

Performance Goals and Results

Reduce Violent Crime

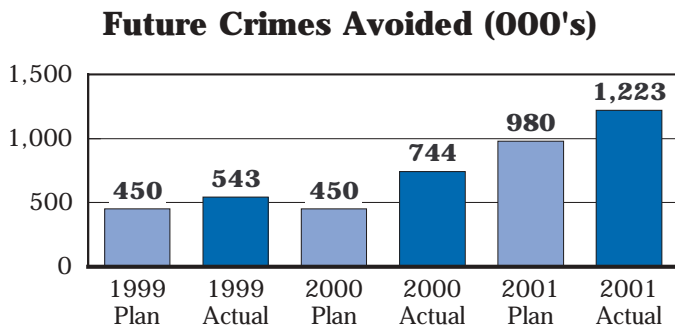
Through this activity, ATF enforces the provisions of the Gun Control Act of 1968, as amended; the National Firearms Act; the Brady Law; the Violent Crime Control and Law Enforcement Act of 1994; the Organized Crime Control Act of 1970; the Anti-Arson Act of 1982; the Church Arson Prevention Act of 1996; and the Antiterrorism and Effective Death Penalty Act of 1996. Because many Federal laws contain provision for mandatory extended sentences, ATF strives to increase State and local awareness of Federal prosecution available under these statutes.

Strategic Goal: Effectively contribute to a safer America by reducing violent crimes.

Programs: This strategic goal is accomplished through four programs:

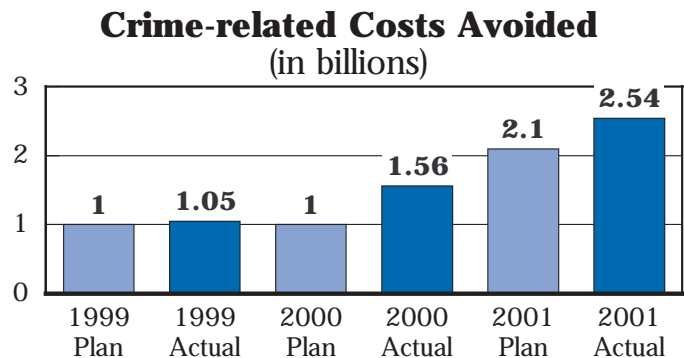
- **Deny Criminals Access to Firearms**
- **Safeguard the Public from Arson and Explosives Incidents**
- **Remove Violent Offenders from our Communities**
- **Prevent Violence through Community Outreach**

Performance Measure: Future Crimes Avoided.



This measure represents the number of crimes that are prevented when armed career criminals and firearms traffickers are incarcerated. The number of criminals sentenced is multiplied by the number of crimes that ATF projects these criminals would commit during the course of their incarceration. Measures refer to firearms-related programs only. In FY 2001, 1,222,624 crimes were avoided.

Performance Measure: Crime-related costs avoided (in billions).



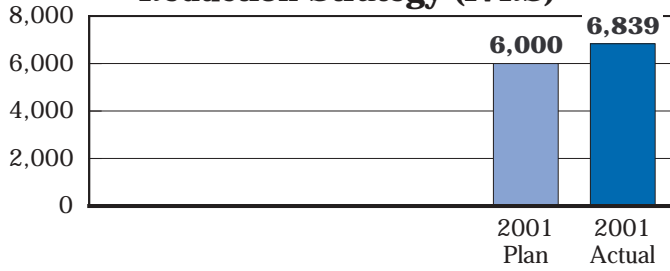
This measure tracks the estimated costs saved by incarcerating armed career criminals and firearms traffickers. Measures refer to firearms-related programs only.

The continued reduction could be contributed to an overall reduction in homicides, robberies, rapes, and aggravated assaults.

Performance Measure: Number of personnel trained in relation to the Integrated Violence Reduction Strategy (IVRS).

This measure captures data on training activities related to ATF's performance goal to deter and reduce gun violence and crime; specifically, aligning with the IVRS, developed and implemented by each ATF field division.

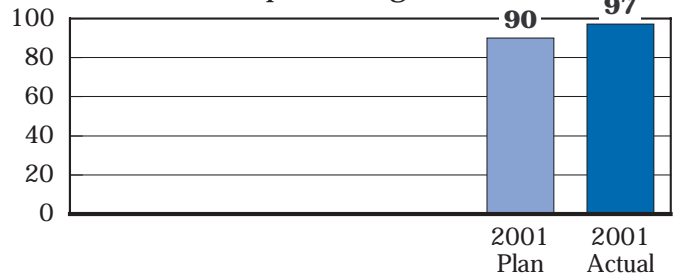
Number of Personnel Trained in Relation to the Integrated Violence Reduction Strategy (IVRS)



Performance Measure: National Response Team customer satisfaction rating.

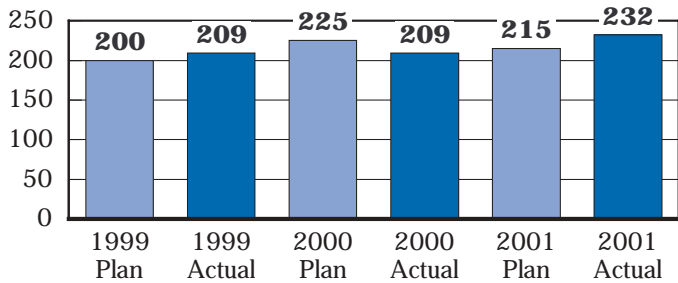
This measure reflects the average numerical score provided by customers on ATF's customer satisfaction survey.

NRT Customer Satisfaction Rating (percentage)



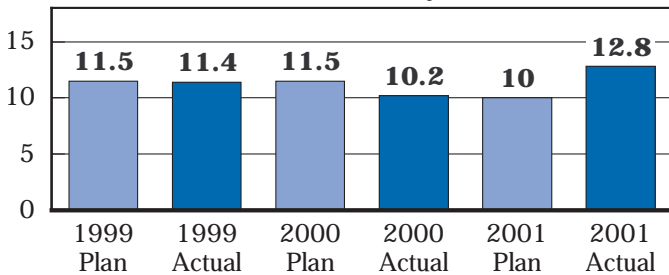
Performance Measure: Number of firearms trace requests.

Number of Firearms Traces (000's)



Performance Measure: Average trace response time (# of days).

Average Trace Response Time (number of days)



Program: Deny Criminals Access to Firearms

Illegal Firearms Trafficking

ATF reduces the criminal availability of firearms by identifying illegal sources of firearms and recommending prosecution of illegal firearms traffickers. Overall goals include investigating the most active illegal firearms traffickers and reducing violent crime. This program has both domestic and international components.

Youth Crime Gun Interdiction Initiative (YCGII)

This component of ATF's nationwide Firearms Trafficking Enforcement Program identifies and investigates illegal sources of firearms trafficked or diverted to youths and juveniles. As of FY 2001, ATF had implemented the program in 50 cities. Two major goals of YCGII are to encourage comprehensive crime gun tracing by State and local law enforcement agencies and to provide crime gun market analyses to break the chain of illegal supply of firearms to youths.

International Firearms and Explosives Trafficking

ATF is responsible for investigating the illegal movement of firearms, explosives, and ammunition in international traffic; and preventing such arms from being used throughout the world to commit acts of terrorism, to subvert restrictions within other nations, and to be used as commodities in organized crime and narcotics-related activities.

In conjunction with the U. S. Customs Service, ATF also participates in foreign country firearm trafficking assessments and training programs funded by the Department of State, Bureau of International Narcotics and Law Enforcement Affairs (INL).

In FY 2001, ATF provided technical expertise on firearms-related issues to U.S. missions participating in international forums such as the United Nations and the Organization of American States.

ATF continues to serve as the point of contact for foreign law enforcement agencies conducting investigations involving U.S.-sourced commercial firearms. In support of our foreign colleagues, ATF routinely provides information related to the manufacture, importation, technical specifications, and legal movements of firearms with a U.S. nexus.

To better support ATF's mission and assist foreign law enforcement agencies in curtailing the illegal flow of U.S.-sourced firearms, ATF maintains offices in Colombia, Mexico, and Canada. During FY 2001, the ATF Colombia Country Office was increased by an additional special agent.

Brady/NICS Investigations

ATF is responsible for enforcing the provisions of the Gun Control Act of 1968 (GCA), which include the Brady Act amendments and provisions for the establishment of the National Instant Criminal Background Check System (NICS). All Federal firearms licensees (FFLs) must directly contact NICS, which is administered by the FBI, or a State point of contact, which conducts a similar background check prior to the transfer of a firearm to unlicensed individuals.

All referrals to ATF as a result of NICS denials are reviewed for disposition. ATF has made a top priority the investigation of felons, domestic violence violators, and other prohibited individuals who attempt to illegally obtain firearms.

In FY 2001, ATF received, processed, and reviewed in excess of 85,000 referrals. Of these, more than 18,000 were sent to field offices for investigation.

Project Safe Neighborhoods

Project Safe Neighborhoods is the comprehensive firearms enforcement strategy announced by President Bush on May 14, 2001. Project Safe Neighborhoods combines the core elements from the most comprehensive and effective strategies currently in place, including Project Exile, Project ICE (Isolating the Criminal Element), the Youth Crime Gun Interdiction

Initiative (YCGII), Operation Ceasefire, and comprehensive tracing. The strategy is to combine the five essential elements needed for a vigorous and successful gun violence reduction plan and tailor them to the needs of each individual judicial district and its unique gun violence problem. These elements are partnership, strategic planning, training, community outreach, and accountability.

In alignment with the Bureau's Strategic Plans on Protecting the Public and Reducing Violent Crime, a nation-wide assessment was conducted to determine the number and types of task forces in which ATF is actively involved and to define ATF's lead role in reducing violent crime. The assessment proved to be an integral part of the President's Directive on Project Safe Neighborhoods. The success of Project Safe Neighborhoods is largely dependent upon expanding the role of ATF in firearms enforcement nationwide. As a proactive approach to the President's Directive, ATF identified over 72 locations nationwide that currently lack permanent, full-time ATF presence where United States Attorney's offices are located. ATF's 2001 National Firearms Strategy calls for the creation of over 40 new satellite offices in these cities over the next 3 years.



Boy Scouts touring the Houston Field Division are shown the ATF Bomb Truck.

National Tracing Center

With restructuring effective October 1, 1999, ATF's National Tracing Center (NTC), Falling Waters, WV, became a division within ATF's Office of Firearms, Explosives and Arson. The new division comprises the former National Tracing Center Branch of the Firearms, Explosives and Arson Services Division, and the Crime Gun Analysis Branch.

