

Congressional Budget Submission

Fiscal Year 2011



A T F

UNITED STATES DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

At The Frontline - Against Violent Crime

February 2010

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Table of Contents

	Page No.
I. Overview	1
II. Summary of Program Changes	29
III. Appropriations Language and Analysis of Appropriations Language	30
IV. Decision Unit Justification	33
A. Firearms	
1. Program Description	33
2. Performance Tables	40
3. Performance, Resources, and Strategies	45
B. Arson and Explosives	
1. Program Description	48
2. Performance Tables	57
3. Performance, Resources, and Strategies	62
C. Alcohol and Tobacco	
1. Program Description	64
2. Performance Tables	66
3. Performance, Resources, and Strategies	68
V. Program Increases by Item	70
A. Southwest Border Project Gunrunner	70
B. Emergency Support Function #13 (ESF #13)	73
VI. Program Offsets by Item	80
A. Adjustment for Travel Expenditures	80
VII. Exhibits	
A. Organizational Chart.....	
B. Summary of Requirements	
C. Program Increases by Decision Unit.....	
D. Resources by DOJ Strategic Goal/Objective	
E. Justification for Base Adjustments	

F.	Crosswalk of 2009 Availability
G.	Crosswalk of 2010 Availability
H.	Summary of Reimbursable Resources
I.	Detail of Permanent Positions by Category
J.	Financial Analysis of Program Increases/Offsets
K.	Summary of Requirements by Grade.....
L.	Summary of Requirements by Object Class
M.	Status of Congressionally Requested Studies, Reports, and Evaluations.....

I. Overview for the Bureau of Alcohol, Tobacco, Firearms and Explosives

A. Summary of Budget Request

To follow is a brief overview of the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF's) budget request for FY 2011. ATF's FY 2011 budget request has been developed to directly support ATF's Strategic Priorities, which in turn directly support the Department of Justice's (DOJ's) Strategic Goals. The enclosed budget request includes funding and personnel that will be essential to ensure that these priorities and goals are met.

ATF requests \$1,162,986,000 for FY 2011, including 5,145 positions and 5,111 full time equivalents (FTE). Specifically, ATF requests \$1,150,850,000, 5,101 positions and 5,071 FTE for current services and \$12,136,000, 44 positions and 40 FTE for building capacity for ATF's criminal enforcement and regulatory mission. The FY 2011 request supports ATF's and the Department of Justice's (DOJ) priorities to reduce violent crime, detect and prevent terrorism and enforce the federal firearms and explosives laws.

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

- Combat violent firearms crimes and firearms trafficking;
- Stem the flow of illegally trafficked firearms and associated violence along the Southwest Border region and other areas of the U.S.;
- Assist state and local law enforcement agencies in fighting violent crimes involving firearms, explosives, and arson;
- Reduce the incidence and impact of violent gang activity involving firearms and explosives in our communities;
- Disrupt and prevent the use of firearms and explosives in terrorist acts;
- Disseminate and leverage ATF's technical expertise in explosives, improvised explosive devices (IEDs), and post-blast investigations by providing advanced training for federal, state, local, international and U.S. military personnel;
- Advance information and intelligence sharing among law enforcement agencies and the Intelligence Community with enhanced information technology; and
- Improve efficiencies in managing financial and human resources.

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address:

<http://www.usdoj.gov/jmd/2011justification/>

B. Mission and Strategic Goals

ATF is at the frontline in the reduction of violent crime. Combating violent crime is our specialty. All of our programs impact violent crime, and are in line with DOJ's post-9/11 focus on counter terrorism.

ATF enforces the provisions of the Gun Control Act (GCA) of 1968 and the National Firearms Act (NFA) of 1934; the two major laws enacted by Congress addressing firearms violence. In addition, ATF has oversight of the importation of arms, ammunitions, and implements of war as authorized by the Arms Export Control Act of 1976. ATF enforces the explosives and arson laws enacted by Title XI of the Organized Crime Control Act, as well as provisions of the Safe Explosives Act of 2002 (SEA), which expanded the federal explosives laws and regulations by placing controls on the intrastate movement of explosives and mandating that all persons who receive explosives obtain a federal license or permit and undergo a background check.

ATF regulates the firearms and explosives industries from the point of manufacture and/or importation through retail sale to ensure that Federal Firearms Licensees (FFLs) and Federal Explosives Licensees (FELs) and permittees conduct business in compliance with all applicable laws and regulations. ATF provides appropriate safeguards of inventories from theft, full accountability and proactive inspection reporting.

ATF's regulatory and criminal enforcement missions are a comprehensive approach to reducing violent and organized crime, protecting the public, and preventing terrorism. The integrated efforts of our specialized workforce, to include agents, industry operations investigators (IOIs), attorneys, scientists, forensic auditors, technical experts, and administrative professionals allow ATF to effectively identify, investigate, and recommend for prosecution violators of the federal firearms and explosives laws. ATF works to ensure that licensees and permittees are operating within established laws and regulations. ATF ensures that organized crime enterprises are dismantled and proceeds of crimes are identified, investigated, seized and forfeited. External partnerships with other federal, state, local and international law enforcement entities further enhance these force multipliers. Our outreach with communities and industries play an important role of deterrence and education.

ATF's Strategic Plan for 2010 – 2016 is built around the following strategic priorities:

Mission Activities:

- Illegal Firearms Trafficking
- Criminal Groups and Gangs
- Explosives, Bombs and Bombings
- Fire and Arson

Management Activities:

- Workforce
- Modernization

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

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

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

ATF Strategic Priority: Advance domestic and international explosives expertise, to prevent, detect, and investigate acts of violent crime and terrorism and to enhance public safety.

ATF Strategic Priority: Reduce violent firearms crimes by strengthening firearms trafficking intelligence gathering, analysis, inspection and investigative activity.

ATF Strategic Priority: Make our communities safer by expanding our efforts to identify, target, and dismantle criminal gangs and organized crime enterprises that utilize firearms, arson, and explosives in furtherance of violent criminal activity.

ATF achieves results in preventing terrorism and promoting the nation's security through regulating the explosives industry, and by investigating the criminal use of explosives and the crime of arson. ATF further provides critical support to local communities in their investigations of explosives crimes and arson. Moreover, ATF plays a key role in DOJ's counterterrorism responsibilities as set forth in the National Implementation Plan for the War on Terror (NIP) and in DOJ's supporting plan for the NIP.

ATF achieves results in addressing violent crime through our authority to enforce federal firearms laws and regulations. ATF regulates the firearms industry to ensure FFLs conduct business in compliance with all applicable laws and regulations. ATF conducts outreach with the industries to educate and encourage voluntary controls and cooperation with law enforcement officials. ATF's regulatory function is a key component in the effort to stem the flow of firearms to prohibited persons and criminal organizations.

ATF's Integrated Violence Reduction Strategy (IVRS)

Firearms-related violent crime is not a simple problem to combat; a variety of causes that vary from region to region fuel the problem. Common elements, however, do exist. Chief among these is the close relationship between firearms violence and the unlawful diversion of firearms from legal commerce into the hands of prohibited individuals, which are the methods to fund terrorism or to fuel drug or organized criminal enterprises.

The Uniform Crime Report indicates that firearms violence claimed 9,500 lives, which equates to 26 lives a day. To end this violence, ATF employs its IVRS, a comprehensive, integrated set of programs involving the vigorous enforcement of the firearms laws to remove violent offenders from our communities, keep firearms from prohibited possessors, eliminate illegal weapons transfers, halt illegal sources of firearms, and pursue outreach and prevention efforts. IVRS builds upon traditional enforcement efforts with state-of-the-art ballistic imaging technology, firearms tracing, unique technical expertise, and intelligence/information sharing.

This is accomplished by:

- Partnering with law enforcement agencies and prosecutors at all levels to develop focused enforcement strategies to investigate, arrest, and prosecute violent offenders and illegal domestic and international firearms traffickers.
- Providing leadership and assistance within the law enforcement community to effectively solve violent crimes using specialized resources, technology, and training.
- Conducting training programs for state and local law enforcement partners focused on firearms tracing, trafficking, and prosecution strategies.
- Fair and effective regulation of the firearms industry.
- Educating and inspecting FFLs to promote proper recordkeeping and business practices.
- Reducing violence through community and industry outreach and education.

At The Frontline

- *Between fiscal years 2003 and 2009, across all of ATF's violent crime programs, ATF has recommended 88,748 cases and 126,444 defendants for prosecution.*
- *Nearly 62% of these defendants are previously convicted felons and 84% have prior arrest records.*
- *Of those recommended for prosecution, over 67,280 of the cases have resulted in the indictment of nearly 94,187 defendants; of those, over 52,309 cases have resulted in the conviction of 71,244 defendants;*
- *Nearly 57,257 defendants have been sentenced to an average of 138 months of incarceration.*

Reducing Violence through the Interdiction and Prevention of Firearms Trafficking

ATF has long recognized the clear link between the availability of criminally possessed firearms and violent crime. By the time a firearm reaches the criminal “market,” ATF would have to dedicate more resources to overcome its effects on the U.S. and global community. To reduce violent crime, ATF must concentrate on the sources of illegal firearms that fuel violence across the U.S., on our borders, and abroad. This is the essence of our firearms trafficking, violence reduction, and Southwest Border strategies.

ATF's firearms trafficking strategy focuses on shutting off the sources of firearms to violent offenders, from regulated retailers and secondary markets (such as gun shows) and the Internet. Since, generally, there is no legal way for a convicted felon, a drug trafficker, or a juvenile gang member to obtain a firearm, these offenders rely on firearms traffickers (those persons and organizations willing to sell firearms without regard to the law) to make firearms readily available. Due to the strength of federal, state and local laws, firearms traffickers are the criminal's source for obtaining firearms. Firearms trafficking investigations are inherently of federal interest due to their interstate and international nature. These investigations most often extend beyond the jurisdictional boundaries and authorities of state and local law enforcement. ATF's statutory authority

and long experience regulating the firearms industry and unique technical/forensic capabilities make ATF the federal authority on firearms trafficking and investigations.

ATF's strategy addresses the on-going movement of firearms from legal to illegal commerce, from source area to market area, from trafficker to triggerman. ATF agents, IOIs and federal prosecutors working together in a source area -- thousands of miles from a criminal market area -- can still have a major impact on violent crime and gang violence in a market area. When viewed nationally, dismantling a gun trafficking organization wherever it operates will have a major impact on reducing the nation's overall violent crime rate and availability of these tools to threaten, harm or otherwise impact our communities.

At The Frontline

Firearms Trafficking

- *From FY 2003 through FY 2009, ATF recommended prosecution of over 12,503 cases and 22,688 defendants for firearms trafficking related offenses involving an estimated 382,925 weapons.*
- *In FY 2007-08, ATF conducted an integrated training program focusing on firearms tracing, trafficking, and enforcement strategies to 8,388 state, local, and other federal law enforcement personnel.*

ATF approaches firearms violence using two complementary strategies: industry regulation and criminal investigation. ATF regulates the manufacture, importation, and sale of firearms in the U.S. ATF screens FFL applicants to determine their eligibility to engage in a firearms business, and educates licensees on their responsibilities under the law. ATF enforces the provisions of the Brady Law, which require that all firearm sales by FFLs to non-licensed individuals include a background check to ensure that the purchaser is not a felon or other prohibited person. FFLs are required to maintain records of their acquisition and disposition of firearms. ATF has the authority to request information from these records to assist with criminal investigations. Through this regulatory framework, ATF establishes the process to track each recovered firearm from its point of manufacture or importation to the point of first retail sale, a process known as "tracing." By tracing all crime gun recoveries submitted to ATF, investigators are able to discern patterns of persons purchasing firearms, locations of purchase, and weapon types that provide invaluable leads aiding in the identification of persons engaged in the diversion of firearms into illegal commerce. By identifying and targeting these persons, ATF can stem the flow of illegal guns and make it difficult for convicted felons, drug traffickers, or juvenile gang members to obtain a firearm that could be used in violent crimes. Moreover, by connecting a firearm to a gun trafficker, ATF can connect firearms sold by that trafficker to those who use firearms in violent crime.

ATF operates the National Tracing Center (NTC), which is the only law enforcement entity able to trace firearms from their manufacture to the point of first retail sale. Crime gun trace data shows that there are geographic “market areas” where crime guns are recovered and “source areas” that provide firearms to those markets. In firearms trafficking cases, investigative techniques vary depending on whether the investigation begins in a market or source area. In either case, firearms trafficking investigations can be complex and time-consuming. There are multiple types of investigations to include: simple “straw purchases” (where a legal purchaser buys a firearm on behalf of, or at the direction of, a prohibited purchaser); illegal dealing at gun shows and other locations; dishonest FFLs; burglaries of gun stores; the theft of interstate shipments of firearms; and large-scale illegal firearms trafficking organizations.

At The Frontline

- *Between fiscal year 2005 and fiscal year 2009, ATF has had significant impact on the trafficking in the Southwest Border States (to include Arizona, California, New Mexico and Texas), per the following:*
- *984 cases involving 2,034 defendants have been recommended for prosecution.*
- *To date, 1,397 defendants have been arrested, 1,303 defendants have been indicted, 850 defendants have been convicted, and 636 defendants have been sentenced to an average of 86 months incarceration.*
- *307 of the cases and 881 of the defendants recommended for prosecution involve gang related offenses.*
- *497 cases have charged violations related to the trafficking of an estimated 14,923 firearms. One hundred and fifty-nine of these cases involved gang- related trafficking of over 3,665 firearms.*
- *In all investigations, over 6,688 firearms have been seized and are no longer*

Reducing Violence on the Southwest Border – Project Gunrunner

The violence fueled by firearms trafficking is demonstrated in the crisis on our Southwest Border. Our firearms trafficking strategy complements our continued focus on the deployment of resources to specific localities where there is a high incidence of gang and gun violence. Recent investigative data have shown an increase in the number of firearms recovered in Mexico, and these firearms fuel the growing violence along the border. In partnership with other U.S. agencies and the Government of Mexico, ATF’s Project Gunrunner deploys resources on the Southwest Border and across the country to investigate the sources of firearms identified from trace data derived from firearms recoveries and subsequent trace requests made by our Mexican counterparts. Through firearms trafficking interdiction efforts, ATF decreases the availability of illicit firearms and recommends for prosecution those who illegally supply

firearms to prohibited possessors. Violent gang members are often involved in firearms trafficking, both for potential profit and in furtherance of drug trafficking and other crimes.

In the overarching U.S. Government Southwest Border Strategy, ATF's primary role is to stem the illegal trafficking of weapons across the border and to reduce the firearms driven violence now occurring on both sides of the border. Of the firearms recovered in Mexico and then traced through ATF, over 90 percent originate from sources in the U.S.

Firearms tracing, and in particular, the expansion of the eTrace firearms tracing system, is a critical component of Project Gunrunner in Mexico. ATF has deployed eTrace technology to the nine (9) U.S. consulates in Mexico. ATF is providing extensive training to Mexican law enforcement personnel on firearms tracing and trafficking techniques. ATF and the Government of Mexico continue to discuss decentralizing the firearms tracing process by deploying a Spanish-language version of eTrace to other Mexican law enforcement agencies. ATF has deployed eTrace to Mexico, Guatemala and Costa Rica.

At The Frontline

- *To confront the escalating firearms-violence problem along the Southwest Border, in FY 2007-08, ATF provided firearms-trafficking training to more than 885 Mexican police and prosecutors.*
- *Every year, ATF provides firearms-related training to more than 1,000 police officials served by the International Law Enforcement Academies across the globe. In Africa, Eastern Europe, Asia, and Latin America, this training focuses on firearms trafficking and other violent-crime problems impacting each region.*

Trends indicate that the firearms illegally crossing the U.S.-Mexico border are much more lethal because of their increased capabilities and the variety of weapon types. ATF analyzed firearms seizures originating from Mexico from FY 2005 to FY 2007 and identified the following weapons that are among those most commonly used by criminals: 9mm pistols; .38 Super pistols; 5.7mm pistols; .45-caliber pistols; AR-15 type rifles, and AK-47 type rifles. ATF has seized thousands of firearms headed to Mexico.

Most of the firearms violence in Mexico is perpetrated by Drug Trafficking Organizations (DTOs.) These Mexican DTOs are among the leading gun trafficking organizations operating in the U.S. DTOs are vying for control of drug trafficking routes to the U.S. and engaging in turf battles for disputed distribution territories. DTOs operating in Mexico rely on firearms from illicit suppliers to enforce and maintain their narcotics operations. Intelligence indicates these criminal organizations have tasked their money laundering, distribution and transportation infrastructures with reaching into the U.S. to acquire firearms and ammunition.

ATF has approximately 145 agents, 60 IOIs, and 12 forensic auditors assigned to Project Gunrunner in the four contiguous Southwest Border States, as part of a broad plan to disrupt the firearms trafficking corridors operating along the border. These ATF personnel work with other

agents, IOIs and forensic auditors across the country to pursue firearms trafficking investigations that originate in areas “away from the border” but that nonetheless result in the movement of firearms to Mexico. ATF has dedicated seven (7) intelligence research specialists (IRSs) and one (1) special agent intelligence officer to intelligence collection, analysis, and information sharing.

