



Department of Justice

STATEMENT OF

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**BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
DEPARTMENT OF JUSTICE**

BEFORE THE

**SUBCOMMITTEE ON CRIME, TERRORISM, HOMELAND SECURITY AND INVESTIGATIONS
COMMITTEE ON THE JUDICIARY
U.S. HOUSE OF REPRESENTATIVES**

FOR A HEARING ON

THE USE OF STOREFRONT OPERATIONS

PRESENTED ON

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**Statement of Thomas E. Brandon, Deputy Director
Bureau of Alcohol, Tobacco, Firearms and Explosives
U.S. Department of Justice
Before the Subcommittee on Crime, Terrorism, Homeland Security and Investigations
Committee on the Judiciary
U.S. House of Representatives
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Chairman Sensenbrenner, Ranking Member Scott, and Members of the Subcommittee, thank you for the opportunity to appear here today to discuss Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) investigations that have utilized undercover storefront operations. It is an honor for me to represent the men and women of ATF, and I appreciate the chance to speak with you about this law enforcement technique.

First, it is important to understand what a storefront is: a storefront operation is a valuable investigative technique in which undercover law enforcement officers operate a business that is calculated to identify and proactively intervene with criminals and criminal activity in high crime areas or hotspots. The aim of a storefront operation is to collect evidence, and to identify, arrest, and prosecute offenders. They are often conducted as joint operations with other federal, state, and local law enforcement agencies and prosecutors. ATF conducted 37 storefronts from 2009-2013. ATF had one storefront active in 2013, and currently, ATF has no active storefront operations.

Storefronts are staff, equipment, and resource intensive, and require significant planning and coordination. The success of a storefront is also dependent upon a strong partnership and on-going collaboration with our Federal, state, and local law enforcement partners. In storefront operations, ATF is focused on targeting illegal traffickers of firearms, violent offenders, and the criminal possession and use of firearms; our state and local partners are frequently involved and may focus on narcotics and other crimes. Some of ATF's storefront operations were undertaken after local law enforcement partners requested our assistance with violent crime activity in target areas. In addition, from planning to execution to prosecution, we partner with the relevant U.S. Attorney's Office. We also have implemented a requirement for written concurrence with storefront plans from the Chief Law Enforcement Officer of the jurisdiction of the operation.

ATF's primary mission is to combat violent crime, and violent crime often involves the illegal use and possession of firearms. In the right situation, the use of an undercover storefront can offer a successful avenue for removing illegal firearms and dangerous criminals from our nation's streets. ATF recognizes that operating an undercover storefront carries risks; accordingly, we emphasize planning, coordination, oversight, and management of storefront

operations in order to minimize those risks. Ensuring the safety of the public is of the utmost importance in all facets of planning and executing ATF undercover storefront operations. When problems are identified ATF seeks to learn from and address them through training and policy development.

ATF storefront operations in Milwaukee, Wisconsin; Portland, Oregon; Wichita, Kansas; Albuquerque, New Mexico; Atlanta Georgia; and Pensacola, Florida have led to nearly 300 defendants arrested, and to date, 259 have been convicted of crimes connected to these investigations. In addition, these operations have taken over 1,300 firearms off the street during undercover operations. Upon publication of a December 2013 news article asserting serious allegations regarding specific storefronts across the country, ATF Director B. Todd Jones immediately contacted the Department of Justice Inspector General (IG) to notify him of the issues identified in the article. On February 20, 2014, the IG formally notified Department leadership that the IG will investigate the storefront operations in four cities: Milwaukee, Pensacola, St. Louis, and Wichita. ATF welcomes this review and we take concerns about ATF storefront operations very seriously.

The Albuquerque, Atlanta, Pensacola, Portland, and Wichita storefront operations recently referenced in the media had been instituted and undercover storefront operations completed or nearly completed, before the arrival of Director Jones and his new management team. Under Director Jones' leadership, we have reviewed those operations in order to strengthen policies and oversight of these types of investigations/operations in the future. ATF recognizes that storefront and other undercover operations require close monitoring. Accordingly the Field Operations Division conducted an extensive review of ATF undercover operations. This has resulted in the formulation and execution of stronger management and oversight for all ATF undercover operations, including storefronts. Several policy and operational changes have been put in place in the last year and a half that create a much tighter process for the authorization, management, oversight and review of undercover operations.

These include:

- **IMPLEMENTATION OF, AND REVISION TO, THE MONITORED CASE PROGRAM**

The monitored case program is designed to ensure close investigative, operational and strategic coordination, as well as enhanced communication between the field and headquarters personnel, for ATF's most sensitive investigations and inspections. The monitored case program was implemented in July 2011. In August 2012 the program was revised to further refine documentation requirements for monitored cases. In May of 2013, an internal Monitored Case Program Order (Order), codifying the monitored case program in ATF's directives system, was

issued. This Order sets forth guidelines, Agent responsibilities, and reporting requirement benchmarks to ensure case monitoring at all levels of ATF—from the field to headquarters. The Order guidelines require all storefronts to be monitored at the field division and ATF Headquarters levels. This process includes monthly teleconferences between the Special Agent in Charge and their investigative team, and a Field Operations Deputy Assistant Director at Headquarters.

- **A STOREFRONT MANUAL**

This internal manual sets standard operating procedures, and details the purpose, goals and objectives that must be followed in setting up a storefront. For example, the manual requires that a detailed analysis of violent crime statistics and the criminal use of firearms in the proposed area of the operation must be performed before initiation of any storefront. The manual further instructs that a comprehensive list of participating agencies should be identified at the outset, and that the United States Attorney or his/her written designee must be personally involved in preliminary operational discussions, to ensure their concurrence. Operational security, location, site selection, investigative support, status reviews, and closure of the storefront are all topics covered in the manual. This manual is the first of its kind and represents a commitment by ATF to refine procedures and ensure consistent standards for storefront operations. Along with the storefront manual, ATF orders and policies have been significantly adjusted in the past year and a half regarding storefront operations.

- **THE UNDERCOVER REVIEW COMMITTEE**

In 2011, ATF revised the approval process for all new or proposed long-term and complex undercover operations. Field Special Agents in Charge must submit a detailed request for approval prior to conducting operations to an Undercover Review Committee. The Committee consists of a Deputy Assistant Director, an SES-level head of the Special Operations Division, and staff with complex undercover experience. In December 2012, an attorney from the Department of Justice that is a voting member was added to the Committee. Since December 2012, one storefront operation has met the Committee's standards and was approved.

- **FRONTLINE BUSINESS MODEL**

The Frontline business model identifies investigative priorities in advance, ensures a balanced approach between reactive and proactive investigations, conducts measurements against objectives, and ensures accountability with each of ATF's 25 Field Offices.

Mr. Chairman and members of the Subcommittee, ATF appreciates you holding this hearing so we can better provide context regarding storefront operations. Upon the Director's

arrival, he instituted changes to ATF's procedures, oversight and management to better ensure public safety and enhance our efforts to combat violent crime. To the extent that problems were identified, ATF has taken strong and decisive actions to strengthen procedures, including implementing major policy reviews and changes, to ensure that all future undercover operations are sound in every way. We will continue to implement changes as warranted.

ATF has a long history in advanced high-risk undercover operations. Undercover operations, including storefronts, are often a highly effective technique to identify and disrupt illegal violent firearms crimes. We are proud of the exceptional work done every day by ATF Special Agents, Investigators, and support staff combating violent crime.

Thank you again for the opportunity to be here today, and I would be happy to answer any questions you may have.