

DEPARTMENT OF THE TREASURY

ATF

Working for a
Sound and Safer
America. . .



. . . Through
Innovation
and Partnerships



ATF 2000-2005 STRATEGIC PLAN

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Director's Message

As ATF begins the 21st century, our strategic plan lays a path for our future. Over the past few years we have seen ATF rapidly develop new ways to use science, technology, information management, and creative enforcement strategies to refocus our efforts. As the Nation's experts in alcohol, tobacco, firearms, explosives, and arson, we have focused our efforts around key strategies that arise from common themes through the laws we enforce: collecting the revenue, protecting the public, and fighting violent crime.

We have used our strategic plan to set strategic goals and annual performance targets since 1994. The positive results of our joint efforts have been well documented in the annual ATF Accountability Reports and the favorable audit opinions of external review teams. This plan has served us well in that it has enabled us all to focus on reaching common goals, and has helped us to explain the value and impact of the wide-ranging law enforcement services we provide to the American public in making our economy sound and our society safer.

Over the past 6 years, we have undertaken a series of important changes in our organizational structure and in work processes in order to attain greater levels of results from the resources received. More and more our work is becoming information-driven. Crime gun tracing information helps focus our regulatory and investigative efforts in more productive ways, and a consolidated National Revenue Center provides the foundation for more effective utilization of tax return information to target inspections. We operate in a rapidly changing environment and we must keep pace with that change. Our collective attitude toward change must remain positive in order for the results to be positive. As a specialized law enforcement agency, our ability to adapt to change will serve as a chief source of our strength and ability to provide value to the American public.

A strategic plan is only a plan. It takes the combined talents of agents, inspectors, chemists, auditors, and other employees to turn a plan into action. The men and women of ATF have demonstrated time and again the ability to professionally meet any challenge. Together, ATF's professionals will accomplish our vision for a sound and safer America.

Bradley A. Buckles

Where to Send Comments and Questions

Comments and questions may be sent to:

Bureau of Alcohol, Tobacco and Firearms
Strategic Planning Office, Room 8340
650 Massachusetts Avenue, NW.
Washington, DC 20226

ATF's website is: WWW.ATF.TREAS.GOV

ATF Vision

ATF...Working for a Sounder and Safer America...Through Innovation and Partnerships

The Bureau of Alcohol Tobacco and Firearms (ATF) must respond to the public outcry against crime, violence, and other threats to public safety. We must also continue to do our part to maintain the economic stability of the country. Our vision will help us chart the course to change the way we serve the public and achieve new levels of effectiveness and teamwork.

ATF Mission

ATF is a law enforcement organization within the United States Department of the Treasury with a unique combination of responsibilities dedicated to reducing violent crime, collecting revenue, and protecting the public.

ATF Values

We value each other and those we serve.

We will:

- ◆ Set and uphold the highest standards of excellence and integrity;
- ◆ Provide quality service and promote strong external partnerships; and
- ◆ Develop a diverse, innovative and well-trained work force in order to collectively achieve our goals.

STRATEGIC GOAL: *Effectively contribute to a safer America by reducing firearms, explosives, and arson related violent crime.*

Violence is this Nation's primary public safety issue. We will work to counter this violence through an integrated approach of effective enforcement of the Federal firearms, explosives, and arson laws; education; and prevention efforts. ATF will use its unique jurisdiction, skills, and assets to assist Federal, State, local and foreign law enforcement in the fight against crime and violence. We will continue to pursue innovative solutions and technology to increase our efficiency and effectiveness and that of our partners.

Safeguard the Public from Arson and Explosives Incidents

- ◆ Prevent the criminal misuse of explosives and the crime of arson through enforcement, regulation, and community outreach.
- ◆ Maintain the highest standards of investigative expertise and technology necessary to respond effectively to major bombing and arson incidents.
- ◆ Maintain ATF's leadership position in arson and explosives research, training, and information through such efforts as the Arson and Explosives Incidents Repository, the Fire Research and Education

Center, the training and use of Accelerant and Explosives Detection Canines, and the Certified Fire Investigator program.

