



Department of Justice

STATEMENT OF

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**BUREAU OF ALCOHOL, TOBACCO, FIREARMS, AND EXPLOSIVES
U.S. DEPARTMENT OF JUSTICE**

BEFORE THE

**COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON CRIME, TERRORISM, HOMELAND SECURITY,
AND INVESTIGATIONS
U.S. HOUSE OF REPRESENTATIVES**

FOR A HEARING CONCERNING

OVERSIGHT OF THE DEA AND ATF

PRESENTED

APRIL 4, 2017

Chairman Gowdy, Ranking Member Jackson Lee, and Members of the Subcommittee, thank you for the opportunity to appear before you today.

The mission of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is to protect communities from violent criminals, criminal organizations, the illegal use and trafficking of firearms, the illegal use and storage of explosives, acts of arson and bombings, acts of terrorism, and the illegal diversion of alcohol and tobacco products. Every day ATF Special Agents, Investigators, and professional staff work tirelessly to remove the most violent offenders from the streets and make our communities safer. I am honored and proud to lead the men and women of ATF. We take our motto, “Protecting the Public; Serving our Nation” to heart.

Since its founding as an independent Bureau in 1972, ATF has too often been the subject of controversies that overshadow the incredible contributions to public safety our employees have made and continue to make. Recent controversies are all too familiar to the Committee, and have been thoroughly examined by the Department of Justice’s Inspector General (OIG): Fast and Furious, storefront operations, tobacco churning investigations. While these matters represent a very small percentage of the thousands of investigations ATF undertakes every year, the findings of the OIG reflect common themes -- insufficient management oversight, inadequate accountability and deficient organizational communication. ATF could – and should – have done better.

ATF makes no excuses, and I accept full responsibility for those lapses, most of which occurred prior to 2011. I want to thank the OIG for identifying areas in which ATF needed to improve management operations and practices. Those hard-learned lessons are seared in the consciousness of ATF as an organization and heeded by every member of our current executive staff. We have implemented, or are in the process of implementing, all recommendations made by

the IG, and the ATF management team is laser-focused on continued improvement to ensure our operations are effective, focused, and efficient. The ATF of 2017 is not the ATF of 2011.

ATF has implemented a broad range of organizational improvements over the last six years. These include the implementation of Frontline, ATF's intelligence-led, risk-based business model; establishment of Crime Gun Intelligence Centers (CGIC) in every ATF field division; focused hiring of intelligence research specialists with an emphasis on those with military experience; establishment of a formal ATF internal communications plan; enhancement of ATF's Monitored Case Program; enhancement of mandatory leadership command and control training for first line supervisors and managers; and mandatory training for all agents on techniques to investigate firearms trafficking.

I want to assure the Committee that ATF will continue to identify areas where we can further strengthen our operational effectiveness, and will promptly take the steps necessary to continue improving.

Fighting Violent Firearm Crime

ATF is committed to excellence in all the areas of our jurisdiction – firearms, explosives, arson, contraband trafficking of tobacco and alcohol. Our expertise and capacity to conduct arson investigations is unparalleled and under-appreciated. Our role in conducting and supporting criminal explosives investigations, including the training of explosives detection canines used by law enforcement around the world, is also not sufficiently recognized. I hope to have the opportunity to provide the Committee with more information about these programs in the near future.

Today, however, I want to focus on the area Attorney General Sessions has clearly identified as a top priority for the Department of Justice -- fighting violent firearm crime. ATF is fully committed to this priority. We focus our resources on the worst of the worst violent

offenders. In fiscal year 2016, ATF recommended more than 14,000 individual subjects for prosecution; on average, those subjects had 8.5 prior arrests and 2.2 prior convictions. Many of ATF's prosecution referrals involve gangs and other violent criminal organizations, and we work closely with our State, local and Federal partners to disrupt and dismantle these organizations.

As one of his first acts, the Attorney General implemented the President's Executive Order creating a Task Force on Crime Reduction and Public Safety. I am honored to serve on this Task Force representing the men and women of ATF, and I look forward to working with law enforcement colleagues and other experts to identify additional ways we can enhance public safety by reducing violent firearm crime.

Frontline and Crime Gun Intelligence Centers

Consistent with the Attorney General's emphasis on reducing violent crime, ATF continually analyzes violent crime data to deploy our resources to have maximum impact. We do this through our Frontline business model. Frontline requires each ATF Field Division to conduct annually a comprehensive domain assessment that includes in-depth evaluation of violent crime threats in the Division's area of operation. These assessments allow ATF to prioritize enforcement efforts on a local, regional, and national level, maximizing deployment of resources to reduce violent crime. Two of the most important resources ATF brings to the fight to reduce firearm violence are unique to ATF: the National Tracing Center (NTC), which traces crime guns recovered by law enforcement, and the National Integrated Ballistic Information Network (NIBIN), the nation's only automated ballistic imaging network.

To further focus resources on the firearm violence threats identified in our Frontline domain assessments, ATF has now established CGICs in every ATF Field Division. CGICs integrate results and leads from ATF's unique NTC and NIBIN systems with investigative reports

and other tools -- such as social media, internet exploitation, and acoustic gunshot detection technologies – to provide actionable intelligence to investigators. CGICs support ATF and our Federal, State and local partners in the fight against firearms violence by effectively and efficiently identifying for investigation and prosecution the most violent offenders, particularly the “trigger pullers” who terrorize our communities, and the illicit firearm trafficking networks who supply them.

National Tracing Center

ATF's National Tracing Center is the country's only crime gun tracing facility. Tracing crime guns provides essential evidence and intelligence to law enforcement. Tracing provides leads that help link recovered firearms to both suspects and the firearms trafficking networks who supply them. Law enforcement's recognition of the value of tracing is reflected by the more than 387,000 trace requests processed by the NTC in fiscal year 2016.

