infrastructure to enable DOJ components to better collaborate on IT contracting; which should result in lower IT expenditures. In FY 2013 the Department anticipates realizing savings on all direct non-personnel IT spending through IT contracting collaboration. These savings will not only support greater management efficiency within components but will also support OMB’s IT Reform plan by providing resources to support major initiatives in Cybersecurity, data center consolidation, and enterprise e-mail systems. The savings will also support other Department priorities in the FY 2013 request. The offset to support these initiatives for ATF is \$2,095,000.

Impact on Performance (Relationship of Decrease to Priority Goals)

The Department and its components are continually evaluating programs and operations with the goal of achieving economies of scale that result in increase efficiencies, cost savings and cost avoidance. This IT management efficiency will achieve savings, transform IT contracting efforts and meet the intent of OMB’s directive to effectively reform IT procurement and management.

## Funding

### Summary

FY 2011 Enacted (w/rescissions)				FY 2012 Enacted				FY 2013 Current Services			
Pos	Agt/ Atty	FTE	\$(000)	Pos	Agt/ Atty	FTE	\$(000)	Pos	Agt/ Atty	FTE	\$(000)
90	0	90	123,163	90	0	90	121,763	90	0	90	127,254

### Personnel Reduction Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Reduced	FY 2013 Request (\$000)	FY 2014 Net Annualization (change from 2012) (\$000)	FY 2015 Net Annualization (change from 2013) (\$000)
	0	0	0	0	0
Total Personnel	0	0	0	0	0

### Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit	Quantity	FY 2013 Request (\$000)	FY 2014 Net Annualization (change from 2012) (\$000)	FY 2015 Net Annualization (change from 2013) (\$000)
IT Services	0	0	(2,095)	0	0
Total Non-Personnel	0	0	(2,095)	0	0

### Total Request for this Item

	Pos	Agt/ Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2014 Net Annualization (change from 2013) (\$000)	FY 2015 Net Annualization (change from 2014) (\$000)
Current Services	90	0	90	0	127,254	127,254	0	0
Decreases	0	0	0	0	(2,095)	(2,095)	0	0
Grand Total	90	0	90	0	125,159	125,159	0	0

**Item Name:** **Staffing, Administrative and Programmatic Efficiencies**

Budget Decision Unit(s): Firearms, Arson & Explosives, Alcohol & Tobacco

Organizational Program: Bureau-wide

Component Ranking of Item: 2 of 2

Program Reduction: Positions \_(164)\_ Agt/Atty \_(34)\_ FTE \_(164)\_ Dollars \_\$24,799,000\_

Description of Item:

Savings identified as a result of the VERA/VSIP of 164 ATF employees in FY 2012.

Summary Justification

In FY 2013, ATF will realize a payroll and benefit cost savings of approximately \$24 million as a result of the payroll and benefits reductions from staffing reductions, including the FY 2012 VERA/VSIP action and hiring freeze, general administrative, program and contract reductions.

Impact on Performance (Relationship of Decrease to Priority Goals)

The 2012 and 2013 cost efficiencies and savings realized, totaling \$40.4 million allow programs critical to public safety and operational support to continue at current levels in FY 2013.

## Funding

### Summary

FY 2011 Enacted (w/rescissions)				FY 2012 Enacted				FY 2013 Current Services			
Pos	Agt/ Atty	FTE	\$(000)	Pos	Agt/ Atty	FTE	\$(000)	Pos	Agt/ Atty	FTE	\$(000)
0	0	0		0	0	0		0	0	0	

### Personnel Reduction Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Reduced	FY 2013 Request (\$000)	FY 2014 Net Annualization (change from 2012) (\$000)	FY 2015 Net Annualization (change from 2013) (\$000)
Agent		(34)	(6,900)	0	0
IOI		(37)	(4,900)		
Tech/Prof/Admin		(93)	(9,900)		
<b>Total Personnel</b>		<b>(164)</b>	<b>(21,700)</b>	<b>0</b>	<b>0</b>

### Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit	Quantity	FY 2013 Request (\$000)	FY 2014 Net Annualization (change from 2012) (\$000)	FY 2015 Net Annualization (change from 2013) (\$000)
General Admin and program reduction	0	0	(3,099)	0	0
<b>Total Non- Personnel</b>	<b>0</b>	<b>0</b>	<b>(3,099)</b>	<b>0</b>	<b>0</b>

### Total Request for this Item

	Pos	Agt/ Atty	FTE	Personnel (\$000)	Non- Personnel (\$000)	Total (\$000)	FY 2014 Net Annualization (change from 2013) - (\$000)	FY 2015 Net Annualization (change from 2014) - (\$000)
Current Services	0	0	0	0	0	0	0	0
Decreases	(164)	(34)	(164)	(21,700)	(3,099)	(24,799)	0	0
<b>Grand Total</b>	<b>(164)</b>	<b>(34)</b>	<b>(164)</b>	<b>(21,700)</b>	<b>(3,099)</b>	<b>(24,799)</b>	<b>0</b>	<b>0</b>

