



2001 M Street, N.W.
Washington, D.C. 20038

Independent Accountants' Review Report

Director
Bureau of Alcohol, Tobacco and Firearms

Office of Inspector General
U.S. Department of the Treasury:

We have reviewed the accompanying balance sheet of the Bureau of Alcohol, Tobacco and Firearms (ATF) as of September 30, 2001, and the related statements of net cost, changes in net position, budgetary resources, financing, and custodial activity (hereinafter collectively referred to as the "financial statements") for the year then ended. These financial statements are the responsibility of ATF's management.

We conducted our review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A review consists principally of inquiries of ATF personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the financial position of ATF as of September 30, 2001, and its net costs, changes in net position, budgetary resources, reconciliation of net costs to budgetary obligations, and custodial activity, for the year then ended, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements as of and for the year ended September 30, 2000 were audited by other accountants, whose report thereon, dated January 19, 2001, expressed an unqualified opinion.

KPMG LLP

January 15, 2002



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