

# PROGRAM DISCUSSION & ANALYSIS (REDUCE VIOLENT CRIME)

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*ATF's complex tax collecting, regulatory, and enforcement missions are interwoven. Historically, the Bureau's budget displayed criminal and regulatory enforcement activities in the four major programs of alcohol, tobacco, firearms, and explosives. However, during FY 1996, ATF reviewed the criminal and regulatory budget activities and developed a new structure that is more consistent with the Bureau's strategic plan and mission. The Bureau further refined the structure in FY 1997. The new mission activities, Reduce Violent Crime, Collect Revenue, and Protect the Public, were incorporated into the Bureau's FY 1998 budget request to Congress.*

Recognizing the prominent role of firearms, explosives, and arson in violent crimes, ATF—with primary enforcement jurisdiction for Federal firearms, explosives, and arson laws—enforces provisions of the Gun Control Act of 1968, the National Firearms Act, the Brady Law, and the Violent Crime Control and Law Enforcement Act of 1994 to combat these types of crimes. Because many Federal laws contain provisions for mandatory extended sentences, ATF strives to increase state and local awareness of available

Federal prosecution under these statutes. To accomplish all of this, ATF pursues an integrated enforcement strategy through four major programs supporting the *Reduce Violent Crime* activity: *Deny Criminals Access to Firearms, Safeguard the Public from Arson and Explosives Incidents, Remove Violent Offenders from our Communities, and Prevent Violence Through Community Outreach.* Each of these programs is supported by projects detailed in the following discussion.

*Special Agents display some of the most frequently recovered and traced crime guns.*



## DENY CRIMINALS ACCESS TO FIREARMS

The Deny Criminals Access to Firearms program involves projects and services that identify, deter, and stop the sources of and participation in illegal firearms trafficking.

## ILLEGAL FIREARMS TRAFFICKING

ATF reduces the availability of “black market” firearms to criminals by identifying illegal sources

of firearms and incarcerating illegal firearms traffickers. Overall goals include recommending for prosecution the most active illegal firearms traffickers, preventing future firearms crimes,

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and reducing crime-associated costs by incarcerating illegal firearms traffickers. In FY 1997, ATF accomplished the following in support of the nationwide illegal firearms trafficking strategy:

- developed an illegal firearms trafficking guidebook that is the definitive reference for ATF special agents, as well as state and local investigators, to use for direction and advice during the course of illegal firearms trafficking investigations and strategy formulation;
- held four one-week illegal firearms trafficking schools for a total of 245 ATF stu-

dents and 22 State, local and other Federal law enforcement students;

- conducted two basic firearms interstate nexus schools and two advanced firearms interstate nexus schools for a total of 53 ATF students;
- provided onsite refresher training to four field divisions for approximately 450 ATF students; and
- conducted a joint Canadian/ATF firearms school for 35 ATF employees and 55 Canadian law enforcement officers.

ILLEGAL FIREARMS TRAFFICKING		
	FY 1997	FY 1996
Cases forwarded for prosecution	1,180	1,043
Defendants recommended for prosecution*	2,019	2,230
Number of firearms illegally trafficked by the defendants prior to recommendation for their prosecution	51,540	34,491
Future firearms-related crimes avoided**	106,014	53,520
Number of trafficking referrals resulting from inspections	1,152	715
Crime-related costs avoided in millions**	\$84.4	\$38.8

\* Statistics do not have a direct corresponding relationship in the same fiscal year because the time period from the investigation being initiated until sentencing may span several years.

\*\* Each defendant is sentenced to an average of three years in Federal prison as an illegal firearms trafficker. The annual cost savings produced by this program will grow each year until the fourth year of the program when the programs first year defendants will begin to be released. In the fourth year the programs cost savings will reach their highest level and remain fairly constant throughout the future life of the program.

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## YOUTH CRIME GUN INTERDICTION INITIATIVE

The Youth Crime Gun Interdiction Initiative is a focused component of ATF's nationwide Illegal Firearms Trafficking Program which identifies and investigates the illegal sources of guns to youths and juveniles. In response to increased crimes involving America's youth, ATF developed and deployed the Youth Crime Gun Interdiction Initiative in FY 1996. In FY 1997, the Youth Crime Gun Interdiction Initiative was deployed in 17 cities to include Atlanta, Georgia; Baltimore, Maryland; Birmingham, Alabama; Boston, Massachusetts; Bridgeport, Connecticut; Cleveland, Ohio; Inglewood, California; Jersey City, New Jersey; Memphis, Tennessee; Milwaukee, Wisconsin; New York, New York; Richmond, Virginia; St. Louis, Missouri; Salinas, California; San Antonio, Texas; Seattle, Washington; and Washington, DC. Eighty-six criminal investigations were initiated in the 17 sites which resulted in the recommendation of 90 defendants for prosecution, 61 arrests, and 15

sentencings. Many of these investigations are ongoing. A major goal of the Youth Crime Gun Interdiction Initiative is to trace all recovered crime guns. This goal was met in FY 1997 with more than 36,000 recovered crime guns traced in the 17 cities.

In July 1997, due to the successful tracing efforts, 17 comprehensive trace analysis reports were produced and released for use by law enforcement to develop community level enforcement strategies. Also in July 1997, the President of the United States announced the expansion of the Youth Crime Gun Interdiction Initiative to 10 additional cities. Efforts in those cities will begin in FY 1998.

## NATIONAL TRACING CENTER

The ATF National Tracing Center is the only operation of its kind in the world. This facility traces firearms recovered in crimes and from juveniles for any Federal, state, local or international law enforcement agency. A firearms trace result is frequently the crucial piece of evidence that can link a criminal to a firearms-related crime and allow law enforcement officials to make an arrest. At a minimum, firearms trace information provides investigators with leads on the origin of the crime-related firearms in their investigations. The tracing center is also the only

### FIREARMS TRACING

	FY 1997	FY 1996
Requests for firearms tracing processed	191,378	116,674
Average days of response time	13.5	9.4

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repository for all Federal firearms licensee out-of-business records, where millions of records are currently stored. Specific goals for FY 1997 were to increase the number of trace requests received through efficiency improvements involving increased electronic access to the tracing center. All specific National Tracing Center goals for FY 1997 were accomplished, to include the following:

- increased electronic access to the National Tracing Center for state, local, and other Federal law enforcement agencies by establishing electronic batch downloading in six cities and ensuring 18 states placed a crime gun trace request screen on the National Law Enforcement Telecommunications System;
- established the “Crime Gun Information Analysis Section” at the National Tracing Center;
- increased by 60 percent the number of crime gun trace requests received at the National Tracing Center as a result of increased electronic access;
- developed and deployed a new crime gun trace request form, Crime Gun Information Referral/Request Form (ATF F 3312.1), which serves as a trace request, suspect gun entry, stolen firearms information referral, and firearms with obliterated

serial number information referral; and

- deployed a new crime gun trace results form which provides the trace requester with enhanced value results similar to an intelligence referral in addition to trace results.

