

3- Enforcement Information

The trace information collected and analyzed in the annual Crime Gun Trace Reports is used in Federal, State, and local investigations of the illegal diversion of firearms, particularly involving felons, youth offenders, and juveniles. During the period 1996-1998, approximately 60 percent of ATF's firearms trafficking investigations involved crime gun tracing and 68 percent involved State and local law enforcement agencies.

Recent Investigations Involved Trafficked Firearms. During calendar year 2000, ATF's 23 Field Divisions initiated 1,319 illegal firearms trafficking investigations, involving 413 youth and juvenile firearms possessors, 236 youth and juvenile firearms traffickers, 80 youth and juvenile straw purchasers, and 27 youth and juvenile firearms burglars. Nearly 40 percent (516) of these investigations have been forwarded by ATF agents to Federal, State, and local prosecutors for prosecution. These 516 investigations yielded a total of 868 defendants, including 400 illegal firearms possessors, 212 illegal firearms traffickers, 138 straw purchasers, 25 corrupt licensed dealers, and 45 firearms burglars. ATF agents estimated that 19,777 firearms were trafficked in these 1,319 firearms trafficking investigations. Because 60 percent of these investigations are still in progress, it is likely that the ATF agents will uncover higher numbers of trafficked firearms as their investigations develop further.

The Illegal Market in Firearms. Trace information and analysis of cases are contributing to a more precise picture of the structure of the illegal firearms market that supplies guns to criminals, unauthorized juveniles, and other prohibited persons. This section describes aspects of the illegal market illuminated by crime gun tracing and cases developed as part of the Youth Crime Gun Interdiction Initiative, the youth-focused component of ATF's firearms enforcement program.

Trafficking and Illegal Diversion of Firearms. Virtually all crime guns start off as legally owned firearms. For this reason, the term "firearms trafficking," in contrast to the common reference to drug trafficking, refers to the illegal diversion of a legal product from lawful commerce into unlawful commerce, often for profit. ATF also uses the term

"diversion." A broader term than trafficking, diversion encompasses any movement of firearms from the legal to illegal marketplace through an illegal method or for an illegal purpose. For example, a criminal who steals a firearm from a Federal firearms licensee (FFL) for his own personal use is participating in the illegal diversion of firearms, but he is not a trafficker. Thus, while the theft of firearms may involve a criminal stealing one or more firearms for his own use, or may involve subsequent trafficking, addressing stolen firearms is an important part of a firearms trafficking strategy because theft constitutes one means of the illegal supply of firearms.

Types of Trafficking: Firearms Trafficking includes:

- Trafficking in new firearms, interstate and intrastate, including by Federally licensed firearms dealers, large-scale straw purchasers, or straw purchasing rings, or small-scale straw purchasers from gun stores, gun shows, or other premises;
- Trafficking in secondhand firearms, interstate and intrastate, including by licensed firearms dealers, including pawnbrokers; large-scale straw purchasers or straw purchasing rings; or small-scale straw purchasers, unlicensed sellers, including at gun shows, flea markets, or through newspaper ads, gun magazines, the Internet, and personal associations, and bartering and trading within criminal networks; and
- Trafficking in new and secondhand stolen firearms, involving guns stolen from Federally licensed dealers, including pawnbrokers, manufacturers, wholesalers, and importers, theft from common carriers, home invasions, and vehicle theft.

CASE EXAMPLES

Small-Scale Straw Purchaser Providing New Guns to Convicted Youth Felon. *Atlanta, GA.* In October 1999, a licensed dealer reported suspicious purchases of firearms by the 27-year-old defendant to ATF. On October 27, 1999, ATF agents conducted surveillance on the defendant and observed him as he purchased four new pistols, including two Magnum Research Baby Eagle 9mm semiautomatic pistols, a Glock 10 mm semiautomatic pistol, and a Glock .40 caliber semiautomatic pistol from an Atlanta area FFL. After the purchases, agents observed the defendant as he transferred two of the aforementioned firearms to a 24-year-old youth, who was also a convicted felon. ATF agents immediately arrested both defendants and recovered the Baby Eagle 9mm and Glock .40 caliber pistols.