At The Frontline

- *Criminal gangs are active within all 50 States, the District of Columbia, and the American Commonwealths.*
- *Approximately 1 million gang members belong to more than 20,000 gangs.*
- *Criminal gangs commit as much as 80% of the crime in communities, according to law enforcement sources.*
- *Gangs traffic illicit narcotics supplied by and through Mexico based drug trafficking organizations.*
- *The FY 2009 National Gang Threat Assessment reports that 94.3 percent of gang-related homicides involved the use of a firearm.*
- *Violent Crime Impact Teams (VCIT) are currently active in 31 cities*

Through the VCIT initiative, since 2004:

- *ATF and its law enforcement partners have arrested more than 15,130 gang members, drug dealers, felons-in-possession of a firearm, and “worst of the worst” violent criminals and recovered more than 18,700 firearms.*
- *The teams have obtained convictions against nearly 3,000 defendants.*
- *More than 2,600 defendants have been sentenced to an average prison sentence of 33 months.*

Reducing Violent Gang Crime

ATF’s core missions - enforcing laws that prohibit the criminal misuse of firearms and explosives, and investigating acts of arson - have placed it at the center of gang investigations. Since its creation as a bureau in 1972, ATF has established itself as a lead federal agency in the investigation of violent gang-related crime. ATF has unique statutory authority over the “tools of the trade” that make gangs a threat to public safety. These tools include guns in the hands of felons and prohibited persons, and weapons and explosives used to retaliate against rivals and witnesses. ATF targets and dismantles criminal organizations that pose the greatest threat to public safety, like Mara Salvatrucha (MS-13), outlaw motorcycle organizations (such as the

Hells Angels and Mongols), national gangs like the Crips and Bloods, Asian gangs, white supremacists, and innumerable neighborhood-based gangs. ATF's anti-gang strategy includes enforcing federal statutes such as the Racketeer Influenced and Corrupt Organizations Act (RICO) and the Armed Career Criminal statute.

ATF recognizes the clear correlation between the availability of criminally possessed firearms and violent crime. ATF's focus on violent firearms related crime provides a strong link to the investigation of criminal street gangs.

ATF has a powerful tool in the Integrated Violence Reduction Strategy (IVRS) – the Violent Crime Impact Team (VCIT). VCITs focus primarily in urban areas by working with local law enforcement partners. VCITs identify hot spots of violent firearms crime and target, investigate, arrest, and recommend for prosecution the “worst of the worst” criminals. The teams focus on a small area and flood it with the integrated resources of the VCIT partners. ATF's VCIT program is an example of the logical “market area” complement to its firearms trafficking strategy.

ATF agents work with other federal, state, and local law enforcement to identify the most violent gang members and target these offenders first, using undercover operations, surveillance, wiretaps, and the controlled purchase of drugs, guns and explosives to identify and attack the gang's hierarchy.

At The Frontline

- *In FY 2008, ATF referred over 4,100 gang members and their associates for prosecution.*
- *In fiscal years 2003 through 2008, an average of 11% of all ATF cases and 17% of all defendants referred for prosecution (8,754 cases and 19,238 defendants) involved allegations of gang-related criminal conduct.*
- *Many of these cases involve firearms and RICO violations, as well as violations of explosives laws.*

At The Frontline

- *In fiscal year 2008, ATF conducted 11,169 compliance inspections.*
- *More than 44 percent of the licensees inspected were determined to be in full compliance with the law and regulations and no violations were cited.*
- *Approximately 100 Federal firearms licenses were revoked or denied renewal due to willful violations of the GCA. This figure is less than one percent of the number of licensees inspected.*
- *In the 11,169 compliance inspections conducted in FY 2008, ATF reviewed nearly 1.5 million firearms transfer records for legal sufficiency and validated over 273,000 National Instant Check submissions.*
- *During compliance inspections conducted in 2008, ATF investigators identified over 116,000 firearms that FFLs could not locate in inventory or account for by disposition or theft.*
- *By working with industry members, IOIs reduced this number to approximately 22,770 unaccounted for firearms. ATF IOIs improved the success rate of potential firearms traces of previously unaccounted firearms by 81 percent.*
- *Although this is a significant improvement, over 22,000 firearms remained missing and continue to pose a threat to public safety.*

Reducing Violent Crime through Effective Regulation of the Firearms Industry

The fair and effective regulation of the firearms industry is a key component of ATF's firearms enforcement efforts. ATF has sole federal regulatory authority over federal firearms licensee (FFL) businesses authorized to engage in the manufacture, importation, and/or sales of firearms in the U.S. ATF licenses those who enter the firearms business, prescribes the manner by which they must operate, and defines the records they must keep for the acquisition and disposition of each firearm. ATF determines the eligibility of applicants to engage in the business and educates them about their recordkeeping and conduct of business and responsibilities during the qualification inspections.

ATF's Federal Firearms Licensing Center (FFLC) is responsible for issuing licenses to legitimate firearms manufacturers, importers, and dealers. ATF works with the FBI to screen firearms license applicants for federal prohibitions such as felony convictions, illicit drug use, illegal alien status, mental illness, minimum age requirement, etc. To further prevent individuals from buying firearms by falsely claiming to be an FFL, ATF provides licensees with access to a database entitled "FFL EZ Check," which allows FFLs to verify the legitimacy of the licensee with whom they are doing business before shipping or disposing of a firearm.

Along with conducting face-to-face qualifying inspections with all new license applicants, ATF conducts compliance inspections of current FFLs; and collaborates with the industry on voluntary compliance efforts. ATF employs approximately 700 field-based IOIs responsible for

investigating approximately 115,000 firearms licensees of all types (approximately 55,000 of which are collectors of specialty firearms, e.g., curios and relics).

Proper and timely recordkeeping by FFLs is critical to the success of a crime gun trace and is required for all firearms acquired and disposed by licensees. Failing to account for firearms is a serious public safety concern because unaccounted firearms cannot be traced. ATF's FFL inspection program includes using tracing information on recovered firearms to detect indicators of illegal firearms trafficking, and provide leads to investigators for inspections of specific dealers.

ATF IOIs conduct inspections of FFLs to ensure compliance with the Gun Control Act (GCA). ATF has several tools available to encourage and ensure compliance if any violations are discovered during the course of an inspection. These include issuing a "Report of Violations," sending a "Warning Letter," or hold a "Warning Conference" with the industry member. Rarely, ATF encounters a licensee who, despite ATF's efforts, fails to comply with the laws and regulations and who demonstrates a lack of commitment to improving his or her business practices. In such cases, ATF's obligation to protect public safety may require revocation of the federal firearms license.

The AECA authorizes ATF to regulate the importation of firearms, ammunition and implements of war into the U.S. ATF approves or denies applications to import items by domestic businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after having lived abroad. Through industry outreach and regulation, ATF provides technical advice to the public regarding import requirements applicable to firearms, ammunition and implements of war.

Reducing Violent Crime through Regulation of Specified Classes of Weapons

The NFA was enacted to address growing concerns about organized crime and violence. The NFA regulates the manufacture, possession, and transfer of a limited group of firearms considered especially dangerous including machineguns, sawed-off shotguns and rifles, silencers, other concealable firearms, and destructive devices such as bazookas, bombs, missiles, and grenades. The NFA requires the Attorney General to maintain a central registry of firearms covered by the statute. The statute prohibits the transfer or making of NFA firearms without prior approval and imposes a tax on the transfer and making of such firearms.

ATF maintains the National Firearms Registration and Transfer Record (NFRTR) the central registry of all NFA firearms in the U.S. There are more than 2.1 million firearms registered in the NFRTR. In FY 2008, ATF processed 970,000 NFA transactions. ATF's agents and IOIs rely on the NFRTR to determine the lawfulness of the making, possession, or transfer of recovered machineguns, silencers, and other such weapons identified in inspections and investigations. U.S. Attorneys' Offices rely on NFRTR information for court certificates or testimony.

Reducing Violent Firearm Crime with National Information Sharing

National intelligence and information sharing is a key component of IVRS. ATF deploys Integrated Ballistic Identification System (IBIS) equipment to federal, state, and local law enforcement agencies for their use to image and compare crime gun evidence. Nationally, partners use IBIS to acquire digital images of the markings made on spent ammunition recovered from a crime scene or a crime gun test fire and then compare those images (in a matter of hours) against earlier National Integrated Ballistics Information Network (NIBIN) entries via electronic image comparison. If a high-confidence candidate for a match emerges, firearms examiners compare the original evidence with a microscope to confirm the match or NIBIN “hit.” By searching in an automated environment either locally, regionally, or nationally, NIBIN partners are able to discover links between crimes more quickly, including links that would never have been identified absent the technology. NIBIN partners have completed over 1.5 million acquisitions and have confirmed over 30,000 NIBIN hits. There are 209 (196 ATF-procured) IBIS systems that are connected to NIBIN at 194 locations for 157 NIBIN partners: 75% - law enforcement agency administered; 15% - forensic science agency administered; and 10%: - attorney agency administered.

ATF’s National Tracing Center (NTC) is another key tool in fighting violent crime. Each year, the NTC traces hundreds of thousands of recovered crime guns for law enforcement; in FY 2008, the NTC traced 312,520 recovered firearms for law enforcement offices in over 50 different countries. The NTC is the only repository of all crime gun trace data, multiple handgun sales information, stolen firearms information, suspect gun information, and over 100 million firearms transaction records from out-of-business FFLs. The data allows ATF to identify recurring patterns and trends indicative of illegal firearms trafficking and pass that information on to law enforcement. Analysis of the collective crime gun trace data can assist communities in developing focused strategies or programs that address specific factors identified as contributing to armed crime. The NTC also ensures that ATF agents can access its data through eTrace, a web-based input and query engine available to all law enforcement agencies.

Intelligence gathered from tracing crime guns provides leads on illegal firearms traffickers, straw purchasers, and others involved in violent firearms crime, such as criminal gang members. Firearm trace data identifies “hot spots” of criminal activity, and locates the sources of weapons used in these areas—that may be in other states or across the country. ATF uses this data to target and perfect its own criminal investigations, and transmits information to state and local law enforcement to support those agencies in their fight against violent crime.

Reducing Violent Firearm Crime Globally Through International Policy Development and Partnership

At the request of the Department of State, ATF advocates the firearms policies of the DOJ and the U.S. in international forums such as the United Nations (UN) and the Organization of American States (OAS). ATF ensures that the international firearms agreements in which the U.S. participates are consistent with U.S. laws, regulations, policies, and practices. The UN Program of Action, the OAS Convention on Firearms, and the International Tracing Instrument are just a few of the agreements in which ATF represented the interests of the U.S. Government.

ATF enforces the NFA, as well as, the import provisions of the Arms Export Control Act (AECA) and works closely with the DHS to monitor firearms imports and NFA exports to ensure that their international movement is consistent with the law. ATF is the principal DOJ component involved in efforts to combat the illicit manufacturing and trafficking of firearms, their parts and components, and ammunition and explosives in a number of international fora including the UN and the OAS and maintains close liaison with the Department of State.

These efforts, which include the negotiation of legally and politically binding agreements and model regulations, prevent the diversion and misuse of dangerous commodities by terrorists. ATF participates in the DHS's Interagency Incident Management Group and the State Department's International Law Enforcement Academy program (ILEA), which encourages cooperation among participating countries and other U.S. Government agencies. ATF, through its international offices, has implemented bilateral initiatives to help reduce violent crime at home and in neighboring countries. ATF's Canadian Office, along with the NIBIN Program Office at ATF Headquarters, was also instrumental in developing a memorandum of understanding (MOU) with Canadian officials related to ballistic tracing and interconnectivity of data systems. The MOU facilitates sharing leads and other information in real time and exploiting ballistic evidence recovered at crime scenes.

ATF is currently establishing a U.S. - Mexico ballistic information exchange capability. IBIS allows firearms technicians to acquire digital images of the markings made by a firearm on test-fired bullets and cartridge casings for use in comparing and matching ballistic evidence recovered at crime scenes casing-by-casing and projectile-by-projectile. The IBIS software versions in the U.S. and Mexico do not have the capability to correlate against each other's automated ballistic images. ATF is working with Mexico in an IBIS exchange capability that can be used when there is an indication that a firearm may have been used in a violent shooting crime on either side of the border. With this IBIS data exchange capability, both Governments will have the capability to identify critical U.S.-Mexico Southwest Border violent crime investigative leads. Such technology is critical to further protecting the Southwest Border and providing the U.S. and Mexico the ability to successfully investigate and prosecute firearm-related violent crime and firearms trafficking violators in the region.

Reducing Violent Crime Involving Explosives and Bombings

ATF Strategic Priority: Advance domestic and international explosives expertise, to prevent, detect, and investigate acts of violent crime and terrorism and to enhance public safety.

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

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

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

ATF's explosives mission supports DOJ Strategic Goals 1 through ATF's response to the small percentage of explosives incidents classified as "terrorist bombings" which are criminal acts.

These include incidents classified as domestic terrorism, such as acts by animal- or environmental-rights extremists.

ATF's mission supports DOJ Strategic Goal 2 through the investigation of the vast majority of bombings and explosives incidents in the U.S. which are criminal bombings that fall under the jurisdiction of ATF.

Criminal bombings and the illegal use of explosives are a threat to public safety at home and abroad. A common trend emerging in explosives and bombing incidents is the increased use of improvised explosive devices (IEDs). The Internet has made the knowledge and supplies needed to construct an IED widely available to the public, including those who would use that knowledge to commit violent crimes. Many of the materials required to produce an explosive device are common household goods, available with minimal or no regulation. U.S. law enforcement must continue to adapt regulatory and investigative practices to address this new reality.

At The Frontline

- *Since 1978, ATF has investigated more than 25,000 bombings and attempted bombings, more than 1,000 accidental explosions and more than 21,000 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of improvised explosives devices.*
- *Between 1992 and 2008, 98.5 percent of the 26,919 bombing incidents in the U.S. were determined to be criminal acts.*
- *Using a broad definition of terrorism (to include hate groups, animal rights, and reproductive rights motivations,) 405 incidents or 1.5% of the total, were identified as terrorist related.*

Since 1968, ATF has identified and adapted to emerging threats that involve explosives. ATF regulates the explosives industry and investigates the criminal use of explosives, including bombings, thefts, recoveries of explosives and the crime of arson. ATF is recognized for its expertise in bombing and explosives investigations and in the reconstruction of explosives incidents. ATF's agents and forensic personnel are highly trained in the investigation of post-blast scenes. Together, they train federal, state, local, tribal, and international law enforcement agencies in methods and techniques to solve such crimes.

ATF's explosives and arson jurisdiction is derived from Title XI of the Organized Crime Control Act of 1970 and its amendments, including the Safe Explosives Act (SEA). The legislation prohibits persons with certain disqualifying factors, such as felons, from receiving or possessing explosives. The law establishes a system of controls over commerce in explosives by making it a crime to engage in the business of manufacturing, importing, and dealing explosives without a license, and it requires all licensees to maintain certain records. The law requires that any person

who receives explosives for personal use, whether interstate or intrastate, must obtain a permit from ATF, and requires that explosives be stored in compliance with regulations.

As an integral part of ATF's overall violent crime reduction strategy, ATF's arson, and explosives programs provide vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. ATF's National Response Team (NRT) consists of highly trained agents, forensic chemists, explosives enforcement officers (EEOs,) electrical engineers, fire protection engineers, canine handlers, forensic auditors and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT conducts investigations with state and local officers of fire and explosives incidents by providing examinations of the scene, interviews, assistance with the resulting investigations, and expert court testimony.

ATF provides NRT support to security preparedness efforts at the Olympics, the National Governor's Conference, the Super Bowl, and other National Special Security Events. ATF's International Response Team (IRT), is deployed in support of Diplomatic Security Service and foreign government requests to investigate explosive and arson incidents.

In the aftermath of the terrorist attacks of September 11, 2001, the increased scrutiny of potential tools of the terrorists highlighted the importance of ATF's role in enforcing the criminal and regulatory provisions of federal firearms and explosives laws, and in preventing and deterring the use of firearms and explosives by criminals and terrorists.

ATF plays a key role in DOJ's counterterrorism responsibilities as set forth in the National Implementation Plan for the War on Terror (NIP) and in DOJ's supporting plan for the NIP. The impact of ATF's investigative and regulatory programs includes the detection and deterrence of terrorists' use of explosives and other conventional weapons. Through regulation of explosives commerce and through its investigative and criminal enforcement activities, ATF prevents prohibited persons from acquiring and possessing explosives that could be used in acts of terrorism.

At The Frontline

- *Since 1978, the NRT has responded to more than 600 significant incidents throughout the U.S., including the Oklahoma City Bombing; the 1993 World Trade Center bombing; and the September 11, 2001 attack on the Pentagon.*
- *In FY 2008, the NRT responded to 19 incidents that caused \$410 million in property damage*

There is a strong link between explosives and terrorism. Therefore, it is critically important that ATF have effective intelligence and robust information sharing practices, and that ATF uses innovative research, training, and investigative tactics to meet this evolving threat.

ATF's expertise in detecting, preventing, investigating, and responding to firearms, explosives, and arson crimes and conducting state-of-the-art forensic analyses of criminal evidence is a particularly valuable asset in efforts to keep citizens and neighborhoods safe. This comprehensive expertise significantly contributes to the Global War on Terror by supporting national counterterrorism strategies and by establishing partnerships with members of the law enforcement, public safety, scientific industry, academic and intelligence communities.