# A: Organizational Chart

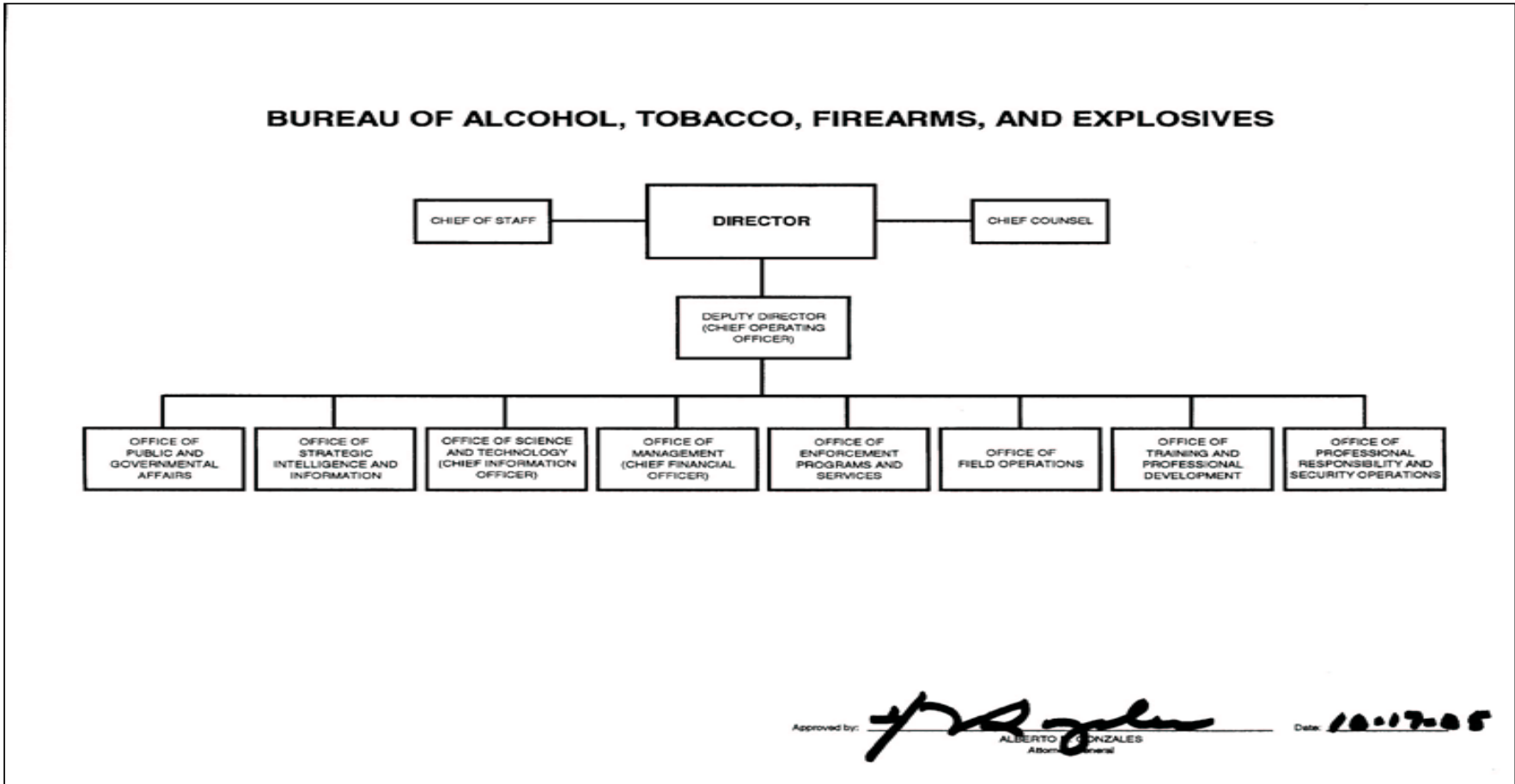


Exhibit A - Organizational Chart

**B: Summary of Requirements**

**Summary of Requirements**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

	FY 2013 Request		
	Perm. Pos.	FTE	Amount
<b>2011 Enacted</b>	<b>5101</b>	<b>5025</b>	<b>\$1,112,542</b>
<b>2012 Enacted</b>	5,101	5,025	1,152,000
Adjustments to Base			
Transfers:			
Transfers: JABS - To Components			1,140
Transfers: JCON and JCON S/TS - To Components			451
Transfers: LEWC - To Components			2,600
Transfers: Office of Information Policy (OIP) - From Components			(306)
Transfers: Professional Responsibility Advisory Office (PRAO) - From Components			(29)
Subtotal Increases			3,856
Increases:			
Pay and Benefits			12,348
Domestic Rent and Facilities			10,889
Other Adjustments			1,300
Foreign Expenses			(154)
Subtotal Increases	0	0	24,383
Total Adjustments to Base	0	0	28,239
<b>2013 Current Services</b>	<b>5,101</b>	<b>5,025</b>	<b>1,180,239</b>
Program Changes			
Offsets:			
Program Offset - Staffing, Administrative and Programmatic Efficiencies	(164)	(164)	(24,799)
Program Offset - IT Savings	0	0	(2,095)
Subtotal Offsets	(164)	(164)	(26,894)
Total Program Changes	(164)	(164)	(26,894)
<b>2013 Total Request</b>	<b>4,937</b>	<b>4,861</b>	<b>1,153,345</b>
Cancellation of Unobligated Prior Year and VCRP Balances	0	0	[-13,428]
2012 - 2013 Total Change	(164)	(164)	1,345