Deny Criminals Access to Firearms

- ◆ Continue to forge and strengthen partnerships to prevent and disrupt the unlawful diversion of firearms to criminals and juveniles from both legal and illegal sources.
- ◆ Identify, investigate, and stop illegal firearms traffickers, particularly those who supply firearms to young criminals and gangs through such efforts as the Youth Crime Gun Interdiction Initiative (YCGII).
- ◆ Promote comprehensive firearms tracing by all law enforcement agencies and continue to expand the use of technology to trace crime guns, identify trends, develop leads and share critical information to prevent illegal firearms trafficking.

Remove Violent Offenders from Our Communities

- ◆ Reduce the future number and cost of violent crimes by identifying and arresting violent criminals such as arsonists, bombers and armed offenders.
- ◆ Assist prosecutors and others to incarcerate violent offenders.
- ◆ Continue to provide innovative leadership within the law enforcement community to effectively solve violent crimes through the use of technology and training.

Prevent Violence through Community Outreach

- ◆ Reduce violence by continuing the growth of education programs to promote awareness and assist the public.
- ◆ Collaborate with schools and other community organizations to encourage, develop, and participate in enforcement and educational efforts to identify and reduce violent behavior.

STRATEGIC GOAL: *Maintain a sound revenue management and regulatory system that continues reducing taxpayer burden, improves service, collects the revenue due, and prevents tax evasion and other criminal conduct.*

The Federal Government must collect revenue from its citizens and businesses in order to provide the multitude of programs and services that are critical to the Nation's well being. ATF plays a key role by collecting taxes and fees on alcohol, tobacco, firearms, and ammunition. While it is important that the Government collect the revenue that is due, it is equally important that this revenue be collected with the least amount of burden to the taxpayer. These responsibilities will be accomplished through the implementation of electronic government, automation of internal business applications, audits and inspections of taxpayers, and prevention of tax evasion.

Reduce Taxpayer Burden and Improve Service

- ◆ Use Electronic Government.
- ◆ Reduce the taxpayer paperwork burden associated with collection of the revenue by creating alternative filing methods.
- ◆ On-line filing and payment of tax returns, business activity reports, claims, applications, COLAs, and other required forms.
- ◆ Increase program effectiveness through partnerships with industry, States, and other Federal agencies.

- ◆ Continue to automate business applications at the National Revenue Center (NRC).
- ◆ Improve collections and efficiency of service through information sharing efforts such as seminars, publications and industry meetings.
- ◆ Ensure consistent tax administration.

Collect All the Revenue that is Rightfully Due

- ◆ Account accurately for the revenue assessed and collected.
- ◆ Increase NRC audits of taxpayers and collect delinquencies to ensure voluntary compliance.
- ◆ Ensure correct payment of taxes through inspection of at-risk taxpayers.
- ◆ Implement and refine ways to identify potential tax jeopardy patterns.
- ◆ Conduct a study to measure and address the tax gap.
- ◆ Through partnership with industry, States, and other Federal agencies, develop alternative methods of promoting voluntary tax compliance.

Prevent Tax Evasion and Other Criminal Conduct in the Regulated Industries

- ◆ Investigate and recommend for prosecution those involved in tax evasion schemes.
- ◆ Reduce illegal diversion and smuggling of taxable commodities.
- ◆ Prevent entry into alcohol and tobacco industries by persons likely to evade tax payment.
- ◆ Seek criminal or civil sanctions that will deter tax evasion.
- ◆ Forge partnerships with Federal, State, local and foreign agencies to enforce tax laws (for example, the Contraband Cigarette Trafficking Act).

STRATEGIC GOAL: *Protect the public and prevent consumer deception in ATF's regulated commodities.*

ATF oversees the production and distribution of alcohol, firearms, ammunition, and explosives and ensures compliance with laws and regulations through education, inspection and investigation. We rely on innovation, partnerships, and open communication to fully achieve this strategic goal. ATF works with industry, State governments, and others to make regulation less burdensome. ATF trains, informs, and assists these industry members and government agencies, as well as the public, with the goal of protecting the public and preventing consumer deception.