The NTC is the only operation of its kind in the world. This facility conducts traces of firearms recovered at crime scenes and from youth for any Federal, State, local, or international law enforcement agency. The specific goal of the NTC is to increase the number of trace requests via increased electronic access to NTC information. In FY 2001, the NTC processed 232,272 crime gun traces. Report of Multiple Sale or Other Disposition of Pistols and Revolvers, ATF Form 3310.4, completed by FFLs when selling or otherwise disposing of two or more pistols during any five consecutive business days, is forwarded to the NTC. In addition, the NTC is the only repository for all FFL out-of-business records, where millions of records are currently stored.

ATF developed and initiated the Electronic Trace Submission System (ETSS). The purpose of ETSS is to aid the National Tracing Center in solving firearm related crimes by providing trace information about a firearm in question. ETSS is currently deployed in 159 law enforcement agencies. Police departments in the YCGII cities can now electronically transmit crime gun trace requests to NTC. Currently, 50% of traces are received electronically.

The Crime Gun Analysis Branch (CGAB) provides ATF personnel and other law enforcement agencies with crime gun data specific to their geographical areas. The Branch uses crime gun data amassed by the NTC to identify illegal firearms trafficking patterns and trends throughout the world. The Branch conducts in-depth analyses using graphs and maps to provide visual effects. ATF personnel use Online LEAD, a computerized investigative tool, to identify illegal traffickers. The web-based Online LEAD software provides ATF field

personnel and industry members with real-time statistical information concerning the segments of the firearms industry regulated by ATF.

During FY 2001, the Crime Gun Analysis Branch completed 2,298 assignments resulting in excess of 32,500 queries to the Firearms Tracing System. A total of 82 proactive referrals were made to ATF field divisions. FFL history or individual histories accounted for 1,356 queries. CGAB processed over 45 Geographic Information System (GIS) mapping projects. There were 1,807 reports totaling 14,299 firearms entered into the Suspect Gun database. In addition, GIS maps were completed for each city receiving YCGII funding.

Stolen Firearms

As a significant component of the Firearms Trafficking Program, this program seeks to reduce thefts of firearms from Federal firearms licensees and interstate carriers transporting firearms. This is accomplished through collecting and analyzing firearm licensee and interstate carrier theft information, and providing investigative leads to special agents and inspectors. All of these reports of thefts from licensed dealers and from interstate shipments and all associated recoveries were provided to ATF field offices for their consideration in opening a criminal investigation.

Program: Safeguard the Public from Arson and Explosive Incidents

An integral part of ATF's overall violent crime reduction strategy, ATF's arson and explosives projects are directed toward preventing the criminal use of explosives and the crime of arson, and providing effective post-incident response. ATF measures its success by the amount it saves the public through its proactive investigations of such crimes as arson-for-profit.

Prevent Criminal Use of Explosives

Through this program, ATF provides resources to identify and pursue those who use explosive

materials for bombings and arson fires. ATF has a cadre of explosive technologists with unique capabilities in explosives and bomb disposal. Their experience ranges from the ability to construct facsimiles of explosive and incendiary devices to assisting the State Department's Diplomatic Security Service in conducting antiterrorism capability assessments outside of the continental United States.

Arson and Explosives National Repository

The Arson and Explosives National Repository Branch's (AENRB) modern information management system contains nearly 112,000 arson and explosives incidents. This information is obtained from Federal, State, and local fire service/law enforcement incident reports, bomb technicians, and explosives investigators. The principle Federal partners in the data collection effort include ATF, the FBI, and the United States Fire Administration (USFA).

Information provided by the Repository is used for statistical research and analysis, investigative leads, and intelligence. It serves investigators, managers, and those performing regulatory duties at all levels of Government. In addition to incident and trend analysis, the Repository provides explosives tracing support. In FY 2001, there were 183 traces performed on commercial explosives and 59 on military items.

Special agents and intelligence research specialists provided instruction on incident reporting and the capabilities of the AENRB to 1,368 Federal, State, and local investigators and technicians. The branch also provided international training on arson and explosives incident information management to law enforcement officials in Australia, Canada, Columbia, France, Germany, Mexico, and the United Kingdom.

Church Fires

In early 1996, Federal officials detected a sharp rise in the number of reported attacks at houses of worship, especially among African-American churches in the South. In June 1996, President

Clinton formed the National Church Arson Task Force (NCATF) and made the investigation of these fires a top priority of Federal law enforcement. The task force combined the efforts of ATF, the FBI, Justice Department attorneys, Federal Emergency Management Administration, Department of Housing and Urban Development, and the Community Relations Service of the Department of Justice. ATF was designated as the lead Federal agency to investigate the origin and cause of fire and bombing incidents at houses of worship.

The task force opened 1,077 arson/bombing investigations. A total of 481 defendants have been arrested nationwide, which solved 380 of the 1,077 investigations.

The task force continues to investigate arsons, bombings, and attempted bombings that are targeted at houses of worship and will continue to promote church arson awareness through outreach efforts across the country.

Explosives Detection Canines

In 1997, ATF began training explosive detection canine teams for State, local and other Federal agencies. Currently, there are 28 ATF-certified explosive detection canine teams working throughout the United States. Five of these teams include ATF special agent canine handlers (SACH) stationed in Atlanta, Dallas, Los Angeles, San Francisco, and Washington, DC.

Explosives Research

In FY 1999, in conjunction with the U.S. Army Corps of Engineers, the National Security Council, and the Defense Nuclear Agency, ATF began participation in a project known as Dipole Might; a program to create a computer database and investigative protocol to assist investigators when processing large car bomb scenes. Tests included the evaluation of road sign damage from blasts, taggant survival/retrieval, and explosives residue testing. During FY 2001, ATF continued to add information to the database, conducting two major experiments relative to taggant survivability and recovery experiments by the Explosives Study Group.

Computer software development continued through the year, with a prototype software program delivered in the 4th quarter. Distribution of the software is anticipated for 3rd quarter FY 2002. Additional experiments, international and interagency research initiatives, and software refinement will continue in FY 2002.

Effective Post-Incident Response

Through years of investigative experience, ATF has learned that a coordinated and rapid deployment of highly trained and well-equipped personnel and related support functions is critical to the investigation of any arson or explosives incident. This "team approach" is the basis for ATF's National Response Team (NRT), its International Response Team, division response teams, and arson task forces.

The NRT can respond within 24 hours to major bombing and fire scenes anywhere in the United States. In FY 2001, the team provided effective post-incident response in 26 activations. These incidents involved \$35.8 million in damages and were responsible for 93 fatalities and 25 injuries. ATF continues to conduct customer satisfaction surveys of those who use the NRT, using the tabulated data to determine the NRT's effectiveness.

The NRT provided support to local communities in the management of four large special events with certified explosives specialists, explosives enforcement officers, post-blast investigative teams, and explosives detection canine teams. This support was provided at the Asian Development Banking Conference, the Special Olympics, the Miss Universe Pageant, and the Presidential Inauguration. The NRT is involved in the planning for the 2002 Winter Olympics and will provide some of these same resources.

The NRT has developed a new and innovative approach to the documentation of large crime scenes through the use of Sokkia Forensic Mapping. This highly technical system is being used on all NRT activations and has been deployed to assist State and local authorities on major crime scenes.

ATF agents engaged in criminal investigative analysis have had a significant impact in many types of investigations during FY 2001. Although their emphasis is in the jurisdictional area of bombings and arsons, they have assisted in a wide range of violent crimes; including homicide, kidnapping, child abduction, and national security cases. They have provided assistance to the countries of Sweden (assassination of the Prime Minister), South Africa (series of bombings), and Canada (arson prosecution). They have done "profile" consulting with law enforcement investigators in over 140 cases, and analyzed over 135 statements that resulted in the identification of 19 suspects. They have authored papers dealing with bomber profiling and are involved in research aimed at identifying profiles of all types of criminals. They have provided training for ATF agents and other Federal, State, and local law enforcement agencies.

A Special Agent Certified Fire Investigator (SACFI) and Special Agent Certified Explosives Specialist (SACES) are critical to the success of a comprehensive post-incident response. ATF's SACFIs are the only investigators trained by a Federal law enforcement agency to qualify as expert witnesses in fire cause determinations. In FY 2000, there were 76 of these investigators stationed throughout the United States. Eight additional SACFI candidates were certified in FY 2001. This allows for the strategic placement of investigators throughout the country to assist Federal, State, and local agencies with fire origin and cause determinations and training. ATF's 275 SACES, who have developed an unmatched level of expertise in post-blast analysis through years of experience, are proficient in all aspects of explosives identification, handling, instruction, demonstration, and destruction.

Because many arson crimes involve insurance, bank, mail, and other types of fraud, these investigations often require complex forensic financial analyses. These complex financial investigations are provided through ATF's Office of Science and Technology, Audit Services Division. The office also provides comprehensive forensic science services; supporting the task forces with financial auditing

services, information systems and equipment, and high-speed data communications. This includes Internet access to facilitate the research and exchange of national and international technical data and intelligence.

Program: Remove Violent Offenders from Our Communities

This program involves projects and services to investigate, arrest, and recommend for prosecution the most violent criminals who use firearms and explosives in their criminal activity.

Armed Violent Criminal Apprehension Program

This program uses specific provisions of the 1968 Gun Control Act, as amended; to investigate armed career criminals, armed drug traffickers, and other individuals who are prohibited from possessing firearms. Many of the defendants receive mandatory enhanced sentencing under the Armed Career Criminal Act of not less than 15 years in prison. Further, ATF's violent crime coordinators pursue additional information to determine where these violators obtain their weapons and whether they have committed previous criminal acts with them. ATF agents may then be able to initiate investigations under the Illegal Firearms Trafficking Enforcement Program to prevent additional firearms from being illegally diverted. These complementary efforts strive to reduce violent crime across the nation.

ATF also participates in numerous task forces with Federal, State, and local agencies; and supports intensive prosecution efforts such as Project Exile.

National Integrated Ballistic Information Network (NIBIN) Program

In the NIBIN Program, ATF deploys state-of-the-art equipment, known as the Integrated Ballistics Identification System (IBIS), to State and local NIBIN partner agencies. Agency users enter incoming firearms evidence into the system, then

search it against the database of previously entered evidence to find links to previous crimes. When a similar piece of evidence is discovered, firearms examiners use the original evidence for comparison to determine a match. By minimizing the number of comparisons that firearms examiners must make before finding a match, NIBIN maximizes firearms examiner resources. The system searches the entire firearms database in a matter of minutes. These quick searches provide detectives with significant investigative leads, some of which would be available by no other means.

ATF is moving quickly to deploy NIBIN equipment nationwide. Implementation in California and Nevada is nearly complete. Texas and Oklahoma are in the process of hardware installation and software configuration, with a few sites already operational. In Florida and Puerto Rico, equipment installation is complete, and those sites will be operational once networking is available. In FY 2001, 207 users were trained to use the NIBIN equipment.

Program: Prevent Violence through Community Outreach

This program focuses on community efforts designed to encourage and participate in the prevention of violence.

