

PART XI:

Summary and Conclusions

This analysis of trafficking investigations provides an updated account of contemporary trafficking channels through which criminals obtain firearms and provides insight into how illegal firearm markets work. It also demonstrates that law enforcement can be successful in uncovering the illegal sources of firearms in a community and in holding firearm traffickers accountable for their crimes. As discussed in Part I, comparisons between the 2000 *Following the Gun* report and this report must take into account notable methodological and data-availability differences. Although ATF continues to face resource and infrastructure challenges in the collection and analysis of data relating to firearm investigations, since 2000, ATF has made significant advancements in operational and technological capabilities that have resulted in a much larger data set with significant granularity. In particular, by developing analytics built upon crime gun intelligence data, ATF has enhanced its capacity to understand illegal firearm markets and disrupt firearm trafficking schemes.

Data Limitations

The legacy ATF case management system active during the study period was designed to capture key investigative actions rather than collect data suitable for academic research. As such, a comprehensive survey tool was developed that required SAs to manually review and provide details on more than 10,000 firearm trafficking investigations. The lack of a modern case management system greatly hampered ATF's ability to produce timely analyses of reliable and valid data. ATF deployed a new case management system for its regulatory function in 2018 and started the deployment of a parallel system for its law enforcement functions in 2023.

The new ATF case management systems must be designed to collect reliable and valid data suitable for ongoing analysis of patterns and trends in firearm trafficking. This design will allow the analyses presented in this report to be easily replicated on an ongoing basis without the need for a time consuming and resource intensive field survey research process. Building this functionality into ATF's data systems is a public safety imperative; it is necessary to enable ATF to provide timely, accurate, and actionable information and analysis to inform the public, policy makers, legislators, and law enforcement on trends and threats posed by firearm trafficking.

ATF Analytics Support and Staffing

ATF must be equipped to address the increasing need to provide useful information to law enforcement, firearm industry members, policy makers, legislators, and the public. ATF has made a diligent effort to respond to these increased demands by enhancing existing data systems and implementing new analytical technologies in the face of ongoing budget constraints. Nevertheless, ATF could more effectively and efficiently meet current and future demands if appropriately resourced. The production of the reports issued for this volume of the NFCTA exemplifies the resource and staffing challenges. All ATF employees working on the NFCTA are doing so as a collateral assignment; ATF has not received funding to establish an office to produce and maintain the NFCTA.

Moreover, ATF would benefit from establishing an Analytics Division staffed with full-time intelligence analysts, special agents, industry operation investigators, counsel, data quality manager (to ensure the accuracy and reliability of ATF data collected from thousands of law enforcement agencies annually), and data scientists who will continue to advance the analytics technology. While ATF's CGIC program provides direct investigative support to the field, broader analytic and strategic research initiatives are currently performed by ATF employees as collateral duties. It is imperative that ATF assign IOIs and SAs to the Analytics Division on a full-time basis to ensure that division provides direct investigative support to ATF criminal and industry enforcement programs and to federal, state, local, territorial, and Tribal investigations involving firearms. In addition to full-time ATF personnel, the Analytics Division must include partnerships with academics, and other external subject matter experts. Analysis generated by the Analytics Division should be incorporated into publications designed for distribution to law enforcement, firearm industry members, policymakers, and the public.

Firearm Trafficking and Prohibited Persons

Title 18 U.S.C. § 922(g) makes it unlawful for nine categories of persons to ship, transport, or receive firearms or ammunition, and title 18 U.S.C. § 922(n) makes it unlawful for any person under indictment for a crime punishable by imprisonment for a term exceeding one year to ship, transport, or receive firearms or ammunition. Prohibited persons are precluded under the law from acquiring a firearm from an FFL. The National Instant Criminal Background Check System (NICS) is designed to ensure that a background check will identify a prohibited person attempting to purchase a firearm from an FFL, thereby preventing the transaction. However, under federal law, a private transfer of a firearm from a non-FFL is not subject to a NICS background check.

In this study, the most frequently identified violation of federal law was dealing in firearms without a license (Title 18 U.S.C. § 922(a)(1)(A)) which was identified in slightly more than 35% of cases. Additionally, unlicensed dealing by private persons was the most frequently identified trafficking channel at nearly 41% of cases. Further, in 16% of cases, firearms trafficked through this channel were used in shootings.

Firearms trafficked by unlicensed firearm dealers circumvent the NICS background check. Approximately 60% of the end users of trafficked firearms had at least one prior felony conviction. More than 41% of all firearm trafficking subjects referred for prosecution had at least one prior felony conviction. In trafficking cases where additional crimes were identified, more than 40% involved a convicted felon in possession of a firearm.

The data indicates that unregulated private sales facilitate the movement of a significant volume of firearms from the legal marketplace to prohibited persons. Unlicensed dealers were associated with the largest number of trafficked firearms (68,388) and averaged 20 trafficked firearms per investigation.