## STOLEN FIREARMS

The Stolen Firearms project seeks to reduce thefts of firearms from Federal firearms licensees and interstate carriers transporting firearms. This project is designed to assist the illegal firearms trafficking program by reducing the number of stolen firearms available to the criminal element. This is accomplished through collecting and analyzing firearms licensee and interstate carrier theft information, and providing investigative leads to special agents.

STOLEN FIREARMS		
	FY 1997	FY 1996
Number of theft reports received from Federal firearms licensees	2,532	2,509
Number of Federal firearms licensees reporting thefts	2,155	2,082
Number of firearms involved in licensee theft reports	12,302	12,395
Number of theft reports received from Interstate Carriers	733	1,139
Number of firearms involved in carrier theft reports	2,094	2,748

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## SAFEGUARD THE PUBLIC FROM ARSON AND EXPLOSIVES INCIDENTS

An integral part of the Bureau's overall violent crime reduction strategy, ATF's arson and explosives projects are directed toward preventing the criminal misuse of explosives and the crime of arson, as well as providing effective post-incident response. ATF, in part, measures its success by the amount of savings to the public resulting from proactive investigations. This is particularly true with arson-for-profit schemes. ATF's efforts in this regard save money for the insurance industry, and ultimately the American public, by exposing millions of dollars in fraudulent claims annually.

## PREVENT CRIMINAL MISUSE OF EXPLOSIVES

Through this program, ATF provides resources to identify and pursue those who criminally misuse explosive materials in bombings and arson fires. Efforts in this regard include the following.

ATF maintains the Explosives Incidents System, which is a computerized repository for historical and technical data on reported arson and explosives incidents that is helpful in determining motives, trends, and similarities. Statistical data are available in ATF's annual *Arson and Explosives Incidents Report* and *Arson Case Briefs* publications. In addition, ATF is the focal point for other Federal, state, and local law enforcement agencies to initiate traces of explosives. This capability is also applicable to foreign commercial and military explosives, ordnance, and munitions.

Within ATF is a cadre of explosives technology personnel with unique capabilities in the explosives and bomb disposal fields. They construct facsimiles of explosive and incendiary devices; prepare destructive device determinations for court purposes; conduct render safe procedures on destructive devices, improvised incendiary and explosives devices and booby traps; provide expert analyses of intact and functioned explosive/incendiary devices; provide onsite technical investigative assistance during tactical operations, and bombing and arson scene examinations; issue classifications for new explosives and incendiary devices and materials; and keep abreast of the latest technology related to explosives.

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In addition, personnel provide technical advice on Federal explosives storage regulations; provide training and instruction in all aspects of explosives handling, storage, and destruction for Federal, state, local, and foreign law enforcement officers, and members of the explosives and pyrotechnics industries; participate as explosives origin and cause experts in all National Response Team and International Response Team activations; conduct explosives threat assessments; and assist the Department of State and the Diplomatic Security Service in conducting antiterrorism capability assessments outside the continental United States.

In FY 1997, these experts provided onsite technical investigative assistance on 300 incidents; conducted explosive device or booby trap render safe procedures in connection with 25 investigations; prepared 232 written expert witness explosive device determinations; participated in Department of State antiterrorism capability assessments in 14 foreign countries; and provided instruction on explosives investigative and regulatory matters to other Federal, state, local, and foreign law enforcement officers, and members of the explosives and pyrotechnic industries on 104 occasions.

## CHURCH FIRES

ATF established a church fire major case team during 1996 in response to a dramatic increase in church arsons nationwide. The team maintained a central repository for collecting, analyzing, and disseminating information while coordinating and monitoring all aspects of each investigation. This team became the foundation for the President's National Church Arson Task Force. In June 1997, the task force completed its first year of investigating church fires occurring throughout the United States. The task force, consisting of ATF, Federal Bureau of Investigation, Federal Emergency Management Agency, Community Relations Service, Department of Housing and Urban Development, and Department of Justice, prepared its first report for the President outlining the year's accomplishments.

ATF and its major case team were instrumental in the success of the task force and the accomplish-

*ATF agents on a church fire investigation.*



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ments achieved during the first year. ATF was tasked with determining the origin and cause of each church fire incident investigated by the task force because of its expertise in arson and explosives investigations. The major case team was tasked with providing investigative oversight to ensure each investigation received the necessary resources and priorities. Since June 1996, the task force has coordinated the efforts of Federal, state and local law enforcement agencies investigating church fires. At the conclusion of the first year, the task force had opened 429 arson and bombing investigations that occurred at houses of worship. Federal, state and local authorities have arrested 199 suspects since January 1995, in connection with 150 of the 429 investigations. The task force has a 35 percent solution rate. This 35 percent solution rate in task force cases is more than double the 16 percent solution rate for arson in general.

ATF continues to promote church arson awareness and arson prevention by making outreach presentations to community leaders, churches, and organizations throughout the country. In addition to the outreach activities, the task force distributes the *Church Threat Assessment Guide* which contains valuable information on the steps that can be

taken to prevent fires at houses of worship; the steps to follow after an incident has occurred; and the toll-free numbers 1-888-ATF-FIRE and 1-888-ATF-BOMB. This guide was originally developed and distributed by ATF. The Task Force has adopted the guide and now distributes it nationwide. The guide continues to be accessible to the public on the ATF web site (<http://www.atf.treas.gov>). ATF and the task force continue to investigate and recommend prosecution of those responsible for burning our Nation's houses of worship. ATF is committed to seeing this task completed.

## CANINES

In 1989, ATF and the Connecticut State Police began a formal training program for accelerant-detecting canines to support state and local jurisdictions (accelerant-detecting canines search for liquid catalysts that can be used to speed up the spread of fire). Through FY 1997, a total of 56 accelerant-detecting canines have been trained and certified by ATF for state and local agencies. In FY 1997, ATF recertified 44 canine teams. In March 1998, six additional accelerant detection canine teams will be trained by ATF at the Canine Enforcement Training Center in Front Royal, Virginia.