On November 9, 1999, the defendants were indicted. The 27-year-old defendant was indicted for violations of 18 USC Section 924(a)(1)(A), making false statements or representation in an FFL's required records. The 24-year-old defendant was indicted for 922(g)(1), convicted felon in illegal possession of firearms. Both defendants later pled guilty. On March 23, 2000, the 27-year-old defendant was sentenced to 11 months incarceration and 24 months supervised release. The 24-year old youth was sentenced to 33 months incarceration and 36 months supervised release.

Youth Convicted For Misdemeanor Crime of Domestic Violence Apprehended After Attempted Illegal Firearms Purchase. *Los Angeles, CA.* In April 2000, ATF received a California State Dealer Record of Sale denial referral regarding the attempted purchase of a firearm by a 21 year-old youth, previously convicted of a misdemeanor crime of domestic violence. Over the course of the investigation, ATF agents learned that on November 28, 1999, the youth, a prohibited person, attempted to purchase a Bryco 9mm semi-automatic pistol from a Federally licensed firearms dealer. The State of California's Department of Justice denied the firearm sale to the youth as a result of his conviction status. The youth was indicted for violating 18 USC Section 922(a)(6) – Providing false information to a

Federally licensed firearms dealer during the acquisition or attempted acquisition of a firearm.

On January 12, 2001, ATF agents, subsequent to the Federal indictment, arrested the youth. During a search of the youth's home, ATF agents removed a fully loaded Ruger .45 semi-automatic pistol from his bedroom nightstand.

On February 26, 2001, the youth pled guilty to violation of one count of 18 USC Section 922(a)(6) – Providing false information to a Federally licensed firearms dealer during the acquisition or attempted acquisition of a firearm.

On June 13, 2001, the youth was sentenced in the Central Judicial District of California to serve 5 months of incarceration followed by 3 years of supervised release, and ordered to pay a \$100 special assessment.

Juveniles Falsifying Federal Firearms Licenses to Acquire Firearms through the Internet. *Northern New Jersey.* In May 2000, a United Parcel Service (UPS) driver unsuccessfully attempted to deliver a package to a residence in Northern New Jersey. The UPS driver noticed that the address was a residence, not a gun store as the label on the package indicated. The UPS driver subsequently returned the package to the UPS facility. UPS contacted the sender and confirmed he was a Federal Firearms Licensee (FFL) in Texas. The Texas Federal Firearms Licensee (FFL) contacted the ATF Licensing Center in Georgia to determine whether the FFL in New Jersey was valid. Upon being informed that it was not, the Texas FFL contacted ATF in New Jersey and informed agents of the situation. ATF New Jersey Group I took control of the package from UPS and, with the assistance of the Essex County Prosecutor's Office, Postal Inspection Service, and the Montclair Police Department, conducted a controlled delivery of the package. Two juveniles were arrested after the controlled delivery and a State search warrant was executed. ATF learned that the two juveniles altered a copy of a Federal Firearms License they obtained from an FFL in Florida, whom the juveniles were able to convince they were licensed dealers. The juveniles altered this Federal Firearms License utilizing a fictitious name and the real address of one of the juveniles.

During the investigation, the juveniles admitted altering the Federal Firearms License and making four additional Federal Firearms Licenses. They also admitted to ordering a Glock .357 semiautomatic pistol, a Glock .40 semiautomatic pistol, and two Glock 9 mm semiautomatic pistols via the Internet. Agents and investigators recovered all four weapons, as well as a .22 caliber handgun. Both juvenile defendants pled guilty in State court to illegal firearm possession, forgery, and conspiracy. On July 27, 2000, the juveniles were each sentenced to 1 year probation and curfew provisions.

Intrastate Trafficking in New and Secondhand Firearms Stolen from Licensed Dealer. *St. Louis, MO.* Between December 1999 and January 2000, an employee of a Federal Firearms Licensee stole 14 new and secondhand handguns from the dealer by hiding them in his clothing and leaving the store. After the final theft was committed, the suspect accidentally shot himself in the abdomen while examining one of the handguns. Subsequent investigation by ATF revealed that the suspect had pawned some of the handguns and sold the remaining handguns to his friends—3 youths and 1 adult. After ATF arrested the defendant on August 8, 2000, the defendant provided information on the whereabouts of the stolen firearms and all were eventually recovered.

