

Congressional Budget Submission

Fiscal Year 2009



DEPARTMENT OF JUSTICE

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

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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 \$1,027,814,000 and 4,942 full time equivalents (FTE) for FY 2009. The request includes \$1,026,866,000 and 4,936 FTE for current services and \$948,000 and 6 FTE for program improvements in the salaries and expense accounts. The FY 2009 request supports the Department's priorities to detect and prevent terrorism, combat violent crime and support the President's Management Agenda (PMA) items, including human capital, financial performance, E-government, and budget/performance integration.

In support of these priorities, this budget request focuses upon ATF's unique capabilities to:

- Disrupt and prevent the use of firearms and explosives in terrorist acts;
- Reduce the incidence and impact of violent gang activity in our communities;
- Assist state and local law enforcement organizations and agencies in fighting violent crime;
- Advance intelligence sharing among law enforcement agencies and the intelligence community with enhanced information technology; and
- Improve efficiencies in managing financial and human resources.

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://www.usdoj.gov/jmd/2009justification/>.

B. Mission and Strategic Goals

ATF is among the principal law enforcement agencies within the Department of Justice (DOJ) dedicated to preventing terrorism, reducing violent crime, and protecting our Nation. The men and women of ATF perform the dual responsibilities of enforcing federal criminal laws and regulating the firearms and explosives industries. ATF is committed to working directly, and through partnerships, to detect and prevent acts of terrorism, investigate and reduce crime involving firearms, explosives, and acts of arson, and prevent the illegal trafficking of alcohol and tobacco products.

The coordinated and cooperative efforts of special agents and industry operations investigators allow ATF to effectively identify, investigate, and recommend for prosecution violators of the federal firearms and explosives laws. This teamwork enables ATF to ensure that licensees are operating within established laws and regulations. This synergy is further enhanced by partnerships with industry groups, international, State and local governments, and other federal agencies.

ATF's expertise in investigating firearms, explosives, and arson crimes and providing state-of-the-art forensic analyses of criminal evidence is a particularly valuable asset in the Administration's efforts to keep citizens and neighborhoods safe. This expertise significantly contributes to the war against global terrorism by supporting national counterterrorism strategies and by establishing partnerships and cooperative working relationships with members of the

international law enforcement community. ATF's technology resources and knowledge are available to agencies at every level of government, domestically as well as internationally, to assist in preventing, detecting, disrupting, and prosecuting criminal activity and terrorism. To complete our mission, ATF relies upon information sharing partnerships with other domestic and international law enforcement agencies to provide accurate and timely intelligence support.

DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security

Objective 1.2: Strengthen partnerships to prevent, deter, and respond to terrorist incidents.

The terrorist attacks of September 11, 2001 highlighted the importance of ATF's role in enforcing the criminal and regulatory provisions of federal firearms and explosives laws, and in preventing and deterring the use of firearms and explosives by criminals and terrorists. Like the Transportation Security Administration, the U.S. Customs and Border Protection, and the U.S. Immigration and Customs Enforcement, ATF's mission has a multi-dimensional impact. ATF's regulatory and enforcement efforts deter the transfer of weapons to criminals and terrorists, interrupt supply chains, and disrupt grey and black market weapons sales.

ATF plays a key role in DOJ's counterterrorism responsibilities as set forth in the Administration's National Implementation Plan for the War on Terror (NIP) and in DOJ's supporting plan for the NIP. The impact of ATF's investigative and regulatory programs may include the detection and deterrence of terrorist use of firearms, other conventional weapons and explosives. ATF is the only federal agency with the statutory authority to license and inspect firearms dealers, approve import permits for firearms and explosives and register National Firearms Act (NFA) firearms and destructive devices. Through regulation of firearms and explosives commerce and through its investigative and criminal enforcement activities, ATF prevents prohibited persons from acquiring and possessing firearms and explosives, which could be used in acts of terrorism. ATF also disrupts the illegal trafficking of alcohol and tobacco products, the proceeds of which have been traced to terrorist organizations.

An ATF supervisory special agent serves as the Deputy Director for the Terrorist Explosive Device Analytical Center (TEDAC). The TEDAC is supported by ATF and FBI special agents, intelligence analysts, certified explosives specialists, and other personnel with specialized training, who assist in the technical and forensic exploitation of improvised explosive devices (IEDs) triggering mechanisms used in Iraq and Afghanistan. ATF leads the Department in creating and maintaining explosives databases that identify components used in terrorist IED triggering devices. The TEDAC database, International Terrorist Bombing Information System (ITBIS), houses international terrorist bombing information and IED technical data from Iraq and Afghanistan. The database stores information about IEDs and components, and is used to identify similarities between devices and components collected by federal agencies, international governments, and the military. This electronic comparison quickly identifies previously used electronic components to determine whether two or more IEDs have the same "signature" or common origin, thus providing leads for further investigative or preventive work. The explosives components database will also be utilized in conjunction with coalition partners

(United Kingdom, Australia, etc.) to create an international network of IED information, centralized at TEDAC, to suppress global terrorist bombings.

ATF's United States Bomb Data Center (USBDC) has standardized the way DOJ captures and shares global bomb and arson incident data. ATF developed the Bomb Arson Tracking System (BATS) to allow law enforcement agencies to track and share information on arson and explosives incidents to solve crimes and determine national trends and patterns.

ATF developed a collaborative, information sharing portal. The portal is limited to law enforcement agency bomb data centers that are members of the International Bomb Data Center Working Group (IBDCWG), an international working group of law enforcement bomb data centers from around the world. Its objective is to share technical information to address critical incidents, involving explosives or other means, and planned or actual terrorist attacks. The Portal also includes the ability to exchange encrypted information in live "chat" forums.

D-Fuze, ATF's international bombing database, allows international law enforcement agencies to compare and exchange information on explosives incidents. D-Fuze was developed in partnership with the New Scotland Yard Bomb Data Centre in the United Kingdom.

ATF trains explosives detection canines (EDC) and handlers for its use and for other federal, State, local, and international partners, the latter in partnership with the State Department's Office of Anti-Terrorism Assistance program. Approximately 100 ATF-trained EDCs are deployed across the United States, and 400 more operate in 16 foreign countries, safeguarding borders and checkpoints and engaging in preventive screening measures in the host countries. These teams have helped locate hidden explosives and weapons in enforcement actions conducted by host governments against terrorist groups.

ATF participates in a number of additional efforts and activities that support the Attorney General's counterterrorism efforts, including supporting the Joint Terrorism Task Forces (JTTF) and the Law Enforcement Information Sharing Program (LEISP) with both investigative and intelligence resources. Additionally, ATF has established partnerships in the explosives arena with the New Scotland Yard, Anti-Terrorist Branch. A New Scotland Yard Anti-Terrorism detective will be placed in the TEDAC to create an information exchange between the United States and the United Kingdom to help deter future terrorist bomb attacks. Research partnerships between forensic scientists from both agencies are underway to examine new homemade explosives used by terrorists. Those explosives are being characterized for their explosive properties and effects and for forensic evidentiary value.

Internationally, ATF has strategically placed assets in the Western Hemisphere, forming a first line of defense and early warning presence to address terrorism and other transnational threats such as gangs and firearms-related violence arising from drug trafficking organizations (DTOs). ATF international offices in Canada, Mexico, and Colombia work in close partnership with law enforcement counterparts in those countries to combat criminal activity, firearms trafficking schemes and acts of terrorism. ATF's National Tracing Center Division traces thousands of U.S.-sourced firearms recovered in crimes in over 50 different countries in order to provide investigative leads leading to illegal trafficking sources. Successes include the establishment of

the Center for Anti-Explosives Information and Firearms Tracing (CIARA) in Colombia, which is a firearms and explosives tracing center modeled after ATF's National Tracing Center Division and the U.S. Bomb Data Center. CIARA is the first of its kind in South America and will serve as a model for such centers in Central and South America as well as the Caribbean Basin.

ATF also supports the global war against terrorism by deploying special agents to theaters of conflict in Iraq, helping to build that country's law enforcement infrastructure through participation in the Regime Crimes Liaison Office, the Major Crimes Task Force, the Law and Order Task Force, and the Combined Explosives Exploitation Cells, as well as by providing training and investigative support. ATF intends to establish a presence in Iraq by establishing an attaché office supported by special agents and an intelligence specialist.

At the request of the State Department, ATF strategically utilizes its International Response Team (IRT) to provide technical and investigative assistance in international explosives and fire incidents. The IRT has responded to 27 incidents since its inception in 1991, and in April 2007 the IRT responded to Paramaribo, Suriname, to assist with rendering safe an explosive device.

DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People

Objective 2.2: Reduce the threat, incidence, and prevalence of violent crime

ATF's strategic plan includes three strategic goals based on criminal enforcement, regulatory mandates, and ATF's jurisdiction and expertise in firearms, arson and explosives, and alcohol and tobacco diversion. The three strategic goals are:

- Prevent violent crime involving firearms;
- Resolve and prevent explosives and fire-related crimes; and
- Prevent illegal domestic and international trafficking of alcohol and tobacco products.

Integrated Violence Reduction Strategy

The majority of ATF's domestic programmatic resources are devoted to the Integrated Violence Reduction Strategy (IVRS) in support of the Administration's Project Safe Neighborhoods (PSN) initiative, which targets violent firearms offenders. These offenders are often gang members and armed narcotics traffickers, and ATF has extensive experience investigating these criminals. Through the creation of grassroots partnerships in communities where firearms crimes threaten the quality of life, PSN acts as a catalyst in developing localized strategies that vigorously enforce existing firearms laws.

The Violent Crime Impact Team (VCIT) initiative, a focused component of PSN, pursues violent criminals to reduce the occurrence of homicides and firearms-related violent crime through the use of geographic targeting, proactive investigation, and prosecution of those responsible. Multi-agency enforcement teams identify, target, disrupt, arrest, and prosecute the "worst of the worst" criminals. These efforts produce long-term reductions in firearms violence rather than a mere

shift of the violence to adjacent neighborhoods. ATF's strategy is readily adaptable to the specific violent crime problem in a particular area, whether through complex long-term investigations of violent street gangs/organizations or street level enforcement efforts against violent offenders. Through programs under IVRS (such as VCIT), ATF identifies, investigates, and recommends the prosecution of a wide range of firearms offenders: career criminals who use firearms, individuals who are actively involved in armed violent criminal activities or armed drug trafficking, and other categories of prohibited persons in possession of firearms (e.g., convicted felons, fugitives from justice, illegal aliens, and individuals convicted of certain domestic violence misdemeanors or subject to qualified domestic violence restraining orders).

ATF's IVRS involves investigating not only those directly responsible for committing armed violence in our communities, but also those responsible for fueling this violence by illegally supplying firearms to others prohibited from possessing them (e.g., felons, violent gang members, juveniles). ATF's firearms trafficking programs under IVRS deter the diversion of firearms from lawful commerce into the illegal market. Through firearms trafficking interdiction efforts, ATF reduces violent crime by decreasing the availability of illicit, secondary-market firearms and by recommending for prosecution those who illegally supply firearms to prohibited possessors. Violent gang members – a primary enforcement concern – are often involved in firearms trafficking, both in furtherance of drug trafficking activities and for use in committing crimes. ATF's strategy in combating gangs includes targeting the most egregious violent criminals by relying on partnerships with local law enforcement, developing appropriate investigative strategies, and enforcing federal statutes such as the Racketeer Influenced and Corrupt Organizations Act (RICO) and the Armed Career Criminal statute.

Gang Violence

ATF employs a comprehensive law enforcement approach to combat gang violence that includes prevention, community outreach, training, and intelligence analysis, and coordinates its resources to ensure that they are used in those communities most impacted by gang violence. One recent ATF gang investigation into the illegal activities of MS-13 in Nashville resulted in the arrest and indictment of 13 subjects on racketeering conspiracy charges, with predicate acts including three homicides, numerous other shootings, and other violent crimes. Judicial action is ongoing for these defendants.

The Deputy Attorney General has directed ATF and other DOJ components to assign special agents to participate in the National Gang Targeting, Enforcement, and Coordination Center (GangTECC), the Department's new national anti-gang task force comprised of multiple DOJ components. An ATF special agent is currently assigned as the Deputy Director of GangTECC, along with two additional senior special agents. The Center facilitates the exchange of law enforcement strategies and operations across agency lines. GangTECC represents a unified federal effort to help disrupt and dismantle the most violent gangs in the United States. GangTECC assists in initiating and coordinating gang-related investigations and prosecutions, developing a refined understanding of the national gang problem, proposing appropriate countermeasure strategies, and supporting the National Gang Intelligence Center.

The Attorney General has initiated a number of initiatives to address the violence and threat of transnational gangs such as MS-13. Many of these members are located in Central America with close ties to operatives in the U.S. Gang criminal activity and violence threatens communities in the U.S. and significantly impacts our Central American neighbors and other countries in the Western Hemisphere. For this reason, the Attorney General has promulgated bilateral initiatives with countries such as El Salvador in order to meet this threat. ATF supports such initiatives by collaborating with the International Law Enforcement Academy (ILEA) in San Salvador to develop a gang curriculum to train international law enforcement partners in the effective investigation of gang members.

Southwest Border

Similarly, ATF's Southwest Border Strategy supports the Department's Southwest Border (Narcotrafficking) Initiative by specifically addressing the firearms-related violence perpetrated by warring drug trafficking organizations (DTO) in border cities such as Laredo, Texas, and Nuevo Laredo, Mexico. Through bilateral forums such as the annual Senior Law Enforcement Plenary sessions with Mexico, ATF and the Mexican Government jointly develop operational strategies and policies to minimize the firearms-related violence afflicting communities on both sides of the border. ATF's Mexico City Office has developed working partnerships with Mexican law enforcement counterparts, and in FY 2008 will provide needed training and other assets such as ATF's eTrace system to help the Mexican government effectively counteract the firearms related violence caused by DTOs. ATF plans to increase its firearms interdiction efforts against these violent DTOs operating along the border with Mexico by expanding its deployment of eTrace in Mexico to the nine U.S. Consulates and 31 Mexican States, as well as increase its presence with additional special agents stationed in border cities in Mexico such as Monterrey, Hermosillo and Guadalajara. Additionally, ATF plans to add, using base resources, four intelligence research specialists (IRSS) and two investigative assistants to the El Paso Intelligence Center (EPIC) to support the strategy, along with one additional IRS for each of the four border field divisions. In FY 2009, ATF is requesting \$948,000 and 6 FTEs to enhance firearms industry inspections and to reduce the flow of illegally trafficked firearms in the SW Border region.

Regulation

ATF ensures that the firearms and explosives industries comply with federal laws and regulations and provides safety information to those industries and to the public. In addition to these regulatory compliance activities that promote community, law enforcement, and industry partnerships, ATF sponsors programs to reduce public safety risks. ATF protects the public from criminal acts through the vigorous application of its explosives and arson specialized assets, including special agent certified explosives specialists, special agent certified fire investigators, technical specialists that serve as explosives enforcement officers, and laboratories with a range of forensic capabilities.

ATF enforces the Gun Control Act (GCA) and the National Firearms Act (NFA). Inspections of Federal Firearms Licensees (FFLs) verify that licensees are complying with the provisions of the GCA and detect and prevent the diversion of firearms from legal to illegal commerce.

Compliance with the GCA by the firearms industry is essential to assist with nationwide crime control and public safety efforts. The NFA requires that firearms makers, importers, and manufacturers register the NFA firearms they make or import, and that ATF approves in advance all NFA firearms transfers. The NFA also imposes a tax on the making and transfer of NFA firearms and requires manufacturers, importers, and dealers to pay a special occupational tax. NFA requires registration and payment of a tax for the making or transfer of the following types of firearms: machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as “any other weapons.” ATF processes all applications to manufacture, transfer, and register NFA firearms and notices of NFA firearms manufactured or imported. ATF also continually provides technical information to the industry and the public concerning compliance with the NFA.

ATF enforces the Safe Explosives Act of 2002 (SEA) which reflected Congressional intent to close a loophole in the regulation of explosives commerce. In order to prevent prohibited persons from gaining access to explosive materials, the SEA expanded the scope of the federal explosives regulations administered by ATF by placing controls on the intrastate movement of explosives and mandating background checks on employees of explosives licensees and those who acquire explosives.

The United States produces or imports 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. Illegal use of these materials threatens the Nation’s public safety. ATF’s enforcement of explosives laws and regulations helps prevent thefts and the acquisition and use of explosives for criminal or terrorist purposes. Additionally, ATF and the Fertilizer Institute educate fertilizer retailers on the need to maintain secure storage of ammonium nitrate and to report suspicious activity to ATF.

ATF enforces federal criminal statutes that address the diversion of tobacco products in avoidance of federal, State, local, and/or foreign tax revenue, including the Contraband Cigarette Trafficking Act. Organized crime groups and individuals with ties to terrorist organizations increasingly engage in illegal trafficking of tobacco products. The proliferation of large-volume trafficking across international borders and interstate commerce to avoid taxes provides increased funding to terrorist organizations and traditional criminal enterprises. This trafficking also robs federal and State governments of important tax-based funding. An estimated \$3.5 billion in tax revenue is lost annually to States and the federal government as a result of the diversion of tobacco products. Current investigations have identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies used to support their organizations and activities. Diversion activities often generate tremendous cash profits that are laundered and used to further other unlawful schemes, such as narcotics and firearms trafficking.