At The Frontline

- *ATF has provided pre- and post-blast investigative training to **more than 3,000 military and DoD civilian personnel**, both domestically and in Iraq, Afghanistan and other overseas posts of duty.*
- *ATF agents are the only law enforcement personnel assigned to the Joint Improvised Explosives Devices Defeat Organization (JIEDDO), both at Ft. Irwin, California and in Crystal City, Virginia to support the training of military personnel prior to deploying to a combat zone.*
- *At the request of the Department of Defense and State/local law-enforcement agencies, ATF has developed the only comprehensive "Homemade Explosives:" training course, covering the identification, processing, and disposal of the dangerous chemicals used to manufacture IEDs.*

ATF's analytical and forensic technology resources and knowledge are available to agencies at every level of government, domestically as well as internationally, to assist in preventing, detecting, disrupting, and prosecuting criminal activity and terrorism. To complete our mission, ATF relies upon information sharing partnerships with other domestic and international law enforcement agencies to provide accurate and timely intelligence support. ATF participates in a number of efforts and activities that support the Attorney General's counterterrorism efforts, including supporting the Law Enforcement Information Sharing Program (LEISP) with both investigative and intelligence resources. ATF fully supports Government anti-terrorism efforts and in particular, the FBI-led Joint Terrorism Task Force (JTTF). Currently, ATF participates in 89 of the 106 JTTFs throughout the country. In addition, ATF has one (1) agent assigned to the National JTTF at FBI Headquarters. Because of this participation, ATF has played an important part in a number of terrorism cases that involved firearms smuggling, bombings, illegal explosive possession, and tobacco diversions.

ATF's support of Departmental efforts to prevent terrorist attacks extends beyond our nation's boundaries. In order to remain at the forefront of emerging terrorist trends, ATF also supports the Department of Defense's Combined Explosives Exploitation Cells (CEXC) program, which was established to document, collect, process, and serve as a repository for physical evidence recovered from detonations of IEDs in Iraq. Since March 2005, ATF has deployed 38 explosives experts to Iraq to provide onsite investigative assistance in processing post-blast incidents directed at U.S. and allied forces. In addition to the CEXC-Iraq program, ATF is currently moving forward to deploy ATF personnel to support the CEXC Afghanistan Program. It is

anticipated that ATF will have three (3) personnel in Afghanistan at any given time. CEXC personnel will serve on 120-day rotations in Afghanistan and with 90-day rotations in Iraq.

To exploit the work of CEXC, ATF supports the Terrorist Explosive Device Analytical Center (TEDAC). A combined leadership team composed of the FBI and ATF manages the TEDAC. TEDAC is comprised of ATF and FBI agents, intelligence analysts, certified explosives specialists, and other personnel with specialized training. Collectively, they assist in the technical and forensic exploitation of evidence and triggering mechanisms recovered from IED detonations and render safes in Iraq and Afghanistan. The exploitation of the recovered evidence is a time consuming process in which every IED component is identified and documented in an IED database. Additionally, these examinations identify the assembly characteristics and functionality of the IEDs. As a managing partner in the TEDAC, ATF has 26 assigned personnel and 10 contract employees to support the analysis of IEDs from Iraq and Afghanistan in an effort to identify bombers and prevent further attacks.

TEDAC has also established a partnership with the New Scotland Yard, Anti-Terrorist Branch. A New Scotland Yard Anti-Terrorism detective works at the TEDAC to facilitate an information exchange between the U.S. and the United Kingdom to help deter future terrorist bomb attacks. Research partnerships between forensic scientists from both agencies are underway to examine new homemade explosives used by terrorists. Those explosives are being characterized for their explosive properties and effects and for forensic evidentiary value.

ATF's international offices in Canada, Mexico, and Colombia work in close partnership with law enforcement counterparts to combat criminal activity, firearms trafficking schemes and acts of terrorism. ATF's NTC traces thousands of U.S.-sourced firearms recovered in crimes in over 50 different countries in order to provide investigative leads identifying illegal trafficking sources. Successes include the establishment of the Center for Anti-Explosives Information and Firearms Tracing (CIARA) in Colombia, which is a firearms and explosives tracing center modeled after ATF's NTC Division and the U.S. Bomb Data Center (USBDC). CIARA is the first of its kind in South America and will serve as a model for such centers in Central and South America as well as the Caribbean Basin.

At the request of the State Department, ATF strategically utilizes its IRT to provide technical and investigative assistance in international explosives and fire incidents. The IRT has responded to 27 incidents since its inception in 1991; its last call out was to Paramaribo, Suriname, to assist with rendering safe an explosive device.

Reducing Violent Crime Involving Explosives and Bombing through Effective Training and Research - ATF National Center for Explosives Training and Research (NCETR)

Established as a result of the 2002 Homeland Security Act, the mission of ATF's NCETR is to deliver basic and advanced courses on a variety of explosives topics to ATF personnel, law enforcement partners, the U.S. military, and other federal agencies. Currently located at Fort A.P. Hill in Bowling Green, Virginia, the NCETR provides a means of consolidating ATF explosives expertise and research, developing and enhancing technical knowledge, and building

partnerships for the dissemination of this knowledge across federal, state, local and law enforcement agencies.

Congress appropriated funds to construct a permanent facility for NCETR at Redstone Arsenal in Huntsville, Alabama. This facility, under construction and scheduled for completion in 2010, will consist of three (3) explosives ranges, eight (8) classrooms, laboratories, a conference facility and office space for ATF personnel and for partners from the federal, state, local and international law enforcement and explosives communities. Training began on the first of the explosives ranges in August 2008.

The NCETR facility will provide the highest-quality training experience and scientific research for those on the front lines of efforts to prevent and investigate bombings. The NCETR at Redstone Arsenal will be a world-class explosives training facility that will enable ATF to bring together under one roof its explosives training, research, and information-sharing activities, affording maximum synergy across these inter-related disciplines. Additionally, the planned presence at the NCETR of training and research partners from across the domestic and international communities will enhance U.S. Government efforts to foster collaboration and to successfully combat violent crime and terrorism.

Reducing Violent Explosives and Bombing Crime with National and International Information Sharing

ATF has been collecting, storing, and analyzing data on explosives and arson incidents since 1976. ATF, through the U.S. Department of the Treasury, was mandated by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives. This authority, as contained in 18 U.S.C. § 846(b) and delegated to ATF by the Secretary of the Treasury, was moved with ATF to the authority of the Attorney General by the Homeland Security Act of 2002.

The USBDC, a sole repository for arson and explosives related incident data. The USBDC collects, analyzes and disseminates timely information and relevant tactical and statistical intelligence within ATF, as well as to external state, local, other federal, tribal, military, and international partners. The USBDC provides statistical analyses of current trends and patterns to assist field elements in preventing the criminal misuse of explosives. The USBDC contains information on more than 180,000 arson and explosives incidents investigated by ATF and other federal, state, and local law enforcement and fire investigation agencies. The USBDC's Bomb Arson Tracking System (BATS) is the explosives and arson investigators' link to the USBDC and all the information that is maintained there. Investigators can use BATS to perform trend analysis and compare incidents for similarities in motives, device components, suspects, and crime methodologies for possible investigative leads nationwide. Images of arson scenes, IEDs and crime scenes can be shared through the BATS secure web connection.

Investigators are able to capture details of bomb and arson cases, including the area of origin or device placement, casualties, dollar losses, fire descriptors, collateral crimes, device components and descriptions of how the device was delivered. BATS also includes a functionality that

allows investigators to use the program as a case management system, allowing them to build their investigation in BATS, while maintaining critical operational security.

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and in foreign countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and foreign countries cooperate in the tracing endeavor by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only federal agency authorized access to these records.

The USBDC has the responsibility for tracing and maintaining the official records for the theft and recovery of foreign and domestic commercial explosives, military explosives and ordnance and other munitions. ATF's commitment to establishing strong partnerships with the Department of Defense (DoD) and the commercial explosives industry has allowed the USBDC to trace stolen and recovered explosives to their origin, including movement in interstate and international commerce.

ATF developed a collaborative portal for the sharing of explosives-related technical information. The portal is used by bomb data centers of 40 countries that are members of the International Bomb Data Center Working Group (IBDCWG). Its objective is to share technical information to address critical incidents, involving criminal use of explosives or other means, and planned or actual terrorist attacks. The portal also includes the ability to exchange encrypted information via live "chat" forums.

The information and trends developed through ATF's participation in CEXC and TEDAC are further exploited through participation in the Joint Improvised Explosives Device Defeat Organization (JIEDDO) and through post-blast training provided to members of the U.S. armed forces here and abroad. These key undertakings contribute significantly to force protection measures undertaken by our armed forces.

Laboratory Services and the Fire Research Laboratory

ATF's Laboratory Services provides analytical examination of evidence and advisory services on matters of a scientific nature. Laboratory Services is made up of four organizational groups: the Forensic Science Laboratory (FSL) in Atlanta, San Francisco and the Washington metropolitan area as well as the Fire Research Laboratory (FRL). The National Laboratory Center in Amundale, Maryland serves as the administrative center for Laboratory Services and houses the FSL-Washington and the FRL. The Laboratory Services staff is comprised of more than 100 personnel composed of biologists, chemists, scientists, engineers, fingerprint specialists, firearm and tool mark examiners, document examiners and administrative support personnel. ATF's Laboratory Services personnel hold leadership positions in numerous professional scientific organizations and are considered among the most highly qualified specialists in their individual fields.

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

Preventing Violent Crime Involving Explosives

At The Frontline

- *In 2008, ATF led efforts to provide explosives training for police forces in Pakistan. Within weeks, ATF-trained Pakistani officers were called upon to apply their new skills in conducting the investigation of the large-scale terrorist bombing of the Marriott hotel in Islamabad.*
- *ATF is playing a lead role in developing an explosives range for use by the students attending the International Law Enforcement Academy in Gaborone, Botswana. This will enable ATF to provide essential explosives training prior to the 2010 World Cup in South Africa*

To assist in the prevention of explosives incidents, ATF trains explosives detection canines (EDC) and handlers for its use and for other federal, state, local, and international partners. The latter is in partnership with the State Department's Office of Anti-Terrorism Assistance program. ATF's canine training incorporates the research and development from ATF's Laboratory Services and the technical expertise of ATF explosives experts.

ATF's world-recognized canine training program produces extremely reliable, mobile, and accurate explosives and accelerant detection canines that are able to assist law enforcement and fire investigators worldwide. The Accelerant Detection Canine Program places accelerant detection canines with state and local agencies to support their arson investigation activities. The Explosives Detection Canine Program (EDCP) trains explosives detection canines for use overseas and domestically in the war against terrorism. ATF works with agencies that have received ATF-certified explosives detection and accelerant detection canines and supports those who are without canine services in their communities.

Congress recognizes the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection. ATF is also at the forefront of combating terrorism through such innovative programs as training other federal, state, local, and international law enforcement explosives detection canines in peroxide explosives, utilizing its years of experience training its own ATF-certified explosives detection canine teams on the substances.

At The Frontline

- *There are 34 ATF-trained explosives detection canine teams with ATF special agent canine handlers.*
- *There are currently 113 ATF-trained explosives detection canine teams deployed throughout the U.S. with local, State or other Federal agencies, as well as in 21 foreign countries.*
- *In addition, there are 71 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada.*
- *Since 1991, ATF has trained 595 explosives detection canines and 127 accelerant detection canines.*
- *ATF has trained 380 explosive detection canines for foreign partners*
- *ATF is working with the Department of Defense to train more than 300 military working canines to detect odors associated with “homemade explosives.” This effort is of critical importance to combating the IED threat in Iraq and Afghanistan.*
- *ATF has trained/tested 691 canine teams in the National Odor Recognition Test nationwide.*

Reducing Violent Crime through Effective Regulation of the Explosives Industry

ATF is the only federal law enforcement agency that regulates the storage of explosives. ATF's criminal and regulatory programs are a key means by which the U.S. Government enforces federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings. Federal law requires that any manufacturer, importer, or dealer of explosives must have a federal explosives license, and anyone who acquires for use or transports explosives must hold a federal explosives permit or license. ATF enforces the SEA which places controls on the intrastate movement of explosives and mandates background checks on employees who possess explosive materials in the course of their employment with explosives licensees and permittees. The SEA also requires that all persons who receive explosives obtain a federal permit that includes a background check.

The Federal Explosives Licensing Center (FELC) screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF establishes standards for the storage of explosives materials and record keeping requirements to which explosives licensees and permittees must adhere. These standards ensure explosives accountability and traceability. ATF's IOIs conduct compliance inspections of the approximately 11,000 explosives licensees and permittees nationwide to detect, investigate and prevent diversion and to promote the safe and secure storage of explosives.

At The Frontline

- *The U.S. produces or imports approximately six billion pounds of explosive materials annually.*
- *Each year, eight billion pounds of ammonium nitrate are produced, of which half is used for explosives.*
- *Illegal use of these materials threatens the Nation's public safety.*
- *In FY 2008, ATF:*
 - *Conducted 4,393 Explosives Licensee and permittee Compliance Inspections that identified and corrected 1,868 public safety violations.*
 - *Completed 1,293 FEL Applicant Inspections*
 - *Processed 3,561 FEL Applications (New & Renewal)*
 - *Completed 68,645 Explosives Employee/Possessor Background Checks*
 - *Completed 3,231 Explosives Responsible Persons Background Checks*

Alcohol and Tobacco Enforcement

Criminals have long exploited the differences among federal and state excise tax rates for alcohol and cigarettes by illegally producing, distributing, and smuggling alcohol and cigarettes into domestic and international high tax jurisdictions areas, activities collectively referred to as diversion. The illegal diversion of tobacco products presents a two-fold problem. Governments are deprived of due revenue and organized criminal groups (including terrorist organizations) gain substantial profits from contraband tobacco.

Organized crime groups and individuals with ties to terrorist organizations increasingly engage in illegal trafficking of tobacco products. The proliferation of large-volume trafficking across international borders and interstate commerce to avoid taxes provides increased funding to terrorist organizations and traditional criminal enterprises. An estimated \$5 billion in tax

revenue is lost annually to the federal and state governments by the diversion of tobacco products.

Current investigations have identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies used to support their organizations and activities. Diversion activities often generate tremendous cash profits that are laundered and used to further other unlawful schemes, such as narcotics and firearms trafficking. As an example, ATF conducted several complex contraband cigarette trafficking cases, which documented ties of individuals providing proceeds and profits directly to terrorist organizations.

At The Frontline

- *During FY 2008, ATF opened approximately 160 investigations into the diversion of alcohol and tobacco products, recommending the prosecution of approximately 223 defendants and seizing approximately \$2.25 million in criminal contraband and an additional \$10.8 million in criminally derived proceeds.*

ATF's primary jurisdiction relating to tobacco is the Contraband Cigarette Trafficking Act (CCTA) of 1978. The CCTA makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of state tax payment for the state in which the cigarettes are found (if a state tax stamp is required). ATF investigates the trafficking of contraband (non-tax paid) and counterfeit tobacco products that deprive state governments of billions of dollars in tax revenue annually and have been found to be a funding source for terrorism. Through the successful prosecution and plea agreements in these complex investigations, millions of dollars in defrauded state excise tax revenues are returned to the affected states.

Alcohol diversion raises images of prohibition-era moonshiners and bootleggers. While moonshiners still exist, more complex alcohol diversion schemes have developed in recent times. Diversion schemes have included the diversion of distilled spirits from the U.S. to the former Soviet countries and to European Union countries. In many of these cases, distilled spirits are mislabeled as industrial products to perpetrate the fraud. In some instances, alleged industrial alcohol is diverted for beverage purposes.

ATF agents have unique experience and expertise in the criminal laws related to alcohol and tobacco diversion. The large cost gap between the regulated and diverted commodities generates enormous profits for criminal organizations and deprives federal and state governments of billions of dollars in taxes. Counterfeit or tampered goods may also endanger the public health. Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attract less scrutiny and have a reduced risk of apprehension while still offering high potential profits. In addition, immense profits and relatively low penalties attract organized crime and fundraisers for terrorist groups.

FY 2011 Request and Current Services/Adjustments-to-Base (ATB):

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) requests \$1,162,986,000 for FY 2011, including 5,145 positions and 5,111 full time equivalents (FTE). Specifically, ATF requests \$1,150,850,000, 5,101 positions and 5,071 FTE for current services and \$12,136,000, 44 positions and 40 FTE for building ATF's capacity in critical law enforcement, regulatory and mission support areas.

Each of ATF's programs is essential to reducing violent crime, preventing terrorism, and protecting the Nation. ATF's unique regulatory authority of the firearms and explosives industries provides strong support to accomplishment of its law enforcement mission. ATF's mission and its FY 2011 budget request support the priorities of the Attorney General under the Department's Strategic Goals of preventing terrorism and promoting the nation's security and preventing crime, enforcing federal laws, and representing the rights of the American people.