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In 1990, ATF entered into an agreement with the U.S. Department of State, Office of Antiterrorism Assistance to produce a more effective explosive detection canine. Under this training arrangement, ATF trains explosives detection canines for foreign countries to be used overseas in the war against terrorism and to protect American travelers abroad against terrorism. ATF has trained 150 canine teams for the program, deployed in eight countries worldwide. In FY 1997, ATF trained an additional 35 canine teams and eight canine trainers for the Department of State, Office of Antiterrorism Assistance. ATF continues to perform assessments of additional foreign countries for placement in this program. ATF has eight special agent/canine teams stationed in Atlanta, Chicago, Dallas, Miami, Los Angeles, San Francisco, and two teams stationed in Washington, DC.

ATF has developed odor recognition proficiency standards for explosives detection canines. These were published by the Department of the Treasury. ATF will continue to work in conjunction with other Federal agencies employing explosives detection canines to validate and test this standard over the next year. The White House Commission on Aviation Safety and Security Report, dated September 12, 1997,

recommended that ATF continue to work on developing Government-wide standards for canine teams.

Further, the House Committee on Appropriations requested that ATF and the Federal Aviation Administration conduct a joint explosives detection canine pilot program at Washington National Airport and/or Dulles International Airport. The Bureau has been engaged in discussions with Federal Aviation Administration and the Metropolitan Washington Airport Authority to discuss deploying handler/canine teams to Dulles International Airport. The following implementation plan has been agreed upon by all three agencies:

- The pilot will last one to two years and will start at both Washington National Airport and Dulles International Airport;
- Four handler/canine teams will be used in the study to ensure both agencies' programs are represented; and

CANINES		
	FY 1997	FY 1996
Explosives-detecting canines trained and deployed internationally	35	26



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- All three agencies will jointly draft and sign a memorandum of agreement outlining the terms and conditions of the pilot program.

ATF has trained one explosives detection canine team for a local police department in conjunction with this joint canine explosives detection pilot project. It is anticipated that the pilot study will begin in November 1997.

## RESEARCH INITIATIVES

In FY 1997, in conjunction with the U.S. Army Corps of Engineers, the National Security Council, and the Defense Nuclear Agency, ATF continued to participate in a project known as Dipole Might. Its objective is to create a computer database and investigate protocol to assist investigators when processing large car bomb scenes.

Currently, the Bureau has two full-time fire protection engineers, making ATF the only Federal enforcement agency that employs this level of expertise. ATF's fire protection engineers are dedicated solely to the analyses of origins and dynamics of fire as they pertain to criminal investigations.

In FY 1996, President Clinton signed the Antiterrorism and Effective Death Penalty Act which called for a study of taggants. ATF continues to use an Explosive Taggant Study Group to study the tagging of explosive materials for purposes of detection and identification; the feasibility and practicality of rendering common chemicals used to manufacture explosive materials inert; the feasibility and practicability of imposing controls on certain precursor chemicals used to manufacture explosives materials; and State licensing requirements for the purchase and use of commercial high explosives. An interim report has been prepared and is currently under review. A final report will be issued in FY 1998.

In FY 1996, Congress approved funding for the construction of a new National Laboratory Center and Fire Investigation, Research and Education Center. ATF is currently involved in site negotiations and programming for the facility. This stage should be completed by April 1998. The building design is expected to be completed between April 1998 and April 1999. Both buildings will be fully operational by 2001.

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## EFFECTIVE POST-INCIDENT RESPONSE

ATF has long held that a coordinated and rapid deployment of highly trained and well-equipped individuals and related support functions is critical to the investigation of any arson or explosives incident. This “team approach” is the basis for ATF’s National Response Team, its International Response Team, division response teams, and arson task forces.

ATF’s National Response Team can respond within 24 hours to major bombing and fire scenes anywhere in the United States. In FY 1997, the team provided effective post-incident response in 36 activations. These incidents involved \$243.2 million in damages and were responsible for 54 deaths and 107 injuries. The National Response Team also provided continued assistance in the investigation of the Olympic Centennial Park bombing and the TWA Flight 800 crash.

In FY 1997, the Bureau issued a customer satisfaction survey to those who used the National Response Team that year. ATF has received 32 of the 36 surveys, all of which have been positive. When all surveys are received, ATF will tabulate the data and use it as a tool to determine the effectiveness of the National Response Team.

ATF also maintains the International Response Team, formed as a

result of an agreement with the Department of State. The team has been deployed to such countries as Peru, Argentina, Pakistan, El Salvador, and Macedonia. Since its inception in 1991, the International Response Team has been activated 13 times for incidents involving explosives and fires. In FY 1997, the International Response Team was activated to Suriname to assist in the investigation of an explosion in Paramaribo. The explosion, believed to be the result of a package bomb, injured one person at the residence/office of a politician.

ATF provides vital resources to local communities in the wake of arson and explosives incidents.

NATIONAL RESPONSE TEAMS		
	FY 1997	FY 1996
Incidents requiring National Response Team expertise	36	22
BOMBING AND ARSON		
EXPLOSIVES-RELATED		
Investigations	879	905
Cases/Defendants	218/369	196/315
Arrests	244	255
ARSON-RELATED		
Investigations	2,814	2,408
Cases/Defendants	238/440	220/450
Arrests	341	301

# PROGRAM DISCUSSION & ANALYSIS (REDUCE VIOLENT CRIME)

ATF pioneered the development of local multiagency task forces designed to pool resources and expertise in areas experiencing significant arson problems. In FY 1997, ATF led formal arson task forces in 15 major metropolitan areas throughout the United States, and participated in others. In FY 1997, ATF responded to 763

arson incidents that were responsible for 78 deaths and 166 injuries.

A certified fire investigator and a certified explosives specialist are critical to the

success of a comprehensive post-incident response. ATF's certified fire investigators are the only investigators trained by a Federal law enforcement agency to qualify as expert witnesses in fire cause determinations. In FY 1997, there were 48 of these investigators stationed throughout the United States. Twenty-nine certified fire investigator candidates are scheduled to graduate in January 1998 and eighteen are scheduled to graduate in April 1998. This will provide strategic placement of these investigators throughout the country to assist Federal, state and local agencies with fire origin and cause determinations and training. In FY 1997, there were four certified explosives specialist training classes through which 96 were fully certified. In FY 1997, there were 270 certified explosives specialists.

Because many arson crimes involve insurance fraud, these investigations often require complex financial analysis. ATF's Office of Science and Technology, in addition to comprehensive forensic science services, supports the task forces by providing financial auditing services, information systems and equipment, and high-speed data communications. This includes Internet access to facilitate the research and exchange of national and international technical data and intelligence.