International Activities

ATF enforces the National Firearms Act (NFA), as well as the import provisions of the Arms Export Control Act (AECA) and works closely with the Department of Homeland Security (DHS) to monitor firearms imports and exports to ensure that their international movement is consistent with the law. ATF is the principal DOJ component involved in efforts to combat the

illicit manufacturing and trafficking of firearms, their parts and components, and ammunition and explosives in a number of international forums including the United Nations and the Organization of American States (OAS). These efforts, which include the negotiation of legally and politically binding agreements and model regulations, prevent the diversion and misuse of dangerous commodities by terrorists. Additionally, ATF participates in the DHS's Interagency Incident Management Group and the State Department's International Law Enforcement Academy program (ILEA), which encourages cooperation among participating countries and other U.S. Government agencies. Currently, an ATF special agent serves as the Deputy Director at the ILEA in Bangkok, Thailand. In addition, ATF has established a new position in EUROPOL in The Hague, Netherlands.

ATF, through its international offices, has implemented bilateral initiatives to help reduce violent crime at home and in neighboring countries. For example, firearms publications and posters, in French and English, advise Canadian and U.S. citizens traveling between these countries to be aware of pertinent firearms laws, requirements and associated penalties. ATF's Canadian Office was also instrumental in developing a memorandum of understanding (MOU) with Canadian officials related to ballistic tracing and interconnectivity of data systems. The MOU facilitates sharing leads and other information in real time and exploiting ballistic evidence recovered at crime scenes. This MOU was signed by the Attorney General and the Canadian Minister for Public Safety at the 9th Annual Canadian-U.S. Cross Border Crime Forum on November 16, 2006.

National Tracing Center and National Response Team

ATF's National Tracing Center (NTC) Division is the Nation's only firearms tracing facility, tracing crime guns for federal, State, local, and international law enforcement to provide investigative leads. ATF collects, analyzes, and disseminates criminal intelligence information for the purpose of reducing violent crime. Through gun analysis by its Violent Crime Analysis Branch, ATF supports federal, State, local and international law enforcement with this information to identify sources of crime guns within their jurisdictions.

ATF's National Response Team (NRT) investigates fire and explosives incidents. The NRT brings together all of ATF's explosives and arson expertise and experience to work alongside State and local officers. Since its inception in 1978, the NRT has responded to more than 630 fire and explosion incidents, including the September 11th Pentagon site, the Alfred P. Murrah Federal Building site in Oklahoma City, and the 1993 bombing of the World Trade Center.

C. Program Performance

Firearms Enforcement

The increased national and international emphasis on combating terrorism and reducing violent firearms crime creates additional challenges for ATF's firearms enforcement program. ATF fights violent firearms crime by investigating violent gang members. ATF is expanding efforts to ensure the coordination of gang enforcement operations with other federal agencies and international counterparts. ATF is responding to increasing numbers of requests from State,

local, tribal and international law enforcement partners to assist in investigations of firearms crimes. ATF is expanding its cross-border and other international efforts to reduce the supply of U.S.-sourced weapons to terrorists and criminals.

ATF seeks the necessary resources so that agents and investigators can effectively enforce the federal firearms laws in support of the Administration's and Department's national counterterrorism strategies and other domestic initiatives. ATF's FY 2009 request supports the activities mentioned above, enabling the Bureau to strengthen its firearms trafficking efforts along the Southwest Border and nationwide, assist its international partners with firearms tracing, and more effectively regulate the firearms industry.

Explosives Regulation and Enforcement

In keeping with the Department's and the Administration's priority of maintaining the Nation's security and safety of its citizenry, ATF will deny the use of explosives to terrorists and criminal organizations through vigorous enforcement of explosives laws and regulation of the explosives industry.

In compliance with provisions of the SEA, ATF conducts field inspections on all original and renewal applications for explosives licenses or user permits, leading ATF to perform an inspection at least every three years for each explosives licensee or permittee. Further, ATF continually monitors explosives licensees who have committed a public safety violation noted during previous inspections and ensures that all violations noted in such inspections are appropriately resolved.

In addition, ATF continues to investigate all reported explosives thefts, respond to and investigate bombings and other explosives incidents, and assist State, local, other federal agencies and international law enforcement partners in their investigations of explosives-related terrorist and criminal acts.

ATF's specialization in explosives investigation led the Department of Defense (DOD) to request that ATF special agent certified explosives specialists and explosives enforcement officers provide technical support for operations in Iraq. In addition to basic and advanced courses for ATF employees, ATF conducts a wide variety of explosives training courses for other federal, U.S. military, State, local, and international students, ranging from specialized courses on the safe destruction of explosives to advanced post-blast investigation courses.

In conjunction with the Technical Support Working Group, ATF conducts significant research and development activities that have a global impact on the war on terrorism, including the development of explosives detection instruments and research into the characterization and scientific analysis of homemade explosives and enhanced novel explosives (ENE). ATF forensic science laboratories are currently engaged in research using novel scientific techniques to examine these explosives for their forensic investigative value.

Internet Trafficking

Illegal trafficking of ATF-regulated commodities through the Internet continues to grow, as does cyber crime. To effectively target cyber crime, ATF established law enforcement information sharing partnerships with federal, State, local, and international agencies, as well as with industry groups and the scientific community. These partnerships greatly enhance ATF's ability to collect, analyze, and disseminate domestic intelligence to fight Internet-based alcohol and tobacco diversion and the illegal trafficking of firearms and explosives.

The illicit sale of tobacco products via the Internet continues to cause a substantial loss of excise tax revenue to federal, State, and foreign governments. ATF uses laws such as the Contraband Cigarette Trafficking Act (CCTA) and wire fraud and money laundering statutes to interdict illicit interstate cigarette distribution via the Internet and the mail. Although ATF has been successful in identifying and prosecuting Internet firearms traffickers, a recent study indicates that additional in-depth research and analysis of this form of criminal enterprise is warranted. ATF's laboratories have added new analytical methodologies to identify contraband cigarettes.

Information Technology

ATF faces the challenge of improving the flow of critical intelligence data to first responders through improved information technology (IT). On August 11, 2004, the Attorney General directed that ATF maintain all consolidated Department of Justice arson and explosives incident databases. ATF maintains relevant data and shares all appropriate arson and explosives incidents with federal, State, and local agencies, including first-responder partners. The centralization of this data and intelligence information reduces redundancy and provides access to information currently housed in compartmentalized systems.

The success of the Nation's efforts to combat global terrorism and other criminal threats required the components of DOJ to coordinate their collection, production and dissemination of intelligence and law enforcement information. ATF directly supports the Law Enforcement Information Sharing Program (LEISP) as a means to accomplish this important objective, and will consolidate stove-piped systems and their disparate databases into National Information Exchange Model (NIEM) compliant systems. LEISP enhances the ability of agents and industry operations investigators to share investigative information from ATF's law enforcement and regulatory databases.

The framework for the consolidation of ATF enforcement and regulatory systems will be the ATF Knowledge Online (ATF KO) portal, a secure, Web accessible front end to several ATF information systems and services covering explosives data as well as firearms, alcohol, tobacco and arson investigatory and regulatory information. To ensure the greatest possible access, mission critical work information and files will be provided to agents, law enforcement partners and other ATF employees via iPASS, a secure mobility solution available to field agents from anywhere at anytime.

ATF has made significant progress in providing the Bomb Arson Tracking System (BATS) and D-Fuze (ATF's international bomb incident database) to various domestic and international law

enforcement organizations. In fact, ATF was awarded an e-Gov award for the BATS initiative. Additionally, ATF utilizes BATS to provide explosives countermeasures and intelligence support to a multitude of special events, including the Olympics, the Democratic and Republican National Conventions, the International Monetary Fund Conferences, and meetings of the Free Trade Area of the Americas (FTAA).

Similarly, eTrace is ATF's centerpiece for firearms tracing domestically and internationally. A number of MOUs have been established with domestic and international law enforcement partners to give them training and access to this system in order to assist them with their crime gun investigations. National Integrated Ballistics Information Network (NIBIN) and Integrated Ballistics Identification System (IBIS) technology is utilized in a similar capacity to link ballistic information from shells, bullet fragments and cases recovered from crime scenes during investigations on the domestic and international front.

The continuing development of the National Field Office Case Information System (N-FOCIS) application suite enhances ATF's ability to collect, disseminate, manage and analyze data. N-FOCIS provides ATF with an integrated and centralized data management solution that allows for real time monitoring and oversight of all criminal enforcement and industry regulatory operations activities in the field. The system also provides a platform for analysis of case information to aid in the identification and tracking of criminal enterprises.

Safety and Security of ATF Employees

ATF continues to promote the continuity of operations and the continuity of government through expansion and enhancement of ATF's alternate operating sites and capabilities, as recommended by Federal Preparedness Circular 65. The centralization of ATF's security operations and the upgrades of systems to incorporate technological advances in equipment will enable ATF to proactively mitigate current threats. Further, the secure identity and access control credentials for all ATF employees (Homeland Security Presidential Directive 12), the improvements to the security clearance process (Intelligence Reform and Terrorism Prevention Act of 2004), and the development of common criteria for sensitive information designation will ensure that sensitive work will be performed in an environment of integrity and safety.

D. Strategies for the President's Management Agenda

ATF is fully committed to the President's Management Agenda (PMA), which seeks to implement best practices, improve federal management, and hold agencies accountable for results. The PMA consists of five government-wide goals which include strategic management of human capital, competitive sourcing, improved financial performance, expanded e-Government, and budget and performance integration. Additionally, ATF is subject to the federal real property asset management initiative. A comprehensive program monitors ATF's progress in each of the PMA goals and ensures that taxpayer money is used wisely. Below are some of the efforts underway in each of the PMA goal areas.

Strategic Management of Human Capital. Human capital is ATF's most important asset. In accordance with the standards for success developed by the President's Management Council,

the Bureau developed a Human Capital Strategic Plan. ATF has created a Workforce Strategic Priority Action Committee to implement workforce priorities identified by ATF's Strategic Leadership Team and to continue implementation of the Human Capital Strategy throughout ATF.

An external Human Resources consultant has reviewed the ATF Special Agent Assessment Center and concluded that "ATF's promotion process is technically sound and meets the most rigorous legal and professional standards for a valid process." Last year, 275 agents completed the assessment center process – the largest group to date. ATF continues to enhance the program to meet the challenge of filling vacant positions while maintaining the integrity and validity of the process. ATF has been developing an action plan to ensure that ATF special agents are effectively prepared for first-line and mid-level management positions. The career plan will identify key training and development initiatives and will provide for a common understanding of career development activities. The Bureau will also implement e-performance within the agent population to facilitate preparing and completing performance appraisals online.

Employee safety is an extremely high priority at ATF. ATF recently recognized that exposure to high levels of nitroglycerin (NG) and ethylene glycol dinitrate (EGDN), which may be present in some explosives magazines, pose a number of health risks for industry operations investigators (IOIs). To address these risks, ATF added IOIs to the Bureau's Respiratory Protection Program, which already includes special agents and selected employees who are subject to exposure risks at hazardous materials (HAZMAT), post-arson, and post-explosives scenes. ATF will ensure that IOIs promptly receive appropriate medical screening, training, fit testing, and equipment.

ATF has also implemented a learning management system (LMS) that allows for streamlined and automated tracking of employee training requests and activities. The system conforms to the requirements of the PMA and the OPM Human Resources Line of Business initiative. It enables more comprehensive tracking of curricula, certifications, and employee learning plans and will allow for a strategic linkage between competencies and training.

Competitive Sourcing. ATF conducts significant portions of its mission through service contracts. As part of the President's Management Agenda (PMA), federal agencies must explore areas of services that could be acquired utilizing competitive sourcing. In fiscal year 2007, ATF conducted a competitive sourcing initiative of 16 full-time equivalents (FTE) at the ATF headquarters in Washington, DC. The make up of the 16 FTE is as follows: 14 Human Resources Division (HRD) assistants, one staff assistant, and one HRD specialist. The study concluded that the performance of these functions will remain in-house, performed by the Government's Most Efficient Organization (MEO). In accordance with DOJ mandates, ATF will continue to explore competitive sourcing in future fiscal years.

Improved Financial Performance. ATF received unqualified opinions from FY 1995 to the present, during all years that its financial statements were independently audited. This signifies that ATF's financial statements are materially correct and that readers of the financial statements can rely on the information to be accurate.

ATF demonstrates its continued commitment to maintaining its unqualified audit opinion and addressing its material weaknesses through proactive measures. These measures include conducting its own accounts payable reviews, quarterly meetings on accounts payable requirements, and providing additional training on financial management. In accordance with the requirements of Office of Management and Budget (OMB) Circular A-123, ATF implemented stronger internal control policies and procedures through documentation and testing. ATF understands that American taxpayers expect their monies to be used judiciously in the furtherance of ATF's mission, and ATF will continue to demonstrate good judgment and fiscal responsibility in its financial operations.

Expanded e-Government. In expanding its e-Government offerings, ATF worked to “e-authenticate” the Bomb Arson Tracking System (BATS) and Electronic Firearms Tracing System (eTrace) using the federated identity “open” architecture. ATF established the “proof of concept” to provide secure infrastructure and user authentication. ATF expanded the user population in a safe, secure, and consistent manner. The expansion assisted DOJ in meeting the OMB's mandate to authenticate at least one public access system in FY 2006 in support of the Justice Department's strategic goals of the Law Enforcement Information Sharing Program. BATS is a web-based application available to all federal, State, local, military and tribal law enforcement with bomb or fire investigative functions. The system can be used as an incident-based or case management system and allows users to share information with other users in real time.

e-Trace is a web-based system that was designed, developed and tested with the assistance of a consortium of law enforcement agencies. The system assists law enforcement agencies in proper identification of firearms and ensures that trace submissions are processed accurately and expeditiously. The system allows authorized law enforcement agencies worldwide to securely send trace requests to the National Tracing Center (NTC), receive the results, and perform analysis of those results.

ATF implemented a portfolio management tool that closely aligns investments with the mission and delivers enhanced capability. The application supports several IT governance functions including enterprise architecture, capital planning and program control. This solution implements demand management, Federal Enterprise Architecture (FEA) alignment, earned value reporting, portfolio management, and program control, and also provides an executive dashboard to track ATF strategic imperatives. These enhanced management controls help the Bureau to select the right investments and deliver the planned capability within cost and schedule constraints.

In FY 2007, ATF implemented e-Rulemaking by converting paper-based docket processing and rulemaking to electronic processes using the Federal Docket Management System (FDMS). ATF will post all agency public comment announcements to government-wide public comment solutions managed by Rulemaking.

As part of the Business Gateway e-Government initiative, ATF began supplying agency forms to citizens and businesses online via the Forms Catalog at www.Forms.gov. As an on-going part of this initiative, ATF continues to post current forms and validate existing information.

Budget and Performance Integration. In the area of budget and performance integration, all three decision units (firearms, arson and explosives, and alcohol and tobacco diversion) are linked to the ATF strategic plan and ATF budget execution structure. Senior managers meet quarterly to review financial executive reports, which lay the foundation for integrating financial and performance information for the Bureau, and all senior executive service (SES) performance work plans link to ATF's strategic plan, the Department's strategic plan, and the Attorney General's goals to ensure performance-based outcomes.

Real Property Asset Management Initiative. The real property asset management initiative applies to all ATF space (approximately 2.3 million square feet of space in three ATF-owned facilities, 87 federal buildings, and 187 commercial buildings) as well as to space actions (approximately 15 major actions per year). Although the Bureau has met its requirements in this area by submitting its real property asset management plan and the required real property inventory to DOJ, ATF always searches for ways to use taxpayer resources more efficiently.

For example, ATF is working with the Department of Justice and other DOJ agencies to co-locate functions in Miami, Florida, as part of a DOJ multi-agency campus. ATF also successfully completed a project with the Drug Enforcement Administration on shared space in Birmingham, Alabama, and is identifying other opportunities for sharing space. These multi-agency efforts offer a number of potential benefits including improved security, greater DOJ and agency control over design and operations, and cost-effectiveness.

In summary, ATF must employ sound management practices. The Bureau continues to make progress in its President's Management Agenda (PMA) efforts to meet its management challenges, improve program delivery, and pursue new initiatives that will enhance its performance.

E. Full Program Costs

ATF's budget decision units mirror ATF's strategic plan priorities and the Department's strategic goals and objectives. Each performance objective is linked with the costs of critical strategic actions in the accounting system to efficiently measure performance, benchmarks, status, and goal attainment. Current program costs are distributed as follows: firearms enforcement – 72%; arson and explosives – 26%; alcohol and tobacco diversion – 2%. As ATF carries out its critical mission objectives to prevent terrorism, reduce violent firearms, explosives, arson, and alcohol and tobacco crime, approximately 40% percent of ATF's resources support efforts related to homeland security and counterterrorism.

FY 2009 Request and Current Services/Adjustments to Base (ATB):

Each of ATF's programs is essential to preventing terrorism, reducing violent crime, and protecting the Nation. ATF's unique regulatory authority of the firearms and explosives industries provides strong support to accomplishment of its law enforcement mission.

ATF's mission supports the priorities of the Administration and the Attorney General under the Department's Strategic Goals 1 and 2, to "Prevent Terrorism and Promote the Nation's Security"

and “Prevent Crime, Enforce Federal Laws, and Represent the Rights of the American People.” ATF’s Congressional budget request totals \$1,027,814,000 and 4,942 FTE, which includes \$1,026,866,000 and 4,936 FTE for the FY 2009 current services level. The request also includes \$948,000 and 6 FTE for program improvements.