ATF Resource Profile FY 2011

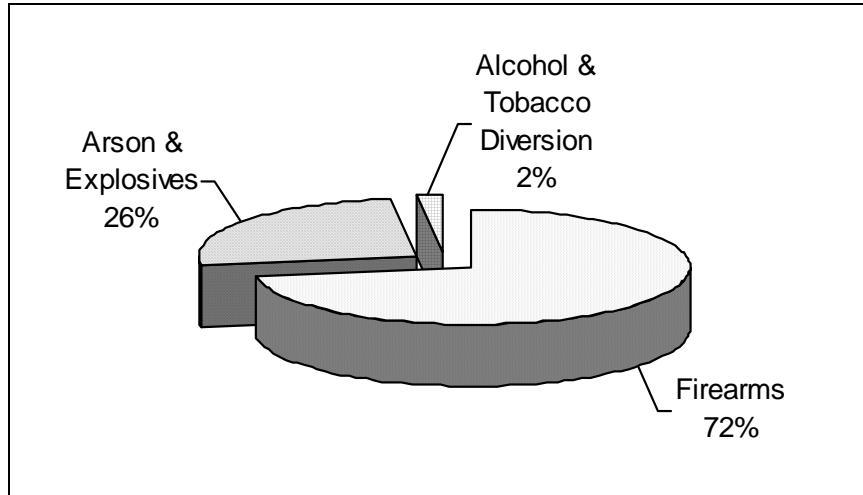
Resources in Support of DOJ Strategic Goals 1 & 2

Decision Unit	FY 2009 Enacted FTE	FY 2009 Enacted (\$000)	FY 2010 Enacted FTE	FY 2010 Enacted (\$000)	FY 2011 Request FTE	FY 2011 Request (\$000)
Firearms	3,547	\$759,035	3,614	\$802,636	3,700	\$837,350
Arson and Explosives	1,320	\$274,096	1,321	\$289,841	1,321	\$302,377
Alcohol and Tobacco Diversion	90	\$21,084	90	\$22,295	90	\$23,259
Subtotal ATF S&E	4,957	\$1,054,215	5,025	\$1,114,772	5,111	\$1,162,986
Construction	0	0	0	6,000	0	0
Total ATF S&E and Construction	4,957	\$1,054,215	5,025	\$1,120,772	5,111	\$1,162,986

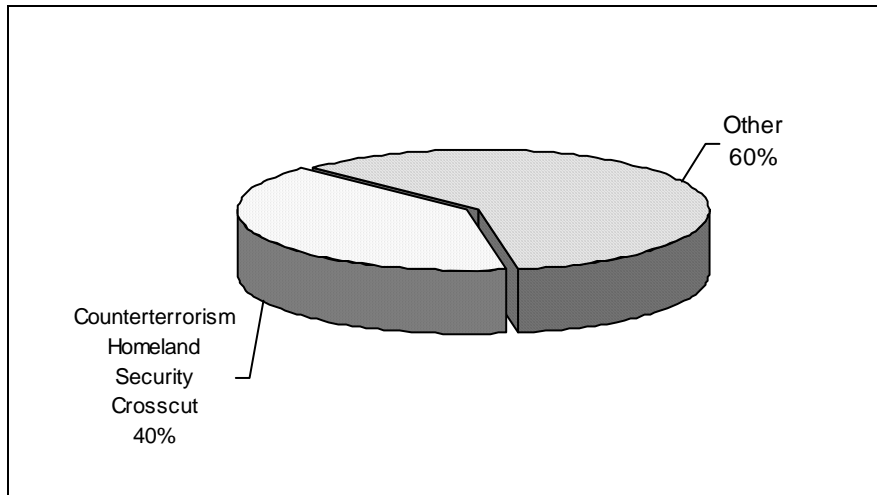
S&E Resources in Support of DOJ Strategic Goals 1 & 2

By Decision Units and Counterterrorism Crosscut

Decision Units



ATF Homeland Security Counterterrorism Crosscut



Emergency Support Function #13

Emergency Support Function (ESF) #13 integrates federal public safety and security capabilities and resources to support the full range of incident management activities associated with potential or actual incidents requiring a coordinated federal response. ATF was an active participant in the formulation of the National Response Framework (NRF), which includes the ESF #13 Annex. Partly as a result of the overall law enforcement response to Hurricane Katrina, the responsibility of ESF #13 was transferred to the DOJ from DHS. In October 2008, ATF was officially identified to lead the DOJ efforts to manage ESF #13. Although any ESF #13 response will be a collaborative effort among partner law enforcement agencies, ATF is responsible for (1) establishing the *all hazards* ESF #13 law enforcement planning for 50 States, the District of Columbia and four (4) Territories, and (2) managing and coordinating the day-to-day ESF #13 operations among all federal, state, local and tribal public safety entities.

Through ESF #13, federal law enforcement assets are directed to assist federal, state, local and tribal authorities with public-safety and security-related missions. The missions vary from any serious, but purely local incidents, to large-scale terrorist attacks or catastrophic natural disasters. In addition to day-to-day operations, ATF must immediately respond nationally, regionally and locally to any ESF #13 activation or until other federal resources can mobilize and participate. During ESF #13 activations, ATF is consistently required to provide real-time law enforcement readiness information to all levels of the federal government. This includes providing information to the White House, DOJ, DHS and Federal Emergency Management Agency (FEMA) leadership.

Environmental Management

ATF has fully implemented Environmental Management Systems at its three laboratories. ATF will develop and implement a Bureau-wide, organizational Environmental Management System by the end of fiscal year 2011 in accordance with the schedule established by the DOJ. ATF has reviewed its acquisition policy and procedures complying with the Department's Green Purchasing Program. Additional Green purchasing training will be conducted for Bureau contracting officers. ATF ensures that all new purchased and leased computers and monitors are EPEAT (Electronic Product Environmental Assessment Tool - www.epeat.net) – Silver rated and registered, and that IT service contracts and leases support EPEAT-registered products, ENERGY STAR features, environmentally sound management techniques, and do extend product lifecycles. ATF is developing policy and procedures to assure compliance with Executive Order 13423, relating to Toxic and Hazardous Chemical reduction, Sustainable Buildings, Energy Management, Transportation, Recycling, Water Management, Environmental Management Systems, and Electronics Stewardship.

Strategic Management of Human Capital

Human capital continues to be ATF's most important asset. ATF established a Workforce Strategic Priority Action Committee (SPAC) to define and implement workforce priorities identified by ATF's Strategic Leadership Team, and continues to provide key oversight and direction in carrying out the objectives of ATF's Human Capital Strategic Plan.

ATF continues to ensure that ATF's promotion process is technically sound and meets the most rigorous legal and professional standards for a valid process. ATF validates semi-annually the GS-1811 special agent competency model. ATF uses the 1811 competency model as a basis for testing applicants for the special agent occupation, recruitment activities, assessing performance annually and promoting agents into the senior level ranks of resident agent in charge (RAC) and assistant special agent in charge (ASAC). An IOI competency model has also been established and is similarly being used to assess skills gaps and to recruit. ATF is also continuing to build a validated competency base for all occupations that are either mission critical or administrative support.

As employee safety and wellness continues to be a high priority for ATF, ATF has plans to increase its Workforce Wellness Program in 2011. Some specific targets to help ensure all employees have sufficient information and opportunities to maintain and improve their health and wellness include: a Health Improvement Program participation rate of 90 percent of our employee population; 50 percent increase in wellness session participation by increasing publicity about this series at times of the day that may be more conducive to employees' schedules; increasing the availability of mammograms and stress test screenings by 50 percent at an estimated additional cost of \$20,000; expanding the Automated External Defibrillators program to ATF field office locations; and implementing a cardiopulmonary resuscitation training program with an estimated annual cost of \$12,000 for a total of 12 sessions with 12 participants each at ATF Headquarters and Martinsburg, WV locations.

ATF monitors and makes improvements, based on the Federal Human Capital Survey results, with continued surveys of workforce engagement and focus groups measuring employee satisfaction. Additional emphasis is being given to succession planning, especially leadership training, employee accountability, ethics and professionalism and performance management. Such plans will identify key training and development initiatives and will provide for a common understanding of career development activities.

ATF has implemented a Learning Management System (LMS) that allows for streamlined and automated tracking of employee training requests and activities. The system conforms to the requirements of the OPM Human Resources Line of Business initiative. It enables more comprehensive tracking of curricula, certifications, and employee learning plans and will allow for a strategic linkage between competencies and training. During FY 2011, ATF will provide employees with a revamped and user-friendly Individual Development Program and encourage employees to use available resources through the LMS during telework to move forward with career goals and aspirations.

Since the issuance of OPM's end-to-end hiring plan, ATF has opted to support and improve its HR information management system for increased capabilities in all stages of the recruitment process, pre-employment requirements, including tracking and monitoring of on-line announcements, applicants, and necessary applicant notifications.

II. Summary of Program Changes

Item Name	Description				Page
	S & E	Pos.	FTE	Dollars (\$000)	
Southwest Border Project Gunrunner	The American Recovery and Reinvestment Act (ARRA) of 2009 provided \$10,000,000 to ATF to create three Project Gunrunner teams in FY 2009/2010. Those teams will be in place in FY 2010. The 2011 budget cycle is the first opportunity ATF has to request the annualization of 37 positions/FTEs. These funds will be used to sustain the enforcement efforts of the new Gunrunner teams at the Las Cruces, NM, El Centro, CA and McAllen, TX field offices and the four agents currently supporting the Southwest Border Initiative at the consulates at Tijuana and Juarez, Mexico, as provided by ARRA.	37	37	\$11,815	70
Emergency Support Function #13 (ESF #13)	ATF is officially identified to lead the DOJ efforts to manage ESF #13, one of 15 emergency support functions established by the National Response Framework (NRF). ATF is responsible for establishing the <i>all hazards</i> ESF #13 law enforcement planning for 50 states, the District of Columbia and four territories, and managing and coordinating the day-to-day ESF #13 operations between all federal, state, local and tribal public safety entities. In addition to day-to-day operations, ATF must immediately respond nationally, regionally and locally to any ESF #13 activation or until other federal resources can mobilize and participate. ESF #13 integrates federal public safety and security capabilities and resources to support the full range of incident management activities associated with potential or actual incidents requiring a coordinated federal response.	7	3	\$1,228	73
Adjustment of Travel Expenditures	As part of its efforts to streamline and improve efficiency, the Department and OMB have asked components to plan for travel expenditures that are adjusted for inflation, but did not otherwise increase them. ATF anticipates cost savings of \$907,000.	0	0	(\$907)	80

III. Appropriations Language and Analysis of Appropriations Language

FY 2011

Appropriations Language and Analysis of Appropriations Language

Salaries and Expenses

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives; not to exceed \$40,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and for provision of laboratory assistance to State and local law enforcement agencies, with or without reimbursement, [~~\$1,114,772,000~~] **\$1,162,986,000**, of which not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by section 924(d)(2) of title 18, U.S. Code; and of which not to exceed [~~\$10,000,000~~] **\$20,000,000** shall remain available until expended: Provided, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the U.S. to implement an amendment or amendments to 27 CFR 478.118 or to change the definition of "Curios or relics" in 27 CFR 478.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, U.S. Code: Provided further, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments in fiscal year [2010]**2011**: Provided further, That, beginning in fiscal year [2010] **2011** and thereafter, no funds appropriated under this or any other Act may be used to disclose part or all of the contents of the Firearms Trace System database maintained by the National Trace Center of the Bureau of Alcohol, Tobacco, Firearms and Explosives or any information required to be kept by licensees pursuant to section 923(g) of title 18, U.S. Code, or required to be reported pursuant to paragraphs (3) and (7) of such section 923(g), except to: (1) a Federal, State, local, or tribal, or foreign law enforcement agency, or a Federal, State, or local prosecutor, solely in connection with and for use in a criminal investigation or prosecution]; (2) a foreign law enforcement agency solely in connection with or for use in a criminal investigation or prosecution; or (3) a Federal agency for a national security or intelligence purpose; unless such disclosure of such data to any of the entities described in (1), (2) or (3) of this proviso would compromise the identity of any undercover law enforcement officer or confidential informant, or interfere with any case under investigation; and no person or entity described in (1), (2) or (3) shall knowingly and publicly disclose

such data; and all such data shall be immune from legal process, shall not be subject to subpoena or other discovery, shall be inadmissible in evidence, and shall not be used, relied on, or disclosed in any manner, nor shall testimony or other evidence be permitted based on the data, in a civil action in any State (including the District of Columbia) or Federal court or in an administrative proceeding other than a proceeding commenced by the Bureau of Alcohol, Tobacco, Firearms and Explosives to enforce the provisions of chapter 44 of such title, or a review of such an action or proceeding; except that this proviso shall not be construed to prevent: (A) the disclosure of statistical information concerning total production, importation, and exportation by each licensed importer (as defined in section 921(a)(9) of such title) and licensed manufacturer (as defined in section 921(1)(10) of such title); (B) the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or (C) the publication of annual statistical reports on products regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives, including total production, importation, and exportation by each licensed importer (as so defined) and licensed manufacturer (as so defined), or statistical aggregate data regarding firearms traffickers and trafficking channels, or firearms misuse, felons, and trafficking investigations: Provided further, That no funds made available by this or any other Act shall be expended to promulgate or implement any rule requiring a physical inventory of any business licensed under section 923 of title 18, U.S. Code: Provided further, That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code: Provided further, That no funds authorized or made available under this or any other Act may be used to deny any application for a license under section 923 of title 18, U.S. Code, or renewal of such a license due to a lack of business activity, provided that the applicant is otherwise eligible to receive such a license, and is eligible to report business income or to claim an income tax deduction for business expenses under the Internal Revenue Code of 1986.

Violent Crime Reduction Program

(Cancellation)

Of the unobligated balances from prior year appropriations available under this heading, \$1,028,000 are hereby permanently cancelled; Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Analysis of Appropriations Language

ATF is proposing to cancel \$1,028,000 from the Violent Crime Reduction Program.

ATF is requesting an increase in its carry over authority to \$20,000,000 to more effectively and consistently support and fund operational requirements.

Recommended change to Department of Justice General Provision for FY 2011

The Attorney General is authorized to extend through September 30, 2012, the Personnel Management Demonstration Project transferred to the Attorney General pursuant to section 1115 of the Homeland Security Act of 2002, Public Law 107-296 (6 U.S.C. 533) without limitation on the number of employees or the positions covered.

Analysis of Appropriation Language

Would extend the pay demonstration project for one year through September 30, 2012 without limit on the number of employees or the positions covered.

IV. Decision Unit Justification

A. Firearms

Firearms TOTAL	Perm Pos.	FTE	Amount (\$000)
2009 Enacted w/Rescissions	3,594	3,547	759,035
2009 Supplemental	0	0	20,237
2009 Enacted w/Rescissions and Supplemental	3,594	3,547	779,272
2010 Enacted	3,687	3,614	802,636
Adjustments to Base and Technical Adjustments	0	46	22,668
2011 Current Services	3,687	3,660	825,304
2011 Capacity Building	42	40	12,699
2011 Offsets			(653)
2011 Request	3,729	3,700	837,350
Total Change 2010-2011	42	86	34,714

1. Program Description

Firearms-related violent crime is not a simple problem to combat; it is fueled by a variety of causes that vary from region to region of the country. Common elements, however, do exist. Chief among these is the close relationship between firearms violence and the unlawful diversion of firearms from legal commerce into the hands of prohibited individuals. To break this link, ATF employs its Integrated Violence Reduction Strategy (IVRS), a comprehensive and integrated set of programs involving the vigorous enforcement of the firearms laws to remove violent offenders from our communities, keep firearms from prohibited possessors, eliminate illegal weapons transfers, halt illegal sources of firearms and pursue outreach and prevention efforts. The IVRS builds upon traditional enforcement efforts with the use of state-of-the-art ballistic imaging technology, firearms tracing, and intelligence/information sharing.

This is accomplished by:

- Partnering with law enforcement agencies and prosecutors at all levels to develop focused enforcement strategies to investigate, arrest, and prosecute violent offenders and illegal domestic and international firearms traffickers.
- Providing assistance and leadership within the law enforcement community to effectively solve violent crimes using specialized resources, technology, and training.
- Working in cooperation with FFLs to promote the proper recordkeeping and business practices that help prevent the acquisition of firearms by prohibited persons.
- Preventing violence through community outreach.

Firearms

ATF's IVRS removes violent offenders from our communities, keeps firearms from prohibited possessors, eliminates illegal weapons transfers, and prevents firearms violence through

community outreach. ATF's criminal investigative efforts focus on violent crime, domestic and international firearms traffickers, violent gangs, armed violent offenders, and career criminals.

Firearms Trafficking

The goal of ATF's illegal firearms trafficking enforcement efforts is to reduce violent crime. ATF investigates and arrests individuals and organizations who illegally supply firearms to prohibited individuals. ATF deters the diversion of firearms from lawful commerce into the illegal market with enforcement strategies and technology.

Our firearms trafficking strategy includes a focus on the deployment of resources to specific localities where there is a high incidence of gang and gun violence. ATF's Violent Crime Impact Team (VCIT) program, a vital component of the integrated violence reduction strategy (IVRS) and gang enforcement strategies, is a particularly effective example of how focused law enforcement in violence-plagued, gang-infected communities can reduce violent crime in America.

Gangs

ATF reduces violent crime by targeting and dismantling those gangs that pose the greatest threat to public safety. Gangs use guns to terrorize communities, enforce territorial boundaries, retaliate against rivals and witnesses, and facilitate their criminal enterprises. ATF has wide-ranging experience investigating, infiltrating, and dismantling gangs ranging from outlaw motorcycle organizations like the Hells Angels and Mongols; international gangs like Mara Salvatrucha - 13; national gangs like the Crips or the Bloods; and local "drug crews" that afflict many communities.