The defendant was indicted for violation of 18 USC Section, 922 (a)(1)(A), dealing firearms without a license, and 922 (u), theft from a Federal Firearms Licensee. After pleading guilty to these charges, the defendant was sentenced on December 1, 2000, to 13 months incarceration, to be followed by 3 years of supervised release.

Trafficking in Secondhand Firearms Stolen from FFL's Residence. *Charlotte, NC.* On November 16, 1998, an FFL reported the theft of 29 firearms from his personal collection at his residence. A confidential informant advised local law enforcement authorities that the FFL's stepson had stolen the firearms. The firearms were entered into the ATF Suspect Gun Database. Subsequent investigation revealed that the defendant traded the firearms to three 20-year-old youths, for crack cocaine on several occasions. During the execution of a search warrant

at a crack distribution house, the three 20-year-old youths were apprehended with three stolen firearms including an Norinco 7.62 X 39mm SKS rifle. In May 1999, the firearms thief and three youthful crack cocaine dealers were indicted.

The firearms thief pled guilty to violations of 18 USC Sections 2, Aiding, Abetting, Counseling, Commanding, or Soliciting a Federal Crime; 18 USC 924(c), Use and/or Carrying a Firearm in Relation to a Drug Trafficking Crime; 21 USC 846, Conspiracy to Distribute Cocaine and Cocaine Base; and 18 USC 924(o), Conspiracy to Use and Carry Firearms During and in Relation to a Drug Trafficking Crime. He was sentenced on July 23, 2000, to 84 months in prison and received a fine of \$20,000.

The first youth pled guilty to violations of 21 USC 846, Conspiracy to Distribute Cocaine and Cocaine Base; and 18 USC 924(o), Conspiracy to Use/Carry Firearms During and in Relation to a Drug Trafficking Crime. He was sentenced on June 19, 2000, to 65 months in prison and 24 months probation.

The second youth pled guilty to violations of 21 USC 846, Conspiracy to Distribute Cocaine and Cocaine Base; and 18 USC 924(o), Conspiracy to Use/Carry Firearms During and in Relation to a Drug Trafficking Crime. He was sentenced on June 19, 2000, to 96 months in prison and 36 months probation. The third youth pled guilty to violations of 21 USC 846, Conspiracy to Distribute Cocaine and Cocaine Base; and 18 USC 924(o), Conspiracy to Use/Carry Firearms During and in Relation to a Drug Trafficking Crime. On December 16, 1999, he received a sentence of 96 months in prison, 60 months probation and a \$20,000 fine.

Convicted Felon Youth Gang Member in Possession of Stolen Firearms and Obliterated Serial Number Firearm. *Houston, TX.* On March 18, 1999, members of the ATF Violent Gang Task Force assisted the Houston Police Department's Street Level Narcotics Enforcement Unit in the execution of a search warrant at the residence of a 22-year-old convicted felon youth gang member. Officers and agents recovered marijuana as well as 5 firearms including a stolen Harrington & Richardson .32

revolver, a Phoenix .25 semiautomatic pistol that was forcibly taken from a 48-year-old woman during a purse snatching, a RG Industries .25 revolver with an obliterated serial number, a Colt .45 semiautomatic pistol, and a Marlin 9mm rifle.

The 22-year-old youth was charged with violating 18 U.S.C. Sections 922(g)(1) - Convicted Felon in Possession of a Firearm, 922(j) - Possession of a Stolen Firearm, and 922(k) - Receipt, Shipment or Transportation of a Firearm with an Obliterated Serial Number. On March 17, 2000, the defendant pled guilty to 18 U.S.C. 922(g)(1) and was sentenced to 24 months imprisonment, 3 years supervised release, and a \$600 fine.