Ensure the Integrity of the Products, People, and Companies in the Marketplace

- ◆ Ensure that only qualified applicants enter the regulated industries.
- ◆ Perform appropriate testing, laboratory analyses, and review documents of regulated commodities to ensure product safety and integrity.
- ◆ Review and act on labels and formulas for domestic and imported beverage alcohol products. Maintain an interactive label database.

Ensure Compliance with Laws and Regulations through Education, Inspection and Investigation

- ◆ Respond to industry and consumer complaints. Investigate product contamination and adulteration.

- ◆ Inspect Federal Firearms Licensees and explosives licensees and permittees and their products to ensure compliance with laws and regulations.
- ◆ Investigate thefts of regulated commodities.
- ◆ Investigate violations of trade practice, labeling, and advertising in the beverage alcohol industry.
- ◆ Ensure the integrity of record systems to facilitate the tracing of crime guns and explosives.
- ◆ Ensure the safe and secure storage of explosives.
- ◆ Inspect alcohol beverages at producer and importer premises to detect consumer deception on health issues.
- ◆ Educate interested parties on the laws and regulations of the United States and other countries in areas concerning the regulated industries.

Inform the Public

- ◆ Publicize information on ATF policies and regulations, product safety, and theft prevention using the Internet, trade publications, seminars, and industry meetings.
- ◆ Work in partnership with others to better inform, advise, and educate the public.
- ◆ Inform and guide the regulated industries on the Federal laws and regulations and their compliance responsibilities.

Key External Factors Affecting Achievement of ATF's Goals

- ◆ Heightened reporting of arson and explosives information - The national repository for arson and explosives information would be greatly enhanced by increased reporting from relevant authorities. Federal, State, and local officials must work toward establishing uniform terminology for reporting purposes.
- ◆ Firearms industry actions - Enforcement efforts would benefit if the firearms industry takes affirmative steps to track weapons and encourage proper operation of Federal Firearms Licensees to ensure compliance with all applicable laws.
- ◆ Litigation - Resolution of the numerous lawsuits filed against firearms manufacturers may affect how the manufacturers operate.
- ◆ Changing demographics and attitudes- Alcohol and tobacco consumption patterns and subsequent tax revenues may be affected by changing demographics and efforts to prevent youth access to these commodities.

Appendix A

ATF's Strategic Leadership Process

The Strategic Leadership Process is a structured, continuous process to ensure that our vision, mission, and strategic goals are successfully achieved and that our values direct the way we do business. It ensures that the elements within this document are fully understood, supported, and integrated throughout all segments of the Bureau. This plan was created from the ideas and input of employees throughout ATF. Formal systems ensure that:

- ◆ Detailed implementing plans are developed from our strategic goals.
- ◆ Budget formulation and resource allocations are driven by our strategic goals.
- ◆ We live our values.
- ◆ Appropriate training needs are met.
- ◆ Reward and accountability systems are consistent with our culture and priorities.
- ◆ We measure and report the results of our efforts.