ATF Resource Profile FY 2009

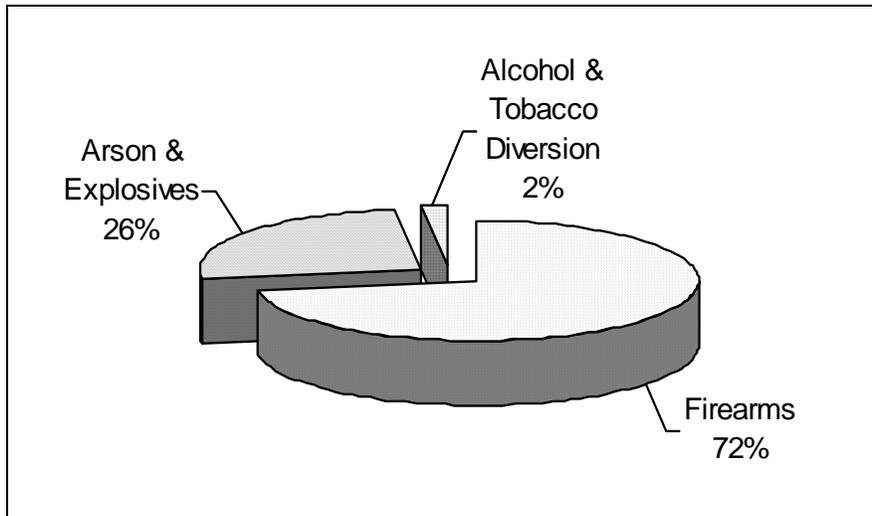
Resources in Support of DOJ Strategic Goals 1 & 2

Decision Unit	FY 2007 Enacted FTE	FY 2007 Enacted (\$000)	FY 2008 Enacted FTE	FY 2008 Enacted (\$000)	FY 2009 PresBud FTE	FY2009 PresBud (\$000)
Firearms	3,599	\$708,550	3,474	\$708,550	3,532	\$740,026
Arson and Explosives	1,361	\$255,865	1,316	\$255,865	1,320	\$267,232
Alcohol and Tobacco Diversion	93	\$19,682	90	\$19,682	90	\$20,556
Subtotal ATF S&E	5,053	\$984,097	4,880	\$984,097	4,942	\$1,027,814
Construction	0	0	0	23,500	0	0
Total ATF S&E and Construction	5,053	\$984,097	4,880	\$1,007,597	4,942	\$1,027,814

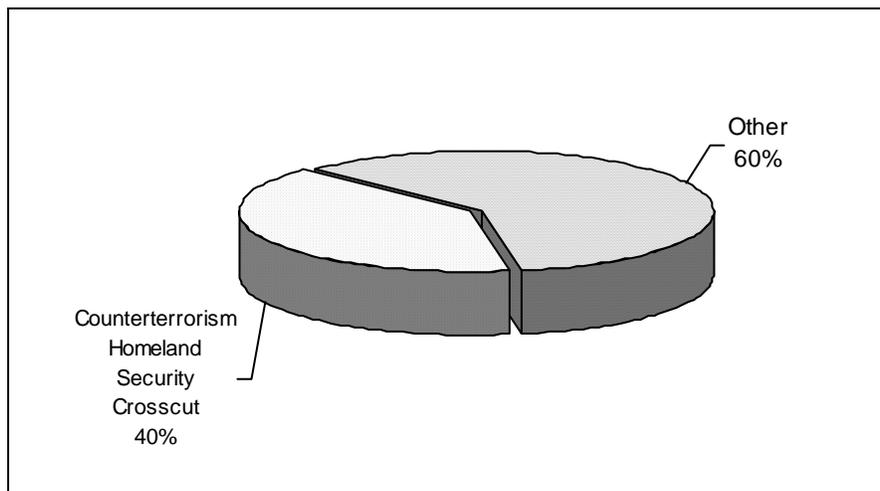
S&E Resources in Support of DOJ Strategic Goals 1 & 2

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)	
Southwest Border Enhancement	This initiative is to expand ATF's capability to conduct firearms industry inspections along the Southwest Border by adding 12 industry operations investigators to the region. As the Southwest Border is a major area of federal interest affecting the citizens of both the United States and Mexico, this initiative will strengthen industry oversight in the SW Border region and will ensure a focused inspection program to identify potential sources of firearms involved in crime, as well as non-compliant federal firearms licensees (FFLs).	12	6	\$948	36

III. Appropriations Language and Analysis of Appropriations Language

FY 2009

Appropriations Language and Analysis of Appropriations Language Salaries and Expenses

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives, including the purchase of not to exceed 822 vehicles for police-type use, of which 650 shall be for replacement only; not to exceed \$40,000 for official reception and representation expenses; 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, [~~\$984,097,000~~]**\$1,027,814,000**, of which 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 of which [~~\$10,000,000~~]**not to exceed \$20,000,000** shall remain available until expended: Provided, That no funds appropriated herein 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 [178]~~478~~.118 or to change the definition of "Curios or relics" in 27 CFR [178]~~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 in fiscal year [2008]~~2009~~: Provided further, That, beginning in fiscal year 2009 and 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 923(g), except to: (1) a Federal, State, local, tribal, or foreign law enforcement agency, or a Federal, State, or local prosecutor, solely in connection with and for use in a criminal investigation or prosecution; or (2) a Federal agency for a national security or intelligence purpose; 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(1)(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 no funds under this 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. (Department of Justice Appropriations Act, 2008.)

Recommended change to the General Provisions – Department of Justice:

Amends section 206

The Attorney General is authorized to extend through September 30, 2010, 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 (6 U.S.C. 533) without limitation on the number of employees or the positions covered.

Analysis of Appropriations Language

- *ATF proposes to increase the amount of ATF's appropriation that is available until expended.*
- *Would extend the pay demonstration project for one year through September 30, 2010 without limit on the number of employees or the positions covered.*

IV. Decision Unit Justification

A. Firearms

Firearms TOTAL	Perm Pos.	FTE	Amount (\$000)
2007 Enacted w/Rescissions	3,676	3,599	708,550
2007 Supplementals	0	0	2,000
2007 Enacted w/Rescissions and Supplementals	3,676	3,599	710,550
2008 Enacted	3,546	3,474	708,550
Adjustments to Base and Technical Adjustments	7	52	30,528
2009 Current Services	3,553	3,526	739,078
2009 Program Increases	12	6	948
2009 Request	3,565	3,532	740,026
Total Change 2008-2009	19	58	31,476

Firearms – Information Technology Breakout (of Decision Unit Total)	Perm Pos.	FTE	Amount (\$000)
2007 Enacted w/Rescissions	65	65	81,723
2007 Supplementals	0	0	0
2007 Enacted w/Rescissions and Supplementals	65	65	81,723
2008 Enacted	65	65	92,969
Adjustments to Base and Technical Adjustments	0	0	0
2009 Current Services	65	65	92,969
2009 Program Increases	0	0	0
2009 Request	65	65	92,969
Total Change 2008-2009	0	0	0

1. Program Description

Violent crime remains a significant and complex domestic problem, fueled by a variety of causes that differ from region to region. The common element, however, is the relationship between firearms violence and the unlawful diversion of firearms out of commerce into the hands of prohibited persons. ATF's unique statutory responsibilities and assets, including technology and information, are focused under the agency's Integrated Violence Reduction Strategy (IVRS) to: remove violent offenders, including gang members, from our communities; keep firearms from those who are by law prohibited from possessing them; discourage, prohibit, and interrupt illegal weapons transfers in accordance with the law; and prevent firearms violence through community outreach. The IVRS is ATF's contribution to the Administration's Project Safe Neighborhoods (PSN) initiative and builds upon traditional enforcement efforts with the use of state-of-the-art technology, intelligence and information-sharing balanced with community outreach and prevention. Through IVRS, ATF maintains the lead federal law enforcement role in the PSN

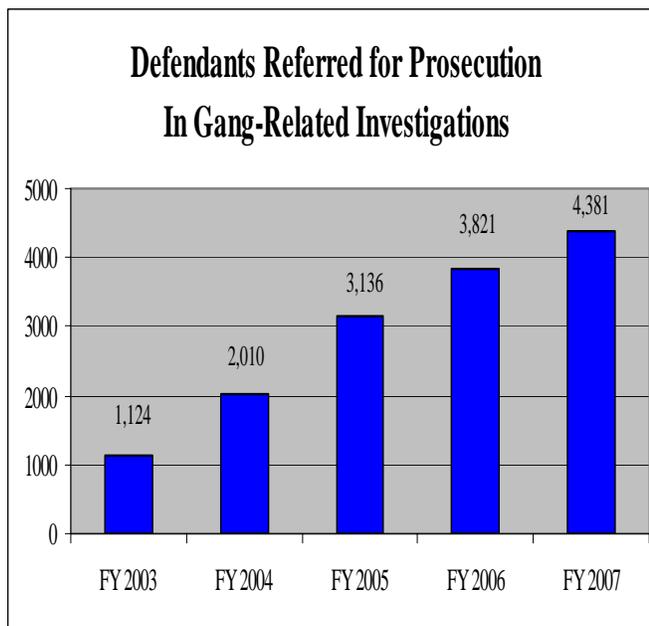
program. ATF is committed to the reduction of gun violence, one of the Nation’s top domestic law enforcement priorities.

PSN and ATF’s Gang Strategy

PSN, led by the Department, is tailored to the needs of the communities in each U.S. Judicial District across the country. Through this initiative, ATF fights violent firearms crime by investigating gang members and associates, armed career criminals, prohibited possessors, and firearms traffickers, as well as by effectively regulating the firearms industry to prevent firearms diversion and discouraging firearms violence through outreach efforts.

ATF has played an active role in PSN since its inception in 2001 with a focus on a wide range of firearms cases—those involving Racketeer Influenced Corrupt Organization (RICO) violations, illegal firearms trafficking, and the criminal possession of firearms by convicted felons. In 2006, the Department of Justice announced that PSN would expand to include gang enforcement and prevention activities.

ATF oversees a comprehensive gang strategy, combining criminal enforcement tactics to take violent gang members and their organizations off the streets with education, prevention, and training efforts. ATF shares investigative information on gangs nationally through its case management system. This system gives every agent and task force member the ability to access information about other cases in order to coordinate efforts. ATF referred more than 14,000 gang members and their associates for prosecution between FY 2003 and 2007 for charges including firearms violations, continuing criminal enterprise violations, RICO violations, and arson and explosives violations.



ATF is committed to assisting State and local law enforcement agencies, particularly in areas that are hardest hit by violence. Violent Crime Impact Teams (VCIT), which operate under PSN, establish or expand upon violent crime task forces in cities across the country. As noted previously, the goal of the VCIT program is the reduction of homicide and firearms-related violent crime in a community through the use of geographic targeting, proactive investigation, and prosecution of those responsible, including violent gang members. ATF’s VCIT program relies on leveraging partnerships with other law enforcement agencies in combination with the sustained use of new and innovative technology, analytical investigative tools, and progressive law enforcement strategies.

Illegal Firearms Trafficking Enforcement

The focused domestic enforcement efforts under PSN and within ATF's gang enforcement strategy constitutes federal law enforcement's front line against violent firearm crime. Firearms violence is fueled by a variety of causes that vary from region to region; however, the relationship between firearms violence and the unlawful diversion of firearms out of commerce into the hands of prohibited persons represents a common element across all localities facing firearms violence. The goal of ATF's illegal firearms trafficking enforcement efforts is to reduce the Nation's violent firearms crime by identifying, investigating, and arresting individuals who are fueling armed violence by illegally supplying firearms to others prohibited from possessing them (e.g., felons, violent gang members, juveniles, illegal aliens) and by deterring the diversion of firearms from lawful commerce into the illegal market. Multiple, complementing approaches and technologies are used to thwart illegal firearms trafficking including: (a) enlisting partnerships with the firearms industry to help identify illegal third-party firearms purchasers, (b) identifying firearms licensees whose businesses have multiple risk factors for trafficking (either with or without the complicity of the business owner), (c) and investigating leads generated through these referrals and other investigative information.

ATF administers and enforces the Gun Control Act and the National Firearms Act as well as the import provisions of the Arms Export Control Act. In addition, ATF approves registered firearms for export under the National Firearms Act. ATF works closely with U.S. Customs and Border Protection to monitor imports and exports of firearms, ammunition, and other defense articles to ensure that their international movement is consistent with the law.

ATF's international enforcement programs have primarily combated international firearms and explosives trafficking in the Western hemisphere. ATF participates in a number of international policy forums, such as the Cross Border Crime Forum with Canada and the Senior Law Enforcement Plenary sessions with Mexico to address firearms trafficking problems and other policy issues common to the United States and its neighbors. ATF also works with other domestic and international law enforcement agencies and organizations to prevent U.S.-sourced firearms from reaching the hands of drug traffickers, organized criminal enterprises, and terrorist organizations.

To address firearms violence along the Southwest Border, ATF uses firearms tracing data in conjunction with intelligence from local police to pinpoint problem areas and to identify the "worst of the worst" criminals. The ATF Mexico City office works with Mexican law enforcement authorities to properly identify and trace U.S. sourced firearms recovered in Mexico. In an effort to increase the number of traces involving U.S. sourced guns recovered in Mexico, ATF provides a secure online tracing system called eTrace to the Mexican Attorney General's Intelligence Branch. Comprehensive firearms tracing not only provides intelligence regarding the sources of crime guns recovered in Mexico, but it also assists local offices in identifying, targeting, and investigating straw purchasers and the traffickers who employ them.

ATF special agents working in cooperation with Mexican law enforcement officials have identified trafficked firearms and have made several related arrests.

Due to the growth in narcotics-trafficking and firearms and explosives related violence along the Southwest Border with Mexico, ATF, in support of DOJ's Southwest Border Initiative, developed a strategy to address such violence on both sides of the border. This strategy, with domestic and international components, calls for focusing resources in affected areas such as Laredo, Texas, and emphasizes partnerships with other law enforcement agencies at the federal (e.g., Drug Enforcement Administration and Immigration and Customs Enforcement), State (e.g., Texas Department of Public Safety) and local (e.g., the Laredo Police Department) level. Similarly, the ATF Mexico City Office works closely with Mexican law enforcement agencies to increase their capacity to effectively combat the criminal elements affecting their communities. ATF forensic lab personnel also provide technological support, and training is provided to Mexican law enforcement partners in an effort to enhance their effectiveness.

Violent transnational gangs operating in Central America with ties in the U.S. readily resort to the use of firearms to promote and enforce their illicit trade. ATF will establish working partnerships with Central American governments in order to effectively combat this threat.

National Integrated Ballistic Information Network (NIBIN)

Through its NIBIN Program, ATF deploys Integrated Ballistics Identification System (IBIS) equipment to federal, State, and local law enforcement agencies for their use in imaging and comparing crime gun evidence. IBIS equipment allows firearms technicians to acquire digital images of the markings made by a firearm on bullets and cartridge casings; the images then undergo automated initial comparison. If a high-confidence candidate emerges, forensic firearms examiners compare the original evidence to confirm a match. By minimizing the amount of non-matching evidence that forensic firearms examiners must inspect to find a confirmable match, the NIBIN system enables law enforcement agencies to discover links between crimes more quickly, including links that would have been lost without the technology. In funding and supporting this program, ATF provides federal, State, and local law enforcement agencies with valuable access to an effective intelligence tool. The system also makes it possible to share intelligence across jurisdictional boundaries, enabling federal, State, and local law enforcement agencies to work together to stop violent criminals. NIBIN is presently sharing ballistic information with the Canadian Integrated Ballistic Information Network (CIBIN) as part of a cross-border firearms initiative. In the near future, sharing ballistic information between NIBIN and CIBIN will be done electronically on a real-time basis.

Firearms Tracing

ATF's National Tracing Center (NTC) Division is the Nation's only firearms tracing facility, tracing crime guns for federal, State, local, and international law enforcement in order to provide investigative leads. The investigative leads link suspects to firearms in criminal investigations and identify potential traffickers, whether unlicensed or licensed sellers. Comprehensive tracing by a community results in leads that detect intrastate, interstate, and international sources and kinds of crime guns. The NTC is working with the State Department to expand this unique

deterrent and prevention tool to specific target areas. ATF has partnered with Canadian authorities through the Cross Border Crime Forum and Mexican authorities through the Southwest Border Initiative to enhance the sharing of information, deter the illegal flow of firearms, and prevent terrorist activity on both sides of the border. The NTC also manages a number of associated programs to support firearms tracing and criminal investigations that involve firearms and firearms-related crimes. Programs and services provided include the following:

Firearms Tracing-The systematic tracking of the movement of a firearm recovered by law enforcement officials from its first sale by the manufacturer or importer through the distribution chain (wholesaler/retailer) to the first retail purchaser.

eTrace-A Web-based system that was designed, developed and tested with the assistance of a consortium of law enforcement agencies. The system assists law enforcement agencies in proper identification of firearms and ensures that trace submissions are processed accurately and expeditiously. The system allows authorized law enforcement agencies worldwide to securely send trace requests to the NTC, receive the results, and perform limited analysis of those results. Additionally, the development of a Spanish version of this system will enhance the ability to combat firearms trafficking and will increase information sharing.

Stolen Firearms Program-Manages the theft and loss reports from federal firearms licensees, interstate carriers, and the Department of Defense (DoD). Additionally, the program makes notifications related to those firearms that have been subsequently recovered and traced by law enforcement agencies and supports investigations related to thefts from federal firearms licensees (FFL) and interstate carriers.

ACCESS 2000-A partnership between ATF and firearms industry members, such as importers, manufacturers, and wholesalers. The partnership provides the NTC with 24/7 access to firearms disposition information in order to complete firearms trace requests for law enforcement agencies engaged in bona fide criminal investigations.