Small-Scale Interstate Gun Trafficking. *New York, NY.* This investigation was initiated in the Spring of 1999 after a handgun was recovered in an attempted robbery where the victim suffered a non-fatal wound. The firearm was recovered by the New York Police Department and traced by ATF to the original purchaser in Killeen, Texas, a 21-year-old youth who was enlisted in the United States Army. ATF conducted additional analyses of Multiple Sales data that revealed the youth had purchased 10 additional firearms in recent months, including 4 Intratec Tec-9 9mm semiautomatic pistols. When ATF interviewed the defendant, he confessed that he had used his military identification to purchase 14 firearms from area pawnshops during the Spring of 1999, and had trafficked 6 firearms to New York City where they were “sold on the streets.” He also admitted to obliterating the serial numbers on some of the firearms to conceal his identity. ATF New York subsequently recovered five of the firearms that were destined for sale in New York.

On February 8, 2000, defendant pled guilty to violating 18 USC Sections 922(a)(1)(A)- Dealing Firearms Without a License, 922(k)- Transporting, Shipping, or Receiving in Interstate Commerce a Firearm with the Serial Number Obliterated, and 371-Conspiracy to Violate Federal Law. On May 18, 2000, he was sentenced to 37 months imprisonment.

Convicted Felon Youth Gang Member in Possession of Obliterated Serial Number Firearm in Public Park. *Bronx, NY.* On September 15, 1999,

a 21-year-old convicted felon and member of the “Bloods” street gang was arrested in a park located in the Grand Concourse section of the Bronx, by the New York City Police Department for illegal possession of a firearm and a controlled substance. The firearm was a Lorcin .380 semiautomatic pistol with an obliterated serial number. The obliterated serial number was subsequently raised and the gun traced by ATF to a purchaser, who is also a convicted felon, in Hampton, Virginia. The 21-year-old defendant later stated that he could possibly obtain firearms from an adult in Hampton, Virginia.

On December 17, 1999, the youth was convicted by a Federal jury of violating 18 USC Section 922(g)(1), Convicted Felon in Possession of a Firearm. On March 31, 2000, he was sentenced to 46 months imprisonment and 3 years supervisory release.

Interstate Small-Scale Straw Purchasers Trafficking New and Secondhand Firearms to Gang Members. *St. Louis, MO.* On April 17, 2000, after receiving information from the St. Louis Police Department, ATF arrested three suspects, ages 22, 21, and 19, who were transporting across State lines six handguns that they had purchased at pawnshops and gun stores in Mississippi. The handguns were new and secondhand 9mm, .40, and .45 semiautomatic pistols. Four of the six handguns had obliterated serial numbers. Subsequent investigation revealed that the suspects intended to sell those firearms to gang members in Chicago, Illinois. Subsequent firearms trace analysis revealed that one of the defendants had purchased a handgun that was recovered in an illegal use of a weapon crime in downtown St. Louis.

On October 24, 2000, the three defendants pled guilty to violations of 18 U.S.C. Section 922(k), Transporting, Shipping, or Receiving in Interstate Commerce a Firearm with the Serial Number Obliterated. Two defendants were sentenced to 18 months incarceration and 3 years supervised release; the other defendant was sentenced to 12 months incarceration and 3 years supervised release.

Large-Scale Trafficking in New and Secondhand Firearms by Corrupt Licensed Dealer and Unlicensed Seller at Gun Shows. *St. Paul, MN.* In April

1998, the FBI requested that ATF assist in the trace of a Davis .380 semiautomatic pistol used by a 27-year-old male in a bank robbery. The trace revealed that a former FFL, using a current license issued to a Minnesota sports shop, sold the pistol. ATF initiated an investigation of the sports shop FFL, the former FFL, and a third defendant involved in the illegal transfers. The investigation revealed that the former FFL, using the license of the current FFL, purchased and then resold over 1,100 new and secondhand firearms without completing the required transaction paperwork. The investigation further revealed that many firearms were sold to youths at gun shows.

In October 1999, three defendants were indicted for 18 U.S.C. Section 371- Conspiracy to Commit a Federal Crime, 922(a)(1)(A)- Dealing in Firearms Without a License, 924(a)(1)(A)- Making False Statements in FFL Records, and 2- Aiding and Abetting the Commission of a Federal Crime. In June of 2000, all three pled guilty to misdemeanors, and were sentenced to 1 year probation, \$1500 fine, and 100 hours community service.