The VCIT approach is one of many tools ATF has to address gang violence. ATF's VCITs are an integrated federal, state, and local law enforcement initiative focused on removing the most violent criminals and criminal organizations from the community. VCIT identifies, disrupts, arrests, and prosecutes the criminals and gangs responsible for violent crime in targeted hot spots.

Firearms Industry Regulation

ATF has sole federal regulatory authority over FFLs authorized to engage in the business of manufacturing, importing, or selling firearms in the U.S. Through this regulatory framework, ATF establishes the "paper trail" that tracks each recovered firearm from its point of manufacture or importation to the point of its first retail sale, a process known as "tracing." ATF's National Tracing Center (NTC) is the only entity able to trace firearms from their manufacture to the point of first retail sale. When every firearm recovered by law enforcement is traced, ATF is able to discern patterns that provide invaluable leads that aid in identifying the diversion of firearms into illegal commerce. ATF ensures compliance with the federal requirements for gun sales/purchases and the National Instant Check System. ATF conducts follow-up investigations of violations of the Brady Law.

The fair and effective regulation of the firearms industry is a key component of ATF's firearms enforcement efforts. ATF screens FFL applicants to determine their eligibility, educates them about their responsibilities, conducts compliance inspections of FFLs, and works with industry on voluntary compliance efforts. ATF employs approximately 700 field based IOIs who are responsible for inspecting approximately 115,000 firearms licensees of all types (approximately 55,000 of which are collectors of specialty firearms, e.g., curios and relics). In FY 2008, these IOIs inspected more than 11,100 active FFLs.

ATF's Federal Firearms Licensing Center is responsible for issuing licenses to legitimate firearms manufacturers, importers, and dealers. ATF works with the FBI to thoroughly screen firearms license applicants for federal prohibitions such as felony convictions, drug use, illegal alien status, mental illness, minimum age requirement, etc. To help prevent individuals from buying firearms by falsely claiming to be FFLs, ATF now gives its licensees access to a database entitled "FFL EZ Check," which allows FFLs to verify the legitimacy of the licensee with whom they are doing business before shipping or disposing of the firearm.

The Bureau registers importers of firearms, ammunition, firearms parts, and other defense articles pursuant to the import provisions of the AECA. ATF provides technical advice to the public regarding import requirements applicable to firearms or ammunition. ATF regulates the importation of firearms into the U.S. ATF approves or denies applications to import firearms and ammunition by domestic firearms businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after having lived abroad.

Southwest Border – Project Gunrunner

Through Project Gunrunner, ATF is deploying its resources strategically on the Southwest Border to deny firearms, the "tools of the trade," to criminal organizations in Mexico and along the border, and to combat firearms-related violence affecting communities on both sides of the border. In partnership with other U.S. agencies and with the Government of Mexico, ATF refined its Southwest Border strategy. ATF developed Project Gunrunner to stem the flow of firearms into Mexico and thereby deprive the DTOs of weapons.

ATF has assigned agents to Las Cruces, NM; El Centro, CA; McAllen, TX; Houston, TX; El Paso, TX; Phoenix, AZ and Tucson, AZ. These assignments are part of a broad plan to increase the strategic coverage and disrupt the firearms trafficking corridors operating along the border. ATF's primary role in the Department's strategy is to stem the traffic in illegal weapons across the border and to reduce the firearms driven violence occurring on both sides of the border. ATF's industry regulation and criminal investigation programs make a significant contribution to reducing cross-border drug and weapons trafficking and the extremely high level of violence associated with these activities.

National Integrated Ballistics Information Network (NIBIN)

The NIBIN Program is the only ballistic imaging system that operates in the U.S., and primarily supports state and local law enforcement. This program facilitates information sharing across jurisdictional boundaries and allows law enforcement agencies to discover links between crimes. ATF deploys Integrated Ballistic Identification System (IBIS) equipment to federal, state, and local law enforcement agencies for their use to image and compare crime gun evidence. More than 157 law enforcement agencies nationwide participate in this program, and IBIS equipment is installed at 209 sites. Nearly 1.5 million pieces of evidence have been imaged in the system. Over 30,000 “hits” have been logged, many of them yielding investigative information not obtainable by other means. The investigative information provided by NIBIN supplies pieces to a puzzle for investigators in solving seemingly unrelated crimes.

Firearms Technology

ATF maintains an extensive firearms reference collection, as well as technical firearms reference files, a library and firearms technical and reference databases. ATF responds to federal, state, and local law enforcement agencies, the firearms industry, Congress, and the public when requested to test, evaluate, or provide expert testimony regarding questioned firearms and ammunition. ATF is responsible for rendering opinions regarding the classification of suspected illegal firearms and newly designed firearms.

International Policy

ATF ensures that the international firearms agreements in which the U.S. participates are consistent with U.S. laws, regulations, policies, and practices. The United Nations Program of Action, the Organization of American States Convention on Firearms, and the International Tracing Instrument are just a few of the agreements in which ATF protected the policies of the U.S. in international settings. At the request of the Department of State, ATF advocates the firearms policies of the U.S. in international fora such as the United Nations (UN) and the Organization of American States (OAS).

Firearms Tracing

In FY 2008, the NTC traced 312,520 firearms for more than 6,000 law enforcement agencies in the U.S. and 26 different countries. A firearms trace is the systematic tracking of a recovered firearm from its manufacturer or importer through the chain of distribution of wholesalers and retailers to the first retail purchaser. ATF’s NTC is the country’s only crime-gun tracing facility. By its statutory authority, ATF releases critical information that helps federal, state, and local law enforcement agencies solve firearms crimes, detect firearms traffickers, and track the intrastate, interstate, and international movement of crime guns.

National Tracing Center (NTC) Programs

ATF's National Tracing Center performs a number of functions that play a critical role in stemming the flow of illegal guns and improving FFL compliance with federal gun laws. Below are examples of some of the key functions of the NTC.

eTrace: This is a web-based firearms tracing system interface that ATF developed to allow law enforcement agencies to securely submit trace requests via the Internet, as well as receive trace results and perform limited analysis of the data. eTrace is the primary means through which a law enforcement agency interacts with the NTC. To date, approximately 2,500 law enforcement agencies use eTrace to submit their trace requests to the NTC, including law enforcement agencies from 26 foreign countries.

Suspect Gun: A suspect gun is a firearm that has not been recovered by law enforcement but is suspected to be involved in criminal activity. It is flagged in the Firearms Tracing System (FTS) so that if it is recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.

Firearms Theft: FFLs are required to report the theft or loss of firearms in their inventory to ATF so that when they are recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.

Interstate Theft: Interstate carriers can voluntarily report the theft or loss of firearms in transit so that if they are recovered and traced by a law enforcement agency, the criminal investigations can be coordinated.

Obliterated Serial Number: Allows law enforcement agencies to submit firearms trace requests with partial serial numbers from crime guns recovered with obliterated serial numbers in order to identify the crime gun and develop investigative leads.

International Tracing: ATF traces firearms for foreign law enforcement agencies to provide investigative leads, detect firearms traffickers and to determine international arms trafficking routes. More than 50 countries annually submit trace requests to the NTC.

Out-Of-Business Records: When an FFL discontinues business, the FFL must send their firearms transactions records to the NTC. The NTC receives an average of 1.2 million out-of-business records per month and is the only repository for these records within the U.S.

Multiple Sales Program: When an FFL sells two or more handguns to the same purchaser within five consecutive business days the FFL is required to submit a report of multiple sales to the NTC. The NTC receives an average of 140,000 reports of multiple sales from licensees each year. These reports, when cross-referenced with firearms trace information for recovered crime guns, can be an important indicator in detecting illegal firearms trafficking.

Record Search Requests: By searching the out-of-business FFL records, the NTC can assist law enforcement agencies investigating the theft of firearms to obtain firearms serial numbers. This

is conducted when the owner has no record of the firearm serial number and the FFL from whom the owner purchased the firearm is now out of business.

Certified Trace Requests: The NTC validates and certifies firearms trace records and FFL out-of-business records for ATF and U.S. prosecutors for criminal court purposes.

Demand Letter Project: The NTC sends certified demand letters to non-compliant FFLs who repeatedly fail to respond to firearms trace requests within the required timeframe, and to FFLs who repeatedly sell firearms with short time-to-crime traces. (The time-to-crime is the period between the sale of a firearm and the use of that firearm in a crime.) Under the demand letter initiative, ATF requires FFLs, who had been uncooperative with trace requests, to provide copies of their acquisition and disposition records for the prior three (3) years. This is necessary so that ATF can perform any needed crime gun traces (referred to as “Demand Letter 1” licensees).

Licensees who have 15 or more crime guns traced to them in the previous year are required to send ATF their acquisition records relating to the firearms acquired, including used firearms (referred to as “Demand Letter 2” licensees). This initiative has been extremely successful in improving FFL compliance with trace requests. In fact, ATF did not issue any demand letters in the first category (Demand Letter 1) in 2008.

National Firearms Act (NFA) Enforcement

The NFA requires registration and payment of a tax for the making or transfer of the following types of firearms: machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as “any other weapons.” The NFA mandates firearms manufacturers and importers register the NFA firearms they make or import, and that ATF approve in advance all NFA firearms transfers and exports.

The NFA imposes a tax on the manufacture and transfer of NFA firearms, and directs manufacturers, importers, and dealers to pay a special occupational tax. ATF processes all applications to manufacture, transfer, and register NFA firearms and notices of NFA firearms manufactured or imported. The registration information is recorded in the National Firearms Registration and Transfer Record (NFRTR). The NFRTR supports ATF’s efforts to inspect firearms licensees and conduct criminal investigations. ATF has unique statutory authority to classify weapons under the NFA. ATF continually provides technical information to the industry and the public concerning compliance with the NFA.

Importation of Firearms

ATF regulates the importation of firearms, ammunition, and other defense-related articles through the issuance of import permits. ATF also regulates the importation of firearms and ammunition by nonimmigrant aliens. ATF maintains close liaison with the Department of State and U.S. Customs and Border Protection to ensure that the permits issued do not conflict with the foreign policy and national security interests of the U.S.

ATF Partnerships with the Firearms Industry

ATF updates members of the regulated firearms community of statutory, regulatory, and policy changes that affect their day-to-day operations. Seminars are routinely held with industry associations such as the National Firearms Act Trade and Collectors Association, Firearms and Ammunition Importers Roundtable, National Shooting Sports Foundation, National Pawnbrokers Association, the National Association of Arms Shows, and other industry groups.

ATF publishes and distributes open letters to importers of firearms, ammunition, and other regulated commodities advising them of important issues that impact their operations. ATF also publishes pertinent articles in its semi-annual *FFL Newsletter* and conducts seminars for licensees at various locations.

“Don’t Lie for the Other Guy” is a successful outreach program developed jointly by ATF and the National Shooting Sports Foundation (NSSF). Designed to train FFLs in the detection and avoidance of illegal straw purchases, “Don’t Lie for the Other Guy” also educates the public about the serious consequences of being involved in straw purchases.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Firearms

DOJ Strategic Goal/Objective: Goal 2, Objective 2.2

WORKLOAD/ RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2009		FY 2009		FY 2010 Enacted		Current Services Adjustments and FY 2011 Program Change		FY 2011 Request	
Workload										
Number of firearms compliance inspections completed (QSR measure) ¹	9,000		9,000		9,000		0		Discontinued	
Number of firearms investigations initiated during fiscal year	25,000		25,000		25,000		0		Discontinued	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
	3,547	\$759,035	3,547	\$759,035	3,614	\$802,636	86	\$34,714	3,700	\$837,350

Program Activity	Criminal Enforcement	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		2,833	\$637,332	2,833	\$637,332	2,924	\$682,952	80	\$30,191	3,004	\$713,143
OUTCOME Measure	Reduce the risk to public safety caused by firearms trafficking	N/A		N/A		N/A		0		100%	
OUTCOME Measure	Reduce the risk to public safety caused by criminal possession and use of firearms	N/A		N/A		N/A		0		100%	
OUTCOME Measure	Reduce the risk to public safety caused by criminal organizations and gangs	N/A		N/A		N/A		0		100%	
OUTCOME Measure	Number of gang related defendants	4,100		4,078		3,950		0		Discontinued	
Performance Measure	Number of defendants who are involved in trafficking	3,225		3,412		3,350		0		Discontinued	

¹ ATF revised its performance measures for FY 2011 to reflect its new goals and objectives of the new ATF Strategic Plan.

OUTPUT Measure	Number of defendants in investigations referred for prosecution who are felons in possession of firearms	8,000	5,092	8,700	0	Discontinued
Performance Measure	Percentage of firearms investigations resulting in a referral for criminal prosecution.	59%	59%	60%	0%	Discontinued
OUTCOME Measure	Percentage of firearms investigations involving the recovery of crime guns	34%	53%	36%	0%	Discontinued

		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2009		FY 2009		FY 2010 Enacted		Current Services Adjustments and FY 2011 Program Change		FY 2011 Request	
Program Activity	Regulatory Compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		714	\$121,703	714	\$121,703	690	\$119,684	6	\$4,523	696	\$124,207
OUTCOME Measure	Improve public safety by increasing compliance with federal laws and regulations by firearms industry members	N/A		N/A		N/A		0%		100%	
Performance Measure	Reduction in unaccounted firearms based on total recall inspection (QSR)	77%		97%		93%		0%		Discontinued	
EFFICIENCY Measure	Percent of firearms traces completed within nine days (QSR)	68%		63%		68%		0%		Discontinued	
OUTCOME Measure	Increase pawn brokers' compliance rate with Federal firearms laws and regulations	57%		49%		60%		0%		Discontinued	

2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009		FY 2010	FY 2011
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the risk to public safety caused by firearms trafficking	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
OUTCOME Measure	Reduce the risk to public safety caused by criminal possession and use of firearms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
OUTCOME Measure	Reduce the risk to public safety caused by criminal organizations and gangs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
OUTCOME Measure	Improve public safety by increasing compliance with federal laws and regulations by firearms industry members	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
OUTCOME Measure	Number of gang related defendants	1,123	2,010	3,136	3,821	4,381	3,790	4,100	4,078	3,950	Discontinued
Performance Measure	Number of defendants who are involved in trafficking	2,380	2,957	3,253	3,017	3,457	2,664	3,225	3,412	3,350	Discontinued

2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009		FY 2010	FY 2011
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTPUT Measure	Number of defendants in investigations referred for prosecution who are felons in possession of firearms	8,034	8,944	9,388	8,655	8,069	7,210	8,000	5,092	8,700	Discontinued
OUTCOME Measure	Percentage of firearms investigations resulting in a referral for criminal prosecution.	N/A	N/A	55%	57%	57%	47%	59%	59%	60%	Discontinued
OUTCOME Measure	Percentage of firearms investigations involving the recovery of crime guns	N/A	N/A	26%	30%	30%	51%	34%	53%	36%	Discontinued
Performance Measure	Reduction in unaccounted firearms based on total recall inspection	85%	90%	90%	91%	90%	88%	77%	97%	93%	Discontinued
OUTCOME Measure	Increase pawn brokers' compliance rate with Federal firearms laws and regulations	N/A	N/A	41%	N/A (FY09)	N/A (FY09)	TBD	57%	49%	60%	Discontinued
EFFICIENCY Measure	Percent of firearms traces completed within nine days	48%	61%	58%	68%	67%	65%	68%	63%	68%	Discontinued

3. Performance, Resources, and Strategies

ATF's jurisdiction, skills, and assets provide a focused, flexible, and balanced approach to reducing violent crime, fighting unlawful firearms use and firearms trafficking while protecting the public's legitimate access to firearms. ATF specializes in investigations involving sources of illegal crime guns, the illegal acquisition of firearms, possession, use, and trafficking of firearms at the national and international level. Through its VCITs, ATF dedicates resources to crime gun market areas in an effort to further reduce violent crime. ATF continually strives to align its assets to maximize performance through the leveraging of technical, scientific and legal expertise, and partnerships with other law enforcement agencies.

a. Performance Plan and Report for Outcomes

Ensuring the integrity of the records maintained by FFLs in the conduct of business is another key element of preventing violent firearms crime and ensuring that investigators have the tools needed to do their jobs. To ensure all FFLs operate in accordance with the law, ATF is focused on improving its compliance procedures, which are essential to ensure that (a) prohibited individuals do not obtain firearms licenses, and (b) firearms are not diverted from legal to illegal markets. ATF will measure reductions in instances of violations among FFLs to ensure that its regulatory efforts (i.e., inspection and education) are having the desired impact.

b. Strategies to Accomplish Outcomes

Violent firearms crime and firearms trafficking continue to plague the Nation and our international neighbors. As the agency responsible for enforcing federal firearms laws, ATF leads the fight to reduce violent firearms crime domestically. To achieve the performance goals outlined for FYs 2011 and 2012, as well as the long-term goals into FY 2016, ATF's strategy is balanced between incremental increases in personnel and the maximization of resources through the leveraging of partnerships, technology, and expertise. ATF supports the Administration and the Department in connection with various domestic and international initiatives under national counterterrorism strategies and other U.S. government policy measures. ATF will pursue creative and innovative solutions to use technology in its strategies to accomplish the Bureau's goals and meet national and Departmental priorities.

Through IVRS, ATF addresses firearms violence nationwide. ATF works closely with other federal, state, and local agencies to prevent armed offenders from victimizing the American public, to end illegal gun sales, apprehend illegal possessors, and ensure industry adherence to applicable laws and regulations.