NOTE: All FTE numbers in this table reflect authorized FTE, which is the total number of FTE available to a component. Because the FY 2013 President's Budget Appendix builds the FTE request using actual FTE rather than authorized, it may not match the FY 2012 FTE enacted and FY 2013 FTE request reflected in this table.

**Summary of Requirements**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

	2011 Appropriation Enacted			2012 Enacted			2013 Adjustments to Base and Technical Adjustments			2013 Current Services			2013 Offsets			2013 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
<b>Estimates by budget activity</b>																		
Firearms	3,826	3,769	834,407	3,826	3,769	875,520	51	50	21,461	3,877	3,819	896,981	(125)	(125)	(20,439)	3,752	3,694	876,542
Arson & Explosives	1,173	1,156	255,885	1,173	1,156	253,440	(51)	(50)	6,213	1,122	1,106	259,653	(36)	(36)	(5,917)	1,086	1,070	253,736
Alcohol & Tobacco	102	100	22,250	102	100	23,040	0	0	565	102	100	23,605	(3)	(3)	(538)	99	97	23,067
<b>Total</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,112,542</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,152,000</b>	<b>0</b>	<b>0</b>	<b>\$28,239</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,180,239</b>	<b>(164)</b>	<b>(164)</b>	<b>(26,894)</b>	<b>4,937</b>	<b>4,861</b>	<b>\$1,153,345</b>
Cancelation of Unobligated Prior Year and VCRP Balances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(13,428)	0	0	(13,428)
<b>Total</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,112,542</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,152,000</b>	<b>0</b>	<b>0</b>	<b>\$28,239</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,180,239</b>	<b>(164)</b>	<b>(164)</b>	<b>(40,322)</b>	<b>4,937</b>	<b>4,861</b>	<b>\$1,139,917</b>
Reimbursable FTE		55			55			55			56			(1)			55	
Total FTE		5,080			5,080			55			5,081			(165)			4,916	
Other FTE:																		
LEAP		641			641			0			641			(9)			632	
Overtime		21			37			0			37			0			37	
Total Comp. FTE		5,742			5,758			55			5,759			(174)			5,585	

**C: Program Increases/Offsets By Decision Unit**

**FY 2013 Program Increases/Offsets By Decision Unit**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 (Dollars in Thousands)

Program Offsets	Location of Description by Decision Unit	Firearms				Arson & Explosives				Alcohol & Tobacco				Total Offsets
		Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	
														0
IT Savings	Bureau-wide	0	0	0	(1,592)	0	0	0	(461)	0	0	0	(42)	(2,095)
Staffing, Administrative and Programmatic Efficiencies	Bureau-wide	(125)	(26)	(125)	(18,847)	(36)	(7)	(36)	(5,456)	(3)	(1)	(3)	(496)	(24,799)
Cancelation of Unobligated Prior Year and VCRP Balances	Bureau-wide	0	0	0	0	0	0	0	0	0	0	0	0	[-13,428]
<b>Total Offsets</b>		<b>(125)</b>	<b>(26)</b>	<b>(125)</b>	<b>(\$20,439)</b>	<b>(36)</b>	<b>(7)</b>	<b>(36)</b>	<b>(\$5,917)</b>	<b>(3)</b>	<b>(1)</b>	<b>(3)</b>	<b>(\$538)</b>	<b>(\$26,894)</b>



**D: Resources by DOJ Strategic Goal and Strategic Objective**

**Resources by Department of Justice Strategic Goal/Objective  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
(Dollars in Thousands)**