G.R.E.A.T. Program

The Gang Resistance Education and Training (G.R.E.A.T.) Program is a prevention program that seeks to deter students from gang activities and provide them with the necessary life skills to resist violence and gang pressure. The mission of the G.R.E.A.T. Program is to provide classroom instruction for school-aged children and a wide range of community-based activities

that result in the necessary life skills, a sense of competency, usefulness, and personal empowerment needed to avoid involvement in youth violence and criminal activity. In FY 2001, ATF provided funding to 200 different agencies to support their participation in the G.R.E.A.T. Program, and 3,685 officers were certified to instruct the G.R.E.A.T. Program. Over 1,662 agencies have over 4,875 officers certified to teach the program. During FY 2001, G.R.E.A.T. officers around the country taught approximately 390,000 school-aged children. Since the program began in 1992, nearly 3 million children have been taught.

In FY 2001, ATF continued to fund its five regional training partners in LaCrosse, Wisconsin; Phoenix, Arizona; Orange County, Florida; Portland, Oregon; and Philadelphia, Pennsylvania. They conducted 16 weeks of G.R.E.A.T. Officer Training programs, including two remote locations in Arizona and Florida. ATF also undertook to develop an enhanced curriculum for the G.R.E.A.T. program. This yearlong endeavor came to fruition after a concerted effort by the enhancement committee, chaired by ATF. The enhanced curriculum was piloted in 14 cities nationwide with overwhelming success. The new curriculum was released at the 2nd Annual G.R.E.A.T. officers conference. ATF also began the task of recertifying those officers in the enhanced curriculum and developing two new training classes to include these program changes.

In a longitudinal study of the G.R.E.A.T. Program by the National Institute of Justice, in cooperation with ATF, program participants reported lower levels of gang membership, self-reported delinquency, and victimization. The full National Institute of Justice evaluation is scheduled to be published in early 2002.

Collect Revenue

ATF plays a critical role in the Federal Government's tax collection process. Through its FY 2001 activity, the Bureau collected \$14.1 billion dollars in excise taxes levied on alcohol (wine, distilled spirits, and malt beverages) and tobacco products, firearms and ammunition.

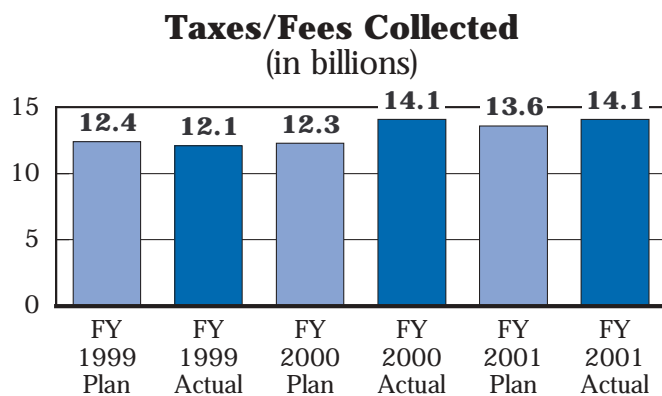
Strategic Goal: Maintain a sound revenue management and regulatory system that continues reducing taxpayer burden, improves service, collects the revenue due, and prevents tax evasion and other criminal conduct.

Programs: This strategic goal is accomplished through three programs:

- **Reduce Taxpayer Burden and Improve Service**
- **Collect All the Revenue that is Rightfully Due**
- **Prevent Tax Evasion and Other Criminal Conduct in the Regulated Industries**

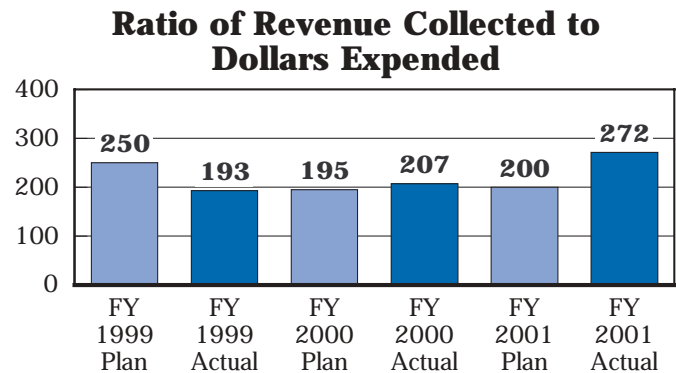
Performance Measure: Taxes/fees collected from alcohol, tobacco, firearms and explosives industries (in billions).

This measure includes revenue collected through alcohol, tobacco, firearms, and ammunition excise taxes, firearms and explosives license/permit fees, and special occupational taxes.



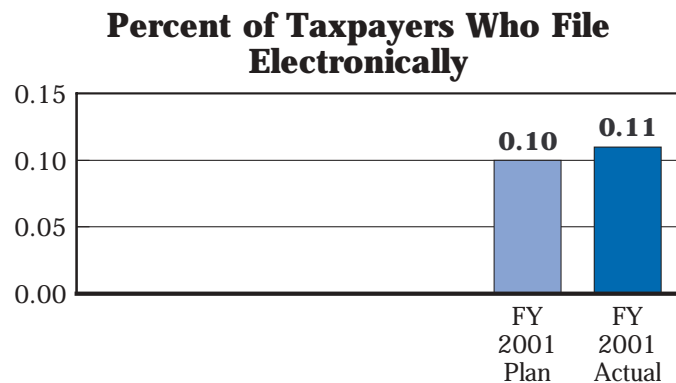
Performance Measure: Ratio of taxes and fees collected vs. resources expended.

This measure represents the amount of taxes and fees collected, divided by the amount of resources to collect such taxes and fees.



Performance Measure: Percent of taxpayers who file excise tax returns and required monthly operating reports electronically.

This measure represents the percent of alcohol, tobacco, and firearms taxpayers that use electronic filing instead of paper filing. The number of taxpayers for FY 2001 was 5,248, of which 6 participated in the Pay.Gov pilot program and filed electronically; for a figure of .11 percent.



Program: Reduce Taxpayer Burden and Improve Service

During FY 2001, ATF created the E-Government Program Office with the mission to improve the Bureau's efficiency and reduce burden on customers. ATF partnered with the Financial Management Service (FMS) to participate in the new Pay.Gov program allowing six tobacco taxpayers to file tax returns electronically under a pilot program. Tobacco manufacturers also pay their excise taxes using electronic fund transfer, making these filings/submissions completely paperless. Industry-wide participation in this program will not occur until FY 2003, when the National Revenue Center (NRC) integration is complete.

During FY 2002, ATF will also expand the project to include e-filing of monthly operating reports by tobacco industry members and to other regulated industries. The ultimate goal is to allow permittees and taxpayers to file all payments, returns and applications online with the NRC. Another initiative of the Pay.Gov web site is to allow taxpayers to pay taxes by credit card. Although not part of the pilot project, it is anticipated that this option will be available to taxpayers in the near future.

ATF continues to pursue the electronic filing of all tax payments and returns, reports, and other forms. Many ATF forms are already available for downloading from the ATF web site. During FY 2002, additional ATF forms will be made available.

In discussions with members of the beverage alcohol industry, their primary interest in electronic filing concentrated on Certificates of Label Approval (COLAs). In FY 2001, ATF hired a contractor to identify applicable system requirements and cost estimates. ATF then met with several third-party developers to discuss building a paperless system that could process COLAs and possible means of funding such a project. ATF also met with industry members to discuss the functionality of the system.

ATF funded automating the label approval process through internal funding beginning in FY 2002. This system should be operational by the

first quarter of FY 2003. Continued funding for building and maintaining the system will be included in future budget appropriations.

ATF will continue to rely on industry support as it moves toward full system integration.

Program: Collect All the Revenue that is Rightfully Due

ATF collected \$14.1 billion, before refunds, in Federal excise taxes, interest, penalties, and fees in FY 2001. Ninety-six (96) percent of this revenue was derived from payments of alcohol (wine, distilled spirits, and malt beverages) and tobacco excise taxes. ATF's revenue management program includes a variety of processes and functions based on reviewing, auditing and recording of tax returns, deposits, and operating reports. The program includes the accounting for all deposits and payments for taxes and fees from the alcohol, tobacco, firearms, ammunition, and explosives industries.

In FY 2001, ATF targeted those operations that pose the greatest jeopardy to the revenue. During FY 2001, ATF conducted 1,097 inspections at revenue producing plants resulting in 693 violations detected, 6,023 tax adjustments, and \$4.2 million in additional tax revenue. ATF focuses its on-site inspections of alcohol, tobacco, firearms, and ammunition taxpayers to those facilities that pose the greatest risk to revenue. The factors considered include, among others, volume of operations, compliance history, internal controls, and financial condition. A more detailed description of the various types and sources of revenues follows in the Financial Statements, Note 14, Non-exchange Revenue.

The National Revenue Center continued to monitor tax collections by auditing tax returns, levying assessments, initiating enforced collection action, analyzing required reports, requesting field verifications, and accounting for tax payments and related refunds. ATF processed 11 offers-in-compromise resulting from violations of the Internal Revenue Code. They resulted in \$514,939 being paid during FY 2001. One permit was suspended for 3 days due to entry of false information on export forms. A total of

1,383 new assessments was generated by issuance of Notice and Demand Letters in FY 2001. Of these, 547 were generated due to bad checks; while others were due to tax returns filed late or without payment, or failure to properly document exported alcohol products. There were 748 assessments closed during the year. In FY 2001, there were three enforced collection actions taken in the form of levies on taxpayer bank accounts or income.

Program: Prevent Tax Evasion and Other Criminal Conduct in the Regulated Industries

ATF is engaged in an ongoing effort to reduce a rising trend in the illegal diversion of cigarettes and distilled spirits products. Diversion activity generally occurs when legally manufactured or produced alcohol and tobacco products are diverted from their normal legal distribution method and sold in violation of Federal laws and regulations. Diversion activities defraud the United States of tax revenue. For example, cigarettes and distilled spirits are often fraudulently identified for export markets (for which there is no tax liability) when, in fact, they are diverted into the United States domestic market for sale (where there is tax liability). ATF's goal to ensure compliance with U.S. laws will greatly reduce the illegal diversion of alcohol and tobacco products.

During FY 2001, the Imported Cigarette Compliance Act of 2000 and the Tariff Suspension and Trade Act of 2000 were signed, which further restrict the importation of "Gray Market" tobacco products. These laws impose restrictions on re-imported tobacco products. The restrictions include re-importation of tobacco products to the original manufacturer or an export warehouse authorized by the original manufacturer. The laws also require that tobacco products be repackaged before sale on the domestic market, forfeited products be destroyed, foreign manufacturers submit ingredient lists to Health and Human Services before import into the United States, and tobacco importers obtain a consent from the U.S. Trademark holder before cigarettes can be imported.