Appendix B

Summary Linkage Table

Relationship between the Strategic Plan and the Annual Performance Plan

| Treasury Strategic Goal or Objective | ATF Strategic Goal | Performance Goals Linked to Strategic Goal |
|--|--|---|
| <p>Fight Violent Crime:</p> <ul style="list-style-type: none"> ◆ Deny criminals access to firearms and reduce the risk of violent crime in our communities; ◆ Safeguard the public from arson and explosives incidents; and ◆ Strengthen the capability to fight terrorist threats to the U.S. | <p>Reduce Violent Crime: Effectively contribute to a safer America by reducing firearms, explosives, and arson related violent crime.</p> <ul style="list-style-type: none"> ◆ Deny criminals access to firearms; ◆ Safeguard the public from arson and explosives incidents; ◆ Remove violent offenders from our communities; ◆ Prevent violence through community outreach. | <ul style="list-style-type: none"> ◆ Crime costs avoided (\$billions) ◆ Future crimes avoided (firearms) ◆ Number of persons trained ◆ Number of traces ◆ Average trace response time |
| <p>Collect Revenue Due to the Federal Government:</p> <ul style="list-style-type: none"> ◆ Improve and simplify tax laws and administrative guidance consistent with other important tax policy guidance <p>Manage the Federal Government's Accounts:</p> <ul style="list-style-type: none"> ◆ Ensure all Federal payments are accurate and timely; and ◆ Strengthen the government's financial infrastructure to improve the efficiency of program management across government. | <p>Collect the Revenue: Maintain a sound revenue management and regulatory system that continues reducing taxpayer burden, improves service, collects the revenue due, and prevents tax evasion and other criminal conduct.</p> <ul style="list-style-type: none"> ◆ Reduce taxpayer burden and improve service; ◆ Collect all the revenue that is rightfully due; and ◆ Prevent tax evasion and other criminal conduct in the regulated industries. | <ul style="list-style-type: none"> ◆ Taxes and fees collected from alcohol, tobacco, firearms, and explosives industries ◆ Ratio of taxes and fees collected vs. resources expended to collect them ◆ Industry members filing online |
| <p>Promote Domestic Growth:</p> <ul style="list-style-type: none"> ◆ Assure the integrity of the products, people, and companies in the market place; ◆ Ensure compliance with laws and regulations through education, inspection and investigations; and ◆ Inform the public. | <p>Protect the Public: Protect the public and prevent consumer deception in ATF's regulated commodities.</p> <ul style="list-style-type: none"> ◆ Ensure the integrity of the products, people and companies in the marketplace; ◆ Ensure compliance with laws and regulations through education, inspection, and investigation; and ◆ Inform the public. | <ul style="list-style-type: none"> ◆ Responses to unsafe conditions and product deficiencies discovered (explosives) ◆ Number of commodity seminars |

Cross-Cutting Activities

ATF actively participates in a number of interagency law enforcement efforts that help achieve and sustain cross-cutting strategies aimed at reducing violent crime. ATF joins other law enforcement entities such as the Department of Justice, the Office of National Drug Control Policy, State and local police agencies, and foreign law enforcement organizations to reduce both the number of violent crimes and the cost of those crimes to American society.

ATF is a participating agency in the Interagency Crime and Drug Enforcement (ICDE) program (formerly Organized Crime and Drug Enforcement Task Force - OCDEF) which initiates and assists other law enforcement agencies in identification, investigation, and prosecution of members of high level drug trafficking organizations and related enterprises. Another major objective that the Bureau has as part of ICDE is to dismantle or disrupt the operations of criminal organizations. ATF also participates as part of the High Intensity Drug Trafficking Area (HIDTA) Program. ATF field offices work closely with local HIDTA officials and local law enforcement organizations in various parts of the country with the mutual aim of targeting significant drug trafficking organizations and dismantling their operations. Goals 1 and 2 of the National Drug Control Strategy are addressed by ATF programs that:

- ◆ Detect and prevent distribution of firearms into illegal channels and into the possession of prohibited persons;
- ◆ Investigate arson and explosives related incidents having a significant community impact;
- ◆ Assist State and local law enforcement agencies in reducing crime and violence;
- ◆ Educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco; and
- ◆ Reduce illegal trafficking, possession and use of firearms, destructive devices, and explosives.

ATF's participation in both ICDE and HIDTA programs is measured as a percentage of the Bureau's efforts under the Reduce Violent Crime strategy. These measures include "future crimes avoided", "crime related costs avoided", "number of trace requests", "average trace response time", and "number of individuals trained".

ATF is an active participant in other cross-cutting initiatives related to counterterrorism, training of State and local law enforcement agencies, firearms trafficking and arson task forces, abortion clinic and other bombing task forces, special major events (e.g., NATO 50) and the 2002 Winter Olympics planning. In each of these examples, ATF brings its unique expertise as part of the joint effort to prevent and respond to violent acts. This expertise spans a wide range of efforts involving firearms enforcement, arson investigation, and explosives detection and investigation.

The National Integrated Ballistics Information System implementation provides law enforcement and the forensic science community with the tools to reduce violent crime through state of the art technology. ATF and the FBI are providing the equipment and networking capability, respectively.