Strategic Goal and Strategic Objective	2011 Appropriation Enacted		2012 Enacted		2013 Current Services		2013				2013 Request	
	Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s	Increases		Offsets		Direct, Reimb. Other FTE	Direct Amount \$000s
							Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s		
<b>Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law</b>												
1.1 Prevent, disrupt, and defeat terrorist operations before they occur					0	0					0	0
1.2 Prosecute those involved in terrorist acts	2,010	445,017	2,010	460,800	2,010	472,096			(66)	(10,758)	1,944	461,338
1.3 Combat espionage against the United States					0	0					0	0
<b>Subtotal, Goal 1</b>	<b>2,010</b>	<b>445,017</b>	<b>2,010</b>	<b>460,800</b>	<b>2,010</b>	<b>472,096</b>	<b>0</b>	<b>0</b>	<b>(66)</b>	<b>(10,758)</b>	<b>1,944</b>	<b>461,338</b>
<b>Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law</b>												
2.1 Combat the threat, incidence, and prevalence of violent crime					0	0					0	0
2.2 Prevent and intervene in crimes against vulnerable populations, uphold the rights of, and improve services to, America's crime victims	3,070	667,525	3,070	691,200	3,070	708,143			(98)	(16,136)	2,972	692,007
2.3 Combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs					0	0					0	0
2.4 Combat corruption, economic crimes, and international organized crime					0	0					0	0
2.5 Promote and protect Americans' civil rights					0	0					0	0
2.6 Protect the federal fisc and defend the interests of the United States					0	0					0	0
<b>Subtotal, Goal 2</b>	<b>3,070</b>	<b>667,525</b>	<b>3,070</b>	<b>691,200</b>	<b>3,070</b>	<b>708,143</b>	<b>0</b>	<b>0</b>	<b>(98)</b>	<b>(16,136)</b>	<b>2,972</b>	<b>692,007</b>
<b>Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal and International Levels</b>												
3.1 Promote and strengthen relationships and strategies for the administration of justice with state, local, tribal and international law enforcement					0	0					0	0
3.2 Protect judges, witnesses, and other participants in federal proceedings; apprehend fugitives; and ensure the appearance of criminal defendants for judicial proceedings or confinement					0	0					0	0
3.3 Provide for the safe, secure, humane, and cost-effective confinement of detainees awaiting trial and/or sentencing, and those in the custody of the Federal Prison System					0	0					0	0
3.4 Adjudicate all immigration cases promptly and impartially in accordance with due process					0	0					0	0
<b>Subtotal, Goal 3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>5,080</b>	<b>\$1,112,542</b>	<b>5,080</b>	<b>\$1,152,000</b>	<b>5,080</b>	<b>\$1,180,239</b>	<b>0</b>	<b>\$0</b>	<b>(164)</b>	<b>(\$26,894)</b>	<b>4,916</b>	<b>\$1,153,345</b>
Cancelation of Unobligated Prior Year and VCRP Balances	0	\$0	0	\$0	0	\$0	0	\$0	0	(\$13,428)	0	(\$13,428)
<b>GRAND TOTAL</b>	<b>5,080</b>	<b>\$1,112,542</b>	<b>5,080</b>	<b>\$1,152,000</b>	<b>5,080</b>	<b>\$1,180,239</b>	<b>0</b>	<b>\$0</b>	<b>(164)</b>	<b>(\$40,322)</b>	<b>4,916</b>	<b>\$1,139,917</b>

## E. Justification for Base Adjustments

### Justification for Base Adjustments Bureau of Alcohol, Tobacco, Firearms and Explosives

	<u>POS</u>	<u>FTE</u>	<u>Amount</u>
<u>Transfers</u>			
<u>Joint Automated Booking System (JABS).</u> This provides for transfer of JABS funding to the components in FY 2013. JABS will be managed through the Working Capital Fund and each component will be billed for services beginning in FY 2013.			1,140,000
<u>Justice Consolidated Office Network (JCON) and JCON S/TS.</u> This provides for transfer of JCON/JCON S/TS funding to the components in FY 2013. These networks will be managed through the Working Capital Fund and each component will be billed for services beginning in FY 2013.			451,000
			2,600,000
<u>Law Enforcement Wireless Communications:</u> In FY 2013, the funding for the Department's Radio/Interoperability program is being realigned. This change will generate savings and allow the Department to increase our investments in improved technology and interoperability. As part of the realignment, base operations and maintenance (O&M) funding for radios is being transferred back to components. For ATF, the O&M transfer amount is \$2,600,000.			-306,000
<u>Office of Information Policy (OIP) Transfer.</u> For ATF's share to fund operating costs of the Department's OIP beginning in FY 2013.			-29,000
<u>Professional Responsibility Advisory Office (PRAO) Transfer.</u> ATF's share of operating costs of the Department's PRAO beginning in FY 2013.			-29,000
			<b>3,856,000</b>
<b>Subtotal, Transfers</b>			
<u>Increases</u>			
<u>2013 Pay Raise.</u> This request provides for a proposed 0.5 percent pay raise to be effective in January of 2013. The increase only includes the general pay raise. The amount request, <u>\$2,416,000</u> , represents the pay amounts for 3/4 of the fiscal year plus appropriate benefits ( <u>\$1,812,000</u> for pay and <u>\$604,000</u> for benefits.)			2,416,000
<u>Legacy Radio Operations and Maintenance.</u> In FY 2013, the funding for the Department's Radio/Interoperability program is being realigned. As part of the realignment, base operations and maintenance (O&M) funding for radios is being transferred back to components. In order to fully fund the O&M requirements, an ATB increase of <u>\$1,300,000</u> is requested for ATF.			1,300,000
<u>Retirement.</u> Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on OPM government-wide estimates, we project that the DOJ workforce will convert from CSRS to FERS at a rate of 1.3 percent per year. The requested increase of \$1,237,000 is necessary to meet our increased retirement obligations as a result of this conversion.			1,237,000
<u>FERS Regular/Law Enforcement Retirement Contribution.</u> On June 11, 2010, the Board of Actuaries of the Civil Service Retirement System recommended a new set of economic assumptions for the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). In accordance with this change, effective October 1, 2011 (FY 2012), the total Normal Cost of Regular retirement under FERS will increase from the current level of 12.5% of pay to 12.7%. The total FERS contribution for Law Enforcement retirement will increase from 27.0% to 27.6%. This will result in new agency contribution rates of 11.9% for normal costs (up from the current 11.7%) and 26.3% for law enforcement personnel (up from the current 25.7%). The amount requested, \$1,908,000, represents the funds needed to cover this increase.			1,908,000
<u>Employees Compensation Fund.</u> The \$834,000 increase reflects payments to the Department of Labor for injury benefits paid in the past year under the Federal Employee Compensation Act. This estimate is based on the first quarter of prior year billing and current year estimates.			834,000
<u>Health Insurance.</u> Effective January 2013, this component's contribution to Federal employees' health insurance premiums increased by 9.0 percent.			3,330,000