Key Research Findings

Part II – Case Initiation

- Cases initiated as a result of a Crime Gun Intelligence Center (CGIC) referral increased nearly 20 percentage points from 2017 (13.1%) to 2021 (32.9%). This increase represents a 151% increase in the share of cases initiated from CGIC referrals. While comparisons with the 2000

Following the Gun report need to be made with caution, just over 19% of firearm trafficking investigations in that report were initiated following analysis of crime gun trace data. In contrast, this report found that almost 33% of cases were initiated based on CGIC referrals in 2021, and almost 18% were initiated based on review of eTrace/NTC information. The expansion of CGIC-generated investigations highlights the value of combining traditional trace analysis with comprehensive crime gun intelligence data and analytics.

Part III – Firearm Trafficking Channels and Methods Used

- ATF investigations document that firearms are illegally diverted through a diverse range of trafficking channels. These trafficking enterprises include unlicensed dealers who buy firearms with the primary purpose of reselling them, straw purchasers who buy firearms for criminal sellers and users, thieves and fences who sell firearms stolen from FFLs and private citizens, unlicensed firearm makers who sell firearms to prohibited persons, corrupt FFLs, and illegal importers / exporters who engage in unlawful firearm commerce. To facilitate illicit gun transfers, firearm traffickers exploit well-established firearm commerce venues, such as gun shows and flea markets, and new technology -- including online marketplaces, social media platforms, and peer-to-peer applications.
- The data analyzed in this report indicates that a shift in the types of trafficking channels used over the course of the last two decades has occurred. Unlicensed making (i.e., PMFs) was not previously considered to be a substantive pathway for criminals to acquire firearms; and it is now in the top ten trafficking channels. In contrast, corrupt FFL investigations represented almost 9% of trafficking investigations in the 2000 report, but now represent less than two percent of trafficking investigations. This decrease in the share of trafficking investigations involving corrupt FFLs may represent enhanced screening of FFL applicants, improved regulation of active FFLs, deterrence generated by successful investigations and prosecutions of corrupt FFLs, and/or better business practices by active FFLs. Finally, the previous report scarcely mentioned unlawful selling of firearms over the internet as a source of guns to criminals. While only representing small shares of gun trafficking investigations, ATF SAs investigate firearm trafficking through web and application-based sources almost as frequently as firearm trafficking through gun shows, flea markets, and auctions.

Part IV – Source-to-Market Type

- SAs provided information on source-to-market type in nearly 76% (7,350 of 9,708) of firearm trafficking cases. More than half (55.9%; 4,108 of 7,350) of these cases involved intrastate trafficking. In comparison, the 2000 *Following the Gun* report identified approximately 70% of firearm trafficking cases to involve intrastate trafficking. Approximately 32% (2,358 of 7,350) of firearm trafficking cases involved interstate trafficking, which is less than the approximately 44% of cases identified by the 2000 report. Approximately 20% (1,503 of 7,350) of firearm trafficking cases involved international firearm trafficking. While the 2000 report only considered exports from the U.S., the percentage of international firearm trafficking cases is nevertheless much smaller than that reported here, accounting for approximately 10% of cases.

Part V – Type and Volume of Firearms Trafficked

- Firearm trafficking investigations primarily involve the diversion of new, secondhand, and stolen firearms. While still representing a small share of cases, there was a notable increase in the percentage of investigations with trafficked PMFs between 2017 and 2021. Pistols and rifles were the most frequently trafficked PMFs. In NFA trafficking investigations, all types of NFA weapons including machineguns, machinegun parts, machinegun conversion devices, silencers, silencer parts, and short-barreled rifles were trafficked. As noted in NFCTA Volume II – Crime Gun Intelligence and Analysis, the recovery of machinegun conversion devices has significantly increased in recent years and will likely increasingly be involved in ATF trafficking investigations.
- ATF firearm trafficking investigations documented nearly 230,000 firearms trafficked in 7,779 cases between 2017 and 2021. Most firearm trafficking investigations involved the diversion of a relatively small number of firearms with an overall mean of 16 firearms trafficked per investigation; 57% of the investigations involving five or fewer firearms trafficked. Trafficking investigations involving the diversion of 251 or greater firearms represented less than one percent of the cases but accounted for almost 59% of the guns trafficked between 2017 and 2021. Nearly 56% of the firearms trafficked were handguns. Rifles accounted for the second highest percentage of firearms in these investigations at nearly 19%. While relatively few investigations involved FFL traffickers and trafficking in firearms through gun shows, these trafficking channels were associated with the highest mean numbers of trafficked firearms per investigation (57 and 59, respectively). In contrast, the most frequent trafficking channels were associated with smaller mean numbers of firearms per investigation: unlicensed dealers averaged about 20 trafficked firearms per case, FFL thieves averaged almost 14 trafficked firearms per case, and straw purchasers averaged a little more than 11 trafficked firearms per case.