ATF also enforces several statutes that deal with the illegal interstate trafficking of alcohol and tobacco products from a state with a low excise tax rate to a state with a high excise tax rate. The profits can be significant and the states are often not prepared to deal with these multi-state criminal conspiracies. ATF agents, inspectors, and auditors work closely with their state counterparts during these investigations.

For example, during FY 2001, ATF special agents, inspectors and auditors, along with the State of California and the Internal Revenue Service, worked jointly in a tobacco diversion case relating to counterfeit cigarette tax stamps. The nine-month investigation resulted in three arrests, the seizure of 45,000 cartons of cigarettes, and 130,000 counterfeit tax stamps. The seized cigarettes held a California tax value close to \$400,000 and the counterfeit stamps represented more than \$113,000 in tax value.

ATF is also engaged in an ongoing effort to update and to acquire agreements between ATF and State revenue agencies to share tax return information. This sharing of tax information provides a means to compare taxpayers, revenue, and other matters related to the sale and distribution of alcohol and tobacco products.

ATF partnered with foreign and domestic governments during FY 2001. Discussions with the U.S. Federal Trade Commission were held regarding misleading statements of Internet sales of tobacco products. Individuals were offering tax-free and duty-free cigarettes for sale on the Internet. ATF's position was that this advertising was not entirely truthful. Not all sales are tax- and duty-free. Meetings with the States have also resulted in the possibility of joint investigations to identify potential revenue losses. ATF, in cooperation with the States, would investigate those companies that removed taxable commodities without payment of excise tax.

A United States and Canadian Tobacco Assessment Working Group was established in FY 2001. This working group was formed to assess the scope of illicit tobacco trade between the United States and Canada. The discussions include emerging trends, loss of revenues,

obstacles in the laws and regulations, and cross-border smuggling activities. A memorandum of understanding (MOU) to share technology for establishing DNA characteristics of alcohol and tobacco products was also initiated. This technology would assist in determining the origin of the product involved.

ATF assisted the Republics of Armenia and Georgia to assess their winery and tobacco plants to determine how their governments audit and tax the plants and to review the methods used to transport goods. This assessment was geared toward providing the Governments with insight on how smuggling and diversion of taxes might be prevented.

During FY 2001, a leader of an international alcohol smuggling operation was sentenced to 4 years in a Canadian Federal prison. This individual was responsible for smuggling over 14,000 cases of non-tax-paid distilled spirits into Canada from the United States. Three other members of this smuggling operation were found guilty of conspiracy to defraud the United States. Two pled guilty and the third is set for trial. Approximately \$1.3 million in Canadian Federal excise tax was evaded as a result of this scheme.

In FY 2001, the seizures of cash, vehicles, beverage alcohol, and tobacco products during diversion investigations by ATF agents, inspectors, and auditors resulted in over \$1.86 million being credited to the Treasury Asset Forfeiture Fund. In FY 2001, 217 diversion cases resulted in 43 defendants recommended for prosecution.

During FY 2001, ATF conducted 22 seminars with foreign governments and other U.S. Federal and State agencies on diversion of alcohol and tobacco products.



"Operation Stamp Out" nets California's largest seizure of contraband cigarettes and counterfeit tax stamps.

Protect the Public

Through this activity, ATF complements reducing violent crime and collecting revenue with training and prevention strategies through law enforcement, industry regulation, industry partnerships, and reducing public safety risk and consumer deception on regulated commodities.

Strategic Goal:

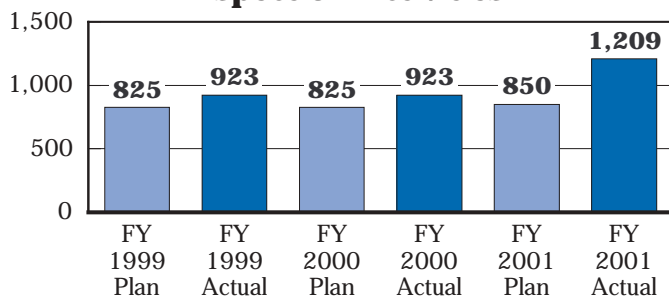
Protect the public and prevent consumer deception in ATF's regulated commodities.

Programs: This strategic goal is accomplished through three programs:

- **Assure the Integrity of the Products, People, and Companies in the Marketplace**
- **Ensure Compliance with the Laws and Regulations through Education, Inspection, and Investigation**
- **Inform the Public**

Performance Measure: Response to unsafe conditions and product deficiencies discovered (explosives).

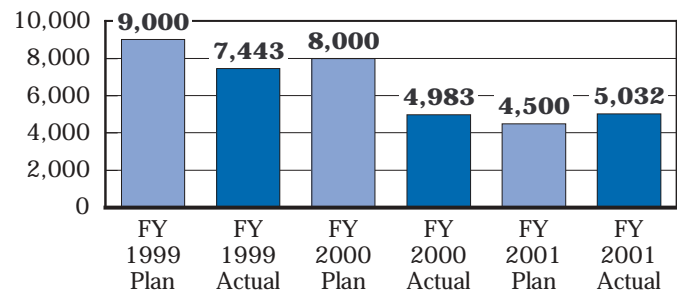
Number of Corrections Made to Unsafe Conditions Reported to ATF and from Inspection Activities



This measure tracks the number of corrections made to unsafe conditions reported to ATF and from inspection activities.

Performance Measure: Number of inspections (explosives).

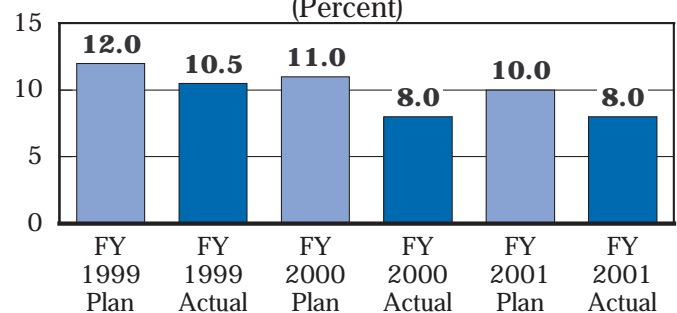
Number of Explosives Inspections



The goal established by the FEA Directorate for FY 2001 resembled that of FY 2000 for explosives inspections to be completed. The goal was set to perform inspections at 50 percent of the 9,436 explosives industry members licensed or permitted by ATF. This goal was established after continued losses of experienced inspectors and the subsequent requirement to hire and train new inspectors. The available resources were concentrated on those licensees or permittees with previous public safety violations or histories of non-compliance. Accordingly, the sum of explosives application inspections, explosives compliance inspections, explosives inspections from criminal enforcement referrals, and explosives-related seminars totaled 5,032 for FY 2001.

Performance Measure: Percent of population inspected (firearms), including licensee and application inspections.

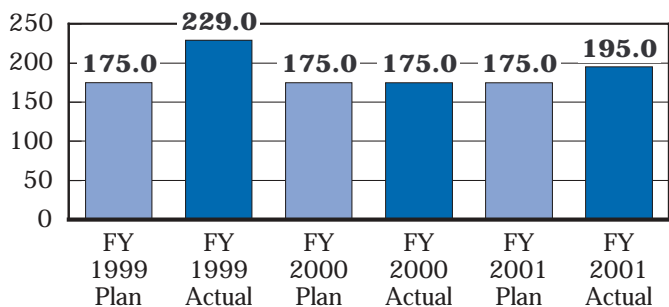
Number of Firearms Licensees Inspected (Percent)



The shortfall in the amount of firearms licensees inspected was due to the redirection of inspection resources after the September 11 terrorist incidents.

Performance Measure: The number of commodity seminars held.

Number of Commodity Seminars Held



Commodity seminars are held to provide information to industry members, law enforcement, and the public about the laws and regulations that ATF is responsible for enforcing. These seminars are periodically given to new industry members and others to educate and inform them of recent changes in these laws and regulations.

Program: Assure the Integrity of the Products, People, and Companies in the Marketplace

This program ensures that commodities meet safety and product identity standards, and keep ineligible or prohibited persons from entering the regulated industries.

Assuring Alcohol Product Integrity

ATF conducts a full range of regulatory functions in the beverage alcohol industry. The Federal Alcohol Administration Act, passed shortly after the repeal of Prohibition, coupled with certain Internal Revenue Code of 1986 provisions and the Alcoholic Beverage Labeling Act of 1988, authorize ATF to regulate the alcohol industry and provide protection to consumers of alcohol beverages.

Each year, through the alcohol beverage-sampling program, ATF collects alcohol products from the marketplace for analysis by ATF's laboratories. ATF found noncompliance due to labeling violations, over and under proof and fill violations, improper tax class classifications, and improper designations of class and type of alcohol beverage. No products were found to be unsafe.



An ATF Specialist examines a label from the Alcohol Beverage Sampling program.

ATF also investigates consumer/other agency complaints regarding contaminated beverage alcohol products. In FY 2001, ATF responded to 32 consumer complaints regarding alcohol products. The complaints resulted from natural occurring spoilage, mold, foreign matter, crystallization due to age of product, or allergic reactions to sulfites. Based on a Memorandum of Understanding between ATF and the Food & Drug Administration (FDA), ATF works in conjunction with FDA to investigate issues related to tampering or adulteration incidents regarding alcohol products.

ATF laboratories work closely with counterparts at the United States Food and Drug Administration, state laboratories, and regulatory agencies in many foreign countries. The laboratories exchange information on existing and new analytical methods and on product contamination or adulteration issues discovered by governmental laboratories, both domestic and foreign. This level of cooperation enhances

ATF's proactive stance to ensure that contaminated or adulterated products do not reach the United States marketplace.

Beverage Alcohol Labeling and Advertising

ATF is charged with protecting the consumer by preventing false or misleading claims on alcohol beverage labels and in advertising. The Bureau enforces the Government Warning Statement requirements, prohibits unbalanced and unsubstantiated health claims or misleading and deceptive claims, monitors industry advertising, and conducts investigations of suspected label fraud.

With limited exceptions, ATF issues Certificates of Label Approval for all domestic and imported beverage alcohol products bottled or packaged in the United States. ATF processed approximately 81,000 new and amended label applications during FY 2001.

During FY 2001, ATF examined 14 alcohol advertisements that resulted in five corrections, the denial of two advertising campaigns submitted by preclearance, and seven pending advertisements still in review for corrective action. ATF settled 12 labeling and advertising investigations. These investigations resulted in \$454,500 accepted offers-in-compromise for violations of the Federal Alcohol Administration Act. One permit was suspended for 45 days for numerous wine labeling violations.

Deny Prohibited or Ineligible Persons Entry into the Regulated Industries

In a continuing effort to insure that prohibited or unqualified persons do not obtain a permit, the National Revenue Center examines and verifies the information on each application and supporting documentation received for an alcohol or tobacco permit. This process includes conducting criminal history checks and making referral of applications to ATF field divisions for inspection. In FY 2001, the National Revenue Center received 2,945 applications from persons wanting to obtain or amend alcohol or tobacco permits. The utilization of criminal history

checks and field inspection examination resulted in seven applications denied, 247 applications withdrawn and 96 applications abandoned.