Brady Act Enforcement Strategy

The Brady Handgun Violence Prevention Act (Brady Act) requires a check through the National Instant Criminal Background Check System (NICS) for the purchase of every firearm by a non-federal licensee from a federal firearms licensee (FFL). Though the NICS record check process is performed by the FBI, ATF investigates and enforces Brady Act violations. Under 18 U.S.C. § 922(t), with limited exceptions, a licensee is prohibited from transferring a firearm to an unlicensed person unless the licensee contacts the NICS system and receives a response that he or she may proceed, or receives no response and three days have elapsed since the licensee contacted the system. ATF's Brady Operations Branch serves as the liaison with the FBI on NICS matters, responds to FFL inquiries and concerns regarding NICS, and analyzes data from NICS denials to identify firearms trafficking trends. As the lead agency for the enforcement of federal firearms laws, ATF focuses on prohibited individuals who have obtained or who attempt to obtain firearms from FFLs.

In 2005, ATF field divisions coordinated with the United States Attorney's Offices (USAO) from each of the 94 U.S. Judicial Districts to establish new referral criteria for Brady Act violators. The criteria provide tailored referrals that meet each of the USAO's specific prosecutorial guidelines, resulting in a more efficient referral process and more productive investigations.

Federal Firearms Licensee (FFL) Inspections

Inspections of FFLs verify that licensees are complying with the provisions of the Gun Control Act (GCA) and its implementing regulations and detect and prevent the diversion of firearms from legal to illegal commerce. Compliance with the GCA by the firearms industry is essential to assist with nationwide crime control and public safety efforts. ATF industry operations investigators (IOIs) conduct in-person inspections of all FFL applicants in order to ensure prohibited persons are not issued licenses, as well as to discuss FFLs rights and responsibilities relative to conducting a firearms business. In 2006, ATF denied 14% of approximately 5,000 new applications for firearms licenses because an applicant was prohibited or could not comply with State or local laws.

ATF also increases the firearms industry compliance rate by ensuring that FFLs maintain the accuracy and integrity of their records and inventory. An increased compliance rate results in fewer prohibited sales, missing firearms and other violations that jeopardize the traceability of the weapon or purchaser. In 2006, ATF conducted 7,295 compliance inspections. During these inspections, ATF IOIs were able to identify the disposition of more than 64,000 firearms initially missing from inventory, thereby ensuring the ability of law enforcement to track potential investigative leads. ATF inspections of FFLs can play a vital role in developing important firearms trafficking cases. One such case involved an IOI's referral to special agents of two individuals who were making suspicious purchases. These individuals were later found to have ties to a known Mexican cocaine smuggling organization that was trafficking narcotics from Mexico through the Rio Grande Valley. Both were suspected to have trafficked more than 20 large caliber rifles prized by the Mexican drug cartels for their ability to penetrate engine blocks and armored glass.

ATF works closely with the firearms industry to identify internal control weaknesses in business operations that lead to the diversion of firearms from legal to illegal sources. These internal control assessments often involve a variety of voluntary actions the licensees can take beyond the regulations, such as training employees to identify firearms trafficking indicators and "straw purchases." Straw purchases are the acquisitions of firearms from an FFL by an individual (the straw) on behalf of another person, concealing the identity of the true purchaser—a person either prohibited from lawfully acquiring a firearm themselves or otherwise unwilling to have their name associated with the firearm transaction. Other internal control assessments include: (a) FFLs reviewing ATF Form 4473 to ensure that all information is properly recorded and that sales are not inadvertently made to prohibited individuals, (b) taking frequent inventories to ensure accountability of product, and (c) implementing security measures to safeguard firearms from theft or loss.

ATF conducts a warning conference with licensees who violate laws or regulations. ATF then performs a recall inspection the next year to ensure that the licensee is complying with federal laws and specific record keeping regulations. Recall inspections of licensees have shown a resulting increase in compliance for those licensees previously inspected. In 2006, recall inspections resulted in an increased compliance rate of 91% for inventory discrepancies and an increased compliance rate of 64% for total violations.

National Firearms Act (NFA) Enforcement

NFA requires registration and payment of a tax for the making or transfer of 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 requires that firearms makers, importers, and manufacturers register the NFA firearms they make or import, and that ATF approve in advance all NFA firearms transfers. The NFA also imposes a tax on the making and transfer of NFA firearms and requires manufacturers, importers, and dealers to pay a special occupational tax. ATF processes all applications to manufacture, transfer, and register NFA firearms and notices of NFA firearms manufactured or imported. The registration information is captured in the National Firearms Registration and Transfer Record (NFRTR), and is used to support ATF’s field efforts to inspect firearms licensees and conduct criminal investigations. ATF also 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 through the issuance of import permits. ATF also regulates the importation of firearms and ammunition by nonimmigrant 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 United States.

ATF Partnerships with the Firearms Industry

ATF updates members of the regulated firearms community of statutory, regulatory, and policy changes that affect their day-to-day operations. Seminars are routinely held with industry associations such as the National Firearms Act Trace and Collectors Association, Firearms and Ammunition Importers Roundtable, National Pawnbrokers Association and the National Association of Arms Shows and other industry groups. ATF publishes and distributes open letters to importers of firearms, ammunition, and other regulated commodities advising them of important issues that impact their operations. ATF also publishes pertinent articles in its semi-annual *FFL Newsletter* and conducts seminars for licensees at various locations.

“Don’t Lie for the Other Guy”

“Don’t Lie for the Other Guy” is a successful outreach program developed jointly by ATF and the National Shooting Sports Foundation (NSSF) as a result of findings in the “Following the Gun” report of 2000. Designed to train federal firearms licensees in the detection and avoidance

of illegal straw purchases, “Don’t Lie for the Other Guy” also educates the public about the serious consequences of being involved in straw purchases.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Firearms

DOJ Strategic Goal/Objective: Goal 2, Objective 2.2

WORKLOAD/ RESOURCES		Final Target		Actual		2008 Enacted		Changes		Requested (Total)	
		FY 2007		FY 2007		2008 Enacted		Current Services Adjustments and FY 2009 Program Change		FY 2009 Request	
Workload											
Number of firearms compliance inspections completed		6,650		10,106		6,650		0		6,650	
Number of firearms investigations initiated during fiscal year ¹		28,500		25,695		25,000		0		25,000	
Total Costs and FTE.		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		3,599	\$708,550	3,442	\$712,148	3,474	\$708,550	58	\$31,476	3,532	\$740,026
Program Activity	Criminal Enforcement²	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		2,951	\$623,524	2,778	\$623,734	2,804	\$620,583	45	\$26,738	2,849	\$647,321
	Number of gang related defendants	3,800		4,381		4,100		0		4,100	
	Number of defendants who are involved in trafficking	3,000		3,457		3,225		0		3,225	

¹ This figure includes all firearms investigations, including NICS investigations forwarded to ATF field offices from ATF's Brady Operations Branch.

² Beginning with the FY 2006 final target column through the FY 2009 request (for the three measures involving the number of defendants) the figures no longer represent defendants convicted, but instead track to the number of defendants referred for prosecution. These measures have been re-worded to Number of defendants to be consistent with PART Web. They were previously worded as "Number and Percentage of defendants." However, for reporting purposes, actual percentages will be provided when made available for years percentage targets were set.

	Number of defendants in investigations referred for prosecution who are felons in possession of firearms ³	8,700	8,069	8,000	0	8,000					
OUTCOME	Percentage of firearms investigations resulting in a referral for criminal prosecution.	57%	57%	58%	1%	59%					
OUTCOME	Percentage of firearms investigations involving the recovery of crime guns	30%	30%	32%	2%	34%					
Program Activity	Regulatory Compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		648	\$85,026	664	\$88,414	670	\$87,967	13	\$4,738	683	\$92,705
	Reduction in unaccounted firearms based on total recall inspection	75%	90%	75%	2%	77%					
EFFICIENCY MEASURE	Percent of firearms traces completed within nine days	67%	67%	67%	1%	68%					
OUTCOME	Increase pawn brokers' compliance rate with Federal firearms laws and regulations ⁴	50%	N/A	53%	4%	57%					

³ This measure specifically reflects ATF defendants convicted under Title 18 of the United States Code, Section 922(g) (1). This section prohibits possession of a firearm by persons convicted of a crime punishable by imprisonment for a term exceeding one year. The measure has been re-worded to be consistent with PART Web. It was previously worded as "Number and Percentage of defendants who are prohibited possessors of firearms." However, for reporting purposes actual percentages will be provided when made available for years percentage targets were set.

⁴ Since a random sampling will be done again in 2009 the results for the 2007 actuals would not be statistically valid. This measure was new for FY 2007 introduced during the 2007 Firearms PART process and the baseline was established with the 2005 actuals, results will not be statistically valid until 2009 when another random sampling is completed.

2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Number of gang related defendants	N/A	N/A	N/A	N/A	N/A	3,821	3,800	4,381	4,100	4,100
Performance Measure	Number of defendants who are involved in trafficking	N/A	N/A	N/A	N/A	N/A	3,017	3,000	3,457	3,225	3,225
Performance Measure	Number of defendants who are prohibited possessors of firearms	N/A	N/A	N/A	N/A	N/A	8,655	8,700	8,069	8,000	8,000
Performance Measure	Reduction in unaccounted firearms based on total recall	N/A	N/A	N/A	N/A	N/A	88%	75%	90%	75%	77%
OUTCOME	Percentage of firearms investigations resulting in a referral for criminal prosecution.	N/A	N/A	N/A	N/A	N/A	N/A	57%	57%	58%	59%
OUTCOME	Percentage of firearms investigations involving the recovery of crime guns	N/A	N/A	N/A	N/A	N/A	N/A	30%	30%	32%	34%

2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME	Increase pawn brokers' compliance rate with Federal firearms laws and regulations	N/A	N/A	N/A	N/A	41%	45%	50%	N/A	53%	57%
EFFICIENCY MEASURE	Percent of firearms traces completed within nine days	N/A	N/A	N/A	N/A	58%	65%	67%	67%	67%	68%

N/A = Data unavailable

3. Performance, Resources, and Strategies

ATF's unique jurisdiction, skills, and assets provide a focused, flexible, and balanced approach to fighting unlawful firearms use and firearms trafficking while protecting the public's legitimate access to firearms. ATF specializes in investigations involving illegal acquisition, possession, use, and trafficking of firearms at the national and international level. ATF continually strives to align its assets to maximize performance through the leveraging of technical, scientific, legal expertise, and partnerships with other law enforcement agencies.

a. Performance Plan and Report for Outcomes

Ensuring the integrity of the records maintained by federal firearms licensees in the conduct of business is another key element of preventing violent firearms crime and ensuring that investigators have the tools needed to do their jobs. Although comprising only a small percentage of the more than 106,000 licensees, those who willfully disregard the laws and regulations represent a significant threat to public safety. To ensure all federal firearms licensees operate in accordance with the law, ATF is focused on improving its compliance procedures, which are essential to ensure that (a) prohibited individuals do not obtain firearms licenses, and (b) firearms are not illegally diverted from legal to illegal markets. ATF will measure reductions in instances of violations among federal firearms licensees to ensure that its regulatory efforts (i.e., inspection and education) are having the desired impact. Where problems are discovered, appropriate actions will be taken.

b. Strategies to Accomplish Outcomes

Violent firearms crime and firearms trafficking continue to plague the Nation and our neighbors in the Western Hemisphere. 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 2007 and 2008, as well as the long-term goals into FY 2009, ATF will depend on a strategy balanced between incremental increases in personnel and the maximization of resources through the leveraging of partnerships, technology, and expertise. ATF will continue to strive to meet the demands and requirements placed by the Administration and the Department in connection with various domestic and international initiatives under national counterterrorism strategies and other U.S. government policy measures. ATF will need to create innovative solutions and use technology in its strategies to accomplish the Bureau's ambitious goals and meet national and Department priorities.

In order to address the increasing crime rate on the national level, ATF must build upon its investigative expertise and past successes. Through the Integrated Violence Reduction Strategy, ATF addresses domestic 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, apprehend illegal possessors, and to ensure industry adherence to applicable laws and regulations.

To maintain the integrity of the licensee population and ensure they are operating within law and regulation, ATF is working to update procedures, including those involving the selection of licensees for inspection, as well as license revocation for those who violate the law.

As mentioned earlier, 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 to do their jobs, and to share this information when appropriate and when authorized by law with their federal partners, industry members, stakeholders, and the general public. ATF plans to integrate all of its firearms enforcement and licensing systems and explosives systems so that information can be cross-referenced and can be accessed expeditiously, using a National Information Exchange Model (NIEM)-compliant data architecture and the ATF Knowledge Online portal as a front end. ATF's National Tracing Center is working with firearms manufacturers and wholesalers through electronic linkups to decrease completion time and reduce costs associated with traces. Through the National Integrated Ballistic Information Network (NIBIN), ATF also provides automated ballistic comparison capabilities to hundreds of agencies nationwide.

ATF's enforcement and industry operations strategies are complemented by various outreach efforts. ATF presentations to school children and the general public promote public safety and prevent violence. ATF offers training and other services to employees of other federal, State, and local agencies to improve their professional capabilities.

ATF participates in numerous multi-agency initiatives, including the Joint Terrorism Task Force (JTTF), as well as efforts within the Department of Justice to coordinate regional, national, and transnational criminal investigations and prosecutions against major drug trafficking organizations and terrorists at home and abroad.

Sharing technology and information is an important element in the success of law enforcement operations. The Gang Targeting, Enforcement, and Coordination Center (GangTECC) is one example of this type of coordinated effort. This task force develops law enforcement strategies and facilitates operations across agency lines aimed at dismantling national and transnational violent gangs. GangTECC coordinates overlapping investigations conducted by different agencies, encourages the sharing of tactical and strategic intelligence between law enforcement agencies, and serves as a coordinating center for multi-jurisdictional gang investigations involving federal law enforcement agencies. Additionally, 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 the sharing of domestic intelligence information with the Department of Homeland Security.

Finally, ATF partners with various law enforcement and prosecutorial entities in conducting innovative regional cross-training in firearms enforcement for agents, officers, and attorneys, as well as training in firearms trafficking and tracing to enforcement agencies through the ATF foreign offices in Mexico, Canada, and Colombia. ATF has an international presence through its commitment of resources and expertise to the delivery of specialized training, investigative and technical assistance, and the strategic placement of personnel. An ATF liaison officer is assigned to the INTERPOL General Secretariat in Lyon, France. The Departments of State and

Justice approved the assignment of a liaison officer to EUROPOL in The Hague, The Netherlands. The placement of these officers facilitates the efficient exchange of information and expertise with the international law enforcement community. These partnerships throughout the world have increased information and technology sharing and strengthened terrorist and transnational criminal investigations between ATF and our international colleagues.

c. Results of Program Assessment Rating Tool (PART) Reviews

OMB evaluated ATF's firearms enforcement program during the FY 2007 PART process. OMB assessed the effectiveness of ATF's firearms programs with a rating of "adequate." ATF developed improvement plans to be implemented in the firearms program:

- ATF will develop an evaluation strategy which subjects the program to external, rigorous and thorough, regularly scheduled independent evaluations.
- ATF will continue to work with the Department and OMB on legislative proposals regarding graduated sanctions for Federal Firearms Licensees (FFLs) when they are found to be non-compliant. Graduated sanctions for FFL non-compliance are included in the proposed "Violent Crime and Anti-Terrorism Act of 2007."
- ATF will ensure that all financial management related material weaknesses identified are corrected in an expeditious and comprehensive manner.
- ATF will develop ambitious and/or challenging targets for the annual performance measures associated with its firearms program.

ATF's firearms programs continue to receive positive overall assessments for purpose, resource utilization, strategic planning, program management, and program results.

Program Increases

Item Name: Southwest Border Enhancement

Budget Decision Unit(s): Firearms

Strategic Goal(s) & Objective(s): Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security, Objectives 1.1 and 1.2

Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People, Objectives 2.1, 2.2

Organizational Program: Firearms

Program Increase: Positions 12 Agt 0 FTE 6 Dollars \$ 948,000

Description of Item

ATF is requesting 12 industry operations investigator positions and \$0.9 million to enhance and expand its capability to conduct firearms industry inspections and to identify sources of illegally trafficked firearms along the Southwest Border. The Southwest Border is an area of significant federal interest that faces issues affecting the citizens of both the United States and Mexico. This initiative will strengthen industry oversight in the region and will ensure the implementation of a focused inspection program to identify suspicious purchasers, traffickers and non-compliant licensees that may be sources of illegally trafficked firearms used by violent criminals. This will support ATF's strategy to deny the "tools of the trade" to the firearms trafficking organizations operating in border areas and will have several components such as outreach with industry, the public and law enforcement in addition to enhanced inspection techniques, such as a forward trace component and a database identifying firearms that are used in crimes. There are presently over 2,000 firearms dealers in the border States of Texas, Arizona, New Mexico and southern California that have not been inspected in 10 years. This request is consistent with the President's Management Agenda and supports Departmental and Administration priorities to protect our Nation by preventing acts of terrorism and reducing violent crime, especially violence perpetrated with guns or by gangs.

Justification

ATF proposes this initiative to reduce the flow of illegally-trafficked firearms in the Southwest Border region through its Integrated Violence Reduction Strategy (IVRS). IVRS effectively fights firearms violence associated with the criminal use and diversion of firearms by combining its investigative programs, inspection programs, tracing and ballistics identification capabilities, and skill in building strong partnerships. ATF will use its unique expertise and assets to prevent the illegal acquisition of firearms by violent offenders and their criminal organizations (such as armed gangs, terrorist groups, and drug trafficking groups) by targeting their sources of illegal

firearms. The requested resources will augment ATF's industry operations investigator (IOI) workforce in support of ATF's efforts to minimize the interstate trafficking of firearms.