Part VI – Characteristics of Firearm Traffickers, End Users, and Defendants

- SAs identified 12,416 firearm traffickers across 80% (7,762 of 9,708) of the cases in the study period. Firearm traffickers tended to be white (53%), male (84%), and U.S. citizens (95%). Approximately 37% had no known criminal activity; about 27% had prior felony convictions, and more than 16% had a prior arrest without a known prohibiting conviction. Other noteworthy characteristics included being a drug user (20%) or known gang member or associate (17%). The most prominent age group was young adults (age 25 to 34) at 39%. Finally, while identified traffickers were predominately male, females identified in the investigations were primarily involved as straw purchasers (72%).
- SAs identified 9,578 end users in approximately 45% (4,428 of 9,708) of the cases in the study period. Firearm end users tended to be previously convicted felons (60%) and young adults (48%)
- There were 5,826 subjects referred for prosecution in approximately 35% (3,422 of 9,708) of the cases in the study period. ATF firearm trafficking subjects referred for prosecution tended to be male (86%), U.S. citizens (98%), and have one prior arrest (70%). Approximately 41% of the trafficking subjects referred for prosecution had at least one prior felony conviction.

Part VII – Financial Characteristics in Firearm Trafficking Investigations

- The percentage of investigations involving U.S. currency as a payment method remained generally stable over the study period. The percentage of investigations involving drugs traded as a payment method decreased by 6.8 percentage points from 17.6% in 2017 to 10.9% in 2021 (a 38% decrease in the share of investigations). The percentage of investigations involving web-based money transfers as a payment method increased by 2.7 percentage points from 1.3% in 2017 to 4.1% in 2021 (a 215% increase in the share of investigations).
- Investigations involving U.S. currency as the payment method were associated with the largest number of firearms (57,646) and averaged 23 trafficked firearms per investigation. Although U.S. currency was used as a method of payment in 90% of investigations, the mean total number of trafficked firearms was smaller than all other top five payment methods excluding drugs traded. Investigations involving wire transfers had the highest average total number of trafficked firearms (56.9).

Part VIII – Investigation, Interdiction, and Deterrence Techniques

- A quarter of firearm trafficking cases in the study period involved the use of interdiction or deterrence techniques. Moreover, use of this technique steadily increased over the course of the study period. The top five interdiction or deterrence techniques included (1) an interview with a verbal warning, (2) seizure, forfeiture, and/or abandonment, (3) a warning letter for unlawful straw purchasing, (4) a warning letter for dealing without a license, and (5) another agency request of ATF. These five techniques were most often used in cases involving straw purchasing and unlicensed dealing trafficking channels.
- Cases involving the use of at least one interdiction or deterrence technique accounted for 11,315 of the trafficked firearms taken into law enforcement custody. This accounted for 39% of the total firearms in law enforcement custody during the study period.
- SAs reported that their use of one or more interdiction or deterrence techniques resulted in the closing of an investigation without a prosecution referral in 65% of cases, the majority of which involved an interview with a verbal warning. This closure rate demonstrates that interdiction and deterrence are credible and effective strategies to prevent, deter, and impede firearm trafficking.

Part IX: Investigation Outcomes

- The three violations most frequently identified by SAs were dealing in firearms without a license (Title 18 U.S.C. § 922(a)(1)(A)), providing false information to an FFL which is associated with straw purchasing (Title 18 U.S.C. § 922(a)(6)), and convicted felon in possession of a firearm(s) (Title 18 U.S.C. § 922(g)(1)). In instances where trafficked firearms had been used in a crime, the most frequently identified violation was felon in possession of a firearm, in more than 40% of the cases. Trafficked firearms were also used in aggravated assaults in nearly 19% of cases, homicide in approximately 11% of cases, and attempted homicide in more than 9% of cases.

- Trafficked firearms were identified as used in shootings in 15% of cases. Cases involving trafficking by a straw purchaser or unlicensed dealer were the top two trafficking channels associated with trafficked firearms used in shootings.
- In 16% of cases, at least one subject was referred for state or local prosecution. The two most frequent reasons for a state rather than federal prosecution referral were the state statute was better suited to the criminal conduct and federal declination. Among the cases referred for state or local prosecution, more than 89% were accepted for prosecution.
- Among federal and state subjects referred for prosecution in the study period, 74% were indicted. Of the indicted defendants, approximately 92% were convicted. The most frequent charge recommended by ATF was possession of a firearm by a convicted felon (18 U.S.C. § 922(g)(1)), representing slightly more than 26% of defendants. Providing false information to an FFL when buying firearms (18 U.S.C. § 922(a)(6)) was another frequently recommended charge, involving slightly more than 18% of defendants.
- Among convicted defendants sentenced to prison, the most frequent sentence range was one to 24 months accounting for approximately 35% (1,030 of 2,933) of defendants. Of defendants sentenced to prison, approximately 78% received a sentence of six years or less.

Part X – National Illegal Firearm Recoveries

- There were 840 national illegal firearm recovery cases involving the recovery of at least one illegal firearm. In 83% of these cases, ATF recovered at least one firearm classified as a machinegun (which includes machinegun conversion devices). Machinegun recoveries accounted for 67% of all illegal firearms recovered in these cases.