	<u>POS</u>	<u>FTE</u>	<u>Amount</u>
<u>Changes in Compensable Days.</u> The increase cost for one more compensable day in FY 2013 compared to FY 2012 is calculated by dividing the FY 2012 estimated personnel compensation \$558,000,000 and applicable benefits \$186,000,000 by 260 compensable days.			2,623,000
<u>General Services Administration (GSA) Rent.</u> GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of \$6,823,000 is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of an automated system, which uses the latest inventory data, including rate increases to be effective in FY 2013 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. GSA provided data on the rate increases.			6,823,000
<u>Security Charges.</u> Guard Service includes those costs paid directly by DOJ and those paid to Department of Homeland Security (DHS). The requested increase of \$4,066,000 is required to meet our commitment to DHS and other security costs.			4,066,000
<u>International Cooperative Administrative Support Services (ICASS).</u> Under the ICASS, an annual charge is made by the Department of State for administrative support based on the overseas staff of each federal agency. This request is based on the projected FY 2012 bill for post invoices and other ICASS costs.			70,000
<u>Overseas Capital Security Cost Sharing (CSCS).</u> The Department of State (DOS) is in the midst of a 14-year, \$17.5 billion embassy construction program, with a plan to build and maintain approximately 150 new diplomatic and consular compounds. DOS allocates these costs through a Capital Security Cost Sharing Program in which each agency contributes funding. The estimated cost to ATF in FY 2013 is less than amounts charged in prior years. The ATF decrease requested for CSCS reflects the reduced FY 2013 estimate. [CRM, USMS, FBI, DEA, ATF only.]			-224,000
<b>Total Increase:</b>	0	0	\$24,383,000
<b>Total ATB:</b>	0	0	\$28,239,000

## F: Crosswalk of 2011 Availability

**Crosswalk of 2011 Availability**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

Decision Unit	FY 2011 Enacted Without Balance Rescissions			Balance Rescissions			Reprogrammings / Transfers			Carryover	Recoveries	2011 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Amount	Amount	Pos.	FTE	Amount
Firearms	3,826	3,769	841,002			0	84	84	28,622	72,972	3,230	3,910	3,853	945,826
Arson & Explosives	1,173	1,156	249,015			0	(84)	(84)	(29,831)	11,308	1,099	1,089	1,072	231,591
Alcohol & Tobacco	102	100	22,526			0	0	0	790	952	57	102	100	24,325
<b>TOTAL</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,112,542</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>(\$420)</b>	<b>\$85,232</b>	<b>\$4,387</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,201,741</b>
Reimbursable FTE		55											55	
Total FTE		5,080			0			0					5,080	
Other FTE														
LEAP		641											641	
Overtime		21											21	
Total Compensable FTE		5,742			0			0					5,742	

**Reprogrammings:** ATF has two Congressional Reprogramming requests approved. The Congressional Reprogramming request to 1) reprogram FY10/11 SW Border Supplemental funds and atrium funding for - \$23.412M and 2) Section 505 Notification

**Transfers:** The amount reflects the transfer of funds from ONDCP to ATF 15 10/11 0700 (\$.015M) & ATF 15 11/12 0700 (\$.392M) for approved HIDTA programs within ATF Field Divisions and ATF Radio transfer out to DOJ of \$.505M from ATF's Direct account 15 11 0700 and \$.311K from the Southwest Border Supplemental 15 10/11 0700. Plus a transfer out from ATF of \$.010M to ONDCP 11 10/11 1070.