A key component to shutting off the illicit flow of firearms is a focused inspection program of Federal Firearms Licensees (FFLs). ATF limits the public's risk through effective industry regulation that ensures noncompliant FFLs are removed as a source of firearms to criminals and encourages voluntary compliance and improved recordkeeping and firearms accountability by all FFLs in the targeted area through outreach and inspections.

Additional IOIs requested in this initiative will work to identify FFLs who, through noncompliance, represent a significant threat to public safety. IOIs will identify firearms trafficking patterns and develop intelligence on the sources of crime guns recovered in Mexico and border areas, and improve the traceability of weapons recovered in this area. IOIs will conduct compliance inspections of those primary retailers and pawnbrokers who sell those "weapons of choice" that are the preferred weapons being trafficked in this region, and assist ATF in targeting and investigating straw purchasers and the traffickers who employ them. The IOIs will work to improve relations with firearms industry members, enhance voluntary compliance and promote licensees' assistance in preventing diversion by conducting training and outreach activities with FFLs in the targeted areas.

Impact on Performance (Relationship of Increase to Strategic Goals)

ATF's Integrated Violence Reduction Strategy in support of the Administration's Project Safe Neighborhoods strategy combines the essential elements needed for a rigorous and successful gun violence reduction plan.

Requested resources will enhance ATF's support of DOJ Goals 1 (Prevent Terrorism and Promote the Nations Security) and 2 (Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People) (DOJ Strategic Plan 2009-2012). This initiative is critical to the achievement of Goal 1 of the ATF Strategic Plan for 2004-2009, to Prevent Violent Crime Involving Firearms.

Requested resources will enable ATF to increase its ability to deny prohibited persons access to firearms. Further, ATF's responsibility on behalf of DOJ to support the National Counterterrorism Center's National Implementation Plan for the war on terror includes denying terrorist access to firearms. The anticipated impact is prevention of criminal and terrorist activity and the reduction of violent crime.

This proposed initiative will contribute to ATF's success in meeting the following performance measures:

- Increased pawn brokers' compliance rate with federal firearms laws and regulations; and
- Reduction in unaccounted firearms.

Funding

Base Funding

FY 2007 Enacted (w/resc./supps)				FY 2008 Enacted				FY 2009 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
58	44	58	9,306	58	44	58	9,306	58	44	58	9,306

Personnel Increase Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Requested	FY 2009 Request (\$000)	FY 2010 Net Annualization (change from 2009) (\$000)
Industry Operations Investigators (IOIs) - Firearms source areas and along Southwest border	79	12	948	966
Total Personnel		12	948	966

Non-Personnel Increase Cost Summary – N/A

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	58	44	58	6,049	3,257	9,306
Increases	12	0	6	948	0	948
Grand Total	70	44	64	6,997	3,257	10,254

B. Arson and Explosives

Arson and Explosives TOTAL	Perm Pos.	FTE	Amount (\$000)
2007 Enacted w/Rescissions	1,356	1,361	255,865
2007 Supplementals	0	0	2,000
2007 Enacted w/Rescissions and Supplementals	1,356	1,361	257,865
2008 Enacted	1,317	1,316	255,865
Adjustments to Base and Technical Adjustments	3	4	11,367
2009 Current Services	1,320	1,320	267,232
2009 Program Increases	0	0	0
2009 Request	1,320	1,320	267,232
Total Change 2008-2009	3	4	11,367

Arson and Explosives – Information Technology Breakout (of Decision Unit Total)	Perm Pos.	FTE	Amount (\$000)
2007 Enacted w/Rescissions	24	24	23,553
2007 Supplementals	0	0	0
2007 Enacted w/Rescissions and Supplementals	24	24	23,553
2008 Enacted	24	24	27,614
Adjustments to Base and Technical Adjustments	0	0	0
2009 Current Services	24	24	27,614
2009 Program Increases	0	0	0
2009 Request	24	24	27,614
Total Change 2008-2009	0	0	0

1. Program Description:

ATF is the primary federal agency responsible for administering and enforcing the regulatory and criminal provisions of federal laws pertaining to destructive devices, explosives and arson. One of ATF's greatest strengths is its dual regulatory and criminal enforcement mission. ATF has unique expertise in the investigation and forensic analysis of fire, arson, and explosives incidents arising from criminal or terrorists acts against the U.S., and it shares its technical and scientific expertise and state-of-the-art resources with other federal, State, local, tribal, and international law enforcement partners and fire service agencies. ATF's law enforcement mission is supported by its efforts to ensure that only qualified and legitimate applicants enter the explosives industry and that licensees employ proper recordkeeping and business practices to help prevent thefts, explosives incidents, and the acquisition of explosives for criminal or terrorist purposes. ATF works closely with public safety officials, explosives industry members, and state governments to provide guidance and instruction on all aspects of the explosives laws, including the Safe Explosives Act, in an effort to make regulation less burdensome and to promote compliance with federal laws.

Arson and Explosives Enforcement Programs

ATF specialists are trained in investigating post-blast scenes in response to criminal and terrorist explosives incidents. These special agents investigate bombings, explosions, and potential acts of arson motivated by profit, ideology or other criminal intent. The agents train federal, State, local, and international law enforcement agencies on how to investigate and solve such crimes. ATF is recognized for its expertise in fire and explosives investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial analyses to identify illegal arson for profit schemes. ATF also investigates incidents of explosives stolen from licensees, a particular concern considering the threats of terrorism against U.S. citizens.

National Response Teams (NRT)

A comprehensive and integrated set of programs and resources supports ATF's enforcement of the federal explosives laws domestically. The National Response Team (NRT) utilizes ATF's expertise and experience in the investigation of fire and explosives incidents to assist State and local officers 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, assisting with the ensuing investigation, and providing expert court testimony. The NRT is geographically located in four locations throughout the United States and can respond to an incident within 24 hours. It is comprised of veteran special agents having post-blast and fire origin and cause expertise, as well as special agent certified fire investigators (CFIs), special agent certified explosives specialists (CESs), forensic chemists, explosives enforcement officers (EEOs), fire research engineers, and accelerant and explosives detection canines. Intelligence and audit support and technical and legal advisors complement the team's efforts.

One example of how the NRT supports State and local investigations is a 4-alarm fire that occurred on October 31, 2006, at a hotel in Reno, Nevada. As a result of the fire, 12 persons died, 31 were injured, 70 were rescued and/or evacuated, and approximately \$2.19 million in damages occurred. ATF's NRT was deployed to assist local investigators with the scene determination and investigation. After determining the fire was incendiary, NRT members interviewed several critical witnesses. These witnesses were instrumental in identifying a defendant who was ultimately sentenced to 12 consecutive life sentences for murder and 15 years in prison for arson.

Internationally, and at the request of the State Department, ATF investigates explosives and fire incidents overseas through its International Response Team (IRT) which is modeled after the NRT and consists of ATF's most experienced investigators, technicians, and forensic experts. The team has assisted in explosives and arson investigations taking place in South America and Southeast Asia.

Certified Fire Investigators (CFI)

ATF's Certified Fire Investigators (CFI) are special agents who have completed an extensive two-year training program in the field of advanced fire scene examination, with an emphasis on

the modern principles of fire dynamics. CFIs serve as ATF's primary resource in fire-related matters. 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 special 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 special 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.

Certified Explosives Specialists (CES)

The primary mission of ATF's CESs is to provide expert explosives crime scene examinations, to lend expertise in support of security measures implemented at special events, and to assist ATF's law enforcement counterparts at the federal, State, local, and international levels in their efforts to investigate 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 ensures 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 improvised explosive devices (IEDs).

Explosives Enforcement Officers (EEO)

EEOs are ATF's explosives technology experts. EEOs have extensive experience in explosives and bomb disposal. They render explosive devices safe and/or disassemble explosive and incendiary devices, prepare destructive device determinations and give expert testimony in support of such determinations in State and federal criminal court proceedings. EEOs provide expert analysis and onsite investigative technical assistance at bomb scenes and at scenes where explosions of an undetermined nature have occurred. Determining what constitutes an explosive, incendiary, or destructive device under federal explosives laws and the National Firearms Act involves highly technical examinations and analysis. They 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.

Canine Program

ATF's explosives and accelerant detection canines are a crucial tool used in explosives and arson investigations at home and abroad and to ensure security at special events. Special agent canine handlers are also called upon as first responders when explosives threats are made against individuals or property in the United States. These special agents apply their investigative expertise, their knowledge as CESs, and the most effective explosives detection tool available today—their canines. ATF's canine training programs produce extremely reliable, mobile, accurate, and durable explosives and accelerant detection tools, capable of assisting law

enforcement and fire investigators worldwide. ATF-trained dogs are located throughout the United States in local police departments, fire departments, fire marshal offices, and federal and State law enforcement agencies as well as in a number of other countries (e.g., Mexico, Egypt). ATF works with domestic and international agencies that have received ATF-certified explosives detection and accelerant detection canines and supports those communities that are without canine services.

ATF Laboratories

The ATF laboratories in Maryland, Georgia and California employ over 90 chemists, engineers, examiners and specialists and are recognized as world leaders in forensic science. The laboratories utilize the latest instrumentation and methodologies to provide quality examinations to support ATF investigations. Seasoned laboratory scientists use a multidiscipline team approach to forensic investigations and examinations and provide the best of the best in forensic examinations related to firearms, fire and explosives investigations.

The ATF laboratories recently added two new forensic disciplines in support of ATF investigations--DNA and tobacco analysis. DNA analysis has added significant capability for linking a suspect to a crime. Tobacco analysis was developed to support all the Bureau needs for analysis of counterfeit and contraband tobacco products and tax stamps.

A critical component of ATF's fire investigation mission is ATF's Fire Research Laboratory (FRL), a one-of-a-kind fire testing facility able to replicate fire scenarios under controlled conditions. This facility is designed to support ATF's arson investigative requirements well into the future. The FRL is a unique and innovative resource for law enforcement, fire services, public safety agencies, industry, and academia. Its scientists use the most advanced scientific, technical, educational, and training methods to make ATF and its partners leaders in fire investigation science.

Forensic Auditing

ATF develops and provides financial investigative, forensic accounting, and financial expert witness capabilities in support of criminal and regulatory investigations such as arson-for-profit, the use of explosives and bombings in the furtherance of financial frauds, threats to public safety, and alcohol and tobacco diversion investigations. Forensic auditors provide pretrial depositions and expert witness testimony for federal, State, local governments and insurance companies.

Explosives Databases

ATF continues deployment of its Bomb Arson Tracking System (BATS), used as a case management system by federal, State, and local agencies investigating arsons, bombings, and other explosives incidents. ATF developed BATS as a tool for law enforcement agencies to track investigations and share information with other jurisdictions. This strategy helps in solving arsons and bombings and in determining national trends and patterns. The system provides an electronic gateway for law enforcement and fire service officials to access the information collected in ATF's U.S. Bomb Data Center (USBDC), the repository for all domestic bombing

incidents. The USBDC, with an information management system containing more than 140,000 arson and explosives incidents, provides intelligence to ensure the highest degree of investigative coordination throughout the law enforcement community. The USBDC also supports CESs and EEOs who are assigned to the Department of Defense Combined Explosives Exploitation Cells (CEXC) in Iraq.

International Efforts

Through its participation in CEXC, ATF lends its expertise to U.S. efforts in Iraq. Since March 2005, ATF has deployed personnel to support CEXC activity within the U.S. Military Central Command. ATF explosives experts provide onsite investigative assistance in processing post-blast incidents directed at U.S. and allied forces. For example, in 2006 an ATF EEO was processing a post-blast scene in Iraq when members of the detail noticed two individuals approaching a brush-covered area nearby. The EEO and another CEXC member observed the individuals through night vision equipment and used a weapon-mounted laser to illuminate the scene, causing the individuals to flee the area. A daylight search revealed IED components buried in the immediate area of the blast site where the CEXC team was working. Without this vigilance and intervention, there may have been catastrophic repercussions for the team.

ATF intends to establish a presence at the U.S. Embassy in Iraq, by stationing special agent CESs and an intelligence research specialist to assist in the U.S. Government's efforts to help bring the rule of law to that region.

ATF is a managing partner in the Terrorist Explosive Device Analytical Center (TEDAC). This DOJ and DOD program is housed at the FBI Laboratory in Quantico, Virginia with ATF serving in the Deputy Director position. The TEDAC coordinates and manages the exploitation efforts of all IEDs of interest to the U.S. Government, in support of both offensive missions against terrorism and force protection missions to suppress terrorist bombings. At the TEDAC, ATF and other partners analyze explosive devices from Iraq and Afghanistan in an effort to identify bombers and to prevent further attacks. Experts technically evaluate IED components to identify similarities and potential bomb makers, provide timely intelligence to military and law enforcement, and collect latent prints and DNA evidence from terrorist IEDs to link individuals to similar devices. The TEDAC receives IED components and other physical items from coalition partners and the branches of the U.S. military and provides a full range of technical and forensic analysis. The TEDAC is a conduit for first responders for receiving and sharing information from allies of the United States.

The USBDC has lead the effort to establish the International Bomb Data Center Working Group (IBDCWG) consisting of members of 19 countries bomb data centers and has worked as this group's secretary. Additionally, ATF developed a collaborative and information sharing portal. The portal is limited to law enforcement agency bomb data centers that are members of the IBDCWG, an international working group of law enforcement agency bomb data centers from around the world. Its objective is to share technical information, especially in the face of critical incidents involving explosives and other means, and planned or actual terrorist attacks. The portal includes the ability to exchange encrypted information in live "chat" forums or to translate

languages, currently including: English, Spanish, French, German and Dutch. More languages are likely to be added in the future.

D-Fuze, ATF's international bombing incident database, allows international law enforcement agencies to compare and exchange information on explosives incidents in compliance with data sharing protocol established by the IBDCWG via encrypted messages about incidents, groups or individuals involved, vehicles used, power sources, initiation systems, and firearms, via a pilot version of the ATF Knowledge Online portal application. D-Fuze was developed in partnership with ATF and the New Scotland Yard Bomb Data Centre and is already in use in the United Kingdom, Northern Ireland, Mexico, Colombia, Hong Kong, and Singapore. Embassies in Mexico City, Mexico, and Bogotá, Colombia, are equipped with D-Fuze, as are several law enforcement agencies in those countries, helping to combat the criminal and terrorist use of explosives worldwide.

ATF also works with the Department of State to conduct antiterrorism assessments outside of the United States. As part of the State Department team, ATF EEOs assess foreign bomb squads' capabilities, equipment, training, and expertise and address vulnerability issues within U.S. embassies. ATF is committed to fusing information derived from all of these efforts and promoting improved collaboration and the exchange of life-saving information among partner organizations.

Explosives Inspection and Regulatory Programs

As with the firearms industry, ATF educates and inspects explosives licensees and permittees to detect diversion, prevent thefts of explosives, and identify and correct hazardous storage situations. ATF enforces the SEA, which controls access to explosives by requiring all explosives purchasers to apply for a federal license or permit and undergo background checks. The Safe Explosives Act (SEA) also requires a background check of employees of explosives permittees and licensees who will have access to explosives materials. By enforcing federal explosives laws and regulating the explosives industry, ATF helps to protect the public from criminal acts, the unsafe storage of explosives, and explosives incidents.

ATF industry operations investigators (IOIs) ensure that explosives licensees and permittees comply with federal laws and regulations related to storage, recordkeeping, and other business activities. Of particular importance is ensuring that explosives licensees and permittees take all the necessary steps to prevent explosives thefts, promptly report thefts that do occur, and prevent the distribution of explosives to prohibited persons. ATF IOIs also check for proper explosives storage to ensure there are no safety hazards. To ensure public safety, they verify that the appropriate distances are maintained between storage bunkers and surrounding structures and that bunkers are appropriately secured. IOIs can call upon specialized ATF personnel when a significant safety hazard or loss of explosives is discovered. In the event of willful violations, IOIs may recommend the revocation or denial of a license or permit or make a criminal referral. However, ATF also strives to lessen the burden of regulation for industry members whenever possible. For example, ATF recently issued three rulings designed to improve efficiencies for industry members. These rulings allowed for the use of computer records, alternate storage requirements for display fireworks, and alternate storage of bulk-blasting agents.

Outreach Activities

ATF works with a variety of customers in providing services such as the NRT investigators, guidance, and advice to arson programs customers and explosives industry members. A 2005 survey found that customers of ATF's arson and explosives programs and services are generally highly satisfied with ATF and want more of what they are receiving: training, programs, agents, and other ATF expertise.

ATF continues its efforts through the Explosives Threat Assessment and Prevention Strategy (ETAPS). The ETAPS program was instituted in 2004 as an enhanced inspection effort with the regulated explosives industry, as well as an outreach program with retailers of non-regulated commodities such as ammonium nitrate.

ATF also continues to work with the Institute of Makers of Explosives (IME) and the International Society of Explosives Engineers (ISEE) and took steps to eliminate explosives losses by examining issues pertaining to the inventory, security, and control of bulk products, including ammonium nitrate. This ongoing project will expand to include packaged products. These agencies/associations have also been working together to complete an ATF publication titled "Safety and Security of Explosives Materials for Explosives Licensees and Permittees." ATF, IME, and ISEE work together to increase safety and security and examine new explosives identification and tracking technologies as they become available.