Theft of New and Used Firearms From Licensed Dealer for Use in Armed Robbery. *Austin, TX.* On September 15, 1999, a Federal Firearms Licensee located in Austin, Texas, was burglarized. During the burglary, 24 new and used firearms and 5 bulletproof vests were stolen. These firearms included Sig Sauer 9mm, .40, and .45 semiautomatic pistols, a Heckler & Koch .45 semiautomatic pistol, a Colt .45 semiautomatic pistol, and a Smith & Wesson 9mm pistol. The ATF Austin Field Office was notified of the burglary and initiated an investigation. On September 24, 1999, an armed robbery occurred at an Austin jewelry store. Approximately \$500,000 worth of jewelry was stolen. The armed robbers were subsequently tracked to a private residence in San Antonio, TX, via a tracking device, similar to devices used by banks, located in one of the stolen jewelry boxes. The San Antonio Police Department officers arrested three adult males ages 24, 25, and 27, who were in possession of the stolen jewelry as well as 11 firearms, and 5 bulletproof vests that were stolen from the Austin FFL. ATF Austin responded to San Antonio and attempted to interview the three suspects. All three suspects refused to cooperate.

ATF agents noticed one of the suspects had a freshly healing cut on his hand. Based on suspect blood that was left at the FFL burglary crime scene, coupled with the recovery of the items stolen from the Austin FFL, ATF agents obtained a Federal court order for a blood sample from this suspect for DNA analysis. ATF submitted the blood sample and recovered blood evidence to the State Police Laboratory, and a DNA analysis established that the recovered blood evidence from the FFL burglary matched the suspect. The suspect was indicted, which led to the suspect's cooperation. All three suspects were convicted in Federal court for the burglary of the FFL and robbery of the jewelry store. As part of this investigation, ATF was able to establish that the defendants had stolen the firearms from the FFL for use in the armed robbery of the jewelry store.

On June 9, 2000, the 24-year-old defendant pled guilty to 18 USC Sections 1951, Interference with Commerce by Robbery, and 924(e), Brandishing a Firearm During and in Relation to a Crime of Violence. He was sentenced to 130 months incarceration followed by 3 years of supervised release.

On June 9, 2000, the 25-year-old defendant pled guilty to 18 USC Sections 922(u), Theft of a Firearm from a Licensed Firearms Dealer, 1951, Interference with Commerce by Robbery, and 924(e), Brandishing a Firearm During and in Relation to a Crime of Violence. He was sentenced to 154 months incarceration followed by 3 years of supervised release. On June 9, 2000, the 27-year-old defendant pled guilty to 18 USC Sections 1951, Interference with Commerce by Robbery, and 924(e), Brandishing a Firearm During and in Relation to a Crime of Violence. He was sentenced to 130 months incarceration followed by 3 years of supervised release.

Large-Scale Trafficking in Secondhand Firearms by Unlicensed Dealer at Gun Shows. *Dallas, TX.* In January 1998, an informant provided information to ATF that a Dallas area 53-year old unlicensed dealer was selling firearms at gun shows and flea markets to anyone who walked up to his table. An undercover ATF agent purchased 2 Ruger 9mm semiautomatic pistols, a Rossi .357 revolver, a Taurus .38 revolver, and a Smith & Wesson .357 revolver. After these undercover purchases, a search warrant

was executed at the defendant's residence. All firearms obtained from the defendant were traced and examined by analyzing On-Line LEAD and multiple sales databases. A firearm recovered from a homicide was traced and determined to have been sold by the defendant. The defendant avoided Multiple Sale reporting requirements by obtaining firearms from other unlicensed sellers at flea markets and gun shows. ATF agents estimate that the defendant was illegally selling between 300 and 400 guns per year.

On May 7, 1999, the defendant was charged with 18 USC Section 922(a)(1)(A), Dealing in Firearms Without a License. On September 13, 1999 the defendant pled guilty and was sentenced to two years probation.