**Unobligated Balances:** Funds were carried over from FY 2010 from the 15 X 0700, 15 X 8526, and 15 10/11 0700 accounts. ATF brought forward \$1.726M from funds provided in FY 2010 for the no-year portion of the S&E Appropriations, with year-to-date recoveries of \$3.751M and anticipated recoveries of \$.249M; \$1.029M from funds provided in FY 2010 for GREAT/VCIT with no anticipated recoveries, \$36.612M from funds provided in FY 2010 for HIDTA & FY10/11 Supplemental with year-to-date recoveries of \$.341M and anticipated recoveries of \$.159M; \$45.866M from funds provided in FY 2010 for Radio Spectrum Relocation with year-to-date recoveries of \$.073M and anticipated recoveries of \$1.927M. Construction funding is not included.

**G: Crosswalk of 2012 Availability**

**Crosswalk of 2012 Availability**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

Decision Unit	FY 2012 Enacted Without Balance Rescissions			Balance Rescissions			Reprogrammings / Transfers			Carryover	Recoveries	2012 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Amount	Amount	Pos.	FTE	Amount
Firearms	3,826	3,769	875,520						21	27,180	3,750	3,826	3,769	906,471
Arson & Explosives	1,173	1,156	253,440							7,908	1,150	1,173	1,156	262,498
Alcohol & Tobacco	102	100	23,040							688	100	102	100	23,828
<b>TOTAL</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,152,000</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>\$21</b>	<b>\$35,775</b>	<b>\$5,000</b>	<b>5,101</b>	<b>5,025</b>	<b>\$1,192,796</b>
Reimbursable FTE														55
Total FTE		5,025			0			0						5,080
Other FTE														
LEAP		641			0			0						641
Overtime		37			0			0						37
Total Compensable FTE		5,703			0			0						5,758

**Transfers:** The amount reflects the transfer of funds from ONDCP to ATF 15 11/12 0700 (\$.021M) for approved HIDTA programs within ATF Field Divisions.

**Unobligated Balances:** Funds were carried over from FY 2011 from the 15 X 0700, 15 X 8526, and 15 11/12 0700 accounts. ATF brought forward \$0.742M from funds provided in FY 2011 for the no-year portion of the S&E Appropriations, with year-to-date recoveries of \$0.797M and anticipated recoveries of \$1.203M; \$1.029M from funds provided in FY 2011 for GREAT/VCIT with no anticipated recoveries, \$0.364M from funds provided in FY 2011 for HIDTA with no anticipated recoveries; \$33.641M from funds provided in FY 2011 for Radio Spectrum Relocation with year-to-date recoveries of \$.001M and anticipated recoveries of \$2.999M. Construction funding is not included.

**H: Summary of Reimbursable Resources**

**Summary of Reimbursable Resources**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

Collections by Source	2011 Enacted			2012 Planned			2013 Request			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
OCDETF	54	54	11,662	54	54	11,683	53	53	11,423	(1)	(1)	(260)
Asset Forfeiture	0	0	48,406	0	0	43,853	0	0	43,853	0	0	0
Other Agreements	1	1	64,932	1	1	69,464	2	2	69,724	1	1	260
										0	0	0
<b>Budgetary Resources:</b>	<b>55</b>	<b>55</b>	<b>\$125,000</b>	<b>55</b>	<b>55</b>	<b>\$125,000</b>	<b>55</b>	<b>55</b>	<b>\$125,000</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

## I: Detail of Permanent Positions by Category

### Detail of Permanent Positions by Category Bureau of Alcohol, Tobacco, Firearms and Explosives Salaries and Expenses

Category	2011 Enacted		2012 Enacted		2013 Request					
	Total Authorized	Total Reimbursable	Total Authorized	Total Reimbursable	ATBs	Program Increases	Program Decreases	Total Pr. Changes	Total Authorized	Total Reimbursable
Intelligence Series (132)	180		180					0	180	1
Personnel Management (200-299)	61		61					0	61	
Clerical and Office Services (300-399)	545		545					0	545	
Accounting and Budget (500-599)	125		125					0	125	
Attorneys (905)	81		81					0	81	
Paralegals / Other Law (900-998)	60		60					0	60	
Information & Arts (1000-1099)	38		38					0	38	
Business & Industry (1100-1199)	34		34					0	34	
Library (1400-1499)	0		0					0	0	
Equipment/Facilities Services (1600-1699)	1		1					0	1	
Miscellaneous Inspectors Series (1802)	35		35					0	35	
Criminal Investigative Series (1811)	2,485	54	2,485	54			(34)	(34)	2,451	53
Industry Operations Investigators (1801)	834		834				(37)	(37)	797	
Supply Services (2000-2099)	16		16					0	16	
Motor Vehicle Operations (5703)	0		0					0	0	
Information Technology Mgmt (2210)	56		56					0	56	
Security Specialists (080)	26		26					0	26	
Miscellaneous Operations (010-099)	524	1	524	1			(93)	(93)	431	1
<b>Total</b>	<b>5,101</b>	<b>55</b>	<b>5,101</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>(164)</b>	<b>(164)</b>	<b>4,937</b>	<b>55</b>
Headquarters (Washington, D.C.)	802	1	802	1			(46)	(46)	756	1
U.S. Field	4,268	54	4,273	54			(118)	(118)	4,155	53
Foreign Field	31		26					0	26	1
<b>Total</b>	<b>5,101</b>	<b>55</b>	<b>5,101</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>(164)</b>	<b>(164)</b>	<b>4,937</b>	<b>55</b>