ATF scientists are leaders in the development, standardization and use of scientific techniques to examine evidence from fire and explosives investigations. This leadership extends to scientific working groups and professional organizations, both nationally and internationally.

ATF communicates with the fire and explosives investigation community through arson and explosives advisory groups, the National Bomb Squad Commander Advisory Board (NABSCAB) and the International Bomb Data Center Working Group Portal (IBDCWG Portal)⁴ meetings. Each week, an advisory group provides information on ATF's arson and explosives investigative activity. The advisory reports are distributed to other federal, State, and local law enforcement agencies. ATF also publishes explosives theft advisory reports and periodic advisories highlighting specific or emerging threats to public safety or the bomb technician community.

National Center for Explosives Training and Research (NCETR)

ATF cooperates fully with federal, State, and local government agencies in a comprehensive effort to develop and maintain education programs focused on domestic preparedness for incidents involving explosives. ATF has long maintained a reputation with federal, State, local and international agencies, as well as the military, as a hard-working training and research partner. Present demand for classes exceeds ATF's capacity, and as a result there is currently a backlog of students. A fully staffed and equipped NCETR will advance this commitment by

⁴ The IBDCWG Portal is phase I of the larger ATF Knowledge Online (ATF KO) portal, which will be the unifying point of presence for several ATF information sources.

increasing explosives-related training through our partnerships with other federal entities. The NCETR will also promote efficiency by consolidating other DOJ and DOD explosives training expertise in one location.

To implement the provisions of the Homeland Security Act of 2002, Congress appropriated \$23.5 million in FY 2008 to begin construction of the NCETR facility. Congress previously provided \$5 million in ATF's FY 2006 appropriation for site selection, architectural design, site preparation and development of a total cost estimate for construction of a permanent site for NCETR. The NCETR is one aspect of a coordinated strategy that supports the mission and strategic goals the Department and ATF. The NCETR will be the focus of explosives expertise and support to U.S. law enforcement entities charged with preventing terrorism, protecting the public from explosives incidents and preparing investigators and bomb technicians for the investigation and prosecution of explosives incidents.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Arson & Explosives

DOJ Strategic Goal/Objective: Goal 1, Objective 1.2; Goal 2, Objective 2.2

WORKLOAD/ RESOURCES		Final Target		Actual		Changes		Requested (Total)			
		FY 2007		FY 2007		FY 2008 Enacted		Current Services Adjustments and FY 2009 Program Changes		FY 2009 Request	
Workload											
Number of explosives investigations initiated during fiscal year		2,214		1,895		1,895		0%		1,895	
Number of arson investigations initiated during fiscal year		1,834		1,526		1,526		0%		1,526	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		1,361	\$255,865	1,211	\$251,344	1,316	\$255,865	4	\$11,367	1,320	267,232
Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		912	\$197,016	850	\$198,890	924	\$202,467	3	\$8,995	927	211,462
Explosives	NRT Satisfaction rating	90%		100%		90%		0%		90%	

WORKLOAD/ RESOURCES		Final Target		Actual				Changes		Requested (Total)	
		FY 2007		FY 2007		FY 2008 Enacted		Current Services Adjustment and FY 2009 Program Changes		FY 2009 Request	
Program Activity	Regulatory compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		449	\$58,849	361	\$52,454	392	\$53,398	1	\$2,372	393	\$55,770
Explosives	Resolution of unsafe explosives conditions by inspection	1,326		1,836		1,722		0		1,722	
Explosives	Number and percentage of explosives licensees/permittees inspected ⁵	3,240 / 28%		3,291 / 28%		2,640 / 22%		0		2,640 / 22%	
EFFICIENCY MEASURE	Percent of forensic arson cases closed within 30 days	55%		55%		55%		0		55%	
	Percent of forensic explosives cases closed within 30 days	35%		35%		35%		0		35%	
	Percent of perfected explosives applications acted on within 90 days ⁶	This measure was never developed and will be deleted									
OUTCOME	Percentage reduction in public safety violations (recall insp.)	75%		69%		75%		0		75%	

⁵ According to the SEA mandate to inspect explosives licensees and permittees at least once every 3 years, ATF had set a goal to inspect approximately one third of licensees/permittees each year.

⁶ ATF has requested this measure be deleted because the data is not available in the Federal Licensing System (FLS).

Performance Measure Table

Decision Unit: Arson & Explosives

		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Minimum satisfaction rating – National Response Team	N/A	N/A	N/A	100%	100%	100%	90%	100%	90%	90%
Performance Measure	Resolution of unsafe explosives conditions by inspection	N/A	N/A	N/A	1,235	1,821	1,655	1,326	1,836	1,722	1,722
Performance Measure	Number and percentage of explosives licensee/permittees inspected	N/A	N/A	N/A	22%	34%	6,392 / 55%	3,240 / 28%	3,291 / 28%	2,640 / 22%	2,640 / 22%
Efficiency Measure	Percent of forensic arson cases closed within 30 days.	N/A	N/A	N/A	54%	45%	60%	55%	55%	55%	55%
Efficiency Measure	Percent of forensic explosives cases closed within 30 days	N/A	N/A	N/A	22%	35%	35%	35%	35%	35%	35%
Efficiency Measure	Percent of perfected explosives applications acted on within 90 days	This measure was never developed and will be deleted									
OUTCOME Measure	Percent reduction in public safety violations – recall inspections	N/A	N/A	N/A	N/A	N/A	75%	75%	69%	75%	75%

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

The arson and explosives decision unit contributes to the Department's Strategic Goals 1 and 2. This unit complements ATF's firearms decision unit with advanced investigative techniques, vigorous prosecution of criminals, training and prevention strategies through law enforcement, industry regulation, industry outreach, technology, and the reduction of public safety risks relative to regulated commodities. Innovation, partnerships, and open communication are employed to fully achieve this strategic goal.

ATF uses its unique investigative jurisdiction, skills, and assets to assist other federal, State, and local public safety officials, and international partners in the fight against explosives and arson-related violence and terrorist acts. The explosives regulatory enforcement program safeguards the American public from explosives incidents caused by improperly stored explosives materials. The program also minimizes criminals' access and use of explosive materials by heightening accountability and increasing the traceability of explosives materials, all without posing undue burden on the explosives industry.

Internationally, ATF contributes to national counterterrorism strategies and supports the Administration's and Department's national priorities to combat terrorism at home and in the international front by actively fostering working partnerships with friendly nations and U.S. allies. ATF shares intelligence and other assets in the war against global terrorism.

b. Strategies to Accomplish Outcomes

ATF directs a concentration of resources and specialized expertise to achieve effective post-incident response and preventing the criminal use of explosives. ATF is also committed to ensuring that its explosives inspection program is effective and provides for public safety and security from the unauthorized use of explosive materials.

Educating the industry on ATF policies and regulations, product storage safety, and theft prevention, as well as inspecting industry members, remain important elements in securing public safety. Specifically, continued liaison efforts with explosives industry members, explosives licensees and permittees, the precursor chemical industry, and public safety agencies will help mitigate the possibility of terrorists obtaining explosives through the legal explosives industry.

In response to long-term national counterterrorism strategies, ATF intends to set up a strategic global presence to safeguard and support U.S. interests and policies internationally. ATF will establish a presence at the U.S. Embassy in Iraq, joining ATF's other foreign offices in the Western Hemisphere to set up an effective early warning presence against terrorist organizations that may seek to use or to traffic in firearms, other conventional weapons or explosives.

Crosscutting Activities

ATF plays a major role in the prevention and investigation of violent crimes, including those involving explosives and fire. ATF participates in multi-agency efforts such as the JTTF and High Intensity Financial Crime Areas (HIFCA) and provides direct investigative expertise to state and local public safety agencies. The Arson and Explosives Incidents System provides valuable investigative information and intelligence to share with ATF's federal, State, local, and international law enforcement partners.

ATF will continue to support interdepartmental initiatives to combat terrorism through its continuing efforts to fulfill its responsibilities under the National Implementation Plan for the War on Terror, by taking part in task forces such as the CEXC, and by using resources such as TEDAC, BATS, D-Fuze and its explosives canine program.

c. Results of Program Assessment Rating Tool (PART) Reviews

The arson and explosives program areas were rated "Moderately Effective" for the FY 2006 PART review. This was reviewed for program purpose, strategic planning, program management, and program results.

C. Alcohol and Tobacco

Alcohol and Tobacco TOTAL	Perm Pos.	FTE	Amount
2007 Enacted w/Rescissions	96	93	19,682
2007 Supplementals	0	0	0
2007 Enacted w/Rescissions and Supplementals	96	93	19,682
2008 Enacted	93	90	19,682
Adjustments to Base and Technical Adjustments	0	0	874
2009 Current Services	93	90	20,556
2009 Program Increases	0	0	0
2009 Request	93	90	20,556
Total Change 2008-2009	0	0	874

Alcohol and Tobacco – Information Technology Breakout (of Decision Unit Total)	Perm Pos.	FTE	Amount
2007 Enacted w/Rescissions	1	1	1,767
2007 Supplementals	0	0	0
2007 Enacted w/Rescissions and Supplementals	1	1	1,767
2008 Enacted	1	1	2,080
Adjustments to Base and Technical Adjustments	0	0	0
2009 Current Services	1	1	2,080
2009 Program Increases	0	0	0
2009 Request	1	1	2,080
Total Change 2008-2009	0	0	0

1. Program Description

ATF enforces federal criminal statutes, including the Contraband Cigarette Trafficking Act, that address the diversion of tobacco products in avoidance of local, federal, State, and/or foreign tax revenue. Criminals, including organized crime groups and individuals with ties to terrorist organizations, have increasingly engaged in illegal trafficking of alcohol and tobacco products. The proliferation of large-volume trafficking across international borders and in interstate commerce to avoid taxes provides funding to these criminal enterprises and terrorist organizations.

To address these problems, ATF conducts criminal and financial investigations and collaborates with other law enforcement entities. Further, ATF provides training to other federal, State, local, tribal, and foreign law enforcement entities to increase their proficiency in such investigations.

ATF incorporates information on suspicious financial transactions into each criminal tobacco diversion investigation and provides this information to the appropriate HIFCA team. ATF has identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies for their organizations and activities. ATF has attachés in Mexico, Canada, and Colombia who receive, analyze, and transmit information between ATF and their host governments relating to the commodities for which ATF has regulatory and law enforcement authority. The ATF Canadian Office has proactively over the years assisted the Canadian government to combat the trafficking of diverted cigarettes from the legal U.S. market, thereby avoiding a significant impact to their tax revenue. Annually, the ATF Canadian Office organizes a tobacco trafficking conference involving U.S. and law enforcement partners on both sides of the Canadian border.

ATF's case management system, the National Field Office Case Information System (N-FOCIS), captures all of ATF's intelligence and investigative information. When aspects of cases pertain to questionable financial transactions, N-FOCIS enables the identification of non-profit organizations, charities, individuals or entities who misuse a non-profit status to advance criminal or terrorist activities based on dubious financial transactions. This capability to capture and share information concerning questionable financial transactions is a prime example of how ATF identifies entities or individuals that facilitate suspected terrorist activities through illegal trafficking in tobacco products. ATF agents and investigators utilize this functionality to identify suspicious transactions, thus strengthening existing terrorist screening tools.

ATF continues to collaborate with agencies in other areas of the world that experience problems with U.S.-sourced tobacco smuggling, such as Canada, China, Colombia, Europe, Mexico, and the Caribbean. ATF participates in ongoing efforts that reduce the illegal diversion of distilled spirits and tobacco products. Diversion of these legal products on a massive scale to the black market within the United States and abroad generates tremendous cash profits for criminal enterprises and terrorist organizations responsible for these schemes.

The profits are often used by criminal organizations to conduct other illicit activities, such as smuggling illegal aliens/human trafficking, financing terrorist groups, and trafficking in narcotics, firearms and stolen properties. Aiming to combat this type of crime, ATF develops intelligence with other federal, State, international and local agencies, industry groups, and the scientific community for collection, analysis, and dissemination of domestic intelligence to fight alcohol and tobacco diversion. ATF's investigation of alcohol and tobacco diversion activities is essential because of the inherent interstate activity and limited State enforcement jurisdiction.

Enforcing Laws that Prohibit the Diversion of Alcohol and Tobacco Products from Legitimate Commerce

ATF enforces federal criminal laws as they relate to alcohol and tobacco diversion. ATF's investigative efforts reduce the source of funding to criminal and terrorist organizations. ATF's efforts stem the increasing loss of revenue to affected States, the federal and foreign governments.

Alcohol and Tobacco Diversion Programs

The incentive to evade cigarette taxes rises dramatically with increased tax rates, resulting in billions of dollars of lost revenue from cigarette smuggling, cigarette diversion, stamp counterfeiting, and Internet sales (approximately 2,000 known tobacco sites). Current investigations identify instances of terrorist groups forming alliances with tobacco traffickers that generate monies used to support their organizations and activities. Diversion activities often generate tremendous cash profits that are then laundered to disguise the origin of the money and to further other unlawful schemes.

One notable JTTF case from Detroit, Michigan, in which ATF played an integral role, involves the March 2006 indictment of 19 individuals suspected of operating an international racketeering conspiracy based in Detroit, through the illegal trafficking of contraband cigarettes, among other items. The indictment stated that some of the profits from the individuals' activities were channeled to the terrorist group Hezbollah.

Although not as common as tobacco diversion, the smuggling of illegal alcohol is a part of the moneymaking schemes used by organized criminal enterprises. Organized crime and other groups play a pivotal role in moving alcohol through illegal channels. Enforcement efforts on both the domestic and international front have contributed to a reduction of illicit trade associated with tobacco and alcohol diversion.

Illegal Sales of Cigarettes over the Internet

Both domestic and international tobacco industry members have encouraged and supported ATF's investigations of cigarettes sold via the Internet. ATF gained cooperation from major credit card companies that have agreed to take action to prevent the illegal sale of cigarettes over the Internet by prohibiting and investigating the use of their credit cards for online cigarette sale transactions.

An example of ATF's success in disrupting tobacco diversion is the investigation of Otamedia Limited, which resulted in the largest tobacco seizure in ATF's history. ATF investigated the unlawful sales of cigarettes through a single Internet site and seized approximately 156,000 cigarette orders packaged for delivery to persons across the United States. The estimated losses in federal and State tax revenue resulting from this illegal operation exceeded \$425 million. ATF worked with the U.S. attorney's office to conduct property seizures and to initiate forfeitures and prosecutions.

Providing Federal, State, Local, Tribal and Foreign Agencies with the Tools Needed to Identify Trafficking Schemes

ATF collects, evaluates, analyzes, and disseminates alcohol and tobacco intelligence and information. Intelligence information and support is both national and international in scope. Some of these multi-jurisdictional investigations involve multi-million dollar trafficking schemes.

ATF maintains constructive working relationships with State and local governments, with members of the tobacco industry and with international law enforcement organizations. ATF works with these organizations on matters of mutual concern, including counterfeit cigarettes, Internet cigarette sales, and counterfeit tax stamps.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Alcohol and Tobacco

DOJ Strategic Goal/Objective: Goal 2, Objective 2.2

WORKLOAD/ RESOURCES		Final Target		Actual		FY 2008 Enacted		Changes		Requested (Total)	
		FY 2007		FY 2007		FY 2008 Enacted		Current Services Adjustments and FY 2009 Program Changes		FY 2009 Request	
Workload											
Number of Alcohol and Tobacco investigations initiated during fiscal year		135		135		135				135	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		93	\$19,682	79	\$18,992	90	\$19,682	0	\$874	90	\$20,556
Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		93	\$19,682	79	\$18,992	90	\$19,682	0	\$874	90	\$20,556
EFFICIENCY MEASURE	Average dollar value of tobacco seizures	\$30,000		\$30,000		\$30,000				\$30,000	
OUTCOME	Number defendants convicted (Alcohol and Tobacco)⁶	50		50		50				50	

⁶ Current ATF investigations have identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies used to support their organizations and activities. Diversion activities are extremely complex investigations since they generate tremendous cash profits that are then laundered to disguise the origin of the money and to further other unlawful schemes. Based upon this knowledge, ATF has determined that the use of this as a measure of program effectiveness is not recommended. The identification of groups that traffic in tobacco is vastly different than the identification of other type of crime groups. (e.g., Mafia) based upon the nature of their criminal activities. ATF is looking at other means by which to measure effectiveness but is presently using workload data.

Performance Measure Table

Decision Unit: Alcohol and Tobacco

Performance Report and Performance Plan Targets	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target

EFFICIENCY MEASURE	Average dollar value of tobacco seizures ⁷	N/A	N/A	N/A	N/A	\$6,353	\$82,752	\$30,000	\$30,000	\$30,000	\$30,000
OUTCOME MEASURE	Number of defendants convicted (Alcohol and Tobacco)	N/A	N/A	N/A	72	50	98	50	50	50	50

N/A = Data unavailable

⁷ Beginning in FY-08, average dollar value will be calculated by using the dollar value of total seizure divided by the number of cases in which a seizure is made.

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

The ATF Alcohol and Tobacco diversion program addresses criminal activities that result in tax evasion for profit and the funding of violent criminal and terrorist activities through the use of revenues gained from smuggling alcohol and tobacco products. In terms of customer service, ATF strives to maintain a high satisfaction rate among State and local jurisdictions as well as international law enforcement agencies as it prevents tax revenue losses and stops illicit product trafficking from one State to another or across international borders.

b. Strategies to Accomplish Outcomes

ATF serves as the primary federal law enforcement agency in the investigation of the diversion of alcohol and tobacco products. Armed with investigative, technical and scientific expertise, ATF investigates and dismantles schemes involving tobacco products, and their diversion from low tax jurisdictions to high tax jurisdictions.