ATF continuously evaluates the integrity of the licensee population to ensure they are operating within law and regulation, ATF's procedures, including those involving the selection of licensees for inspection, as well as license revocation for those who violate the law are under continual review.

ATF's strategic success in reducing violent firearms crime depends upon the effective use of technology. ATF continues to improve its data quality and data capabilities so that timely and

integrated information is available for all ATF employees to do their jobs, and to share this information when appropriate and when authorized by law with their federal partners, industry members, stakeholders, and the general public.

ATF plans to integrate all of its firearms enforcement and licensing systems and explosives systems so that information can be cross-referenced and can be accessed expeditiously, using a National Information Exchange Model (NIEM)-compliant data architecture and the ATF Knowledge Online portal. ATF's NTC is working with firearms manufacturers and wholesalers through electronic linkups to decrease completion time and reduce costs associated with traces. Through NIBIN, ATF also provides automated ballistic comparison capabilities to hundreds of agencies nationwide. ATF is implementing computer applications that will allow field employees greater access to needed data, provide an electronic interface with the FBI for submission of fingerprints and retrieval of results, and facilitate the sharing of domestic intelligence information with the DHS.

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

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

ATF participates in numerous multi-agency initiatives, including the JTTF, as well as efforts within the DOJ to coordinate regional, national, and transnational criminal investigations and prosecutions against major criminal organizations and terrorists at home and abroad. ATF has representatives assigned at various law enforcement and intelligence agencies such as CIA, Defense Intelligence Agency (DIA), FBI, DHS, and Department of State.

ATF partners with various law enforcement and prosecutorial entities in conducting innovative regional cross-training in firearms enforcement for agents, officers, and attorneys, as well as training in firearms trafficking and tracing to enforcement agencies through the ATF foreign offices in Mexico, Canada, and Colombia. ATF has assigned liaison officers to INTERPOL in Lyon, France, and to EUROPOL at The Hague, The Netherlands. The placement of these officers facilitates the efficient exchange of information and expertise with the international law enforcement community. These partnerships throughout the world have increased information and technology sharing and strengthened terrorist and transnational criminal investigations between ATF and our international colleagues.

Crosscutting Activities

ATF plays a major role in the prevention and investigation of violent crimes, including those involving firearms, gangs and organized criminal enterprises. ATF participates in multi-agency efforts such as the Organized Crime Drug Enforcement Task Force (OCDETF) and provides direct investigative expertise to state and local public safety agencies. ATF will also play a role in supporting the Department's International Organized Crime initiative on a reimbursable basis with three (3) agents. International organized crime poses unprecedented threats to U.S. national and economic security. These threats range from attempts to exploit the nation's strategic sectors, to support for terrorists and hostile governments, to manipulating financial markets.

c. Results of Program Assessment

OMB evaluated ATF's firearms enforcement program in FY 2007. OMB assessed the effectiveness of ATF's firearms programs and ATF developed improvement plans to be implemented in the firearms program:

- ATF will develop an evaluation strategy that subjects the program to external, rigorous, and thorough, regularly scheduled independent evaluations.
- ATF will continue to work with the Department and OMB on legislative proposals regarding graduated sanctions for FFLs when they are found to be non-compliant.
- ATF will develop ambitious and/or challenging targets for the annual performance measures associated with its firearms program.

Subsequent to this evaluation, ATF was again audited in FY 2009 under the Chief Financial Officer's Act. With the FY 2009 clean audit opinion for ATF, the firearms programs continued to receive positive overall assessments for purpose, resource utilization, strategic planning, program management, and program results.

B. Arson and Explosives

Arson and Explosives TOTAL	Perm Pos.	FTE	Amount (\$000)
2009 Enacted w/Rescissions	1,321	1,320	274,096
2009 Supplementals	0	0	3,756
2009 Enacted w/Rescissions and Supplementals	1,321	1,320	277,852
2010 Enacted	1,321	1,321	289,841
Adjustments to Base and Technical Adjustments	0	0	12,452
2011 Current Services	1,321	1,321	302,293
2011 Capacity Building	2	0	320
2011 Offsets			(236)
2011 Request	1,323	1,321	302,377
Total Change 2010-2011	2	0	12,536

1. Program Description

ATF has unique expertise in the investigation and forensic analysis of fire, arson, and explosives incidents arising from criminal or terrorists acts against the U.S., and it shares its technical and scientific expertise and state-of-the-art resources with other federal, state, local, tribal, and international law enforcement partners and fire service agencies. ATF is the primary federal agency responsible for administering and enforcing the regulatory and criminal provisions of federal laws pertaining to destructive devices, explosives, bombs, and arson. One of ATF's greatest strengths is its dual regulatory and criminal enforcement mission.

ATF works closely with public safety officials, explosives industry members, and state governments to provide guidance and instruction on all aspects of the explosives laws, including the Safe Explosives Act (SEA), in an effort to make regulation less burdensome and to promote compliance with federal laws. ATF's law enforcement mission is supported by its efforts to ensure that only qualified and legitimate applicants enter the explosives industry and that licensees employ proper recordkeeping and business practices to help prevent thefts, explosives incidents, and the acquisition of explosives for criminal or terrorist purposes.

ATF has primary responsibility for the investigation of criminal bombings. ATF has the training, experience, and ability to detect, prevent, protect against, and respond to explosives incidents.

Ninety-nine percent of all the bombings that occur in the U.S. are criminal in nature and fall under the jurisdiction of ATF. It is critically important that ATF has effective intelligence, resources and robust information sharing practices, training, and investigative tactics to meet this evolving terrorist threat. As the understanding of terrorist tactics grows, so does the range of tools and techniques employed by the terrorists.

Participation in Joint Terrorism Task Forces (JTTFs)

ATF fully supports Government anti-terrorism efforts and in particular, the FBI-led JTTFs. Currently, ATF participates in 87 of the 106 JTTFs, and one ATF agent assigned to the National JTTF at the National Counter-terrorism Center. In working with the JTTF, ATF has played an important part in a number of terrorism cases that involved firearms smuggling, bombings, illegal explosive possession, and tobacco diversions.

Combined Explosives Exploitation Cells (CEXC)

Since 2005, ATF has deployed personnel to Iraq to support CEXC activity. CEXC is a DoD program that provides immediate, in-theater technical and operational analysis of IEDs used by insurgents. ATF explosives experts provide onsite investigative assistance to process post-blast incidents directed at U.S. and allied forces. ATF is preparing to deploy personnel to a CEXC activity in Afghanistan.

Terrorist Explosive Device Analytical Center (TEDAC)

An ATF special agent serves as the deputy director of the TEDAC. Jointly, ATF and the FBI coordinate and manage the TEDAC providing technical and forensic analysis of evidence recovered from IEDs of interest to the U.S. Government (principally derived from CEXC activities in the Iraq and Afghanistan conflicts). The TEDAC combines the assets of law enforcement, military, and intelligence assets to classify the operation, bomb components, and deployment of IEDs. These efforts help prevent IED detonations, protect our armed forces, and identify those who manufacture and place these devices. ATF is a significant TEDAC partner with 26 full-time employees and 10 contract technical examiners committed to its operations.

Arson Task Forces

In January 1977, ATF formed its first arson task force in the Philadelphia metropolitan area. ATF has since expanded this program to other major cities with significant arson problems. Currently, ATF has formal task forces established in Atlanta, Boston, Chicago, Dallas, Detroit, Houston, Kansas City, Los Angeles, Newark, New Orleans, New York City, Philadelphia, Pittsburgh, San Francisco, and Washington, DC. Each task force is configured based on the resources and needs of the particular city. Task forces typically include ATF agents (including certified fire investigators, certified explosives specialists), ATF forensic auditors and local fire officials, arson investigators and police.

Fires and Bombings at Houses of Worship

ATF continues to employ all of its authorities and assets to combat the problem of church arsons, including its National Response Teams (NRT), laboratories, USBDC, and computer systems. ATF's arrest rate for church arsons is more than twice the national average for arson cases. ATF continues to place a priority on investigating bombings and arsons at houses of worship.

National and International Response Teams

As an integral part of ATF's overall violent crime reduction strategy, ATF's Explosives Program provides vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. One such resource, ATF's NRT, consists of highly trained agents, forensic chemists, engineers, EEOs, electrical engineers, fire protection engineers, canine handlers, forensic auditors and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT assists state and local officers in fire and explosives incidents by providing examinations of the scene, interviews, financial investigations, assistance with the resulting investigations, and expert court testimony. Since 1978, the NRT has responded to more than 600 significant incidents throughout the U.S. In FY 2008, the NRT responded to 19 incidents that caused \$410 million in property damage.

Explosives Industry Regulation

Federal law requires that any manufacturer, importer, or dealer of explosives must have a federal explosives license, and anyone who acquires for use or transports explosives must hold a Federal explosives permit or license. ATF is the only federal law enforcement agency that regulates the explosives industry. ATF's criminal and regulatory programs are a key means by which the U.S. Government enforces federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings.

ATF's IOIs conduct compliance inspections of the nearly 11,000 explosives licensees and permittees nationwide to detect, investigate and prevent diversion and promote the safe and secure storage of explosives. The FELC screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF established standards for the storage of explosives materials and related record keeping requirements to ensure explosives accountability and traceability to which licensees and permittees must adhere.

The amount of time IOIs must dedicate to explosives application and compliance inspection work has increased since the enactment of the SEA of 2002. The initial requirement to inspect 100 percent of the licensees and permittees within their three-year license/permit cycle has resulted in between 25 percent and 41 percent of available IOI resources being devoted to SEA work in any given year.

U.S. Bomb Data Center (USBDC)

ATF has been collecting, storing, and analyzing data on explosives and arson incidents since 1976. ATF, through the U.S. Department of the Treasury, was mandated by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives. This authority, as contained in 18 U.S.C. § 846(b) and delegated to ATF by the Secretary of the Treasury, was moved with ATF to the authority of the Attorney General by the Homeland Security Act of 2002.

The mission and goals of the USBDC are to collect, analyze, and disseminate timely information and relevant tactical and statistical intelligence within ATF, as well as to external state, local, other federal, tribal, military and international partners. The USBDC provides statistical analyses of current trends and patterns to assist field elements in preventing the criminal misuse of explosives.

The USBDC is the sole repository for arson and explosives related incident data. The USBDC contains information on more than 180,000 arson and explosives incidents investigated by ATF and other federal, state, and local law enforcement and fire investigation agencies. The USBDC's Bomb Arson Tracking System (BATS) is the explosives and arson investigator's link to the USBDC and all the information that is maintained there. Investigators can use BATS to perform trend analysis and compare incidents for similarities in motives, device components, suspects, and crime methodologies for possible investigative leads nationwide. Images of arson scenes, improvised explosive devices and crime scenes can be shared through the BATS secure web connection.

Investigators are able to capture details of bomb and arson cases, including the area of origin or device placement, casualties, dollar losses, fire descriptors, collateral crimes, device components and descriptions of how the device was delivered. BATS also includes functionality that allows investigators to use the program as a case management system, allowing them to build their investigation in BATS, while maintaining critical operational security.

At The Frontline

ATF is a global partner for law enforcement Intelligence and Information Sharing

- *Global Justice Information Sharing Initiative – ATF is DOJ representative to the Criminal Intelligence Coordinating Council (CICC)*
- *National Fusion Center – member of the board of directors*
- *Association of Law Enforcement Intelligence Units (LEIU) – member agency, first Federal agency on the board of directors*
- *Regional Information Sharing System (RISS) – member of Mid-Atlantic Great Lakes Organized Crime Law Enforcement Network (MAGLOCLEN) to include an ATF node*
- *Law Enforcement Information Sharing Program (LEISP) – member of the coordinating council; Regional Data Exchange System (OneDOJ)/National Data Exchange System (NDEX)*
- *All ATF investigative data are shared through RDEX to regional data exchanges.*

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and in foreign countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and foreign countries cooperate in the tracing endeavor by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only federal agency authorized access to these records.

The USBDC maintains a unique set of data associated with the tracing of explosives products from the manufacture to the end user in support of criminal investigations. Building strong partnerships with the DoD and the commercial explosives industry has allowed the USBDC to trace stolen and recovered explosives to their origin, including movement in interstate and international commerce.

ATF National Center for Explosives Training and Research (NCETR)

Established as a result of the 2002 Homeland Security Act, NCETR's mission is to deliver basic and advanced courses on a variety of explosives topics to ATF personnel, law enforcement partners, the U.S. military, and other federal agencies. Currently operating at Fort A. P. Hill in Bowling Green, Virginia, the NCETR provides a means of consolidating ATF explosives expertise and research, developing and enhancing technical knowledge, building partnerships for the dissemination of this knowledge across federal, state, local law enforcement agencies.

Congress appropriated funds to construct a permanent facility for NCETR at Redstone Arsenal in Huntsville, Alabama. This facility, under construction and scheduled for completion in 2010, will consist of three (3) explosives ranges, eight (8) classrooms, laboratories, a conference facility and office space for ATF personnel and for partners from the federal, state, local, and international law enforcement and explosives communities. The first of the explosives ranges is available for training/research activity. The planned facility provides explosives training for ATF personnel and for law enforcement and other first responders from the full explosives community.

NCETR will be a center for the management and execution of ATF's explosives training and information sharing programs and initiatives. The demand for explosives investigation training and other support from ATF explosives experts, both for ATF personnel and personnel from other federal, state, and local agencies, continues to increase. The Advanced Explosives Destruction Techniques (AEDT) course currently has a backlog of over 900 state and local law enforcement personnel seeking this training.

NCETR will have onsite access to the data and information-sharing resources of the USBDC. Integrating ATF's explosives training, research, and information-sharing functions at NCETR will improve efficiencies within ATF and will enhance its efforts in each of these explosives disciplines. The new facility will improve cooperation and information sharing across agency boundaries.

Arson and Explosives Detection Canine Training

ATF's world-recognized canine training program produces extremely reliable, mobile, and accurate explosives and accelerant detection canines that are able to assist law enforcement and fire investigators worldwide. The Accelerant Detection Canine Program places accelerant detection canines with State and local agencies to support their arson investigation activities. The Explosives Detection Canine Program (EDCP) incorporates research and development of ATF's Laboratory Services and trains explosives detection canines for use overseas and domestically in the war against terrorism. ATF works with agencies that have received ATF-certified explosives detection and accelerant detection canines and supports those who are without canine services in their communities. Congress has recognized the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection.

There are 34 ATF-trained explosives detection canine teams with ATF special agent canine handlers. In addition, there are currently 113 ATF-trained explosives detection canine teams deployed throughout the U.S. with other federal, state and local agencies, as well as in 21 foreign countries. In addition, there are 71 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada. Since 1991, ATF has trained 595 explosives detection canines and 127 accelerant detection canines. ATF is also at the forefront of combating terrorism through such innovative programs as training other federal, state, local and international law enforcement explosives detection canines in peroxide explosives.

Arson and Explosives Enforcement Programs

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

Certified Fire Investigators (CFI)

ATF's CFIs are agents who have completed an extensive two-year training program in the field of advanced fire scene examination, with an emphasis on the modern principles of fire dynamics. They conduct fire scene examinations and render origin and cause determinations on behalf of ATF, provide expert testimony on fire scene determinations, and provide technical support and analysis to assist other agents and prosecutors with court preparation, presentation of evidence, and technical interpretation of fire-related information. The agents lend technical guidance in support of field arson investigative activities, conduct arson-related training for ATF agents and other federal, state, and local fire investigators, and conduct research to identify trends and patterns in fire incidents. The CFIs are supported in their investigations by the ATF Fire Research Laboratory, which has the unique capability to re-create fire scenarios, both large and small, in its fire testing facility.

Certified Explosives Specialists (CES)

The mission of ATF's CESs is to provide expert explosives crime scene examinations, to lend expertise in support of security measures implemented at special events, and to assist ATF's law enforcement counterparts at the federal, state, local, and international levels in their efforts to investigate explosives-related incidents. ATF's CESs acquired expertise in post-blast analysis through years of experience in the field. Their training consists of a multiphase program that ensures their continued proficiency in all aspects of explosives handling, instruction, identification, demonstration, and destruction, as well as training in the chemistry of pyrotechnics, hazardous materials incident response operations, advanced explosives destruction techniques, and advanced improvised explosive devices (IEDs).

Explosives Enforcement Officers (EEO)

EEOs are ATF's explosives technology experts. EEOs have extensive experience in explosives and bomb disposal. They render explosive devices safe and/or disassemble explosive and incendiary devices, prepare destructive device determinations and give expert testimony in support of such determinations in federal and state criminal court proceedings. EEOs provide expert analysis and onsite investigative technical assistance at bomb scenes and at scenes where explosions of an undetermined nature have occurred. Determining what constitutes an explosive, incendiary, or destructive device under federal explosives laws and the National Firearms Act involves highly technical examinations and analysis. EEOs also provide assistance and training in all aspects of explosives handling, usage, and destruction; threat vulnerability assessments; and all other explosives-related matters for ATF, federal, state, local and international law enforcement agencies.