Interstate Trafficking in New Firearms by Small-Scale Straw Purchasers. *New York, NY.* Between May 3, 1999, and July 19, 1999, an undercover NYPD detective purchased a total of 26 firearms from a 23 year-old defendant and a 24 year-old defendant in Manhattan. Twenty-five of these firearms were semiautomatic pistols, including 15 Jennings Bryco 38 .380 caliber pistols. One of the firearms was an AA Arms Model AP9 assault weapon. The firearms were traced by ATF and it was revealed that one of the defendants was purchasing firearms in Cleveland, Ohio, and transporting these firearms to New York. Based on analyses of trace data and multiple firearms sales data, ATF documented that these individuals were associated with 40 illegally transferred firearms.

On September 8, 1999, ATF obtained Federal arrest warrants in the Southern District of New York for both defendants. In October and November 1999, the two defendants were both arrested and charged with engaging in the business of dealing firearms without a license and conspiracy to commit a Federal crime.

On March 10, 2000, the 23 year-old defendant pled guilty to violating 18 USC Sections 922(a)(1)(A), engaging in the business of dealing firearms without a license, and 371, conspiracy to commit a Federal crime. On May 11, 2000, he was sentenced to 33 months imprisonment, which included an additional 18 month sentencing enhancement for the illegal possession of an assault weapon, and 3 years-supervised release in the Southern District of New York.

On June 7, 2000, the 24 year-old defendant pled guilty to violating two counts of 18 USC Sections 922(a)(1)(A), engaging in the business of dealing firearms without a license, and 371, conspiracy to commit a Federal crime. On October 6, 2000, he was sentenced to a total of 27 months imprisonment, which included an additional 17-month sentencing enhancement for the illegal possession of an assault weapon, and 3 years-supervised release in the Southern District of New York.

In-State Trafficking of Secondhand Firearms Stolen from Private Residence to Juveniles.

Tampa, FL. On October 23, 1999, a 21 year-old defendant stole two Jennings 9mm semi-automatic pistols, a Mossberg 12 gauge shotgun, ammunition, and cash from a residence in Tampa, Florida. The defendant then sold the Mossberg 12 gauge shotgun to a juvenile. Several juveniles in and around the Tampa Bay area later used this shotgun in several armed robberies.

During an investigation of the armed robberies by ATF and the Tampa Police Department, the juvenile who originally purchased the shotgun from the defendant admitted to the crimes and identified the defendant as the source of the shotgun. The defendant was then interviewed by ATF and the Tampa PD and admitted to stealing several firearms and selling the shotgun to a juvenile who made statements that he needed the gun to commit a string of future robberies.

On February 16, 2000, the defendant was indicted for possession and/or transfer of a stolen firearm, 18 USC Section 922(j). On December 20, 2000, the defendant pled guilty to the charge. On May 7, 2001, the defendant was sentenced to 24 months incarceration followed by 24 months supervised release.

Interstate Trafficking of New Firearms Straw Purchased by Spouse and Friend. *Atlanta, GA.*

This investigation was initiated in November 1999, after the multiple sales database, On-Line LEAD and information from the Georgia Bureau of Investigations revealed suspicious gun purchasing activities of a 25-year-old female. While maintaining surveillance of this female, ATF agents observed her purchase 3 new semiautomatic pistols from an

Atlanta area FFL. Further investigation revealed that she was married to a 22-year-old convicted felon who was directing her and another 23-year-old female to straw purchase firearms. At the time of these illegal purchases, the 22-year-old convicted felon was enlisted in the U.S. Air Force. These three individuals were responsible for trafficking 28 pistols to New York City. The trafficked firearms included Ruger 9mm and .45 semiautomatic pistols, Intratec .45 semiautomatic pistols, Desert Eagle .40 caliber semiautomatic pistols, Sig Sauer .40 semiautomatic pistols, and Lorcin 9mm semiautomatic pistols.