**J: Financial Analysis of Program Changes**

**Financial Analysis of Program Changes**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

Grades:	Firearms			Arson and Explosives			Alcohol and Tobacco			Program Changes		
	Inc. 1	Inc. 2	Offset	Inc.1	Inc. 2	Offset	Inc. 1	Inc. 2	Offset	Program Changes		
	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	Pos. Amount	
SES											0	0
GS-15											0	0
GS-14											0	0
GS-13			(54) (6,197)			(16) (1,842)			(1) (128)		(71) (8,167)	
GS-12			(71) (6,852)			(20) (1,935)			(2) (215)		(93) (9,002)	
GS-11											0	0
GS-10											0	0
GS-9											0	0
GS-8											0	0
GS-7											0	0
GS-5											0	0
Total positions & annual amount	0 0	0 0	(125) (13,049)	0 0	0 0	(36) (3,777)	0 0	0 0	(3) (343)		(164) (17,169)	
Lapse (-)	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0		0 0	
Other personnel compensation											0 0	
Total FTE & personnel compensation	0 0	0 0	(125) (13,049)	0 0	0 0	(36) (3,777)	0 0	0 0	(3) (343)		(164) (17,169)	
Personnel benefits			(3,470)			(1,004)			(91)		0 (4,565)	
Travel and transportation of persons											0 0	
Transportation of things											0 0	
GSA rent											0 0	
Communication, rents, and utilities											0 0	
Printing											0 0	
Advisory and assistance services			(1,592)			(461)			(42)		0 (2,095)	
Other services			(2,330)			(674)			(61)		0 (3,065)	
Purchases of goods & services from Government accounts											0 0	
Research and development contracts											0 0	
Operation and maintenance of equipment											0 0	
Supplies and materials											0 0	
Equipment											0 0	
<b>Total, 2013 Program Changes Requested</b>	<b>0 \$0</b>	<b>0 \$0</b>	<b>(125) (\$20,441)</b>	<b>0 \$0</b>	<b>0 \$0</b>	<b>(36) (\$5,916)</b>	<b>0 \$0</b>	<b>0 \$0</b>	<b>(3) (\$537)</b>		<b>(164) (\$26,894)</b>	



**K: Summary of Requirements by Grade**

**Summary of Requirements by Grade**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses

	2011 Enacted		2012 Enacted		2013 Request		Increase/Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>Grades and Salary Ranges</b>								
SES, \$119,554 - 179,700	51		51		51		0	
GS-15, \$123,758 - 155,500	212		212		212		0	
GS-14, \$105,211 - 136,771	652		652		652		0	
GS-13, \$89,033 - 115,742	2,587		2,587		2,516		(71)	
GS-12, \$74,872 - 97,333	337		337		244		(93)	
GS-11, \$62,467 - 81,204	215		215		215		0	
GS-10, \$56,857 - 73,917	51		51		51		0	
GS-9, \$51,630 - 67,114	490		490		490		0	
GS-8, \$46,745 - 60,765	32		32		32		0	
GS-7, \$42,209 - 54,875	110		110		110		0	
GS-6, \$37,983 - 49,375	17		17		17		0	
GS-5, \$34,075 - 44,293	32		32		32		0	
GS-4, \$30,456 - 39,590	14		14		14		0	
GS-3, \$27,130 - 35,269	13		13		13		0	
GS-2, \$24,865 - 31,292	9		9		9		0	
GS-1, \$22,115 - 27,663	2		2		2		0	
Ungraded Positions	277		277		277		0	
<b>Total, Appropriated Positions</b>	<b>5,101</b>		<b>5,101</b>		<b>4,937</b>		<b>(164)</b>	
<b>Average SES Salary</b>		<b>\$169,224</b>		<b>\$169,224</b>		<b>\$169,224</b>		
<b>Average GS Salary</b>		<b>\$92,800</b>		<b>\$92,800</b>		<b>\$92,800</b>		
<b>Average GS Grade</b>		<b>13</b>		<b>13</b>		<b>13</b>		

## L: Summary of Requirements by Object Class

**Summary of Requirements by Object Class**  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Salaries and Expenses  
 (Dollars in Thousands)