*The National Response Team investigates a fire scene.*



## FIRE CAUSE AND ORIGIN

	FY 1997		FY 1996	
Incidents	2,325		1,945	
Killed	231		189	
Injured	615		521	
Property Damage (in millions)	\$532.1		\$518.7	
Cause	#	%	#	%
Arson	1,065	46	920	47
Accidental	817	35	679	35
Undetermined	443	19	346	18
<b>Total</b>	<b>2,325</b>	<b>100</b>	<b>1,945</b>	<b>100</b>

# PROGRAM DISCUSSION & ANALYSIS (REDUCE VIOLENT CRIME)

## REMOVE VIOLENT OFFENDERS FROM OUR COMMUNITIES

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

### ACHILLES

The Achilles project uses specific Federal firearms laws that mandate extended mandatory periods of incarceration to remove the most dangerous armed career criminals and armed drug traffickers from the streets. Firearms use and possession by these violent criminals becomes their “Achilles heel” as they are exposed to lengthy prison sentences under these Federal laws. The firearms they possess yield valuable information regarding their previous criminal acts and criminal associates. Further, through firearms tracing, the illegal firearms sources for these violent criminals are investigated under ATF’s Illegal Firearms Trafficking project. These two projects are complementary.

A major goal is to incarcerate armed violent criminals for long periods of time to prevent future crimes of violence and the costs of those crimes to the American public. An indication of ATF’s success in focusing limited resources against only the most violent armed criminals can be seen in the increases in the average length of sentence. The

average length of sentence received by defendants under 924(e) - the armed career criminal statute went from 18 years in FYs 1992, 1993, 1994, and 1995 to 19 years in FYs 1996 and 1997. The average length of sentence received by defendants under 924(c) - the armed crime of violence statute went from 6 years in FYs 1992, 1993, 1994, and 1995, to 7 years in FY 1996, and to 11 years in FY 1997. The sentence received

ACHILLES		
	FY 1997	FY 1996
Cases forwarded for prosecution	1,518	2,241
Defendants recommended for prosecution	2,153	3,327
Defendants sentenced	250	440
Total years of sentences	3,515	5,104
Total life sentences received by defendants	3	9
Armed career criminals currently in prison	2,009	1,889
Future crimes avoided <sup>1</sup>	321,440	302,240
Crime-related costs avoided (in billions) <sup>1</sup>	\$ .7	\$ .7

Note: Statistics do not have a relationship in the same fiscal year because the time period from the investigation being initiated until sentencing may span several years.

<sup>1</sup> Crimes avoided and dollars saved are based on the 1991 ATF study “Protecting America,” which examines the effectiveness of the Federal Armed Career Criminal Statute and ATF’s Achilles program. Cost and benefit formulas were developed from this study and are endorsed by the academic and research community and a cross-section of nationwide state and local law enforcement.

# PROGRAM DISCUSSION & ANALYSIS (REDUCE VIOLENT CRIME)

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by a defendant is attributable in part to the defendant's criminal history or level of violence during the actual offense. Sentences have substantially increased because ATF special agents have been more effective at focusing on the more dangerous and violent armed criminals. ATF is putting the most violent criminals in prison for longer periods of time

## VIOLENT OFFENDER

The Violent Offender project was designed to work as an early safety warning and notification system for law enforcement officers in the field. The system records pre-identified violent career criminals who are currently free in society into the National Crime Information Center system. When any law enforcement official encounters one of these individuals, and runs a National Crime Information Center check on the individual, the officer will receive a safety advisory that the person is a career offender, and to contact ATF if the offender is in posses-

sion of a firearm. There are currently 943 pre-identified violent offenders in the National Crime Information Center violent offender file.

In FY 1996, each violent offender encountered with a firearm had an average of 5.7 prior felony convictions and 30.4 years in prior prison sentences. In addition, eight of the 17 subjects had previously received life sentences, but were released or paroled early. In FY 1997, each violent offender encountered with a firearm had an average of 4.88 prior felony convictions and 33.29 years in prior prison sentences. In addition, one of the 18 subjects had previously received a life sentence, but was released or paroled early. When convicted, these criminals receive mandatory sentencing of 15 years to life in prison, without the possibility of probation or parole.

In FY 1997, based on the above statistics, ATF began to evaluate the program to determine if modifications were needed or to identify a more efficient method of accomplishing the same desired outcome. To assist in this evaluation process, ATF requested an independent audit and review by the Office of Inspector General. ATF looks forward to the findings and recommendations contained in the final report.

VIOLENT OFFENDERS		
	FY 1997	FY 1996
Cases forwarded for prosecution	18	18

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## CEASEFIRE

The CEASEFIRE project is centered around the use of state-of-the-art ballistics technology. This technology, the Integrated Ballistic Identification System, consists of "Bulletproof" which examines projectiles, and "Brasscatcher," which examines shell casings. The overall CEASEFIRE project goals are to increase the efficiency of firearms examiners, thus reducing future costs associated with the hiring of additional firearms examiners, and to increase the solution rate of shooting incidents by using the system. One-time specific program goals for FY 1997 were to deploy the CEASEFIRE technology to eight new sites and increase the use of the technology both of which were accomplished.

In an effort to unify Federal resources to deploy ballistics technology, there is an existing proposal to combine CEASEFIRE and the Federal Bureau of Investigation's Drugfire Program into a federally sponsored program called the National Integrated Ballistics Information Network. The two systems will not be combined into one platform. However, as proposed, National Integrated Ballistics Network will create a partnership among ATF, the Federal Bureau of Investigation, and State and local law enforcement that makes the most efficient use of all available

resources in reducing firearms-related violent crime. This combined network will be directed by a three-member board.

*New generation of ATF's Integrated Ballistic Identification System.*



## CEASEFIRE

	FY 1997	FY 1996
Bullets entered into the system	11,960	22,179
Ballistic matches made with projectiles	23	55
Shell casings entered into the system	15,993	26,390
Ballistic matches made with shell casings	229	188

- Without Integrated Ballistic Identification System (IBIS), an additional \$171.7 million in salary would have been needed to hire enough Firearms Examiners to perform the work load equivalent to 13.5 Firearms Examiners using the IBIS.
- With the Integrated Ballistic Identification System 13.5 Firearms Examiners were able to accomplish work loads equivalent to the efforts of 7,169 Firearms Examiners not having the Integrated Ballistic Identification System.
- With the Integrated Ballistic Identification System, Firearms Examiner productivity/efficiency was increased 531 times.
- CEASEFIRE was expanded to eight new sites (Tacoma, Washington; Portland, Oregon; Wilmington, Delaware; Omaha, Nebraska; Harrisburg, Pennsylvania; Philadelphia, Pennsylvania; Marion County, Indiana; Lake County, Indiana).

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## PREVENT VIOLENCE THROUGH COMMUNITY OUTREACH

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

### GREAT

The Gang Resistance Education and Training (GREAT) is a school-based gang and violence prevention program taught by uniformed law enforcement officers to elementary and middle school children. ATF administered the program in partnership with the Phoenix Police Department, National Sheriffs' Association, International Association of Chiefs of Police, and Federal Law Enforcement Training Center.