The applications denied and withdrawn resulted from false information on the application, prohibited persons, questions on funding, history of non-compliance, and failure to meet other qualification requirements. In many cases, the applicant withdrew the application rather than have it formally denied by ATF. The abandoned applications resulted from applicants failing to provide additional information.

ATF takes a proactive stance on policing regulated industry members once they have been issued a permit, monitoring tax returns and reports and conducting inspections to determine if the entity is conducting operations in compliance with the terms of its permit. During FY 2001, this resulted in the revocation of 33 permits. All of the revocations were of alcohol wholesale or import permits and permits issued to users of tax-free or specially denatured alcohol. The primary reason for the revocations was the industry member's not conducting business authorized by the permit within the past 2 years.

The Gun Control Act of 1968 mandates that every manufacturer, importer, or dealer in firearms obtain a Federal firearms license. ATF conducts inspections of applicants for Federal firearm licenses. During these inspections, ATF inspectors explain the Federal firearm laws and regulations and determine if the applicants are bona fide candidates for licenses. Where inspection reveals conflicts with state laws and local ordinances, inspectors make referrals to the appropriate regulatory agency such as a zoning, occupancy, fire code, or law enforcement agency.

ATF recognizes the value of averting accidents and keeping explosives from the hands of those who are prohibited from possessing them. ATF enforcement provides a system of industry regulation, emphasizing a proactive approach to the problem. Similar to the firearms industry, all manufacturers, importers, and dealers must obtain a Federal license from ATF to conduct

business, and certain users of explosives are required to obtain a Federal permit.

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

Once a person or entity is licensed or obtains a permit to conduct a regulated business, ATF monitors and enforces compliance with applicable laws and regulations. Inspections of firearm licensees focus on ensuring that firearms are properly accounted for and that licensees are complying with legal and regulatory requirements. Licensees are selected for focused inspections when data from the National Tracing Center (NTC) and other information indicate that illicit trafficking may be taking place. In the explosives industry, ATF emphasizes the safe and secure storage of explosives as well as accountability. ATF inspectors also check on compliance with alcohol and tobacco product provisions and ensure that alcohol trade practice provisions are not violated. Education initiatives such as industry seminars are utilized in all industries.

Federal Firearms Licenses and Inspections

ATF is responsible for enforcing the licensing provisions of Federal firearms laws and regulations. These laws mandate that every manufacturer, importer, or dealer in firearms obtain a Federal Firearms License. The National Licensing Center (NLC) is responsible for issuing these licenses.

Through its programs, ATF Inspectors are actively engaged in curbing the illegal sale of firearms and enforcing Federal firearms laws through inspections and referrals to law enforcement. These public safety issues warrant the work of the NLC to issue firearms licenses only to those individuals who are qualified to possess them.

Once a licensee is engaged in business, inspectors ensure that licensee's compliance with Federal laws and specific record keeping regulations. ATF enforces the licensing

provisions of the Gun Control Act of 1968 by conducting on-premises inspections, including focused inspections on problem areas throughout the United States.

In FY 2001, the National Tracing Center (NTC) only placed one Federal firearms licensee on demand to provide certain records based upon the fact that he was uncooperative when contacted regarding the disposition of a firearm traced to his business. In addition, 463 FFLs were required to provide the NTC with information relating to the manufacturer and/or importer, model, caliber and serial number of any used firearm acquired from someone other than an FFL. Pawnbrokers who received firearms on pawn were not required to report any information on a firearm that was redeemed by the same person who pawned the firearm. The request for this data was a result of the FFL's involvement in 10 or more short-time-to-crime gun traces (3 years or less) in calendar year 2001. Information relating to the individual who sold the firearm to the FFL and information relating to whom the FFL sold the firearm is not captured in this data.

Alcohol Industry Inspections

In addition to the beverage-sampling program, ATF inspects alcohol plants (distilleries, wineries, and breweries) to assure that product manufacturing complies with approved formulas and processes and that products fulfill labeling and advertising claims. ATF collects samples of manufactured products that are sent to ATF Labs for analysis to assure product compliance. ATF investigates anti-competitive business practices between alcohol beverage suppliers and retailers to preserve the retailer's economic independence and protect the consumer.

Alcohol Trade Issues

While the new global economy provides new opportunities for U.S. producers of beverage alcohol products, the changing political and economic climates also produce discriminatory trade barriers that limit market access to U.S. manufacturers. ATF assists U.S. businesses in overcoming trade barriers through direct

intervention with foreign governments and by supporting the United States Trade Representative in negotiations with the European Union, the New World Wine Producers, the World Trade Organization, and various countries and/or trading blocks of countries with regard to Free Trade Agreements.

ATF also monitors and analyzes changes in foreign trade and political policies to anticipate and overcome potential barriers to U.S. interests. In addition, ATF participates in the U.S. delegation to the Codex Alimentarius Committee on Food Additives and Contaminants and the TRIPS (Trade Related Aspects of Intellectual Property Rights) Council at the World Trade Organization.

The results of this international activity have been greater access to international markets for U.S. alcohol beverage exporters and increased acceptance of U.S. production practices by countries reluctant to approve new production techniques. For example, due to the efforts of ATF, 2,908 United States products requiring certification gained entry into foreign markets in FY 2001.

Explosives Licenses/Permits and Inspections

ATF maintains a regular program of on-site inspections to ensure that explosives are stored in approved facilities that are secure from theft and located at prescribed distances from inhabited buildings, railways, and roads. Immediate action is taken to resolve unsafe storage conditions. These inspections ensure that the licensees and permittees keep accurate records of the receipt and disposition of explosive materials that are verified through actual inventories of explosives in storage. Unusual discrepancies in records are referred immediately to the appropriate office for further investigation. Inspectors also conduct “forward trace” inquiries or field inspections on persons who purchase explosives from a licensee without the benefit of a user’s permit for “same day use with no overnight storage.”

Industry Seminars

ATF conducts seminars for firearms and explosive permittees and licensees, providing current information on the laws and regulations pertaining to these commodities. Through these seminars, ATF has fostered partnerships with firearms and explosives industry members to prevent tragedies stemming from the illegal use of firearms and explosives. Seminar attendees include industry officials, licensees, permittees, and State and local law enforcement officials.

ATF also conducts seminars for alcohol and tobacco permittees. These seminars focus on current market trends, compliance concerns, changes in laws, regulations, or Bureau policies, and industry-raised issues. In partnership with the states, ATF conducts the seminars with the state alcohol beverage control agencies to provide the total compliance enforcement picture to those in attendance. In FY 2001, ATF conducted 58 alcohol and tobacco seminars.

National Firearms Act

The National Firearms Act (NFA) requires that certain firearms be registered in the National Firearms Registration and Transfer Record. Firearms requiring registration are machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as “any other weapons.” ATF processes all applications to make, export, transfer, transport, and register NFA firearms, and notices on NFA firearms manufactured or imported. The registration information supports the field programs inspecting firearms licensees and conducting criminal investigations. The NFA Branch continually provides technical information to industry and the public.

Firearms and Ammunition Importation

ATF regulates the importation of firearms, ammunition, and other defense-related articles through the issuance of import permits; and maintains close liaison with the Department of State to ensure that the permits issued do not conflict with the foreign policy and national security interests of the United States.

Program: Inform the Public

This program publicizes information on ATF policies and regulations, product safety, and theft prevention using the Internet, trade publications, seminars, and industry meetings and works in partnership with others to inform, advise, and educate the public.

Industry and State Partnerships

ATF continued its liaison with other Government agencies working toward a common goal of ensuring safety in the explosives industry. In FY 2001, ATF specialists met with Department of Transportation (DOT) and Consumer Product Safety Commission (CPSC) representatives on issues of mutual concern. ATF also worked with the Department of Defense (DOD) in developing or updating memoranda of understanding in the regulation of persons and companies in the explosive industry. Further, CPSC and DOT have been instrumental in providing instruction at the Advanced Explosives Training sessions. In addition, ATF continues to work with the Federal Aviation Administration regarding that agency's storage of explosives materials on or near airport property.

ATF is working with the National Shooting Sports Foundation on a variety of firearm commerce-related issues. These include the development of joint seminars for firearm dealers on firearm law and regulations, best business practices, and licensee safety and security issues. ATF is also looking at ways to educate firearm dealers on "straw purchaser" recognition.

The National Tracing Center (NTC) has formed partnerships with various firearms industry members by installing Access 2000 software on stand-alone servers provided by ATF. These servers are located on the premises of various manufacturers, importers and wholesalers. The Access 2000 Program allows the NTC to obtain disposition data on firearms that are subject to a crime gun trace 24 hours a day, seven days a week, while producing a cost benefit to the industry member. ATF provides the industry member with the necessary hardware/software and works with industry members in extracting data from their mainframes. NTC employees use software and a modem to dial into these servers to track the history of a firearm recovered in a crime scene. In FY 2001, the NTC formed additional partnerships with the firearms industry bringing the total to 16 FFLs who are currently on-line with ATF.

Bureau-wide Programs

TRAINING

The Office of Training and Professional Development's (TPD) high quality, innovative training programs improve the performance of the Bureau's employees and enhance the skills of thousands of State, local, and international personnel each year, all in support of ATF's Strategic Plan. These programs are delivered at Bureau Headquarters, the ATF Academy, the National Revenue Center, field divisions, or at various satellite training sites across the country and the world. Although training of ATF's personnel is part of our commitment to develop a talented and effective workforce, ATF is also charged, as part of its core mission, to train State and local law enforcement and industry personnel in ATF's areas of expertise.



ATF employees attend a training session at the National Revenue Center.

New Professional Joint Agent/Inspector Training

A record number of new ATF inspectors and special agents completed New Professional Training (NPT) at the ATF Academy. Joint agent/inspector training consisted of 3 weeks of training on topics of shared responsibility. NPT affords agents and inspectors the opportunity to build solid working relationships and learn information uniformly relative to their collaborative responsibilities. Agents received 13 weeks and inspectors 8 weeks of occupation-specific training on technical issues. A total of 212 agents and 148 inspectors were trained from October 2000 through September 2001, totaling 631 agents and 291 inspectors trained since NPT began in FY 1998.

Other FY 2001 accomplishments included the following:

Career Development:

- ‡ 100-percent completion rate for mandatory ethics training was achieved through the efforts of the Office of Chief Counsel and TPD. Provided mandatory training in the areas of EEO, bloodborne pathogen, and computer security awareness.
- ‡ ATF's Interstate Nexus training program was taken to a new level. A Euro-Nexus class was developed and delivered to a group of ATF special agents at European firearms manufacturers' premises and proof houses.
- ‡ An Advanced Special Agent Complex Investigation training course was redesigned and delivered to 54 senior special agents. Instructors for this course included teams of ATF agents and assistant U.S. attorneys. The course is designed to give ATF agents the knowledge, skills, and abilities to more efficiently and effectively conduct complex investigations using current laws. The course also includes information on ATF resources available and new investigative techniques in

firearms trafficking, electronic surveillance, and alcohol and tobacco diversion.