Object Classes	2011 Actuals		2012 Availability		2013 Request		Increase/Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11.1 Direct FTE & personnel compensation	5,025	\$471,992	5,025	\$471,712	4,861	\$445,960	(164)	(\$25,752)
11.3 Other than full-time permanent		7,307		1,288		1,747	0	459
11.5 Total, Other personnel compensation	0	68,500	0	62,247	0	79,793	0	17,546
<i>Overtime</i>		1,312		1,414		3,833	0	2,419
<i>Other Compensation</i>		67,188		60,833		75,960	0	15,127
11.8 Special personal services payments		58		58		131	0	73
Total	5,025	547,857	5,025	535,305	4,861	527,631	(164)	(7,674)
Other Object Classes:								
12.0 Personnel benefits		222,950		214,535		213,447		(1,088)
13.0 Former personnel benefits		83		5,740		125		(5,615)
21.0 Travel and transportation of persons		17,955		18,159		23,647		5,488
22.0 Transportation of things		2,796		3,124		2,948		(176)
23.1 GSA rent		80,965		90,777		90,891		114
23.2 Moving/Lease Expirations/Contract Parking		1,202		658		1,106		448
23.3 Comm., util., & other misc. charges		25,158		25,772		25,574		(198)
24.0 Printing and reproduction		861		1,852		1,507		(345)
25.1 Advisory and assistance services		17,516		14,815		7,822		(6,993)
25.2 Other services		118,241		157,575		74,237		(83,338)
25.3 Purchases of goods & services from Government accounts (Antennas, DHS Sec. Etc.)		1,782		2,434		2,843		409
25.4 Operation and maintenance of facilities		6,867		7,496		22,908		15,412
25.5 Research and development contracts		0		0		1,500		1,500
25.7 Operation and maintenance of equipment		72,092		45,712		67,891		22,179
26.0 Supplies and materials		19,057		18,103		28,905		10,802
31.0 Equipment		26,426		11,143		51,260		40,117
32.0 Land and Structures		2,403		3,492		8,525		5,033
42.0 Insurance Claims & Indemnity		327		329		578		249
44.0 Refunds		0		0		0		0
<b>Total obligations</b>		<b>\$1,164,538</b>		<b>\$1,157,021</b>		<b>\$1,153,345</b>		<b>(\$3,676)</b>
Unobligated balance, start of year		(85,232)		(35,775)		(35,775)		
Unobligated balance, end of year		35,775		35,775		22,347		
Unobligated balance, expiring		1,428						
Transfers		420		(21)				
Recoveries of prior year obligations		(4,387)		(5,000)				
Cancellation of Unobligated Prior Year and VCRP Balances		0		0		13,428		
<b>Total DIRECT requirements</b>		<b>1,112,542</b>		<b>1,152,000</b>		<b>1,153,345</b>		<b>(3,676)</b>
Reimbursable FTE:								
Full-time permanent	55	\$10,704	55	\$11,683	55	\$11,841	0	\$158
23.1 GSA rent (Reimbursable)		\$548		\$0		\$0		
25.3 DHS Security (Reimbursable)		\$0		\$0		\$0		

## **M. Status of Congressionally Requested Studies, Reports, and Evaluations**

### **Bureau of Alcohol, Tobacco, Firearms and Explosives Salaries and Expenses**

#### **Status of Congressionally Requested Studies, Reports, and Evaluations**

1. In response to an OIG report, the Acting Deputy Attorney General issued a protocol in 2010 for assigning lead agency jurisdiction in explosives investigations, which also directed the ATF and FBI to conduct assessments of explosives operations and make recommendations for consolidating and eliminating redundancies. The Committee directs the Department to submit a report within 60 days of enactment of this Act on all recommendations made and steps taken, or planned to be taken, to implement those recommendations. Each action identified in the report should be accompanied by a cost savings estimate. The Committee expects this report to include efficiency improvements in determining jurisdiction, explosives training, facilities, explosives labs, and explosives databases. The report shall also be submitted concurrently to the OIG. Target response to Committee February 2012.
2. The Committee recognizes the state-of-the-art facilities housed at NCETR, having invested considerable resources between fiscal years 2004 and 2011 to that effort, and believes that the Administration should provide sufficient resources for the Center to fulfill its mission, as initially envisioned. Furthermore, the Committee believes that several options to further interagency collaboration and training exist and merit exploration. Therefore, the Committee requests that the Department of Justice produce, no later than 120 days after enactment of this bill, an NCETR Five-Year Plan that will describe the following: the mission of the facility with respect to research, training and intelligence; the personnel and budgetary authority required to execute that mission; national, State and local initiatives to maximize training throughput at NCETR; and opportunities for interagency collaboration on research and intelligence efforts using the NCETR facility. Target response to Committee March 2012.
3. Beginning in fiscal year 2012 and thereafter, the ATF shall provide the Committees on Appropriations with annual data on the total number of firearms recovered by the Government of Mexico, and of those, the number for which an ATF trace is attempted, the number successfully traced and the number determined to be manufactured in or imported into the United States prior to being recovered. Target Response to Committee November 2012.