Appendix D

Program Evaluations

Program evaluations performed by internal and external entities are being used to validate performance measures and determine effectiveness of programs, and to determine whether operating policies are followed.

Past Evaluations (1998-1999)

- ◆ ATF Integrated Ballistics Identification System - OIG - Focus on management controls within IBIS; ATF to modify MOUs and SOPs to include ownership clause and develop contingency plans to maintain equipment.
- ◆ Audit of ATF 1997,1998,1999 Financial Statements - OIG - Security of financial system and data security administration; weaknesses identified in access control software, change controls, and telecom security.
- ◆ Final Report on ATF's Violent Offenders Program - OIG - Assessment of VOP target levels, records maintenance and relationship with AUSAs and State/locals; program terminated.
- ◆ Audit Report on Allegations re Administration of National Firearms Registration and Transfer record - OIG - Adequacy of controls within NFA Branch to ensure security, eliminate database errors, and maintain proper files (open).
- ◆ Year 2000 Compliance Effort at ATF - OIG - Y2K conversion effort; compliant.
- ◆ ATF Needs to assure Accomplishments of Achilles Program are Accurately Reported - OIG - Inaccuracies in data and problems in case management systems understating accomplishments.
- ◆ Audit of ATF's Puerto Rico and Miami HIDTA programs - OIG - Controls and accountability for HIDTA funds (open).
- ◆ ATF Controls Over Tax-free Exports - OIG - Problems identified in the collection of export items potentially losing \$25 million in revenue (open).
- ◆ ATF Case Targeting and Productivity - OIG - are cases developed in alignment with the strategic plan, and are high quality cases being made against violent criminals and criminal organizations (open).
- ◆ Division Operations Review - ATF OI - Sixteen field divisions and sixteen headquarters divisions were reviewed in fiscal years 1998 and 1999.

Future Evaluations

- ◆ ATF and Customs Cross-cutting Measure Reliability - OIG
- ◆ ATF Alcohol and Tobacco Revenue Inspection Program Followup - OIG
- ◆ ATF Case Targeting and Productivity - OIG
- ◆ ATF Controls Over Tax-free Alcohol and Tobacco At CBW/FTZ - OIG
- ◆ ATF Explosives Inspection Follow-up - OIG
- ◆ ATF Floor Stocks Tax - OIG
- ◆ ATF Offers in Compromise
- ◆ ATF Non-Beverage Drawback
- ◆ Theft of Firearms in Transit
- ◆ ATF's Integrated Violence Reduction Strategy
- ◆ ATF National Laboratories (forensic labs)- OIG
- ◆ ATF National Laboratories (alcohol & tobacco labs)- OIG
- ◆ ATF Section 5010 Credits Tax Credits - OIG
- ◆ ATF Special Occupational Tax Program Follow-up - OIG
- ◆ ATF's Investigations of Referrals from the NIC Background Check - OIG
- ◆ ATF's Federal Firearms Licensee Inspection Program - OIG
- ◆ OIG Audit of Law Enforcement Performance Measures
- ◆ Nineteen field divisions and twenty-three headquarters divisions will be reviewed in fiscal years 2000 and 2001 - ATF OI

Appendix E

Data Capacity

All ATF critical information systems are Y2K compliant. Data captured for performance measurement are considered to be reasonably accurate. Evaluation of the validity of our performance measures is in progress.

Management Challenges

ATF needs to strengthen its financial management controls in order to assure that hundreds of millions in excise tax dollars do not escape collection. Efforts are underway at the National Revenue Center to coordinate and link various databases and reporting systems. ATF has also begun work on an analysis of a possible tax gap. Together, these two efforts will help in identifying lost revenue. (IG-99)

Weaknesses exist in ATF's ability to approve applicants for Federal Firearms Licenses. Efforts to determine the eligibility of applicants are hindered by the unavailability of information in the criminal record information systems around the country. ATF must ensure that complete background checks are performed before applicants are cleared. (IG-99)

Consultations with Stakeholders

In 1999 ATF conducted an environmental assessment outreach to various stakeholders. Industry members, trade associations, law enforcement organizations, US Attorneys, and public interest groups were asked the following questions:

1. What are ATF's strengths?
2. What are ATF's weaknesses?
3. How can ATF do a better job of working with you?
4. Are there any emerging trends that will impact your operations that ATF should be made aware of?