- ‡ An Advanced Alcohol and Tobacco Inspector training course was developed and delivered to 24 inspectors. This training course is designed to give inspectors knowledge and skills to conduct inspections to ensure that revenue owed is collected and to ensure that products are safe and properly labeled. The course focuses on accounting techniques and product inventories related to revenue and product integrity inspections. Additional courses will be held in FY 2002.
- ‡ Certified 50 new explosives specialists.
- ‡ Recertified 115 explosives specialists.
- ‡ Trained 84 special agents in post-blast investigations.
- ‡ Trained 53 explosives specialists in the chemistry of pyrotechnics.
- ‡ Currently training 17 certified fire investigator candidates.
- ‡ Recertified 85 certified fire investigators.
- ‡ Trained 190 National Response Team members.
- ‡ Trained 90 Inspectors in Advanced Explosives Training for Inspectors.
- ‡ Conducted two International Firearms Trafficking Seminars in Canada. This course is mandatory training for all personnel in several Canadian law enforcement departments.
- ‡ Trained 120 ATF special agents in Advanced Interviewing Techniques.
- ‡ Conducted mandatory quarterly training for 138 Special Response Team operators.
- ‡ Trained and recertified 55 medics.
- ‡ Trained 40 crisis negotiators.
- ‡ Delivered one firearms trafficking seminar to 70 U.S. attorneys, State and local officers, and ATF agents.
- ‡ Conducted Advanced Training for Intelligence Officers and Intelligence Research Specialists.

This training targeted those personnel specifically involved in collecting and disseminating criminal intelligence information.

Leadership Development:

- ‡ In collaboration with the Human Resources Research Organization (HUMRRO), developed a comprehensive leadership competency model. This model identifies and defines the leadership competencies that ATF first-line supervisors, mid-level managers, and executives must have to successfully perform their jobs.
- ‡ Formed a partnership with the University of Virginia to assist ATF in designing and delivering several leadership training courses.
- ‡ Instituted two new leadership training courses, one for new mid-level managers and one for experienced first-line supervisors.
- ‡ Launched an online leadership reference center that offers various books, videos, and training aligned with ATF's leadership competencies.
- ‡ Launched a new Senior Executive Service Candidate Development Program class. Nine managers from across the Bureau were selected to participate in this 2-year program.

State, Local and International Training:

- ‡ In concert with Bureau field offices and other Headquarters directorates, provided training to a projected 54,547 other Federal, State, local, and international law enforcement officers, industry personnel, civilians, and civic organizations. Topics included advanced explosives investigative techniques, post-blast investigation, advanced explosives destruction techniques, the National Seminar on Terrorism and Explosives (SEMTEX), and Underwater Explosives Recovery.
- ‡ Implemented training necessary to support Project Safe Neighborhoods (PSN), a new Presidential initiative. TPD staff occupies key positions within the PSN working group that is currently developing three separate approaches to reduce violence in America's neighborhoods. State, Local and International

- Training Division (SLITD) personnel will be delivering/coordinating training involving firearms trafficking, tracing, firearms identification, firearms statutes, the Gang Resistance Education and Training (G.R.E.A.T.) Program, et al. The three approaches include large conferences, gun prosecutor training, and ongoing regional training. SLITD personnel will become the singular resource for all PSN training initiatives in FY 2002.
- ‡ Began ATF delivery of training courses at Fort AP Hill, Virginia. After a determined need and exhaustive management study, Fort AP Hill was identified as the training location to carry ATF into the next millennium. FY 2001 saw the Advanced Explosives Destruction Techniques course move its curriculum from Fort McClellan, Alabama, to Fort AP Hill. In FY 2002, all ATF explosives training will move to Fort AP Hill.
 - ‡ On May 4, 2001, ATF and Customs officially opened the agencies' newly completed canine enforcement centers. The combined facilities, located in Front Royal, Virginia, are the first of their kind worldwide in training dogs in arson, explosives, and drug detection.
 - ‡ Delivered three 10-week Explosives Detection Canine Handler courses for State, local, other Federal, and international agencies; and delivered two 5-week Accelerant Detection Canine Handler courses for State and local fire investigators.
 - ‡ Provided funding to 200 agencies to support their participation in the G.R.E.A.T. Program, and 3,685 officers were certified to instruct the G.R.E.A.T. Program. Over 1,660 agencies have 4,875 officers certified to teach the program. During FY 2001, G.R.E.A.T. officers around the country taught approximately 390,000 school-aged children. Since the program began in 1992, nearly 3 million children have been taught.
 - ‡ Conducted five training sessions of ILEA (International Law Enforcement Academies) Budapest, to include instruction on firearms and explosives.
 - ‡ Provided international training courses to 1,031 law enforcement officers, from more than 30 countries, which included basic and advanced firearms and explosives identification; firearms trafficking; post-blast investigation; serial number restoration; and alcohol and tobacco licensing, taxation, and diversion training.
 - ‡ Delivered two separate sessions of the ATF National Firearms Examiner Academy (NFEA). This is a unique and innovative yearlong training program designed to provide training for apprentice/entry-level firearms examiners from Federal/State/local law enforcement agencies where no formal training program exists. The sessions were held at the ATF National Laboratory in Rockville, Maryland. Ten students graduated from the second NFEA in March 2001, which began in April 2000. The NFEA began its next class in March 2001, scheduled for completion in March 2002.
 - ‡ Co-hosted the following conferences: Fraternal Order of Police/ATF Gang Conference (250 participants), California Gang Investigators Association/ATF Gang Violence Conference (1,400 participants), and Mid-Atlantic-Great Lakes Organized Crime Law Enforcement Network/ATF Gang Information Sharing Conference (600 participants).
 - ‡ Delivered eight Serial Number Restoration classes to State and local firearms examiners.
 - ‡ Delivered four Advanced Arson for Prosecutors courses for students from Federal, State, and local prosecutors' offices, and delivered two Advanced Cause and Origin/Courtroom Techniques courses for public service employees.

SCIENCE AND TECHNOLOGY

The Office of Science and Technology/Chief Information Officer (CIO) plays a key role in support of the Bureau's enforcement and revenue programs. The CIO served as the senior executive for the Year 2000 Century Date Change Project, an aggressive multi-year, inter-Bureau effort to identify and bring ATF's information technology (IT) and non-IT systems

into compliance with various requirements as ATF moves forward into the new millennium.

Information Infrastructure

ATF continued its Enterprise Systems Architecture (ESA); a bureau-wide infrastructure that ensures that ATF's strategic and day-to-day business requirements are supported by IT that is secure, reliable, available, and maintainable. ESA provides ATF with the ability to collect, clarify, and communicate the information needed to reduce violent crime, collect revenue, and protect the public.

Data Communications Infrastructure

The Frame Relay Network was transitioned from AT&T FTS2000 to Treasury Contract provided Qwest services. The transition included restructuring the communication hub to the new ATF data facility in Martinsburg, West Virginia. Additionally, the restructuring and transition of the data network provided the infrastructure capable of moving the ATF Headquarters building, due in 2005, without interruption of service and downtime. While transparent to the user community, this transition allowed the consolidation of Frame Relay and cost effective introduction of Asynchronous Transfer Mode (ATM) to the hub locations. The re-engineering effort provides backup and enhanced stability of the network. The current network allows ATF the ability to support many significant software engineering investments as ATF's National Field Office Case Information System (N-FOCIS), Forensics Automated Case and Exam Tracking System (FACETS), Firearms Tracing System (FTSWEB), and Online-LEAD.

A pilot frame relay wide area network of fifty laboratories was installed by ATF to support the National Integrated Ballistics Information Program (NIBIN). Data communication circuits were installed in conjunction with the Integrated Ballistic Identification System (IBIS) equipment used by State and local law enforcement agencies, allowing them to compare images of ballistic evidence (projectiles and cartridge cases) obtained from crime scenes and recovered firearms. The NIBIN program oversees the

Bureau's nationwide ballistics information initiative and supports ATF's efforts to reduce gun violence by employing computer technology to assist the work of firearms examiners. The pilot proved a success and ATF will provide the data network for the remaining 149 locations as planned for next fiscal year.

The remote access technology for ATF's traveling community of agents and inspectors was upgraded to a Virtual Private Network (VPN) remote access technology, which provides a secure medium to access the ATF network and its resources. The VPN is a private data network architecture that makes use of the public telecommunication infrastructure while maintaining privacy through the use of a tunneling protocol and security procedure. The ATF Virtual Private Network (ATFVPN) is engineered with two methods for connecting to the ATF private network. The Internet is the primary medium for the ATFVPN, which supports up to 1,500 simultaneous connections. Laptops are configured with dialup network properties.

An ambitious project of standardizing and centrally managing the ATF voice systems was started this year. This standardization project allows for future IP-based routing of voice over the secure ATF wide area data network and centralized management of the Public Branch Exchanges and Voice Mail Systems. Additionally, the standardization allows agents to relocate operations to any of our offices without relearning the peculiarities of a new phone system. Thirteen of the twenty-three division offices and the three main centers were completed this fiscal year. The remaining ten divisions will be completed during FY 2002.

Improved Seat Management and Customer Satisfaction

- ‡ Improved the Customer Service Support Center (help desk). Enhanced audix options, automated the escalation processes, certified professionals, and implemented after-hour on-call rotation for emergency use.
- ‡ Implemented Service Level Agreements (SLA), to improve customer service, and a service

request acknowledgement process. Improved the first call answer process, installed gold level service for senior executives (quicker response), reduced call abandon rates, improved service hardware response time, and implemented next-business-day restoration for PC and software applications.

- ‡ Implemented a quality assurance program to standardize processes and procedures.
- ‡ Implemented Web-based equipment inventory capability with order tracking functionality.

Laboratory Services

Recognizing the need to maintain the highest level of services, Laboratory Services established the position of Chief of Quality Programs in FY 2001; with responsibility for quality assurance in the ATF laboratories, including proficiency testing and external accreditation. During FY 2001, the Forensic Science Laboratory-San Francisco (FSL-SF) and the Forensic Science Laboratory-Washington were inspected by the American Society of Crime Laboratory Directors' Laboratory Accreditation Board. Renewed accreditation was awarded to the FSL-SF in September 2001, with FSL-W accreditation renewal expected in early FY 2002. Laboratory Services has also begun the process for certification of the Alcohol and Tobacco Laboratory by the International Standards Organization (ISO). ISO is the premier accrediting body for public and private analytical laboratories.