ATF will continue to partner with other federal, State, local, tribal and international law enforcement agencies to combat the illegal diversion of alcohol and contraband cigarette trafficking. This objective will be accomplished by sharing intelligence and investigative information and by providing comprehensive training to ATF partners to increase their proficiency in identifying and investigating alcohol and tobacco criminal activity. ATF will train its enforcement partners to maximize the use of federal forfeiture statutes to divest criminal groups of assets derived from diversion and trafficking activity. ATF's presence in the alcohol diversion and contraband cigarette trafficking arena assists State, local, tribal and international governments with recovering and reducing tax revenue losses resulting from this criminal activity. ATF's focus on the investigation of alcohol diversion and contraband cigarette trafficking will remain an integral component of its enforcement efforts with an anticipated result of a greater number of convictions and the collection and recovery of tax revenue and forfeiture of proceeds of these crimes.

Crosscutting Activities

ATF participates in multi-agency efforts such as the Framework Convention on Tobacco Control, the Federation of Tax Administrators, and the Canada/United States working group to address illicit alcohol diversion and contraband cigarette trafficking activity. In addition, 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.

Alcohol and Tobacco Information Technology

ATF is pursuing several information technology projects that will advance the investigation of alcohol and tobacco diversion. For example, the Law Enforcement Information Sharing Program (LEISP) project will reduce redundancy, make information in disparate systems accessible, and

create an infrastructure to share information efficiently and seamlessly with ATF's federal, State, and local law enforcement partners. LEISP enhances the ability of agents and industry operations investigators to share investigative information in order to link and solve complex alcohol and tobacco diversion crimes.

c. Results of Program Assessment Rating Tool (PART) Reviews

This program has not been reviewed under the PART.

V. e-Gov Initiatives

The Justice Department is fully committed to the President’s Management Agenda (PMA) and the e-Government initiatives that are integral to achieving the objectives of the PMA. The e-Government initiatives serve citizens, business, and federal employees by delivering high quality services more efficiently at a lower price. The Department is in varying stages of implementing e-Government solutions and services including initiatives focused on integrating government wide transactions, processes, standards adoption, and consolidation of administrative systems that are necessary tools for agency administration, but are not core to DOJ’s mission. To ensure that DOJ obtains value from the various initiatives, the Department actively participates in the governance bodies that direct the initiatives, and we communicate regularly with the other federal agencies that are serving as the “Managing Partners” to ensure that the initiatives meet the needs of the Department and its customers. The Department believes that working with other agencies to implement common or consolidated solutions will help DOJ to reduce the funding requirements for administrative and public-facing systems, thereby allowing DOJ to focus more of its scarce resources on higher priority, mission-related needs. DOJ’s contributions to the Administration’s e-Government projects will facilitate achievement of this objective.

A. Funding and Costs

The Department of Justice participates in the following e-Government initiatives and Lines of Business (LoB):

Business Gateway	e-Travel	Integrated Acquisition Environment	Case Management LoB
Disaster Assistance Improvement Plan	Federal Asset Sales	IAE - Loans & Grants - Dunn & Bradstreet	Geospatial LoB
Disaster Assist. Improvement Plan - Capacity Surge	Geospatial One-Stop	Financial Mgmt. Consolidated LoB	Budget Formulation and Execution LoB
e-Authentication	GovBenefits.gov	Human Resources LoB	IT Infrastructure LoB
e-Rulemaking	Grants.gov	Grants Management LoB	

The Department of Justice e-Government expenses – i.e. DOJ’s share of e-Gov initiatives managed by other federal agencies – are paid for from the Department’s Working Capital Fund. These costs, along with other internal e-Government related expenses (oversight and administrative expenses such as salaries, rent, etc.), are reimbursed by the components to the WCF. The ATF reimbursement amount is based on the anticipated or realized benefits from an e-Government initiative. The ATF e-Government reimbursement to the WCF is \$456,000 for FY2008, and the anticipated ATF e-Government reimbursement to WCF is \$547,000 for FY2009.

B. Benefits

ATF established baseline cost estimates for each IT investment being (or planned to be) modified, replaced, or retired due to the Department's use of an e-Government or Line of Business initiative. ATF is measuring actual costs of these investments on an ongoing basis. As ATF completes migrations to common solutions provided by an e-Government or Line of Business initiative, ATF expects to realize cost savings or avoidance through retirement or replacement of legacy systems and/or decreased operational costs. The table below represents only those e-Government initiatives and Lines of Business where ATF expects to realize benefits in FY2008 and FY2009.

e-Gov Initiative	FY 2008 Benefits	FY 2009 Anticipated Benefits	Comments
e-Training	<p>The Learning Management System, LearnATF, assists in developing a diverse, innovative, and well-trained work force. LearnATF supports this commitment by providing access to a comprehensive catalog of ATF learning opportunities and self-service registration for classroom training.</p> <p>Increased ease of reporting for ATF and DOJ due to Enterprise Human Resources Integration (EHRI) reports that will be integrated into the system.</p> <p>The ability to manage and track agency training data. This benefit was realized previously since ATF already utilizes LearnATF.</p>	<p>LearnATF assists in developing a diverse, innovative, and well-trained work force. LearnATF supports this commitment by providing access to a comprehensive catalog of ATF learning opportunities and self-service registration for classroom training.</p> <p>Increased ease of reporting for ATF and DOJ.</p> <p>Increased purchasing power due to volume pricing.</p> <p>The ability to manage and track agency training data. This benefit was realized previously since ATF already utilizes LearnATF.</p>	<p>ATF already utilizes the enterprise e-Training solution for DOJ. Some of the benefits for DOJ and other agencies using e-Training are listed below:</p> <ul style="list-style-type: none"> • Increased ease for DOJ to push courseware to standardized platforms. • Increased visibility of courses offered and possible cross training opportunities.
e-Travel	<p>From travel planning and authorization to reimbursement, this end-to-end service will streamline travel management and will enable the government to capture real time visibility</p>	<p>From travel planning and authorization to reimbursement, this end-to-end service will streamline travel management and will enable the government to capture real time visibility</p>	<p>Migration to the e-Travel solution is planned to begin in FY08.</p> <p>Establishing the baseline cost estimate for this initiative will be handled by DOJ.</p>

	<p>into the buying choices of travelers and assist agencies in optimizing their travel budgets while saving taxpayers money.</p>	<p>into the buying choices of travelers and assist agencies in optimizing their travel budgets while saving taxpayers money.</p> <p>ATF will also realize long-term cost benefits from the re-engineering of the travel process after full implementation of the travel solution with real-time integration with the financial system.</p>	
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C. Conclusion

During FY 2008, most DOJ agencies will also be utilizing the OPM hosted e-Training system, and data will be collected by DOJ. Beginning in February, 2008 the monthly Enterprise Human Resources Integration (EHRI) report will be consolidated by DOJ and reported to OPM. The result will be increased ease of data reporting for ATF and DOJ and increased visibility of training information within DOJ. Cost savings are expected in FY 2009 due to volume pricing for maintenance and hosting costs.

The realization of the benefits of e-Travel is contingent upon the re-engineering of the travel process which requires funding the implementation and integration of various new systems over a multi-year period.

A: Organizational Chart

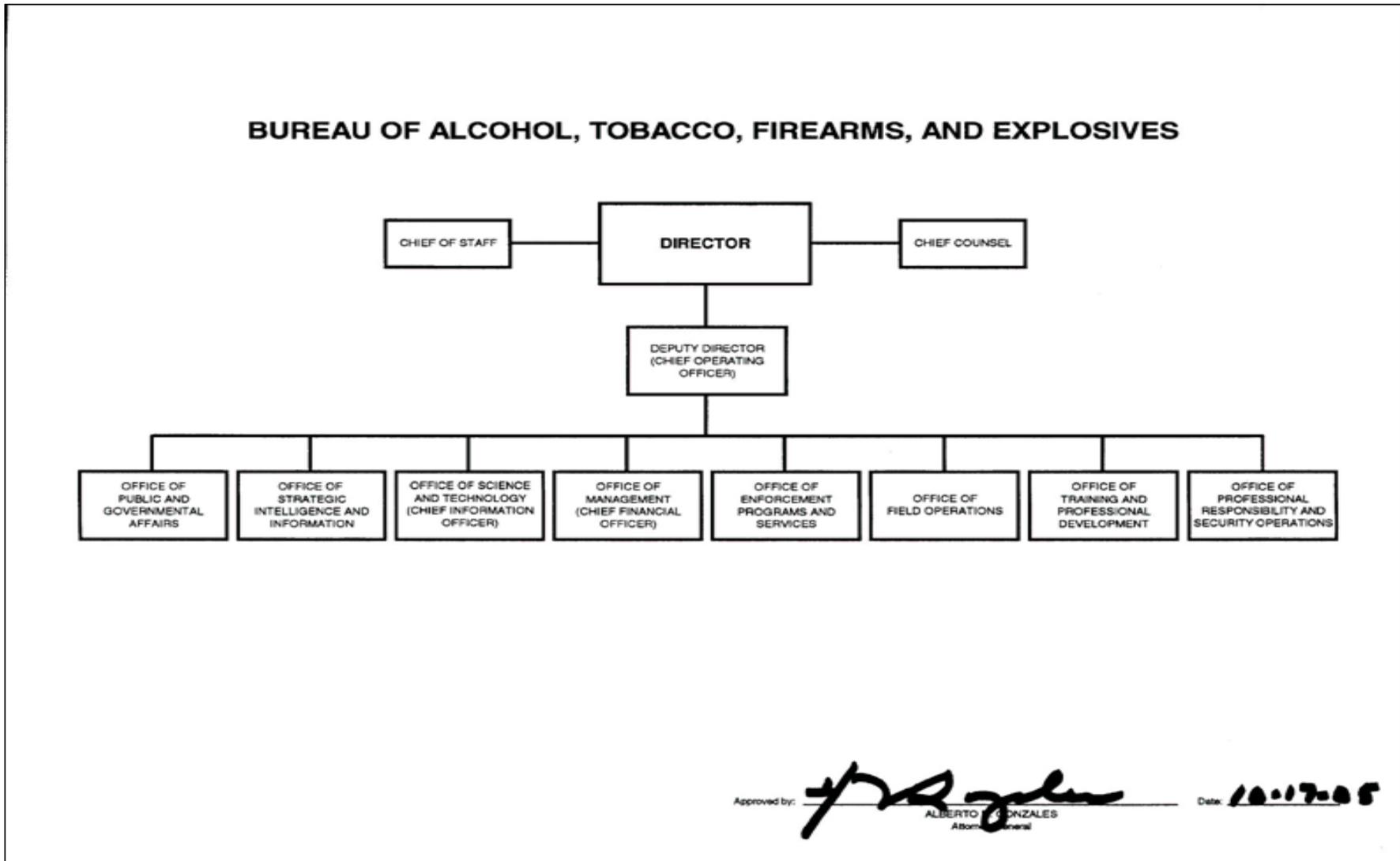


Exhibit A - Organizational Chart

B: Summary of Requirements

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

	FY 2009 Request		
	Perm. Pos.	FTE	Amount
2007 Enacted (with Rescissions, direct only)	5,128	5,053	984,097
2007 Supplementals			4,000
Total 2007 Revised Continuing Appropriations Resolution (with Rescissions)	5,128	5,053	988,097
2008 Enacted (with Rescissions, direct only)	4,956	4,880	984,097
Adjustments to Base			
Increases:			
2009 pay raise (2.9%)			13,493
2008 pay raise annualization (3.5%)			5,002
1.1% Law Enforcement FERS Contribution			2,865
Annualization of 2008 positions (FTE)		1	
Annualization of 2007 positions (FTE)		45	
Annualization of 2007 positions (dollars)			10,613
Retirement			558
Employee Compensation Fund			737
Health Insurance Premiums			357
GSA Rent			1,256
DHS Security			543
Base Program Cost Adjustment	10	10	15,543
Postage			79
Government Printing Office (GPO)			34
International Cooperative Administrative Support Services (ICASS)			119
Capital Security Cost Sharing (CSCS)			101
Government Leased Quarters (GLQ)			10
Living Quarter Allowance (LQA)			17
Education Allowance (EA)			20
Residential Guard Allowance (RGS)			7
Subtotal Increases	10	56	51,354
Decreases:			
Non-recrural of 2008 Supplemental			(5,857)
Non-recrural of 2007 VCIT Positions			(2,502)
Change in Compensable Days			(226)
Post Allowance - Cost of Living Allowance			(226)
Subtotal Decreases	0	0	(8,585)
Total Adjustments to Base	10	56	42,769
2009 Current Services	4,966	4,936	1,026,866
Program Changes			
Increases			
Southwest Border Initiative	12	6	948
Subtotal Increases	12	6	948
Total Program Changes	12	6	948
2009 Total Request	4,978	4,942	\$1,027,814
2008 - 2009 Total Change	22	62	43,717

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

Estimates by budget activity	FY 2007 Appropriation Enacted w/Rescissions and Supplementals			FY 2008 Enacted			FY 2009 Adjustments to Base			FY 2009 Current Services			FY 2009 Increases			FY 2009 Offsets			FY 2009 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Firearms	3,676	3,599	710,550	3,546	3,474	708,550	7	52	30,528	3,553	3,526	739,078	12	6	948				3,565	3,532	740,026
Arson & Explosives	1,356	1,361	257,865	1,317	1,316	255,865	3	4	11,367	1,320	1,320	267,232							1,320	1,320	267,232
Alcohol & Tobacco	96	93	19,682	93	90	19,682	0	0	874	93	90	20,556							93	90	20,556
Total	5,128	5,053	\$988,097	4,956	4,880	\$984,097	10	56	\$42,769	4,966	4,936	\$1,026,866	12	6	\$948	0	0	\$0	4,978	4,942	\$1,027,814
Reimbursable FTE		55			55						55										55
Total FTE		5,108			4,935			56			4,991			6			0				4,997
Other FTE:																					
LEAP		641			620			10			630			....							630
Overtime		29			24			....			24			....							24
Total Comp. FTE		5,778			5,579			66			5,645			6			0				5,651

C: Program Increases/Offsets By Decision Unit

FY 2009 Program Increases/Offsets By Decision Unit
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 (Dollars in Thousands)

Program Increases	Location of Description by Decision Unit	Firearms				Total Increases
		Pos.	Agt.	FTE	Amount	
Southwest Border Initiative	Firearms	12	0	6	948	948
Total Program Increases		12	0	6	\$948	\$948
Program Offsets	Location of Description by Decision Unit	Firearms				Total Offsets
		Pos.	Agt.	FTE	Amount	
Offset						0
Total Offsets		0	0	0	\$0	\$0

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)**

	FY 2007 Appropriation Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Current Services		FY 2009				FY 2009 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 Other FTE	Amount \$000s	Direct Other FTE	Amount \$000s		
Goal 1: Prevent Terrorism and Promote the Nation's Security												
1.1 Prevent, disrupt, and defeat terrorist operations before they occur											0	0
1.2 Strengthen partnerships to prevent, deter, and respond to terrorist incidents	2,043	395,239	1,974	393,639	1,996	410,747					1,996	410,747
1.3 Prosecute those who have committed, or intend to commit, terrorist acts in the United States											0	0
1.4 Combat espionage against the United States											0	0
Subtotal, Goal 1	2,043	395,239	1,974	393,639	1,996	410,747	0	0	0	0	1,996	410,747
Goal 2: Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People												
2.1 Strengthen partnerships for safer communities and enhance the Nation's capacity to prevent, solve, and control crime	3,065	592,858	2,961	590,458	2,995	616,119	6	948			3,001	617,067
2.2 Reduce the threat, incidence, and prevalence of violent crime											0	0
2.3 Prevent, suppress, and intervene in crimes against children											0	0
2.4 Reduce the threat, trafficking, use, and related violence of illegal drugs											0	0
2.5 Combat public and corporate corruption, fraud, economic crime, and cybercrime											0	0
2.6 Uphold the civil and Constitutional rights of all Americans											0	0
2.7 Vigorously enforce and represent the interests of the United States in all matters over which the Department has jurisdiction											0	0
2.8 Protect the integrity and ensure the effective operation of the Nation's bankruptcy system											0	0
Subtotal, Goal 2	3,065	592,858	2,961	590,458	2,995	616,119	6	948	0	0	3,001	617,067
Goal 3: Ensure the Fair and Efficient Administration of Justice												
3.1 Protect judges, witnesses, and other participants in federal proceedings, and ensure the appearance of criminal defendants for judicial proceedings or confinement											0	0
3.2 Ensure the apprehension of fugitives from justice											0	0
3.3 Provide for the safe, secure, and humane confinement of detained persons awaiting trial and/or sentencing, and those in the custody of the Federal Prison System											0	0
3.4 Provide services and programs to facilitate inmates' successful reintegration into society, consistent with community expectations and standards											0	0
3.5 Adjudicate all immigration cases promptly and impartially in accordance with due process											0	0
3.6 Promote and strengthen innovative strategies in the administration of State and local justice systems											0	0
3.7 Uphold the rights and improve services to America's crime victims											0	0
Subtotal, Goal 3	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	5,108	\$988,097	4,935	\$984,097	4,991	\$1,026,866	6	\$948	0	\$0	4,997	\$1,027,814

E. Justification for Base Adjustments

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

Transfers

N/A

Increases

2009 pay raise. This request provides for a proposed 2.9 percent pay raise to be effective in January of 2009. This increase includes locality pay adjustments as well as the general pay raise. The amount requested, \$13.5 million represents the pay amounts for 3/4 of the fiscal year plus appropriate benefits (\$10.4 million for pay and \$3.1 million for benefits).