ATF Laboratories

ATF's Laboratory Services provides analytical examination of evidence and scientific validation for many of ATF's programs. Our examiners support the NRT, provide numerous training exercises in all mission related functions, and provide expert witness testimony. Laboratory Services average over 1,000 days out of the laboratory providing this service. Laboratory Services is made up of four organizational groups: the Forensic Science Laboratory (FSL) in Atlanta, San Francisco, and Washington metropolitan area, and the Fire Research Laboratory (FRL). The National Laboratory Center houses the FSL in Washington metropolitan area and the FRL and serves as the administrative center for Laboratory Services. Laboratory staff is composed of more than 100 personnel, including biologists, chemists, scientists, engineers, fingerprint specialists, firearm and tool mark examiners, document examiners and administrative support personnel. These examiners have hundreds of years of combined experience in the examination of fire, explosive, tobacco and firearms cases. ATF Laboratory personnel hold leadership positions in numerous professional scientific organizations and are considered among the most highly qualified specialists in their individual fields.

All of the ATF Laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB). ASCLD-LAB is a voluntary program in which crime laboratories may participate to demonstrate that their management,

operations, personnel, procedures, equipment, physical plant, security, and safety meet the industry standards. ASCLD-LAB accreditation must be renewed every five years. ATF was the first Federal agency to be accredited by ASCLD-LAB, beginning in 1984. The ATF Laboratories recently added two new forensic disciplines in support of ATF investigations—DNA and tobacco analysis. DNA analysis has added significant capability for linking a suspect to a crime. Tobacco analysis was developed to support all the Bureau needs for analysis of counterfeit and contraband tobacco products and tax stamps.

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

Financial Investigations

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

ATF's forensic auditors provide comprehensive accounting, fraud detection, and financial investigative services for a diverse range of ATF programs. ATF forensic auditors hold advanced licenses and certifications in accounting, auditing and fraud detection. While forensic auditors support counter-terrorism, alcohol and tobacco diversion, firearms and narcotics trafficking cases, gang and other organized criminal enterprises. Regardless of the type of case, at the conclusion of the financial investigation, the forensic auditor provides a written report and, if needed, expert testimony.

Outreach Activities

ATF works with a variety of customers in providing services such as NRT responses, guidance, and advice to arson programs customers and explosives industry members. A survey of 664 members of state fire marshals and local fire departments found that ATF's arson and explosives programs and services are highly satisfied with the training, expert advice, and programs ATF offers and would like to receive more and varying types of training, programs and expert advice since it is viewed to be very beneficial.

ATF continues its efforts through the Explosives Threat Assessment and Prevention Strategy (ETAPS). The ETAPS program was instituted in 2004 to prevent thefts and the acquisition and use of explosives for criminal and terrorist purposes. This strategy consists of a two-phased risk management plan to identify explosives vulnerabilities and potential control points in the U.S., and to implement mitigation strategies and take corrective actions. ATF, the Institute of Makers

of Explosives (IME), and the International Society of Explosives Engineers (ISEE) work together to increase safety and security and examine new explosives identification and tracking technologies as they become available.

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

ATF communicates with the fire and explosives investigation community through arson and explosives advisory groups, the National Bomb Squad Commander Advisory Board (NABSCAB) and the International Bomb Data Center Working Group (IBDCWG Portal)² meetings. Each week, the USBDC provides information on ATF's arson and explosives investigative activity. The advisory reports are distributed to other federal, state, and local law enforcement agencies. The USBDC also publishes explosives theft advisory reports and periodic advisories highlighting specific or emerging threats to public safety or the bomb technician community.

² The IBDCWG Portal is phase I of the larger ATF Knowledge Online (ATF KO) portal, which will be the unifying point of presence for several ATF information sources.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Arson & Explosives

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

WORKLOAD/ RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2009		FY 2009		FY 2010 Enacted		Current Services Adjustments and FY 2011 Program Change		FY 2011 Request	
Workload										
Number of explosives investigations initiated during fiscal year (QSR) ³	1,895		1,272		1,895		0		Discontinued	
Number of arson investigations initiated during fiscal year	1,526		1,655		1,526		0		Discontinued	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
	1,320	\$274,096	1,320	\$274,096	1,321	\$289,841	0	\$12,536	1,321	\$302,377

³ ATF revised its performance measures for FY 2011 to reflect its new goals and objectives of the new ATF Strategic Plan.

Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		946	\$216,444	946	\$216,444	938	\$219,407	0	\$9,510	938	\$228,917
OUTCOME Measure	Reduce the risk to public safety caused by bomb and explosives	N/A		N/A		N/A		0		100%	
OUTCOME Measure	Reduce the risk to public safety caused by criminal use of fire	N/A		N/A		N/A		0		100%	
OUTCOME Measure	Percentage of arson/explosives cases with defendants referred for prosecution. (QSR)	24%		23%		25%		0%		Discontinued	
Performance Measure	NRT Satisfaction rating	90%		90%		Discontinued		0		Discontinued	
Program Activity	Regulatory compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		374	\$57,652	374	\$57,652	383	\$70,434	0	\$3,026	383	\$73,460
OUTCOME Measure	Improve public safety by increasing compliance with federal laws and regulations by explosives industry members	N/A		N/A		N/A		0		100%	
Performance Measure	Resolution of unsafe explosives conditions by inspection	1,722		1,722		Discontinued		0		Discontinued	
Performance Measure	Number and percentage of explosives licensees/permittees inspected	2,640 / 22%		2,640 / 22%		Discontinued		0		Discontinued	
OUTCOME Measure	Percentage of explosives licensees/permittees who improve compliance with Federal explosives regulations upon re-inspection (QSR)	80%		98%		80%		0%		Discontinued	

		Final Target	Actual	Projected	Changes	Requested (Total)
Program Activity	Regulatory compliance	FY 2009	FY 2009	FY 2010 Enacted	Current Services Adjustments and FY 2011 Program Change	FY 2011 Request
OUTCOME Measure	Percentage of explosives licensees/permittees inspected in compliance with the Safe Explosives Act.	100%	100%	28%	0%	Discontinued
EFFICIENCY MEASURE	Number of forensic arson and explosives cases completed per chemist FTE (QSR)	60	69	60	0	Discontinued
OUTPUT Measure	Percent of forensic arson cases closed within 30 days	58%	56%	60%	0%	Discontinued
OUTPUT Measure	Percent of forensic explosives cases closed within 30 days	37%	31%	39%	0%	Discontinued
OUTCOME Measure	Percentage reduction in public safety violations (recall inspection)	75%	75%	Discontinued	0	Discontinued

Performance Measure Table

Decision Unit: Arson & Explosives

		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009		FY 2010	FY 2011
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the risk to public safety caused by bomb and explosives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
OUTCOME Measure	Reduce the risk to public safety caused by criminal use of fire	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
OUTCOME Measure	Improve public safety by increasing compliance with federal laws and regulations by explosives industry members	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
Performance Measure	Minimum satisfaction rating – National Response Team	N/A	100%	100%	100%	100%	100%	90%		Discontinued	Discontinued
Performance Measure	Resolution of unsafe explosives conditions by inspection	N/A	1,235	1,821	1,655	1,836	1,845	1,722		Discontinued	Discontinued
Performance Measure	Number and percentage of explosives licensee/permittees inspected	N/A	22%	34%	6,392 / 55%	3,291 / 28%	3,055 / 27%	2,640 / 22%		Discontinued	Discontinued
OUTCOME Measure	Percentage of arson/explosives cases with defendants referred for prosecution.	N/A	N/A	20%	21%	37%	32%	24%	23%	25%	Discontinued

		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009		FY 2010	FY 2011
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Percentage of explosives licensees/permittees who improve compliance with Federal explosives regulations upon re-inspection	N/A	N/A	N/A	N/A	N/A	80%	80%	98%	80%	Discontinued
OUTCOME Measure	Percentage of explosives licensees/permittees inspected in compliance with the Safe Explosives Act.	N/A	N/A	N/A	N/A	28%	55%	100%	100%	28%	Discontinued
EFFICIENCY Measure	Number of forensic arson and explosives cases completed per chemist FTE	N/A	N/A	N/A	N/A	N/A	60	60	69	60	Discontinued
OUTPUT Measure	Percent of forensic arson cases closed within 30 days.	N/A	54%	45%	60%	56%	52%	58%	56%	60%	Discontinued
OUTPUT Measure	Percent of forensic explosives cases closed within 30 days	N/A	22%	35%	35%	32%	20%	37%	31%	39%	Discontinued
OUTCOME Measure	Percent reduction in public safety violations – recall inspections	N/A	N/A	N/A	N/A	75%	70%	75%		Discontinued	Discontinued

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

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

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

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

b. Strategies to Accomplish Outcomes

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

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

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

Crosscutting Activities

ATF participates in multi-agency efforts such as the JTTF, High Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA) and the Organized Crime Drug Enforcement Task Force (OCDETF), Combined Explosives Exploitation Cells (CEXC), Terrorist Explosives Devices Analytical Center (TEDAC) and provides direct investigative expertise to State and local public safety agencies.

The Bomb and Arson Tracking System (BATS) provides valuable investigative information and intelligence to share with ATF's federal, state, local, and international law enforcement partners such as the National Gang Intelligence Center (NGIC), Regional Information Sharing System (RISS), International Organized Crime (IOC) Fusion Center, and the OCDETF Fusion Center. In addition, ATF has representatives assigned at various law enforcement and intelligence agencies such as Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), Federal Bureau of Investigation (FBI), Department of Homeland Security (DHS), and Department of State.

ATF will continue to support interdepartmental initiatives to combat terrorism through its continuing efforts to fulfill its responsibilities under the National Implementation Plan for the War on Terror, support the implementation plan for Homeland Security Presidential Directive 19 (Combating Terrorist Use of Explosives in the U.S.), and by taking part in task forces such as the CEXC and TEDAC, and by using resources such as BATS, Dfuzze and its explosives canine program.

c. Results of Program Assessment

OMB evaluated the effectiveness of ATF's arson and explosives program in FY 2008. ATF developed improvement plans to be implemented in the arson and explosives program:

- ATF will continue to work with the FBI to implement the provisions of a Memorandum of Understanding between the two agencies.
- ATF will establish a performance measure based on in-depth evaluation of the application of select training it provides.

With ATF's FY 2009 clean audit opinion, ATF's arson and explosives programs continue to receive positive overall assessments for purpose, resource utilization, strategic planning, program management, and program results.

C. Alcohol and Tobacco

Alcohol and Tobacco TOTAL	Perm Pos.	FTE	Amount
2009 Enacted w/Rescissions	93	90	21,084
2009 Supplementals	0	0	7
2009 Enacted w/Rescissions and Supplementals	93	90	21,091
2010 Enacted	93	90	22,295
Adjustments to Base and Technical Adjustments	0	0	958
2011 Current Services	93	90	23,253
2011 Capacity Building	0	0	24
2011 Offsets			(18)
2011 Request	93	90	23,259
Total Change 2010-2011	0	0	964

1. Program Description

The illegal diversion of tobacco products presents a two-fold problem. Governments are deprived of due revenue and organized criminal enterprises (including terrorist organizations) gain substantial profits from contraband tobacco. Domestic tax losses through interstate commerce, a compelling federal interest, from tobacco diversion are estimated in the billions of dollars.

Criminals have long exploited the differences among federal and state excise tax rates for alcohol and cigarettes by illegally producing, distributing, and smuggling alcohol and cigarettes into domestic and international high tax jurisdictions areas, activities collectively referred to as diversion. During FY 2008, ATF opened approximately 160 investigations into the diversion of alcohol and tobacco products, recommending the prosecution of approximately 223 defendants and seizing approximately \$2.25 million in criminal contraband and an additional \$10,800,000 in criminally derived proceeds.

Alcohol diversion raises images of prohibition-era moonshiners and bootleggers. While moonshiners still exist, more complex alcohol diversion schemes have developed in recent times. Recent diversion schemes have included the diversion of distilled spirits from the U.S. to the former Soviet countries and to European Union countries. In many of these cases, distilled spirits are mislabeled as industrial products to perpetrate the fraud. In some instances, alleged industrial alcohol is diverted for beverage purposes.

ATF investigates the trafficking of contraband (non-tax paid) and counterfeit tobacco products that deprive state governments of billions of dollars in tax revenue annually and have been found to be a funding source for terrorism. ATF's primary jurisdiction relating to tobacco is the Contraband Cigarette Trafficking Act (CCTA). The CCTA makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of state tax payment for the state in which the cigarettes are found (if a state tax stamp is required). Through the successful prosecution and plea agreements in these complex investigations, involving interstate commerce, millions of dollars in defrauded state excise tax revenues are returned to the affected states.

ATF agents and forensic auditors have unique experience and expertise in the criminal laws related to alcohol and tobacco diversion. The large cost gap between the regulated and diverted commodities generates enormous profits for criminal organizations engaged in diversion and related frauds. The diversion of these commodities deprives federal and state governments of millions of dollars in taxes and, in the case of counterfeit or tampered goods may endanger the public health. Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attracts less scrutiny and has a reduced risk of apprehension while still offering high potential profits. In addition, immense profits and relatively low penalties attract organized crime and fundraisers for terrorist groups.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Alcohol and Tobacco

DOJ Strategic Goal/Objective: Goal 2, Objective 2.2

WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2009		FY 2009		FY 2010 Enacted		Current Services Adj and FY 2011 Program Change		FY 2011 Request	
Workload											
Number of Alcohol and Tobacco investigations initiated during fiscal year (QSR) ⁴		135		129		120		0		Discontinued	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		90	\$21,084	90	\$21,084	90	\$22,295	0	\$964	90	\$23,259
Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		90	\$21,084	90	\$21,084	90	\$22,295	0	\$964	90	\$23,259
OUTCOME Measure	Reduce the loss of tax revenues caused by contraband alcohol and tobacco interstate trafficking	N/A		N/A		N/A		N/A		100%	
EFFICIENCY MEASURE	Average dollar value of tobacco seizures (QSR)	\$30,000		\$614,045		\$50,000		\$0		Discontinued	
OUTCOME Measure	Number defendants convicted (Alcohol and Tobacco)	50		80		50		0		Discontinued	

⁴ ATF revised its performance measures for FY 2011 to reflect its new goals and objectives of the new ATF Strategic Plan.

Performance Measure Table

Decision Unit: Alcohol and Tobacco

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009		FY 2010	FY 2011
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100%
EFFICIENCY Measure	Average dollar value of tobacco seizures	N/A	N/A	\$6,353	\$82,752	\$86,652	\$699,277	\$30,000	\$614,045	\$50,000	Discontinued
OUTCOME Measure	Number of defendants convicted (Alcohol and Tobacco)	N/A	72	50	98	0	92	50	80	50	Discontinued

N/A = Data unavailable

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

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

b. Strategies to Accomplish Outcomes

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

ATF will continue to partner with other federal, state, local, tribal and international law enforcement agencies to combat the illegal diversion of alcohol and contraband cigarette trafficking. This objective will be accomplished by sharing intelligence and investigative information and by providing comprehensive training to ATF partners to increase their proficiency in identifying and investigating alcohol and tobacco criminal activity. ATF will train its enforcement partners to maximize the use of federal forfeiture statutes to divest criminal groups of assets derived from diversion and trafficking activity.

ATF's presence in the alcohol diversion and contraband cigarette trafficking arena assists state, local, tribal, and international governments in interstate commerce by recovering and reducing tax revenue losses resulting from this criminal activity. ATF's focus on the investigation of alcohol diversion and contraband cigarette trafficking will remain an integral component of its enforcement efforts with an anticipated result of a greater number of interstate commerce convictions and the collection and recovery of tax revenue and forfeiture of proceeds of these crimes and monies back to the states.

Crosscutting Activities

ATF participates in multi-agency efforts such as the Framework Convention on Tobacco Control, the Federation of Tax Administrators, and the Canada/U.S. working group to address illicit alcohol diversion and contraband cigarette trafficking activity. ATF fosters effective working relationships with alcohol and tobacco industry members as well as law enforcement partnerships with members of the international law enforcement community.

Alcohol and Tobacco Information Technology

ATF is pursuing several information technology projects that will advance the investigation of alcohol and tobacco diversion. For example, the Law Enforcement Information Sharing Program (LEISP) project will reduce redundancy, make information in disparate systems accessible, and create an infrastructure to share information efficiently and seamlessly with ATF's federal, state, and local law enforcement partners. LEISP enhances the ability of agents and IOIs to share investigative information in order to link and solve complex alcohol and tobacco diversion crimes.

c. Results of Program Assessment

This program has not been assessed.

V. Program Increases by Item

Item Name: **American Recovery and Reinvestment Act (ARRA)
Annualization of Gunrunner Teams**

Budget Decision Unit(s): Firearms

Strategic Goal(s) & Objective(s): Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People

Organizational Program: Firearms Trafficking

Component Ranking of Item: Item 1 of 2

Program Increase: Positions: 37 Agt: 25 FTE: 37 Dollars: \$11,815,000

Description of Item

The American Recovery and Reinvestment Act (ARRA) provided \$10,000,000 to ATF to create three Project Gunrunner teams in FY 2009/2010. Those teams will be in place in FY 2010. The 2011 budget cycle is the first opportunity ATF has to request the annualization of 37 positions (25 special agents: 21 domestic and four (4) foreign, six (6) industry operations investigators (IOIs), three (3) intelligence research specialists (IRSs) and three (3) investigative assistants (IAs), 37 FTE and \$11,815,000). Absent annualization, ATF will be unable to sustain the three new Gunrunner Teams currently addressing firearms trafficking along the Southwest Border without eroding ATF's base.