The start-up of the new Fire Research Laboratory (FRL) continued in FY 2001, with the hiring of essential technical and administrative personnel. The staff now includes six fire research engineers/scientists and a Certified Fire Investigator/Special Agent. The FRL has provided scientific support in several major fire investigations and Fire Investigator training courses. Full operation of the FRL is expected in early FY 2003, with the opening of the new National Laboratory Center in Amundale, Maryland.

The second class of the ATF National Firearm Examiners Academy graduated in FY 2001 and

the third class began the yearlong program. This unique partnership between Laboratory Services, the Office of Training and Professional Development, and the Association of Firearm and Toolmark Examiners has been an unqualified success in the forensic science community.

The Alcohol and Tobacco Laboratory (ATL) developed new analytical approaches for determining the authenticity of malt beverages, to support the tax classification of new flavored malt beverage products. The ATL also assumed a leadership role in identifying counterfeit cigarettes in support of tobacco smuggling investigations.

Laboratory Services continued its support and leadership in partnerships with the University of Central Florida (arson and explosives methods), the University of Maryland (fire research center), National Institute of Standards and Technology (fire research), Canada Customs and Revenue Agency (alcohol product analysis), and the U.S. Customs Service (imported tobacco product authentication).

In FY 2001, Laboratory Services personnel completed 2,892 forensic cases, analyzed 7,071 alcohol and tobacco samples, and processed 8,215 alcohol product formula applications. Laboratory personnel also provided 306 days of instruction to ATF and other Federal, State and local law enforcement agencies; spent 300 days providing expert testimony in courts of law; and



Students at the ATF National Firearms Examiner Academy use comparison scopes.

spent 215 days providing scientific advice and support at ATF-investigated crime scenes. To address this increased workload, the staffing of Laboratory Services was increased by 19 positions in FY 2001.

Audit Services

The Audit Services Division (ASD) continued to conduct financial investigations in direct support of the Office of Field Operations and on-going criminal enforcement investigations; such as arson and bombings-for-profit, alcohol and tobacco diversion, firearms and drug trafficking cases, gang-related activities, and money laundering schemes. In addition to these investigations, ASD also developed forensic auditors to serve as computer investigative specialists. This allows ASD to respond to scenes where computer equipment or computer data is present, and to examine and eventually process as evidence in support of criminal and financial investigations.

Major ASD accomplishments during FY 2001 include the licensure from the National Association of State Boards of Accountancy (NASBA), the development and implementation of Career Professional Training (CPT), and the creation and implementation of a nationwide Case Tracking and Statistical Analysis System called 4Tracs.

- ‡ NASBA certification provides the credential for ASD to develop and present training courses to provide its forensic auditors with mandatory Continuing Professional Education (CPE) credits, which reduces the overall budgetary needs to support annual CPE.
- ‡ CPT programs have been developed to provide introductory, intermediate and advanced forensic accounting and auditing education to forensic auditors. CPT includes a matrix of prerequisite training and education for auditors that drives the annual Individual Development Plan, monitoring of annual CPE requirements, and the budget formulation process for training.
- ‡ The 4Tracs system provides ASD the ability to track all phases of financial investigations,

costs, disposition, and performance measures to calculate returns on investment for the Bureau's forensic auditing program.

Technical Support

The Technical Support Division provides technical support to field agents and inspectors, and comprises the Technical Operations Branch (TOB), Computer Forensics Branch, Radio Branch, and the Visual Information Branch.

TOB has two sections: Electronic Surveillance, which includes Technical Security Countermeasures, and Logistics. TOB purchases investigative equipment; investigative supplies; agent safety equipment, including body armor; law enforcement vehicles; and electronic surveillance equipment. TOB evaluates new technology and trains tactical operations officers and technical enforcement officers.

The Computer Forensics Branch provides trained personnel who extract information from seized computers and assist in computer crime and Internet investigation. In FY 2001, the Computer Forensics Branch trained an additional 11 Computer Investigative Specialists in the Basic Evidence Recovery School and eight Computer Investigative Specialists in the Advanced Evidence Recovery School. Additional advanced training included two participants in Internet Investigative Techniques and two participants in Mac training.

The Radio Branch provides a national wireless communications system, managed by a network of deployed radio technicians who maintain the ATF Radio infrastructure and provide tactical communication assistance. The branch is also actively involved with the Department of the Treasury and other Treasury bureaus in the development of a consolidated nationwide wireless Integrated Treasury Network (ITN) infrastructure.

The Visual Information Branch processed several thousand requests for audio/visual, graphics, and photographic support from internal ATF and external customers including the Department of the Treasury, and State and local law enforcement agencies.

LIAISON AND PUBLIC INFORMATION INSPECTION

The Liaison and Public Information office serves as principal advisor on matters relating to the public, media, and industry information; and policies and compliance with the Freedom of Information and Privacy Acts. The office establishes and maintains Embassy contacts and police official liaisons, and reviews responses to all inquiries received from the Department of the Treasury and congressional offices, and correspondence for the Director.

The ATF web site is fully accessible to the handicapped and meets the requirements of Section 508. The website continues to grow in its use by the public, industry members, Congress, the law enforcement community, and the media. After the September 11 terrorist incidents, there was a dramatic increase in visits to the web site to obtain information. The most popular sites are: Explosives, Bomb Threat and Detection Resources; 2000 Threat Assessment Guide for Houses of Worship; and Be Secure for America. The anthrax letter incidents also resulted in an increase in emails to ATF while mail service was disrupted in the Washington area. The Internet site was used to advise the public and industry of the mail disruption and to use the Internet as a way to communicate with ATF. ATF continues to make the Internet site more user-friendly and accessible for future e-Gov initiatives.

ATF posted a School Safety Website with information on the various resources available for learning about gang resistance, firearms education, and other school-related resources.

The ATF IntraWeb is the internal communications tool for bureau employees, designed to provide daily updates and other information including all Briefs, Handbooks and Orders. Knowledge Management (KM) pilots dealing with arson and diversion case investigations were completed, and this experience is being used in developing other KM pilots. The site is also linked to the Treasury IntraWeb. An Ethics site was added this year to provide online resources and opinions to employees on various ethics-related issues.

ATF maintains an Office of Inspection (OI) with primary responsibilities to plan, direct, and coordinate inspection and internal affairs activities. It appraises the effectiveness of operations; assesses the quality of management and supervision; and determines adherence to organizational policies, regulations, and procedures. The OI conducts employee integrity investigations, either criminal or administrative, and other sensitive investigations assigned by the Director.

The OI Inspections Division is responsible for inspecting (on a three-year cycle) all directorates in the field and at Headquarters, as well as associated administrative functions. These inspections determine administrative and operational efficiencies, and ensure that component offices are in compliance with ATF and Treasury rules and regulations.

The OI Investigations Division reviews all complaints and allegations involving personnel to determine if an investigation is warranted. Every effort is made to investigate these allegations in a timely manner to resolve issues that impact upon the Bureau and employees. The Investigations Division remains sensitive to the rights of employees and balances that with the obligation to conduct thorough investigations. The Division also provides training to all employees in order to prevent misconduct, and as a result, reassures the public that ATF adheres to the highest standards of ethics and integrity.

The OI Personnel Security Branch is responsible for conducting background investigations for all tentatively selected ATF applicants, as well as certain contractors assigned to Bureau projects or those working in ATF space. The Personnel Security Branch conducts periodic reinvestigations on current employees. Executive Order 12958 mandates periodic reinvestigations every five years for non-critical positions. This office is also responsible for position sensitivity and debriefing of employees at Headquarters who are resigning or retiring from ATF.

SPECIAL OPERATIONS

The Special Operations Division (SOD), Office of Field Operations, administers national support programs for law enforcement field activities related to polygraph examinations, undercover investigations, communications support, critical incident management, and special enforcement projects and programs. In addition, the Division manages the Emergency Expense Fund, the Special Response Teams (SRTs) and Witness Protection Programs, and coordinates the Organized Crime and Drug Enforcement Task Force program (OCDETF) and the Bureau's support mission to the U.S. Secret Service and State Department.

SOD comprises the Polygraph, Undercover, Critical Incident Management, and Enforcement Support Branches; and the National Enforcement Operations Center (NEOC). The Polygraph Branch provides polygraph support of law enforcement through operational program development, management direction, and resource coordination. As an internal control measure, each polygraph examination is confirmed by a quality control review to ensure the integrity of the process and adherence to Federal polygraph standards.

During FY 2001, polygraph examiners conducted 231 examinations of suspects, informants, and witnesses; of which 173 were related to arson/explosives, 44 related to firearms, nine to homicides, one to internal affairs, three to foreign screening, and one categorized as "other." Of the tests conducted, conclusive opinions were rendered over 90 percent of the time. The examinations produced 13 pre-test confessions, 36 post-test confessions, 22 admissions, five incriminating statements, and 54 investigative leads.

During the same period, 443 pre-employment polygraph screening exams were conducted. Eighty-three percent of the applicants passed the polygraph test, 10 percent had significant responses to relevant questions, and six percent of the results produced "No Opinion."

The mission of the Undercover Branch is to enhance undercover agent safety and operations

security. The Branch provides the necessary resources to support and conduct undercover assignments agents nationwide.

The National Enforcement Operations Center (NEOC) provides Bureau-wide tactical communications and record communications support and access to various law enforcement information databases. It is staffed 24 hours per day, and provides various types of communication support to field office components and Bureau Headquarters. This includes providing assistance to ATF personnel; other Federal, State, and local law enforcement agencies; and the general public, with Hotline Programs.

During FY 2001, the NEOC received approximately 48,500 telephone calls for service from the general public and other law enforcement agencies. The Center assisted in 198 hotline calls, 589 Federal firearms licensee calls, and 73 National Response Team/Special Response Team callouts. In addition, the Center processed 2,601 National Instant Criminal Background Check System (NICS) referrals and entered 2,464 ATF-wanted persons into the National Crime Information Center (NCIC) database. During FY 2001, 2,229 ATF-wanted persons were arrested and cleared from NCIC. Finally, the Center received 62,341 telecommunications messages from ATF elements, other law enforcement agencies, and various communications centers worldwide.

The Critical Incident Management Branch provides the Bureau with a systematic process for managing or responding to incidents that arise from all types of criminal investigations. It assists field personnel in the successful resolution of the most volatile or threatening situations encountered by ATF Special Agents. The CIMB comprises the Critical Incident Management, Tactical Support, and Tactical Response Sections; and manages the SRT, Crisis Negotiator, and Operational Medic Support Programs.

The Special Response Teams (SRT) Program Manager coordinates a national tactical team program consisting of 150 highly trained team members. These teams respond to requests for

tactical support throughout the nation. The basic SRT mission imperative is to “save lives” through the resolution of conflict produced by criminal elements. The Crisis Negotiator Program Manager coordinates a nation-wide negotiator team of 40 skilled members who are experts at resolving critical situations. The Operational Medic Program Manager coordinates the use of 55 personnel who are trained in providing basic and advanced life support. These Programs, when combined, assist the Bureau in enhancing agent safety, protecting the public, and reducing violent crime.