National Integrated Ballistics Information Network

ATF's NIBIN system also provides critical criminal intelligence and investigative leads through the analysis and comparison of ballistic evidence left at the crime scene. When a gun is fired, it leaves unique marks on the ammunition's cartridge case. As with fingerprints, no two firearms leave the same pattern of microscopic markings. NIBIN maps those unique markings and creates a searchable 3-D image. These images are correlated and compared by specially trained forensic personnel to identify matches, or “hits,” between cartridge casings retrieved from different crime scenes. Hits that connect separate shooting incidents provide law enforcement with actionable leads that aid in the identification of the suspects. The NIBIN system currently links

172 sites across the United States; these sites are utilized by more than 6,700 law enforcement agencies. The NIBIN system allows agencies to search and compare ballistic evidence recovered in one jurisdiction to evidence from all other NIBIN sites.

One example of how useful a tool NIBIN is in investigations and solving cases comes from Chicago. In October 2013, an unidentified assailant shot and killed a drug dealer, leaving behind 9mm cartridge cases that were recovered and submitted to NIBIN. In April 2014, ATF investigated the attempted murder of an individual who had cooperated with law enforcement and submitted firearms evidence to NIBIN. Within hours, ATF was able to link the two shootings to the same firearm. Using this evidence, ATF and Chicago Police were able to identify and arrest the two defendants responsible for the shootings. In January 2016, those defendants were convicted in Federal Court for the attempted murder of the cooperating individual; one of the defendants received a 40-year prison sentence, and the other a 35-year sentence.

ATF recognizes the value of NIBIN to our law enforcement partners, and the need that many of those partners have for additional training and expert support to best utilize the system. To help fill this demand, in 2016 ATF established the NIBIN National Correlation and Training Center (NNCTC). The NNCTC has two immediate purposes – to expand ATF’s capacity to deliver training to system users and to provide correlation review services to partners who do not have sufficient access to that expertise. Correlation review not only requires well-trained experts, it is also the most labor-intensive part of the process. When a partner agency lacks sufficient expertise or staffing to conduct correlations review, bottlenecks develop that prevent the timely dissemination of actionable leads. To date, the NNCTC provides correlation services to 24 partner agencies. Many more partners, including some from large urban areas facing unacceptable surges in firearms violence, have requested NNCTC correlation support. ATF is committed to meeting this increasing demand for NNCTC correlation and training services.

ATF's Engagement with the Firearms Industry to Reduce Violent Crime

An often overlooked aspect of ATF's efforts to reduce violent firearm crime is the crucial role of Federal firearms licensees (FFL). ATF is responsible for issuing licenses to FFLs, and for enforcing the Federal regulations that apply to their operations. There are currently more than 135,000 active Federal firearms licensees, and this number continues to grow. In recent years, ATF annually has conducted, on average, more than 11,000 FFL application inspections, and approximately 9,700 FFL compliance inspections. As part of Frontline, we have fine-tuned our compliance inspections process, placing greater emphasis on risk-analysis to assure that licensees who are at greatest risk of non-compliance receive the necessary level of oversight and assistance.

Contrary to a too commonly held perception, the relationship between ATF and FFLs is rarely adversarial. In fact, ATF heavily relies on FFLs as a first line of defense against illegal firearm trafficking, and the vast majority of FFLs are conscientious, law-abiding business owners who are committed to enhancing public safety. FFLs frequently provide ATF with leads identifying potential straw purchasers, and routinely respond to trace requests with the timely and complete information needed by law enforcement to investigate successfully violent firearm offenses. Since my arrival as Deputy Director in late 2011, ATF has placed even greater emphasis on improving relations with FFLs and other industry participants, increasing the number of round-tables, seminars, and training sessions with industry. Our goal is to help to assure that all licensees have the information they need to comply with Federal law. An equally important obligation we owe to industry participants who play by the rules is to ensure that those required by Federal law to have a license to buy and sell firearms do not engage in the business without one. Hence, last year ATF issued guidance describing what it means to be "engaged in the business" of dealing in

firearms -- providing a plain-language description of when individuals and businesses need a license to buy and sell firearms.

Finally, ATF is acutely aware that in recent years FFLs have increasingly been victims of burglaries and robberies targeting their firearm inventory. These crimes result in double harm – not only are the FFLs victimized (at times assaulted or killed in the course of a robbery), the stolen firearms fuel the illicit market, too often ending up in the hands of violent criminals who wreak havoc in our communities and pose an immediate threat to our partners on patrol who confront them. We have taken several steps to address this surge in crimes against FFLs. These include ensuring that ATF responds to 100 percent of FFL burglaries and robberies with both special agents and industry operations investigators; developing a system to send out alerts on FFL thefts to FFLs in areas where thefts occur; and making ATF Laboratory services available on an expedited basis to process evidence and provide timely leads to investigators. In two recent cases involving robberies in which FFLs were assaulted, the expedited response of ATF's Lab provided crucial DNA and blood evidence that helped investigators identify suspects.

Challenges and Opportunities

ATF is a small agency with a big mission. To accomplish that mission, ATF relies not only on its incredibly committed and hard-working men and women, but also on deep-rooted partnerships with our counterparts in local, State and Federal law enforcement. ATF is committed to being the best possible partner, providing our expertise and unique resources in firearm, explosives, arson, and contraband alcohol and tobacco investigation efforts wherever and whenever needed by our counterparts. Regardless of resource constraints, ATF will always put public safety first.

Mr. Chairman and Members of the Committee, as I said earlier, I am proud to represent the men and women of ATF, who work hard every day to make our communities safer. Thank you for this opportunity, and I welcome your questions.