In February 2000, with the assistance of the U.S. Air Force Office of Special Investigations, agents arrested the youth, his wife, and the second female. The females were charged with violations of 18 USC Sections 2, Aiding, Abetting, Counseling, Commanding, or Soliciting a Federal Crime, and 922(a)(6), Making False Statements to a Licensee to Attempt to Obtain a Firearm. The 22-year-old convicted felon was charged with 922(g)(1), Convicted Felon in Illegal possession of Firearms. All defendants pled guilty to these charges. On December 4, 2000, the 22-year-old convicted felon was sentenced to 64 months incarceration and 36 months supervised release. Likewise, his wife was sentenced to 10 months incarceration and 24 months supervised release. On January 31, 2001, the 23-year-old female was sentenced to 8 months incarceration and 24 months supervised release.

Police Officer Killed by Firearm Provided to Gang Members by In-State Straw Purchaser.

Chicago, IL. In August 1998, a Chicago Police Department officer was shot and killed by a street gang member. ATF subsequently traced the handgun used in the incident. The trace revealed that the handgun had been purchased by a 22-year-old youth at an Illinois FFL just outside the city limits. Further Project LEAD analyses revealed that this youth was also the purchaser of a number of guns recovered from gang members who were in possession of guns and narcotics crimes in public housing projects on the south side of Chicago. Further investigation revealed that the youth had purchased 13 new and used handguns, including Taurus .357 revolvers and Smith & Wesson .357 revolvers. The youth admitted to

purchasing handguns on 5 separate occasions for members of the Gangster Disciples Street Gang.

The youth was arrested on April 13, 2000, and charged with 18 USC Sections 371, Conspiracy to Commit a Federal Crime, and 922(a)(1)(A), Engaging in the Business of Selling Firearms Without a License. On July 27, 2000, the youth pled guilty to these charges and, on March 14, 2001, was sentenced to 37 months of incarceration followed by 3 years supervised release.

Interstate Trafficking in New Firearms to Gang Members by Straw Purchasing Ring.

Milwaukee, WI. Through analysis of multiple sales data, ATF uncovered the purchase of 46 new handguns, including many Lorcin and Bryco semiautomatic pistols, by three defendants at an FFL in Wisconsin between June 1998 and April 1999. These handguns were subsequently transported and illegally sold to juvenile and youth gang members in Chicago, Illinois. At the time this investigation was completed, the Chicago Police Department, Cicero (Illinois) Police Department, and Rockford (Illinois) Police Department had recovered 17 of these handguns. Sixteen of these handguns were recovered from juveniles, many of whom were members of the Latin Kings Street Gang.

On six occasions between June and September 1998, a 24-year-old defendant purchased 26 handguns from the Wisconsin FFL. Immediately after purchase he gave most of the handguns to his co-conspirator, a 20-year-old youth, for the purpose of reselling the handguns. The 20-year-old transported the handguns from Wisconsin to Chicago, where he sold them to Latin King gang members. In December 1998, another 24-year-old defendant became involved in unlawfully dealing firearms after the 20-year-old youth suggested that he could make money buying and selling firearms. On four occasions between December 1998 and April 1999, the third defendant bought a total of 20 handguns from the same Wisconsin FFL. He later admitted that he sold these handguns to gang members in Chicago. On May 15, 1999, ATF executed Federal search warrants and interviewed the three defendants. Each made admissions regarding unlicensed firearms dealing.

In February and March of 2000, each defendant pled guilty to one count of 18 USC Section 922(a)(1)(A), Dealing Firearms Without a License. On April 28, 2000, the first 24-year old was sentenced to 4 months imprisonment, 4 months home detention, and 2 years supervised release. On May 12, 2000, the 20-year-old defendant was sentenced to 3 years imprisonment, 3 years supervised release, and a \$1000 fine. On May 19, 2000, the second 24-year-old defendant was sentenced to 5 months imprisonment, 5 months home detention, and 3 years supervised release.