The Bureau provided funding to 74 different agencies to support their participation in the GREAT program. Over 800 different localities are currently teaching the GREAT curriculum in classrooms around the country.

This program has been highly successful in educating young children about the dangers of gangs and violence. A cross-sectional evaluation conducted by the University of Nebraska in Omaha was completed in 1996 and concluded that the GREAT program has had a significant, positive impact on the participants.

GREAT		
	FY 1997	FY 1996
"Train-the-Trainer" classes	22	19
Police officers attending instructor training	665	599
Police departments sending officers to training	471	328
Juveniles graduating from GREAT	314,000	221,000

# PROGRAM DISCUSSION & ANALYSIS (COLLECT REVENUE)

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*The goal of the Collect Revenue activity is to maintain an efficient and effective revenue management and regulatory system that continues to reduce taxpayer burden and Government oversight, and collects the revenue due under Federal laws administered by ATF. This activity is supported by three major programs: Collect All Revenue Rightfully Due, National Revenue Center, and Use Electronic Commerce.*

## COLLECT ALL REVENUE RIGHTFULLY DUE

ATF collected \$12.7 billion, before refunds, in taxes, interest, penalties, and fees in FY 1997. Ninety-eight percent of collections are derived from alcohol and tobacco excise taxes. On-site inspections of those who pay alcohol, tobacco, firearms, and ammunition taxes are focused on facilities offering the greatest risk to the revenue based on the volume of operations, past history of violations, relative strength of internal controls, and financial condition. *A more detailed description of the various types and sources of revenues follows in the Financial Discussion and Analysis section.*

ATF employees continuously monitor tax collections by auditing tax returns and assessments; initiating enforced collection action; analyzing required reports; and accounting for tax payments, licensing fees, and

related refunds. ATF also reviews and acts on applications and surety bonds submitted by companies that produce or sell alcohol or tobacco products.

When criminal conduct is suspected—as with diversion or label fraud cases—teams of ATF special agents, auditors, and inspectors conduct complex investigations of violations of the Federal Alcohol Administration Act and the Internal Revenue Code. ATF also investigates domestic trafficking in contraband tobacco products. This trafficking deprives states of needed tax revenue and violates Federal law. Also certain direct shipments of alcohol beverages to consumers without payment of taxes are in violation of both state and Federal laws and may be investigated by ATF.

In partnership with the Internal Revenue Service, ATF instructed foreign tax police on the U.S. alcohol and tobacco licensing and taxation system. In FY 1997, 203 students from Russia, Ukraine, Belarus, and the Baltic States received this training.



# PROGRAM DISCUSSION & ANALYSIS (COLLECT REVENUE)

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## NATIONAL REVENUE CENTER

ATF's revenue management program includes a variety of processes and functions based on the processing, auditing, and recording of tax returns and monthly operating reports, as well as the accounting for all deposits and payments for taxes, licenses, permits, and fees from the alcohol, tobacco, firearms, ammunition, and explosives industries.

Effective management of taxpayer accounts and proper receipt of tax returns and payments ensure accurate collections and reporting of all receivables. ATF's collection systems include work by the technical services staffs located in several districts and the Tax Processing Center in Cincinnati. The principal activities of these entities are office

*Document imaging of ATF tax and application forms, eventually leading to a "paperless office."*



audits of tax returns and reports, audits of claims, collection actions, review and approval of applications for permits, registration of plants and surety bonds, and processing and custody of official case files.

During FY 1997, ATF continued efforts to reduce the number of technical services offices, ultimately leading to a single National Revenue Center which will process all tax and permit matters nationwide from Cincinnati. The Atlanta office was closed in FY 1997 and much of the work from the remaining Philadelphia and San Francisco offices has already been transferred to Cincinnati. All functions of the Tax Processing Center will be absorbed into the National Revenue Center by the end of FY 1998.

In FY 1997, in the process of building the National Revenue Center, ATF implemented various technological improvements. Document imaging operations commenced, which will reduce the volume of paper files stored and improve accessibility of information. ATF also began fully automating the processing and analysis of industry operational reports. A full-time customer service representative position was also created to provide a channel for resolving problems and getting customer input and buy-in on the new changes taking place.

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## DIVERSION AND SMUGGLING

ATF is engaged in an ongoing endeavor to reduce the rising trend of illegal diversion of cigarettes and distilled spirits. Diversion involves products for both export and domestic consumption from a manufacturer to individuals acting as a broker or wholesaler. The product is diverted and sold illegally rather than shipping the product to the destination stated on required Federal records.

Criminal violations committed in these diversion schemes include violations of the Contraband Cigarette Act, Internal Revenue Code, Federal Alcohol Administration Act permit requirements, statutes relating to commerce with Native Americans, wire and/or mail fraud, money laundering, and conspiracy. ATF's goal is to achieve compliance with U.S. laws that will greatly reduce the illegal diversion of alcohol and tobacco products.

Diversion activities also defraud the United States of tax revenues. In this case, non-tax-paid cigarettes and distilled spirits are fraudulently claimed for export markets (for which there is no tax liability) when in fact they may be illegally diverted back into the U.S. domestic market for sale where taxes should apply.

ATF pursues tax assessments against a number of domestic producers because the documentation offered to ATF to support the tax-free exportation of these products often is either counterfeit or absent. ATF considers administrative action or criminal prosecution against retailers, wholesalers, and manufacturers who knowingly supply smuggling organizations.

ATF participates in joint investigations with the Internal Revenue Service, U.S. Customs Service, Revenue Canada, and state and local law enforcement. These investigations focus on significant tobacco- and distilled spirits-related criminal diversion activities in the United States and Canada. ATF is assisting the United States Attorney for the Northern District of New York in a northeast border strategy to stop the large-scale diversion of alcohol, tobacco, and firearms to Canada.

# PROGRAM DISCUSSION & ANALYSIS (COLLECT REVENUE)

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During FY 1997, ATF began entering information into an intelligence database for alcohol and tobacco diversion and contraband trafficking. In conjunction with the Federation of Tax Administrators, ATF established a toll-free number, 1-800-659-6242, to report large thefts and hijacked shipments of cigarettes. ATF and states use the asset forfeiture laws to combat diversion, and ATF is currently pursuing the enactment of an interstate trafficking law that will cover federal tax-paid liquor trafficked between states without payment of applicable state tax.

The seizure of alcohol beverages and tobacco products by ATF agents and inspectors in 1997 has resulted in over \$1.1 million being credited to the Treasury Forfeiture Fund. Through our efforts, several members of organized crime groups have been successfully prosecuted. Also, in FY 1997, ATF accepted \$405 thousand from distilleries and wholesalers to settle cases involving illegal activity. There are currently 114 diversion cases under investigation.