Annualization of 2008 pay raise. This pay annualization represents first quarter amounts (October through December) of the 2008 pay increase of 3.5 percent included in the 2008 President's Budget. The amount requested, \$5.0 million, represents the pay amounts for 1/4 of the fiscal year plus appropriate benefits (\$3.6 million for pay and \$1.4 million for benefits).

FERS Law Enforcement Retirement Contribution. Effective October 1, 2007, the FERS contribution for Law Enforcement retirement will increase from 25.1% to 26.2%, or a total of 1.1% increase. The amount requested, \$2.9 million, represents the funds needed to cover this increase.

Annualization of additional positions approved in 2007 and 2008. This provides for the annualization of 60 additional positions appropriated in 2007 and 2 additional positions in 2008. Annualization of new positions extends to 3 years to provide for entry level funding in the first year with a 2-year progression to the journeyman level. For 2007 increases, this request includes a decrease of \$5.9 million for one-time items associated with the increased positions, and an increase of \$10.6 million for full-year payroll costs associated with these additional positions. For 2008, 2 additional positions (but no funds) were included in the Salaries & Expense Account to support the construction of the National Center for Explosives Training and Research (NCETR). Congress appropriated \$23.5 million for NCETR in a construction account in 2008.

	2007 Increases (\$000)	Annualization Required for 2009 (\$000)	2008 Increases (\$000)	Annualization Required for 2009 (\$000)
Annual salary rate of 45 new positions (2007)		9,948		
Less lapse (50 %)		4,974		
Net Compensation	0	4,974	0	0
Associated employee benefits		3,268		
Travel		321		
Transportation of Things		231		
Rental Payments to Others		14		
Communications/Utilities		178		
Printing/Reproduction		12		
Other Contractual Services:				
25.2 Other Services		620		
25.3 Purchase of Goods and Services from Government Accts.		62		
25.4 Operation and Maintenance of Facilities		0		
25.6 Medical Care		0		
25.7 Operation and Maintenance of Equipment		132		
Supplies and Materials		113		
Equipment		154		
Land and Structures		534		
TOTAL COSTS SUBJECT TO ANNUALIZATION	0	10,613	0	0

Retirement: Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on U.S. Department of Justice Agency 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 \$0.6 million is necessary to meet our increased retirement obligations as a result of this conversion.

Employees Compensation Fund: The \$0.7 million 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.

Health Insurance: Effective January 2007, this component's contribution to Federal employees' health insurance premiums increase by 1.1 percent. Applied against the 2008 estimate of \$33.9, the additional amount required is \$0.4 million.

General Services Administration (GSA) Rent: GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of \$1.3 million 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 2009 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. Rate increases have been formulated based on GSA rent billing data.

DHS Security Charges: The Department of Homeland Security (DHS) will continue to charge Basic Security and Building Specific Security. The requested increase of \$0.5 million is required to meet our commitment to DHS. The costs associated with DHS security were derived through the use of an automated system, which uses the latest space inventory data. Rate increases expected in FY 2009 for Building Specific Security have been formulated based on DHS billing data. The increased rate for Basic Security costs for use in the FY 2009 budget process was provided by DHS.

Base Program Cost Adjustment: This technical adjustment in the amount of \$15.5 million and 10 positions provides base program resources to offset shortfalls in the 2008 Enacted appropriation.

Postage: Effective May 14, 2007, the Postage Service implemented a rate increase of 5.1 percent. This percentage was applied to the 2008 estimate of \$1.6 million to arrive at an increase of \$0.1 million.

Government Printing Office (GPO): GOP provides an estimate rate increase of 4%. This percentage was applied to the FY 2008 estimate of \$1.4 million to arrive at an increase of \$0.034 million.

International Cooperative Administrative Support Services (ICASS): Under the ICASS, an annual charge is made by the Department of State for administrative support based on the overseas personnel services of each federal agency. This request of \$0.1 million is based on the average cost per person from FY 2007 and FY 2008 billing for non-post and post related charges.

Overseas Capital Security Cost Sharing: The Department of State is in the midst of a 14-year, \$17.5 billion embassy construction program, with a plan to build approximately 150 new diplomatic and consular compounds. State has proposed that costs be allocated through a Capital Security Cost Sharing Program in which each agency will contribute funding based on the number of positions that are authorized for overseas personnel. The total agency cost will be phased in over 5 years. The estimated cost to the Department, as provided by State, for FY 2008 is \$50,974,159. ATF currently has 22 positions overseas, and funding of \$0.1 million is requested for this account.

Government Leased Quarters (GLQ) Requirement: GLQ is a program managed by the Department of State (DOS) and provides government employees stationed overseas with housing and utilities. DOS exercises authority for leases and control of the GLQs and negotiates the lease for components. \$0.010 million reflects the change in cost to support existing staffing levels.

Living Quarter Allowance: The living quarters allowance (LQA) is an allowance granted an employee for the annual cost of adequate living quarters for the employee and the employee's family at a foreign post. The rates are designed to cover the average costs of rent, heat, light, fuel, gas, electricity, water, local taxes, and insurance paid by the employee. Employees who receive GLQ do not receive LQA and vice versa. \$0.017 million reflects the change in cost to support existing staffing levels.

Education Allowance: For employees stationed abroad, components are obligated to meet the educational expenses incurred by an employee in providing adequate elementary (grades K-8) and secondary (grades 9-12) education for dependent children at these locations. \$0.020 million reflects the change in cost to support existing staffing levels.

Residential Guard Service (RGS): The \$0.007 million is the change in cost to support existing staffing levels for a Department of State's (DOS) Residential Guard Services, which is provided for security of employee housing complexes.

Decreases

Non-Recurring Decreases: This request includes a decrease of \$5.8 million for one-time items associated with the increased positions related to FY 2007.

Changes in Compensable Days: The decrease in costs of one compensable day in FY 2009 compared to FY 2008 is calculated by dividing the FY 2008 estimated personnel compensation \$497.4 million and applicable benefits \$158.0 million by 261 compensable days. The cost decrease of one compensable day is \$2.5 million.

Post Allowance - Cost of Living Allowance (COLA): For employees stationed abroad, components are obligated to pay for their COLA. COLA is intended to reimburse certain excess costs and to compensate the employee for serving at a post where the cost of living, excluding the cost of quarters and the cost of education for eligible family members, is substantially higher than in the Washington, D.C. area. A decrease of \$0.2 million reflects the cost to support existing staffing levels.

F: Crosswalk of 2007 Availability

Crosswalk of 2007 Availability
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses
 (Dollars in Thousands)

Decision Unit	FY 2007 Enacted Without Rescissions			Rescissions			Supplementals			Reprogrammings / Transfers			Carryover/ Recoveries			FY 2007 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Firearms	3,676	3,599	708,550						600			34,766			1,662	3,676	3,599	745,578
Arson & Explosives	1,356	1,361	255,865						3,400			12,392			8,197	1,356	1,361	279,854
Alcohol & Tobacco	96	93	19,682						0			953			18	96	93	20,653
TOTAL	5,128	5,053	\$984,097	0	0	\$0	0	0	\$4,000	0	0	\$48,111	0	0	\$9,877	5,128	5,053	\$1,046,085
Reimbursable FTE		55																55
Total FTE		5,108			0			0			0			0				5,108
Other FTE																		
LEAP		641																641
Overtime		29																29
Total Compensable FTE		5,778			0			0			0			0				5,778

Enacted Rescissions. Funds rescinded as required by the Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

Supplementals. \$4.0 million for the Iraq War Supplemental (P.L. 110-28).

Transfers. The Attorney General authorized the transfer of \$48.474 million consisting of \$0.450 million transfer of funding from ONDCP to ATF for approved HIDTA programs within ATF Field Divisions, \$48.024 million transfer of funding from the Office of Management and Budget to ATF for Radio Spectrum relocation, and \$0.363 million radio transfer from ATF to DOJ.

Unobligated Balances. Funds were carried over from FY 2006 from the 15x0700, 15x8526 and 15 6/7 0700 accounts. ATF brought forward \$0.505 million from funds provided in FY2006 for the no-year portion c S&E Appropriations, with year-to-date recoveries of \$1.063 million from funds provided in FY2006 for the no-year portion of the S&E Appropriations; \$4.238 million from funds provided in FY2006 for GREAT/ and the construction and establishment of the National Center for Explosives Training & Research with year-to-date recoveries of \$0.036 million; \$0.027 million from funds provided in the Crime Bill (GREAT); with year-to-date recoveries of \$0.001 million and \$4.006 million from FY2006 funds provided for HIDTA and the Iraq Supplemental with year-to-date recoveries of \$0.001 million.

G: Crosswalk of 2008 Availability

Crosswalk of 2008 Availability
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses
 (Dollars in Thousands)

Decision Unit	FY 2008 Enacted			Rescissions			Supplementals			Reprogrammings / Transfers			Carryover/ Recoveries			FY 2008 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Firearms	3,546	3,474	708,550									-31			35,427	3,546	3,474	743,946
Arson & Explosives	1,317	1,316	255,865												15,696	1,317	1,316	271,561
Alcohol & Tobacco	93	90	19,682												954	93	90	20,636
TOTAL	4,956	4,880	984,097	0	0	0	0	0	0	0	0	-31	0	0	52,077	4,956	4,880	\$1,036,143
Reimbursable FTE		55																55
Total FTE		4,935			0			0		0				0				4,935
Other FTE																		
LEAP		620																620
Overtime		24																24
Total Compensable FTE		5,579			0			0		0				0				5,579

Supplementals. N/A

Reprogrammings. N/A

Transfers. Pending authorization of a transfer of \$0.031 million transfer of funding from ATF to ONDCP for approved HIDTA programs within ATF Field Divisions.

Unobligated Balances. Funds were carried over from FY 2007 from the 15x0700, 15x8526 and 15 7/8 0700 accounts. ATF brought forward \$4.250 million from funds provided in FY2007 for the no-year portion of the S&E Appropriations, with year-to-date recoveries of \$0.226 million from funds provided in FY2007 for the no-year portion of the S&E Appropriations; \$0.011 million from funds provided in FY2007 for GREAT/VCIT; \$0.011 million from funds provided in the Crime Bill (GREAT) with anticipated recoveries of \$0.005 million; \$4.322 million from FY2007 funds provided for HIDTA and the Iraq Supplemental; and \$43.252 million from funds provided for the Radio Spectrum Relocation.

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	FY 2007 Enacted			FY 2008 Planned			FY 2009 Request			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
ICDE/OCDETF	54	54	11,381	54	54	11,151	54	54	11,591	0	0	440
OJP (GREAT)	1	1	225	1	1	225	1	1	225	0	0	0
Other			38,394			38,624			38,184	0	0	(440)
Budgetary Resources:	55	55	\$50,000	55	55	\$50,000	55	55	\$50,000	0	0	\$0

I: Detail of Permanent Positions by Category

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

Category	FY 2007 Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Request					
	Total Authorized	Total Reimbursable	Total Authorized	Total Reimbursable	ATBs	Program Increases	Program Decreases	Total Pr. Changes	Total Authorized	Total Reimbursable
Criminal Investigative Series (1811)	2,509	54	2,428	54				0	2,428	54
IO Investigators (1801 and 1854)	797		773			12		12	785	
Other	1,822	1	1,755	1	10			0	1,765	1
Total	5,128	55	4,956	55	10	12	0	12	4,978	55
Headquarters (Washington, D.C.)	818	1	752	1	10			0	762	1
U.S. Field	4,295	54	4,189	54		12		12	4,201	54
Foreign Field	15		15					0	15	
Total	5,128	55	4,956	55	10	12		12	4,978	55

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		Program Changes	
	SW Border Initiative		Program Changes	
	Pos.	Amount	Pos.	Amount
SES			0	0
GS-15			0	0
GS-14			0	0
GS-13			0	0
GS-12			0	0
GS-11			0	0
GS-10			0	0
GS-9	12	586	12	586
GS-8			0	0
GS-7			0	0
GS-5			0	0
Total positions & annual amount	12	586	12	586
Lapse (-)	(6)	(293)	(6)	(293)
Other personnel compensation		0	0	0
Total FTE & personnel compensation	6	293	6	293
Personnel benefits		97	0	97
Travel and transportation of persons		27	0	27
Transportation of things		1	0	1
GSA rent			0	0
Communication, rents, and utilities		33	0	33
Printing		2	0	2
Advisory and assistance services		36	0	36
Other services		200	0	200
Purchases of goods & services from Government accounts		5	0	5
Research and development contracts			0	0
Operation and maintenance of equipment			0	0
Supplies and materials		45	0	45
Equipment		97	0	97
Land and Structures		112	0	112
Insurance Claims and Indemnities		0	0	0
Interest and Dividends		0	0	0
Total, 2009 program changes requested	6	\$948	6	\$948

K: Summary of Requirements by Grade

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

Grades and Salary Ranges	FY 2007 Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
SES, \$111,676 - \$168,000	48		48		48		0	
GS-15, \$110,363 - 143,471	161		161		161		0	
GS-14, \$93,822 - 121,967	544		544		544		0	
GS-13, \$79,397 - 103,220	2,198		2,116		2,116		0	
GS-12, \$66,767 - 86,801	455		455		455		0	
GS-11, \$55,706 - 72,421	383		291		301		10	
GS-10, 50,703 - 65,912	3		3		3		0	
GS-9, \$46,041 - 59,852	725		727		739		12	
GS-8, 41,686 - 54,194	88		88		88		0	
GS-7, \$37,640 - 48,933	136		136		136		0	
GS-6, \$33,872 - 44,032	39		39		39		0	
GS-5, \$30,386 - 39,501	26		26		26		0	
GS-4, \$27,159 - 35,303	11		11		11		0	
GS-3, \$24,194 - 31,451	7		7		7		0	
GS-2, \$22,174 - 27,901	3		3		3		0	
GS-1, \$19,722 - 24,664	....		....		....		0	
Ungraded Positions	301		301		301		0	
Total, appropriated positions	5128		4956		4978		22	
Average SES Salary		\$ 150,642		\$ 155,914		\$ 160,592		
Average GS Salary		\$ 79,314		\$ 82,090		\$ 84,553		
Average GS Grade		12.46		12.46		12.45		

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	FY 2007 Actuals		FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11.1 Direct FTE & personnel compensation	4,732	387,971	4,880	382,535	4,942	398,743	62	16,208
11.3 Other than full-time permanent		1,168		12,328	0	12,714	0	386
11.5 Total, Other personnel compensation	609	58,450	644	63,853	24	65,098	0	1,245
<i>Overtime</i>	20	2,436	24	2,095	24	2,079	0	(16)
<i>Law Enforcement Availability Pay</i>	589	53,083	620	58,029	630	58,959	10	930
<i>Other Compensation</i>		2,931		3,729		4,060	0	331
11.8 Special personal services payments		90		131		131	0	0
Total	5,341	447,679	5,524	458,847	4,966	476,686	72	17,839
Other Object Classes:								
12.0 Personnel benefits		174,478		171,594		183,699		12,105
13.0 Benefits to Former Personnel		29		125		125		0
21.0 Travel and transportation of persons		22,798		18,658		20,418		1,760
22.0 Transportation of things		2,740		1,837		2,228		391
23.1 GSA rent		71,988		68,518		69,774		1,256
23.2 Moving/Lease Expirations/Contract Parking		1,094		1,187		1,202		15
23.3 Comm., util., & other misc. charges		24,253		21,069		21,466		397
24.0 Printing and reproduction		1,853		1,360		1,408		48
25.1 Advisory and assistance services		6,089		5,756		5,500		(256)
25.2 Other services		164,498		167,395		176,028		8,633
25.3 Purchases of goods & services from Government accounts (Antennas, DHS Sec. Etc..)		4,494		5,628		6,265		637
25.4 Operation and maintenance of facilities		8,732		16,306		16,306		0
25.5 Research and development contracts		0		0		0		0
25.7 Operation and maintenance of equipment		1,280		824		1,008		184
26.0 Supplies and materials		16,564		17,369		18,618		1,249
31.0 Equipment		36,230		20,309		18,537		(1,772)
32.0 Land and Structures		6,893		6,595		7,814		1,219
42.0 Insurance Claims & Indemnity		659		578		578		0
43.0 Interest and Dividends		58		142		154		12
Total obligations		\$992,409		\$984,097		\$1,027,814		\$43,717
Unobligated balance, start of year		(4,743)		(27)		(27)		
Unobligated balance, end of year		27		27		27		
Recoveries of prior year obligations		1,099						
Total DIRECT requirements		988,792		984,097		1,027,814		
Reimbursable FTE:								
Full-time permanent	56		55		55		0	
23.1 GSA rent (Reimbursable)		748		602		686		84
25.3 DHS Security (Reimbursable)		34		27		36		9

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

Bureau of Alcohol, Tobacco, Firearms and Explosives

Status of Congressionally Requested Studies, Reports, and Evaluations

1. ATF Firearms Licensee Revocations

The ATF is directed to report on license revocations against firearms dealers based on violations that consist largely of recordkeeping errors.

2. ATF Status on Open Rules

The ATF is to report within two months after enactment of the Department's Appropriations on the status of all open rules.

3. Congressional Relocation Report (CRR) - Not an Official Congressional Reporting Requirement

The reporting cycle shall commence upon enactment of the Department's appropriation. It reports notification of any ATF relocations, office closings, or new additions. The Department of Justice submitted the CRR to Congress on November 27, 2007. ATF is waiting for Congressional approval.