International Firearms Trafficking by Large-Scale Straw Purchasing Ring Buying New and Used Guns from Licensed Dealers and Unlicensed Sellers at Gun Shows. *Phoenix, AZ.* Using Project LEAD and Multiple Sales data, ATF agents identified several individuals that were associated with suspicious purchasing patterns and a number of firearms recovered in narcotics crimes in Tucson, Phoenix, and Mexico between 1996 and 2000. Further investigation revealed that a 24-year-old youth paid five friends and acquaintances from his neighborhood to purchase the firearms for him. The youth used these straw purchasers in an attempt to circumvent the Multiple Sale reporting procedures. Although the confirmed firearm purchases were from licensed dealers, the youth and his ring of straw purchasers were known to frequent gun shows and purchase firearms. Further investigation revealed that this ring of straw purchasers provided in excess of 100 firearms, including Browning 9mm semiautomatic pistols, Colt .38 pistols, Ruger 9mm semiautomatic pistols, and Beretta .380 and 9mm semiautomatic pistols, to drug traffickers moving guns to Mexico.

In August 2000, the defendants were arrested and charged with violating 18 USC Sections 371, Conspiracy to Commit a Federal Crime; 922(a)(1)(A), Engaging in the Business of Dealing Firearms Without a License; and multiple counts of 924(a)(1)(A), Providing False Statements to a Firearms Dealer.

On June 18, 2001, the 24-year-old youth pled guilty to 18 USC Sections 922(a)(1)(A), Engaging in the Business of Dealing Firearms Without a License; and

10 counts of 924(a)(1)(A), Providing False Statements to a Firearms Dealer. He was sentenced to 34 months incarceration and fined \$5000.

The lead straw purchaser for the 24-year-old youth pled guilty to 18 USC Sections 922(a)(1)(A), Engaging in the Business of Dealing Firearms Without a License; and 2 counts of 924(a)(1)(A), Providing False Statements to a Firearms Dealer. He was sentenced to 15 months incarceration, and fined \$1,000. The other four individuals cooperated with the Government in this investigation. They each pled guilty to one count of 18 USC Section 924(a)(1)(A), Providing False Statements to a Firearms Dealer and were sentenced to probation.

Large-Scale Trafficking in New and Used Firearms by Licensed Dealer. *West Palm Beach, FL.* In June 1999, an investigation was initiated into the business practices of a West Palm Beach licensed firearms dealer. The investigation was initiated after ATF firearms trace data analyses revealed this FFL as a top source of recovered crime guns in Palm Beach County each year between 1995 and 1999. Further data analyses revealed that the FFL also had high numbers of multiple firearms sales, NICS denials, and firearms theft reports. ATF also received information from a confidential informant that FFL employees were facilitating straw purchases of firearms to prohibited persons by coaching the prohibited person on how to bring a friend with them who can purchase the firearm.

During the investigation, two different ATF confidential informants with prior felony convictions were sent in to the FFL on multiple occasions, completed an ATF Form 4473, were denied purchase approval during the records check, and were then coached by the owner and a manager on bringing in friends to get the guns for them. Then, on several occasions the felons went back to the FFL, handed the owner and manager money, had a “friend” (actually an undercover ATF agent) fill out the 4473 form for approval, and had the owner and a manager hand the guns to the felon. All transactions were electronically recorded. On one occasion, the owner asked the confidential informant to come to a back room where the owner took out a MAC-10 9MM pistol and silencer, fired the weapon into some tires,

and asked the informant if he was interested. The confidential informant purchased the MAC-10 and silencer with the undercover ATF agent completing the paperwork for the MAC-10 with no mention of the unregistered silencer having no serial number. In January and August 2000, Federal search warrants were served at the business by ATF. During both search warrants, ATF special agents and an inspector examined records and discovered that the FFL had been making false entries and significantly altering firearms purchase and sales records. The business records were seized as evidence.

On March 26, 2001, the owner and manager of the gun store pled guilty to 18 USC Section 371, Conspiracy to Commit an Offense against the United States. The plea agreement also required that the

license be immediately surrendered. On August 15, 2001, the owner was sentenced to 30 months in prison and fined \$60,000. The manager was sentenced to 14 months in prison.

Although this FFL has been out of business for a year, it continues to be a significant source of traced crime guns, and probably will be for years to come due to the number of firearms they transferred to criminals, gang members, and youths. Based on best estimates from cooperating employees at the FFL, at least 1,000 firearms were transferred illegally over the last 2 years of their business operations. Their self-admitted business motto was “No one leaves without a gun”. Firearms sold by this FFL have been recovered in crimes in foreign countries and throughout the United States.