Illegal commerce also occurs when trafficking alcohol and tobacco from states with a low excise tax to states with a high excise tax. Involved in this illegal

trade are individuals who purchase large quantities of alcohol and tobacco products and then transport them to a jurisdiction with a higher excise tax for black market sales. As a result of this activity, ATF has experienced an unprecedented increase in alcohol and tobacco investigations. During FY 1997, ATF recommended 70 defendants for prosecution.

In an effort to combat the widespread problem of alcohol and tobacco products diverted from legal destinations to illegal destinations, ATF created the Diversion Branch. Its responsibilities are to coordinate the national Alcohol and Tobacco Diversion and Trafficking Enforcement programs; set policies; monitor investigations; provide assistance to field personnel; assist in determining targets; seek assistance from Chief Counsel, maintain liaisons with foreign governments; coordinate with FINCEN to track and identify financial transactions generated by illegal activity; and to work closely with other law enforcement agencies.

# PROGRAM DISCUSSION & ANALYSIS (COLLECT REVENUE)

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## ALCOHOL TRADE ISSUES

The solidification of the European Union, the emergence of new Pacific Rim economies, and the movement of former Soviet States to market economies have had a major influence on the world economy. While this global economy provides new opportunities for U.S. producers of alcohol beverages, the changing political and economic landscape also produces discriminatory trade barriers that limit market access to U.S. manufacturers.

ATF assists U.S. businesses in overcoming trade barriers through direct intervention with foreign governments, and by supporting the United States Trade Representative in negotiations concerning the North American Free Trade Agreement, and with the European Union and in deliberations of the World Trade Organization. ATF also monitors and analyzes changes in foreign trade and political policies to anticipate and overcome potential barriers to U.S. interests. ATF represents the U.S. wine and brandy interests through membership and participation in the International Organization of Vine and Wine.

ATF assists the governments of developing world market economies to establish effective revenue collection models through training courses offered in cooperation with the Department of State.

## USE ELECTRONIC COMMERCE

In FY 1997, many ATF application and other forms were made available to the public on the Internet, as well as information, facts and statistics about ATF and the regulated industry operations. Imaging operations were launched at the National Revenue Center to reduce storage and manual processing by ATF and to make statistical information more accessible to the public online.

In FY 1998, we anticipate commencing the imaging of label approval files. ATF will also explore the feasibility of Optical Character Recognition forms for certain returns. Streamlined processing of industry reports and returns paves the way for more utilization of electronic submissions by ATF's customers, resulting in a more efficient operation which reduces taxpayer burden.

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

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*ATF's Protect the Public activity includes goals to complement enforcement with training and prevention strategies through law enforcement and industry partnerships, and reduce public safety risk and consumer deception on regulated commodities. This is accomplished through three major programs: Assure the Integrity of the Products, People, and Companies in the Marketplace; Ensure Compliance With Laws and Regulations Through Education, Inspection, and Investigation; and Inform the Public.*

## ASSURE THE INTEGRITY OF THE PRODUCTS, PEOPLE, AND COMPANIES IN THE MARKETPLACE

This program ensures that commodities meet safety and product identity standards, and also focuses on keeping ineligible or prohibited persons out of the regulated industries.

### ASSURING ALCOHOL PRODUCT INTEGRITY

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

Each year, through the market basket sampling program, ATF collects thousands of alcohol products from the marketplace for several analyses by ATF laboratories. If any problems or unsafe conditions are found, they are investigated by ATF inspectors.

ATF's laboratories work closely with counterparts at the U.S. Food and Drug Administration and with regulatory agencies in many foreign countries. The laboratories exchange information on existing and new analytical methods and on product contamination or adulteration issues discovered by governmental laboratories, both domestic and foreign. This level of cooperation enhances ATF's proactive stance to ensure that contaminated or adulterated products do not reach the U.S. marketplace.

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

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## CERTIFICATES OF LABEL APPROVAL

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

proval for every alcohol beverage offered for sale in the United States.

The Bureau remains strongly committed to customer service standards for label approval processing. At the end of FY 1996, ATF mailed approximately 1,400 customer satisfaction surveys to industry members. In FY 1997, the survey results were tabulated and the feedback provided will be used to streamline the efficiency of the label approval process.

### CERTIFICATES OF LABEL APPROVAL

	FY 1997	FY 1996
Approved labels on file	1,613,118	1,561,615
Applications for approval processed	63,866	57,131

## DENY PROHIBITED OR INELIGIBLE PERSONS ENTRY INTO THE REGULATED INDUSTRIES

Alcohol producers and wholesalers and other users of bulk alcohol are required to obtain a Federal permit. ATF reviews applications, bonds and other documents, checks on the applicants' background, and conducts field investigations to determine eligibility.

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

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

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

## ENSURE COMPLIANCE WITH LAWS AND REGULATIONS THROUGH EDUCATION, INSPECTION, AND INVESTIGATION

Once a person or entity is licensed or obtains a permit to conduct a regulated business, ATF monitors and enforces compliance. Inspections of firearms licensees focus on assuring that firearms are properly accounted for. In the explosives industry, the emphasis is on safe and secure storage of explosives as well as accountability. Alcohol and tobacco inspections check on compliance with product and trade practice provisions. Education initiatives such as industry seminars are utilized in all industries.

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

## FEDERAL FIREARMS LICENSES AND INSPECTIONS

Once a licensee is engaged in business, inspectors ensure the licensee's compliance with Federal laws and specific recordkeeping regulations. ATF enforces the licensing provisions of the Gun Control Act of 1968 by conducting on-premises inspections.

ATF implemented procedures for routinely providing the Chief Law Enforcement Officer in each jurisdiction information on the status of Federal Firearms Licenses in that area. Working in partnership with state and local law enforcement officials, ATF can effectively address licensing and illegal firearms trafficking problems.

FEDERAL FIREARMS LICENSES AND INSPECTIONS		
	FY 1997	FY 1996
<b>Federal Firearms Licensees</b> (end of year)	107,554	135,794
<b>New Applications</b>		
Received	6,188	6,460
Licenses issued	5,946	6,691
<b>Renewal Applications</b>		
Received	30,290	37,350
Licenses issued	27,560	30,525
<b>Application Inspections</b>		
On-premises inspections	6,430	6,385
Renewal telephone inspections	16,363	21,795
<b>Compliance Inspections</b>		
On-premises inspections	6,171	10,051
Violations disclosed <sup>1</sup>	3,824	6,246

<sup>1</sup> Includes multiple violations resulting from inspection of a single licensee.



# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

## EXPLOSIVES LICENSES/ PERMITS AND INSPECTIONS

ATF maintains a regular program of on-site inspections to ensure that explosives are stored in approved facilities, which are

*Inspection of an explosives storage facility by an ATF inspector.*



secure from theft and located at prescribed distances from inhabited buildings, railways, and roads. These inspections ensure that the licensees and permittees keep accurate records of the receipt and disposition of explosive material which are verified through actual inventories of explosives in storage. Unusual discrepancies in records are referred immediately to the appropriate office for further investigation. Inspectors also conduct “forward trace” inquiries on persons who purchase explosives without benefit of a license or permit for “same day use with no overnight storage.”

ATF initiated a program that requires each regulatory enforcement area office to notify the local fire department of licensees/permittees storing explosive materials and the location of the storage. This was done to aid in minimizing accidental injury to fire officials fighting fires in buildings or structures that may house explosive materials.

EXPLOSIVES LICENSES AND INSPECTIONS		
	FY 1997	FY 1996
<b>Federal Explosives Licensees and Permittees</b> (end of year)	10,454	10,341
<b>New Applications</b>		
Received	2,099	1,537
Licenses/permits issued	2,059	2,003
<b>Renewal Applications</b>		
Received	3,524	2,754
Licenses/permits issued	3,612	2,697
<b>Application Inspections</b>		
On-premises inspections	1,191	957
<b>Compliance Inspections</b>		
On-premises inspections	6,733	2,813
Violations disclosed	2,115	1,214
<b>Public safety issues</b> detected and resolved as a result of inspection	677	—

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

## ALCOHOL INDUSTRY INSPECTIONS

ATF inspects alcohol plants to assure that products are manufactured in keeping with approved formulas and processes, which assure that the actual product fulfills labeling and advertising claims. ATF investigates anti-competitive business practices between alcohol beverage suppliers and retailers to preserve the retailers' economic independence. The Bureau also investigates consumer complaints of tainted or adulterated alcohol beverages.

## INDUSTRY SEMINARS

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

ATF also conducts seminars for alcohol and tobacco permittees. These seminars focus on current

market trends, compliance concerns, changes in laws, regulations or Bureau policies, and industry-raised issues. In partnership with the states, the seminars are conducted jointly with the state alcohol beverage control agencies to provide the total compliance enforcement picture

ALCOHOL AND TOBACCO PERMITS AND INSPECTIONS		
	FY 1997	FY 1996
<b>Alcohol Permittees</b> (beginning of year)	27,256	26,795
<b>Alcohol Inspections</b>		
Application inspections	1,245	1,314
Compliance inspections*	1,546	1,902
Violations disclosed	7,041	1,169
Additional taxes assessed	\$1,317,077	\$4,253,000
*Note: Product integrity, market integrity, and tax compliance inspections.		
<b>Tobacco Permittees</b> (beginning of year)	365	331
<b>Tobacco Inspections</b>		
Application inspections	91	72
Compliance inspections	142	196
Violations disclosed	90	68
Additional taxes assessed	\$82,042	\$4,207,000
Note: Additional taxes are assessed when ATF inspectors identify errors, under reporting, or conditions such as inventory shortages that create a tax liability. Large percentage changes in these totals occur from year to year. In many instances a small number of large cases have a dramatic effect on totals. In FY 1996, there were a few unusual adjustments on claims, distilled spirits and tobacco plants.		

INDUSTRY SEMINARS		
	FY 1997	FY 1996
Firearms	88	104
Explosives	26	26
Alcohol	20	33

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

to those in attendance. In FY 1997, ATF conducted seven seminars reaching approximately 500 attendees. These seminars will continue throughout 1998 and the future.

## NATIONAL FIREARMS ACT

The National Firearms Act requires that certain firearms be registered in what is known as the National Firearms Registration and Transfer Record. The firearms required to be registered are machine guns, silencers, short-barreled rifles, destructive

devices, and certain concealable weapons classified as “any other weapons.” ATF processes all applications to make, export, transfer, transport, and register National Firearms Act firearms, as well as notices of the National Firearms Act firearms manufactured or imported.

ATF’s firearms technology experts provide expert technical support to ATF in all matters relating to the technical aspects of firearms and their classification under Federal laws. Most workload is devoted to supporting law enforcement investigations and programs. The remaining operations focus on technical support to regulatory operations, Chief Counsel, Office of Liaison and Public Information, other Federal agencies, state and local law enforcement, the firearms industry, and the general public.

## FIREARMS AND AMMUNITION IMPORTATION

ATF regulates the importation of firearms, ammunition, and other defense-related articles through the issuance of import permits.

ATF maintains close liaison with the Department of State to ensure that the permits it issues do not conflict with the foreign policy

### NATIONAL FIREARMS ACT WEAPONS ACTIVITY

	FY 1997	FY 1996
Firearms Registered	896,459	823,459
Documents Processed	244,641	242,054
Record Searches*	4,887	5,744

\* Of the searches, 89% were associated with criminal investigations, while the remaining 11% were associated with firearms inspections.

### FIREARMS AND AMMUNITION IMPORTATIONS

	FY 1997	FY 1996
Importer Registrations Received	287	328
Permit Applications Received	10,535	11,527

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

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and national security interests of the United States. At the direction of the Department of State, ATF lifted the arms trade restrictions imposed against the Russian Federation. Additionally, the

Department of State subsequently directed ATF to lift the arms trade restrictions imposed against the Ukraine, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, and Uzbekistan.

## INFORM THE PUBLIC

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

## INDUSTRY AND STATE PARTNERSHIPS

The Industry and State Partnerships Program focuses on working with the industry to help educate the public on ATF's regulated commodities.

The Bureau continues to expand partnerships with regulated industries and state governments. For example, the Office of Science and Technology initiated the Partnership Formula Approval Process, which was instituted for all beverage and flavor manufacturers after a successful trial program. This new business process was a result of a joint effort of ATF, the alcohol beverage industry, and the flavor industry. The result of this collective effort was a dramatic reduction in the average approval time

required for flavored beverage alcohol products from eight weeks to less than two weeks.

ATF established liaison with several governmental agencies working toward a common goal of public safety in the explosives industry. The Department of Transportation is supplying ATF with a list of its product approval numbers for use in determining the appropriate classification of explosive materials entering into commerce either through domestic production or through importation.

ATF furthered its relationship with industry associations such as the Institute of Manufacturers of Explosives and the American Pyrotechnic Association to develop an Advanced Explosives Training class for all ATF inspectors. The Institute of Manufacturers of Explosives and the

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

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American Pyrotechnic Association have been instrumental in providing instruction to inspectors at ATF's training sessions. All classes are conducted at Fort McClellan, Alabama. Since June 1997, ATF has trained approximately 71 inspectors. More training classes are scheduled for calendar year 1998.