The following is a sense of the prevailing responses:

ATF's Strengths

- ◆ ATF is seen as having a strong tradition of partnership with industry and a willingness to engage in dialogue.
- ◆ ATF has the ability and willingness to work with State, local and other Federal agencies.
- ◆ ATF has unique resources and expertise, including gun tracing, laboratory, technical experts and agent personnel
- ◆ Gun tracing capabilities stand out as an aid to State and local enforcement agencies.

ATF's Weaknesses

- ◆ ATF has an insufficient presence in the marketplace, and is slow to respond to concerns.
- ◆ ATF possesses less knowledge of the current industry, less expertise, and less consistency in interpretation and enforcement of regulations.
- ◆ ATF's human resources are insufficient to cover the geographical area under our responsibility. Smaller communities' needs are overlooked.
- ◆ Bureaucracy, red tape and delays are a major hindrance for many customers.
- ◆ Reorganization and rotation of personnel cause problems for customers seeking answers to policy and procedural questions.

How to better work with you

- ◆ Reestablish working relationship with industry through face-to-face contact.
- ◆ Increase communication and provide better and consistent information.
- ◆ Work more directly with local law enforcement, both on cases and in exchanging information.
- ◆ Get more information out on ATF's mission and capabilities.
- ◆ Be more consistent in interpreting and applying processes and regulations.

Emerging trends

- ◆ More consolidation and buyouts within industry will change the nature of the marketplace.
- ◆ Internet sales of regulated commodities will increase and be more of a problem for industry and regulators.
- ◆ More bomb threats and hate crimes will be occurring.
- ◆ Youth violence and gang affiliation are increasing, and are spreading beyond the big cities.
- ◆ E-government will change the way we deliver services to our customers.

ATF's Headquarters and field division personnel were given the opportunity to respond to the following questions:

1. What are ATF's strengths when it comes to meeting our strategic goals?
2. What are ATF's weaknesses when it comes to meeting our strategic goals?
3. How can ATF do a better job of working with our partners and customers?
4. Are there any emerging trends that will impact your operations of which ATF's Strategic Leadership Team should be made aware?

The following is a sense of the prevailing responses:

Strengths:

- ◆ Experienced employees and unique expertise
- ◆ Partnerships with other enforcement agencies
- ◆ Ability to focus on goals, strategies and performance

Weaknesses:

- ◆ Too many tasks for the number of personnel available.

- ◆ Confusion between directorates, and HQ and the field, over responsibilities and mandates
- ◆ Loss of institutional knowledge

Better working with partners and customers:

- ◆ More face-to-face interaction with all stakeholders
- ◆ Communication outreach and follow up
- ◆ Better quality control and faster response. This includes service for internal customers.

Trends:

- ◆ Growth in global trade and international issues
- ◆ Encroachment on ATF's jurisdiction by other agencies
- ◆ Increase in acts of violence, especially among juveniles, a "demographic crime bomb".

Capitol Hill Consultations

ATF executives also take every opportunity to discuss the strategic plan with members of Congress. In fiscal year 1999, Director Magaw visited Senators Dorgan and Kyl. In fiscal year 2000 Director Buckles met with:

Appropriators:

Chairman Ben Nighthorse Campbell
 Ranking Democrat Byron Dorgan

Chairman Jim Kolbe
 Ranking Democrat Steny Hoyer

House Judiciary Committee members:

Ranking Democrat John Conyers
 Representative Asa Hutchinson

Representatives Bob Barr and Steve Rothman
 Crime Subcommittee Chairman Bill McCollum

Senate Judiciary Committee members Orrin Hatch, Jeff Sessions and Charles Schumer.

ATF's Legislative Affairs Office regularly consults with the following committees:

- ◆ House Subcommittee on Treasury, Postal Service, and General Government

- ◆ Senate Subcommittee on Treasury and General Government, Senate Appropriations
- ◆ Committee on the Judiciary