Justification

ATF's firearms trafficking strategy focuses on shutting off the sources of firearms to violent offenders, from both regulated retailers and secondary markets such as gun shows. Since there is no legal way for a convicted felon, a drug trafficker, or a juvenile gang member to obtain a firearm, these offenders rely on firearms traffickers (those persons and organizations willing to sell firearms without regard to the law) to make quality firearms readily available. A criminal's need for a "firearms trafficker" is a consequence of the laws enacted at the federal, state, and local level to control the sale, possession, and use of firearms.

Firearms trafficking investigations are inherently of federal interest due to their interstate and international nature. These investigations most often extend beyond the jurisdictional boundaries and authorities of state and local law enforcement. ATF is uniquely suited to address firearms trafficking by virtue of its statutory authority and long experience in enforcing federal firearms laws and regulating the firearms industry. ATF's strategy addresses the on-going movement of firearms from legal to illegal commerce, from source area to market area, from trafficker to triggerman along the

Southwest Border. The agents, IOIs, and prosecutors targeting the firearms traffickers in the source areas are disarming the violent criminals and gangs in the market areas.

Once thought to be a purely regional problem that focused law enforcement on border interdiction efforts and criminal investigations solely in the four states contiguous to the Mexican border, sources of firearms and explosives to Mexico are now found in nearly all 50 states. These funds will be used to sustain the enforcement efforts of the new Gunrunner teams at the Las Cruces, NM, El Centro, CA, and McAllen, TX field offices and the four (4) agents currently supporting the Southwest Border Initiative at the consulates at Tijuana and Juarez, Mexico, as provided for by the ARRA.

Impact on Performance (Relationship of Increase to Strategic Goals)

The annualization is required as the ARRA did not provide base funding for the salaries and operational requirements at these three (3) new Gunrunner locales. Without this additional funding, ATF faces an \$11.8 million operating deficit.

There are multiple strategic outcomes to this comprehensive firearms trafficking expansion. By preventing the availability of firearms to the Mexican drug cartels, ATF will lessen the impact of violence in drug trafficking in the U.S. By removing the guns from the cartels lethal resources, ATF will directly affect their ability to operate and concurrently suppress the firearms - related violence on both sides of the Southwest Border. With these focused techniques; sourcing weapons, effective state, local and international law enforcement collaboration, targeted training, and interdiction of illicit trafficking and illegal use of firearms and ammunition ATF will lessen the threats and means of violent crime to the nation.

Funding

Base Funding

FY 2009 Enacted				FY 2010 Enacted				FY 2011 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
355	245	285	43,137	347	211	301	59,929	347	211	347	70,424

Personnel Increase Cost Summary

Type of Position	2 nd Full Year Modular Cost per Position (\$000)	Number of Positions Requested	FY 2011 Request (\$000)	FY 2012 Net Annualization (change from 2011) (\$000)
Gunrunner Teams				
Domestic Agents	253.1	21	5,314	
Foreign Agents	736.0	4	2,944	
Inspection Industry Operations Investigators	172.8	6	1,037	
Intelligence Research Specialist	160.4	3	481	
Investigative Assistants	160.4	3	481	
Total Personnel		37	10,257	

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2011 Request (\$000)	FY 2012 Net Annualization (Change from 2011) (\$000)
Gunrunner Teams				
Rent for 3 New Field Offices	154	3	462	
Operational Support			1,096	
Total Non-Personnel			1,558	

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	347	211	347	52,589	17,835	70,424
Increases	37	25	37	10,257	1,558	11,815
Grand Total	384	236	384	62,846	19,393	82,239

Item Name: **Emergency Support Function #13 (ESF #13)**

Budget Decision Unit(s): Firearms, Arson & Explosives, Alcohol & Tobacco Diversion

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 2 of 2

Program Increase: Positions: 7 Agent 3 FTE 3 Dollars \$1,228,000

Description of Item:

ATF requests seven positions and \$1,228,000 to expand ATF's coordination efforts regarding Emergency Support Function #13 (ESF #13) as follows:

- \$1,078,000 for seven positions (three (3) special agents, two (2) intelligence research specialists (IRS), one (1) management analyst, and one (1) program analyst) to staff a program office at the ATF Headquarters in Washington, D.C.
- \$150,000 for training and travel for ESF #13 personnel

Justification:

In October 2008, ATF was officially identified to lead the Department of Justice (DOJ) efforts to manage Emergency Support Function #13 (ESF #13), one of fifteen emergency support functions established by the National Response Framework (NRF).

Through ESF #13, federal law enforcement assets will be directed to assist federal, state, local and tribal authorities with public-safety and security-related missions ranging from any serious, but purely local incident, to large-scale terrorist attacks or catastrophic natural disasters. Although any ESF #13 response will be a collaborative effort among partner law enforcement agencies, ATF is responsible for (1) establishing the *all hazards* ESF #13 law enforcement planning for 50 states, District of Columbia and four territories, and (2) managing and coordinating the day-to-day ESF #13 operations between all federal, state, local and tribal public safety entities. In addition to day-to-day operations, ATF must immediately respond nationally, regionally and locally to any ESF #13 activation or until other federal resources can mobilize and participate.

ESF #13 integrates federal public safety and security capabilities and resources to support the full range of incident management activities associated with potential or actual incidents requiring a coordinated federal response. ATF was an active participant in the formulation of the NRF, which includes the ESF #13 Annex.

Although ATF has been the lead agency for ESF #13 for approximately three years, ATF has not received resources associated with managing the significant responsibilities of ESF #13. To fully plan and execute the responsibilities under ESF #13, it is imperative to develop a full-time, robust capability that is able to adequately prepare a national capability to perform all the functions outlined in the NRF, including the current and future ESF #13 annexes and Concept of Operations Plan (CONOPS). Other requirements include conducting nationwide planning activities, maintaining liaison with federal, state, and local law enforcement agencies, conducting national and regional ESF #13 inter-agency training, ensuring a core staffing capability for ESF #13 responsibilities at undetermined FEMA Joint Field Offices (JFO), the National Response Coordination Center (NRCC) and elsewhere, building relationships in the various FEMA regions, attending regional meetings of first responders, assessing shortfalls in state/local capabilities and working with federal partners to assess which federal resources would be best suited to fulfill those needs.

Prior to 2005, ESF #13 was coordinated by components within the Department of Homeland Security (DHS). As recommended by the Hurricane Katrina after-action report, the overall law enforcement responsibility of ESF #13 was shifted to DOJ.

Since ATF has been tasked with ESF #13, ATF has worked closely with representatives from the Federal Bureau of Investigation (FBI). An FBI Deputy Director and the Chief of the FBI's Critical Incident Response Group (CIRG) have both indicated that they recognize the role ESF #13 plays in the protection of the American public regarding terrorist incidents. During several table top exercises and large scale briefings, the FBI has indicated that they will rely heavily upon ESF #13 following a multi-jurisdictional mass terrorist event. The FBI has indicated that they intend to utilize ESF #13 assets to assist in supplementing FBI investigative measures, scene security concerns and overall law enforcement support following an event. Furthermore, ESF #13 assets will undoubtedly be utilized to assist in protecting the nation's critical infrastructure and key resources when and if a credible threat has been identified by intelligence resources.

ESF #13 personnel have become intricately involved in the planning for and mitigation of terrorist events relating to National Special Security Events such as Presidential Inauguration(s) and Super Bowls. As the ESF #13 program has developed within ATF, entities such as the White House Security Council have begun to increasingly integrate ESF #13 into their planning for events and proposed responses.

The roles and responsibilities of ESF #13 are great and require substantial infrastructure development to bring ESF #13 into alignment with the requirements established within the NRF. These roles and responsibilities are listed below:

Pre-incident Coordination: Supporting incident management planning activities and pre-incident actions required to assist in the prevention or mitigation of threats and hazards. This includes developing operational and tactical public safety and security plans, conducting technical security and/or vulnerability assessments, and deploying federal public safety and security resources in response to specific threats or potential incidents including:

- Representing the ESF #13 agencies on the Emergency Support Functions Leaders Group (ESFLG) and at Regional Interagency Steering Committee meetings throughout the 10 FEMA regions, and coordinating preparedness activities with ESF #13 supporting agencies.
- Maintaining close coordination during operations between the affected regional office(s), the NRCC, other ESFs, local Joint Terrorism Task Forces, and the National Joint Terrorism Task Force, as required.
- Facilitating resolution of any conflicting demands for public safety and security resources, expertise, and other assistance. Coordinating backup support from other geographical regions to the affected area.
- Processing FEMA mission assignments, tracking resource allocation and use, and facilitating reimbursement to assisting departments and agencies via emergency management funding mechanisms and authorities, if appropriate.
- Providing expertise on public safety and security issues to the Domestic Readiness Group (DRG), when requested.
- Managing ESF #13 preparedness activities and conducting evaluations of operational readiness, including a roster and description of public safety and security activities.
- ESF #13 may provide personnel to staff the DHS National Operations Center (NOC), the FEMA National Response Coordination Center (NRCC), the Regional Response Coordination Center(s) (RRCC), the Incident Command Post, the Joint Field Office (JFO), the Joint Information Center (JIC), the DOJ/FBI Strategic Information and Operations Center (SIOC), and/or the DOJ/FBI Joint Operations Center (JOC).
- Obtaining initial situation assessment from field units and determining appropriate management responses to anticipated or current requests for assistance.
- Obtaining and distributing incident contact information to supporting agency coordinators for emergency responders.
- Assessing requests before committing resources; and ensuring responding agencies are provided with information on known hazards, mission requirements, appropriate vaccinations, credentials, and personal protective equipment to operate in the environment to which they are assigned.

Technical Assistance: Providing expertise and coordination for security planning efforts and conducting technical assessments (e.g., vulnerability assessments, risk analyses, surveillance sensor architecture, etc.).

Specialized Public Safety and Security Assessment: Identifying the need for ESF #13 support and analyzing potential factors (e.g., mapping, modeling, and forecasting for crowd size, impact of weather, and other conditions) that may affect resource allocations and requisite actions affecting public safety and security.

General Law Enforcement Assistance: Providing basic law enforcement assistance to federal, state and local agencies during incidents that require a coordinated federal response. Such assistance may include conducting routine patrol functions and making arrests as circumstances may require. The ESF #13 Standard Operating Procedures describes those situations where deputation by another federal law enforcement agency (e.g., United States Marshals Service) or by a state or local law enforcement agency may be necessary and the process for such deputation.

Badging and Credentialing: Assisting state, tribal, and local authorities in the establishment of consistent processes for issuing identification badges to emergency responders and other personnel needing access to places within a controlled area, and verifying emergency responder credentials.

Access Control: Providing security forces to support state, tribal, and local efforts (or to secure sites under federal jurisdiction) to control access to the incident site and critical facilities.

Site Security: Providing security forces and establishing protective measures around the incident site, critical infrastructure, and/or critical facilities (other than DHS/FEMA facilities).

Traffic and Crowd Control: Providing emergency protective services to address public safety and security requirements.

Force Protection: Providing for the protection of emergency responders and other workers operating in a high-threat environment, and for the operational security of emergency response operations wherever they may occur.

Specialized Security Resources: Providing specialized security assets such as traffic barriers; chemical, biological, radiological, nuclear, and high-yield explosives detection devices; canine units; law enforcement personal protective gear; etc.

Significant ATF ESF #13 Coordination Efforts to Date

As a collateral duty, ESF #13 activations have occurred, ATF has been required to reserve staff to handle the assigned ESF #13 duties. Significant unfunded ESF #13 events have included:

- Hurricane Humberto, August 2007
- Hurricane Dean, August 2007

- Tropical Storm Erin, August 2007
- Hurricane Flossie, August 2007
- California Wild Fires, October 2007
- Midwest Floods, June 2008
- Hurricane Bertha, July 2008
- Hurricane Dolly, July 2008
- Hurricanes Ike and Gustav, September 2008
- 2009 Presidential Inauguration, January 2009
- Red River Floods, April 2009

The above-captioned incidents are only several examples of many FEMA activations involving ATF's ESF #13 coordination.

During ESF #13 activations, ATF is consistently required to provide real-time law enforcement readiness information to all levels of the federal government. This includes providing information to the White House, DOJ, DHS and FEMA leadership.

Proposed ESF #13 Branch Organizational Chart

ATF requests funding to develop a new independent ESF #13 Branch to be centrally located within ATF Headquarters in Washington, D.C. The following resources will be located within ATF Headquarters; one (1) special agent ESF #13 National Coordinator, two (2) special agent program managers, two (2) intelligence analysts, one (1) management analyst and one (1) program analyst. These personnel will provide oversight to the National DOJ ESF #13 strategy. They will be responsible for an increased level of daily interaction with DOJ, DHS, FEMA and other federal law enforcement agencies, as required of ESF #13 by the NRF.

They will be responsible for providing a consistent framework of operations to be followed throughout the 10 FEMA regions in conjunction with FEMA Headquarters mandates. Further, they will be required to participate in the numerous planning activities, which include ESF #13 participation. These include the National Level Exercise Program (NLE), the Principal Level Exercise Program (PLE), and numerous additional FEMA initiated Table-Top Exercises (TTX) designed to test and prepare the nation for terrorist acts and/or natural disasters.

It is crucial that the ESF #13 program maintain close relationships with each state and/or territory to be able to provide the appropriate resources when called upon in a time of need. These relationships are only developed through continued meetings and conferences throughout the country.

The increased personnel resources will allow ATF to fill critical vacancies within the existing ESF #13 program and expand critical readiness efforts nationwide. They will maximize ATF's ability to immediately provide the American public with the caliber of law enforcement preparation expected from DOJ and the federal government in a time of crisis.

ATF requests \$34,000 to fund two nationwide training sessions per year. These training sessions will be used to continually equip all ESF #13 representatives with the necessary skills and

knowledge to successfully develop and maintain relationships with ESF #13 state and local law enforcement partners.

ATF requests \$116,000 for travel expenses to be incurred by personnel assigned to the ESF #13 Branch. This estimate includes approximately two (2) trips per year to each of the 50 states by special agents located throughout the country. This funding also provides travel funds for four (4) ATF Headquarters personnel to travel approximately four (4) times per year for essential regional meetings.

Potential Impacts on Performance

ATF has not received any funding for the day-to-day management of ESF #13 and cannot sustain the resources and personnel necessary for an activation. ATF has acted efficiently and effectively for some time without a dedicated staff attached to the ESF #13 mandates, however, ATF cannot continue to sustain planning for these emergency events without resources. Without a dedicated staff attached to ESF #13, ATF cannot guarantee the continued success related to managing the ESF #13 mandate.

To properly represent DOJ, it is critical that ATF continue to cultivate relationships that are effective when ESF #13 is activated. There are currently FEMA planning assignments and training activities where ATF ESF #13 representatives are required to participate. However, with a collateral duty staff, ATF ESF #13 representatives cannot meet these required training events. This may include participation in FEMA response planning for incidents such as terrorist events, hurricanes, major flooding and wildfires.

Funding

Base Funding

FY 2009 Enacted				FY 2010 Enacted				FY 2011 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
0	0	0	0	0	0	0	0	0	0	0	0

Personnel Increase Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Requested	FY 2011 Request (\$000)	FY 2012 Net Annualization (change from 2010) (\$000)
Agents	232.0	3	696	77
Intelligence Research Specialists	107.3	2	215	191
Management Analyst	83.7	1	83.7	83
Program Analyst	83.7	1	83.7	83
Total Personnel		7	1,078	434

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2011 Request (\$000)	FY 2012 Net Annualization (Change from 2010) (\$000)
Nationwide Training	17	2	34	0
Additional Travel	116	1	116	0
Total Non-Personnel			150	0

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	0	0	0	0
Increases	7	3	3	1,078	150	1,228
Grand Total	7	3	3	1,078	150	1,228

VI. Program Offsets by Item

Item Name: **Adjustment for Travel Expenditures**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 1 of 1

Program Increase: Positions: 0 Agent: 0 FTE: 0 Dollars (\$907,000)

Description of Item

This budget reflects a Department of Justice-wide offset for Travel.

Justification

As part of its efforts to streamline and improve efficiency, the Department and OMB have asked components to plan for travel expenditures that are adjusted for inflation, but do not otherwise increase. ATF anticipates cost savings of \$907,000.

Impact on Performance (Relationship of Increase to Strategic Goals)

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2011, DOJ is focusing on travel as an area in which savings can be achieved. For ATF, travel or other management efficiencies will result in offsets of \$907,000. This offset will be applied in a manner that will allow the continuation of effective law enforcement program efforts in support of Presidential and Departmental goals, while minimizing the risk to health, welfare and safety of agency personnel.

Funding

Base Funding

FY 2009 Enacted				FY 2010 Enacted				FY 2011 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
0	0	0	0	0	0	0	0	0	0	0	0

Personnel Increase Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Requested	FY 2011 Request (\$000)	FY 2012 Net Annualization (change from 2011) (\$000)
Total Personnel				

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2011 Request (\$000)	FY 2012 Net Annualization (Change from 2011) (\$000)
Firearms			(653)	0
Arson & Explosives			(236)	0
Alcohol & Tobacco Diversion			(18)	0
Total Non-Personnel			(907)	0

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	0	0	0	0
Increases	0	0	0	0	(907)	(907)
Grand Total	0	0	0	0	(907)	(907)