During FY 2001, the SRTs conducted 118 high-risk operations; including protection details, surveillances, armed suspect/barricade situations, arrests of fugitives, and search and arrest warrants.

The Enforcement Support Branch oversees multiple programs, including Airborne Operations, Electronic Facial Identification, Organized Crime and Drug Enforcement Task Forces, Victim-Witness Assistance Program, and National Special Security Events (2002 Winter Olympics, North Atlantic Treaty Organization celebrations, International Monetary Fund conferences, and United Nations conferences). In addition, the branch coordinates ATF assistance to the U.S. Secret Service and State Department for protective missions.

STRATEGIC INTELLIGENCE

Strategic intelligence continues to remain a critical business tool by which ATF successfully accomplishes its strategic goals of Reducing Violent Crime, Collecting Revenue, and Protecting the Public. Major milestones accomplished in FY 2001 were:

‡ FIELD INTELLIGENCE CAPABILITY EXPANSION

ATF completed development of Field Division Intelligence Groups at each of the 23 field divisions located throughout the United States. The Intelligence Groups utilize the varied experience and training of special agents, intelligence research specialists, industry

operations inspectors, and support staff. The Groups continue to focus on tactical intelligence to enhance and support field division criminal enforcement activities. Additionally, the Groups placed emphasis on strategic intelligence trends and patterns in their respective field division’s areas of responsibility.

The Intelligence Groups continue to work in conjunction with the Intelligence Division, which provides intelligence support and training opportunities for all Field Intelligence Group Supervisors, Intelligence Officers, and Intelligence Research Specialists.

‡ PARTNERSHIPS

ATF maintains intelligence partnerships, through the utilization of ATF representation, with the National Drug Intelligence Center (NDIC), El Paso Intelligence Center (EPIC), Financial Crime Enforcement Network (FinCEN), Interpol, the FBI Counter-terrorism Center (FBI/CTC), and the Central Intelligence Agency (CIA). Additionally, the Intelligence Division currently has National Security Agency (NSA) representation at Bureau Headquarters. ATF maintains a memorandum of understanding with the nation’s six Regional Information Sharing Systems (RISS), which represent thousands of State and local law enforcement agencies, pledging to share unique and vital intelligence resources. ATF’s external intelligence partners are key contributors to the Strategic Intelligence Plan and the means by which ATF ensures a full contribution to the nation’s law enforcement and intelligence communities. During FY 2001, the Intelligence Division reviewed over 120,000 intelligence community electronic messages.

During FY 2001, ATF, through the Intelligence Division, increased its support in the FBI Joint Terrorism Task Forces (JTTF) across the nation. The representation of ATF special agents to the JTTF brings ATF’s unique knowledge and expertise in explosives and firearms violations to complement the FBI’s expertise in terrorism matters.

The Intelligence Division has been actively involved in the Law Enforcement Working Group (LEWG). The LEWG comprises senior

representatives from other Federal law enforcement agencies, and seeks to help the law enforcement community articulate its needs more effectively to the intelligence community. Also, ATF has established ongoing representation at the executive level in the FBI Strategic Intelligence Operations Center (SIOC).

Technological Advancements

In FY 2001, Phase II of a multi-phased, state-of-the-art automated case management/intelligence reporting system, entitled N-FOCIS (National Field Office Case Information System), continued to receive minor enhancements. N-FOCIS comprises two companion applications: N-FORCE for special agent and N-SPECT for industry operations inspectors. Both eliminate redundant manual data entry on hardcopy forms and provide a comprehensive reporting and statistical information management application in a secure electronic environment.

N-FOCIS constitutes an on-line case management system and electronic central information repository that allows ATF to analyze and fully exploit investigative intelligence. N-FOCIS epitomizes the strength and unique value of ATF's combined law enforcement and industry operations enforcement missions. During FY 2001, the Intelligence Division provided in-service training to many of ATF's 23 field division special agents, investigative assistants, inspectors and computer specialists on the use of N-FOCIS applications. ATF plans to expand the N-FOCIS functionality to integrate N-FOCIS with several key ATF applications including the National Revenue Center, the National Tracing Center, National Arson and Explosive Repository, and the Intelligence Division's Management System. This integration plan establishes N-FOCIS as the Bureau's information backbone supporting its Strategic Goals.

In FY 2001, the Intelligence Division played a major role in the final testing of the N-QUIRE application. N-QUIRE is an automated system that will replace the Advanced Serial Case Management system as the Bureau's primary lead tracking system, and is a component of N-FOCIS. N-QUIRE will be integrated with ATF's

investigative reporting system, N-FORCE. N-QUIRE will offer ATF a technologically advanced and user-friendly investigative management tool. To ensure that N-QUIRE met the specific needs of ATF personnel, Intelligence Division Staff participated throughout the development process.

OPERATION SECURITY (OPSEC)

During FY 2001, the Operations Security Office continued to meet its commitment to maintain the integrity of ATF's mission by reducing the potential for compromise of ATF operations and information. The OPSEC Office participated in and continues to assist in the planning of several large-scale law enforcement operations by providing threat and risk assessments.

In FY 2001, the OPSEC Office was designated the lead office for all ATF Threat Policy directives, oversight and risk assessments for Bureau employees. Beginning in FY 2001, the OPSEC Office began the utilization of a formal analytical risk management tool to determine risk for law enforcement operations. This tool ensures that ATF is aligned with other law enforcement agencies in evaluating risk and threats based on the latest intelligence data. The OPSEC Office is committed to maintaining the highest standard of operations security, and does this on both a national and international level for the Bureau. This effort is achieved by the interaction with other agencies and the exchange of information through the Federal Law Enforcement OPSEC Working Group and the Intelligence Community.

LEGAL

ATF's Office of Chief Counsel provides a full range of legal support to the Bureau's varied missions. The Chief Counsel is a member of the Executive Staff and principal legal advisor to the Director, Deputy Director, and Assistant Directors. The Chief Counsel operates under general direction of the General Counsel and the Associate General Counsel (Enforcement) of the Department of the Treasury, and is also the Deputy Ethics Official for ATF.

Attorneys advise ATF personnel on issues related to alcohol, tobacco, firearms, explosives, arson, and administrative law. They also prepare, review, or assist in the preparation of proposed legislation, regulations, and executive orders relating to the laws affecting and enforced by ATF; make recommendations to the Department of Justice concerning litigation involving ATF; and represent ATF in administrative proceedings.

Currently, there are 19 Counsel offices collocated with field divisions and one collocated with the National Revenue Center. Total field Counsel staffing is 46 attorneys. Through FY 2003, the Office of Chief Counsel plans to fill staff attorney positions at FLETC and Division Counsel positions in Kansas City, Louisville and St. Paul; and to complete ATF's goal of staffing each Division Counsel office with a staff attorney. Upon the selection of the FLETC attorney, the final three Division Counsels and staff attorney positions; Counsel staffing will have 58 field attorneys, achieving ATF's goal of integrating Counsel into each field division management team.

MANAGEMENT

The Office of Management (OM) provides leadership to and works in partnership with other senior Bureau officials in executing ATF's core business processes (finance, human resources, procurement, property, physical security and safety, and administrative programs) to support the Bureau's mission.

In FY 2001, OM continued its focus on operating in a fiscally sound manner, meeting external mandates, protecting Bureau resources, and improving customer service. Specific accomplishments include:

‡ MERIT PROMOTION STATISTICS

The Merit Promotion Board processed over 107 vacancies during fiscal year 2001. The Board is the central selecting authority for all GS-14 and GS-15 senior managers.

‡ ACCOUNTABILITY AND MANAGEMENT CONTROLS

After receiving six consecutive Unqualified Opinions through FY 2000, the Secretary of the Treasury requested – and was granted – a waiver for ATF from the CFO Audit process. ATF received an Annual Financial Statement Review for FY 2001 by KPMG.

‡ NATION-WIDE TRAVEL MANAGEMENT CENTER

ATF instituted SATO Travel as the Travel Management Center Service provider in February 2001. This has standardized the level of travel services for all employees traveling on official government business, and allows the use of on-line booking via the Internet.

‡ FLEET CARD PILOT PROGRAM

ATF launched a pilot program with USBank in March 2001 to test its Voyager fleet credit card capability for fuel, maintenance, and repair purchases for Bureau-owned vehicles. The pilot, conducted at the Atlanta, St. Paul, and Los Angeles Field Divisions, has saved the Bureau thousands of tax dollars on fleet vehicle fuel expenses. The program is being expanded nation-wide.

‡ PAY DEMONSTRATION PROJECT

The FY 2001 enrollment increased from 256 to 269 employees. The major focus of this program is to address recruitment and retention issues within designated critical occupations. For over 2 years, ATF has been able to recruit and retain some of the best professional talent to its critical mission support components.

‡ PERSONNEL DIVISION RESTRUCTURE

The Personnel Division was restructured to improve customer service, enhance accountability, re-engineer business processes with the use of its new automated personnel system, and ensure a high level of compliance with laws and regulations.

‡ SAFETY, HEALTH & ENVIRONMENTAL PROGRAMS

A major re-evaluation and revision of ATF's safety, health and environmental (SHE) programs was initiated with the intention of implementing changes to create a work environment that provides the highest levels of protection for employees and to meet Treasury Department mandates.

Final stages were completed for issuing a major directive that will implement procedures and policies relating to protection of special agents and other employees from the respiratory risks associated with the hazardous materials encountered during investigations of fire scenes. Other developments included:

- Major acquisitions of respiratory protection equipment.
- Planning for related training and fit-testing programs, a mandatory medical surveillance program, and changes to enhance the efficiency and effectiveness of health-services related contracts.

‡ SPACE REDUCTION CONCEPTS/ HOTELING AND TELEWORK PILOTS

ATF implemented Headquarters and Field Telework Pilots to provide workplace alternatives in compliance with Federal law. In

addition, a pilot program was initiated to study the effectiveness and usefulness of a "hoteling" concept in field offices. It involves utilization of specialized systems furniture and storage components to produce cost efficiencies and space reductions.

‡ RENOVATION OF MARTINSBURG, WEST VIRGINIA SITE

ATF renovated the former IRS Computer facility started in Martinsburg, West Virginia to house the National Tracing Center and other functions. The project utilizes a building purchased by the Government (Government Services Administration) for \$1 and will result in permanent housing for approximately 345 ATF personnel and contractors.

‡ DIRECTIVES AND FORMS ON THE INTRAWEB/INTRANET

ATF promoted a paperless work environment by placing Directives and Forms on the IntraWeb/Intranet. The process will be completed by early FY 2002.

‡ ADMINISTRATIVE SYSTEMS INTEGRATION

ATF continued to make progress on its long-range strategy to integrate all mixed financial and financial systems.