ATF established relationships with the Federal Aviation Administration to explore the mutual regulatory oversight required in the interaction of commercial site operators for commercial space launchers. Launch site operators may include state government agencies, state-chartered entities, state sponsored entities, and commercial entities. At the request of the Federal Aviation Administration, ATF has been inspecting explosive storage magazines at specified major airports. ATF has established a relationship with the Consumer Products Safety Commission to effectively regulate the fireworks industry. The Consumer Products Safety Commission and Department of Transportation have also been instrumental in providing instruction at the Advanced Explosives Training sessions. The Bureau is also exploring refinement of its relationship with the Mine Safety and Health Agency to share more information re-

garding explosives and the coal mining industry.

ATF is working with the American Shooting Sports Council to clarify and better explain (to the industry and law enforcement community) the implications of the Lautenberg Amendment (domestic violence). An industry circular for distribution to all parties concerned is in process.

Because of the nature of Federal/state alcohol regulation rooted in the Twenty-First Amendment, ATF works closely with counterpart state liquor control and taxation agencies and industry groups. Current cooperative efforts focus on making ATF a center for industry-related information by making a wide range of data, including pictures of approved alcohol beverage labels, available through automated systems. The goal is to enable states to decrease parallel requirements and systems, to provide more efficient and timely access to data, and to reduce delays to industry in marketing new products. ATF continues to benefit from the cooperation of many state agencies in notifying retail liquor dealers of the liability for payment of Special Occupational Tax. Special Occupa-

# PROGRAM DISCUSSION & ANALYSIS (PROTECT THE PUBLIC)

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tional Tax collections totaled \$107 million for FY 1997.

The 60-year-old Pittman-Robertson Act levies a 10 percent excise tax on handgun sales and long guns and ammunition. In FY 1997, ATF collaborated with the Department of the Interior to distribute \$149 million from this tax to states for wildlife restoration projects.

In FY 1996, Congress passed the Antiterrorism and Effective Death Penalty Act. Working with the international community, industry members and other affected groups, ATF is conducting a study to explore the feasibility of placing tracer elements in explosives materials for the purpose of detection and identification. At the conclusion of the study, the group will recommend to Congress the future options available that will make the illegal use of

explosives materials more difficult. One option already implemented is a partnership between the fertilizer industry and ATF, incorporating voluntary reporting of suspicious purchasers of ammonium nitrate to ATF. A preliminary report was issued in FY 1997 and is under review.

# PROGRAM DISCUSSION & ANALYSIS (PROGRAM ADMINISTRATION AND SUPPORT)

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## TRAINING

The Office of Training and Professional Development began its third year with solidly established operating procedures. The focus continues to be the training of ATF personnel, state and local officers, and the international law enforcement community. ATF is committed to maintaining the highest level of expertise for its employees in arson, explosives, firearms and revenue collection. To ensure this commitment, ATF enhanced and expanded its specialized training for these programs. In FY 1997, the Bureau's expenditures for specialized training activities increased substantially over FY 1996.

During FY 1997, Office of Training and Professional Development took on the tremendous task of identifying the common training needs of ATF's employees and developing basic new employee training to meet these needs. A new employee entering on duty with ATF, whether an agent, inspector, auditor, attorney, specialist, or scientist will jointly attend a two-week core training course at Bureau headquarters. This "New Professional Training" course will provide the new employee with an overview of ATF—its mission, organization, and strategic plan. Each employee will learn what is expected of an ATF employee and will learn what role the various occupations play in assisting ATF in accomplishing its mission.

Over the past year, Office of Training and Professional Development has provided leadership for developing partnerships with universities, various industries, the scientific and technical community, and cooperative

agreements with the Bureau's extended enterprise to provide for a sound and safer America.

These organizations include the Department of State, Federal Bureau of Investigation, Central Intelligence Agency, International Association of Chiefs of Police Incorporated, the Fraternal Order of Police, University of Maryland, University of Nebraska, and the Educational Testing Service.

In support of new technology, a comprehensive training program for systems administrators and other information systems professionals was developed. Training on new software applications was provided to all employees as installation occurred.

Additional accomplishments include:

- provided training approximately 15,893 times to ATF employees that included mandatory training requirements, technical, occupational, leadership and employee career programs;

# PROGRAM DISCUSSION & ANALYSIS

(PROGRAM ADMINISTRATION AND SUPPORT)

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- provided training to approximately 34,824 other Federal, state, local, international law enforcement officers, industry personnel, civilians and civic organizations; topics included arson investigation, explosives identification and regulation, firearms trafficking/identification, gangs, post-blast investigations, and advanced interviewing techniques;
- began a cooperative joint effort with the Federal Aviation Administration and developed four training programs targeted to the aviation security industry;
- trained 71 inspectors in advanced explosives for the first time;
- managed the certification of Certified Fire Investigators and Certified Explosives Specialists to contribute effectively to arson and explosives investigations;
- initiated the Interactive Fire Investigation CD ROM training program with other Federal agencies and private insurance industry personnel;
- provided explosives, basic firearms identification, gangs/firearms trafficking, and alcohol/tobacco licensing and taxation training to approximately 1,100 international law enforcement officers from 20 foreign countries through State Department initiatives;
- developed the training protocols and organizational development plan for ATF's Critical Incident Command System;
- developed an ATF core curriculum to be introduced in every state police academy nationwide; with objectives to describe ATF's history, mission, and jurisdiction; and identify ATF's unique and valuable assets to support other agencies in investigative matters;
- increased the number of firearms trafficking schools conducted, and included state and local officers in these schools; developed an educational partnership with Canadian law enforcement agencies to deliver a pilot firearms trafficking school for ATF and Canadian officials; and
- continued to partner with the Office of Science and Technology, University of Maryland, and National Fire Academy, to build a Fire Investigation and Research Center.

*Office of Training and Professional Development conducts computer field-based training.*





# PROGRAM DISCUSSION & ANALYSIS (PROGRAM ADMINISTRATION AND SUPPORT)

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## SCIENTIFIC/INVESTIGATIVE SUPPORT

The Office of Assistant Director (Science and Technology)/Chief Information Officer plays a key role in the Bureau's overall enforcement functions.

### INFORMATION SERVICES

The Information Services Division is responsible for the development, implementation, and maintenance of all Bureau information resources; including all aspects of data processing, communications, office automation, and the Internet.

In FY 1997, ATF deployed 1,144 desktop and laptop computers during the first phase of Enterprise Systems Architecture, a multi-year initiative to upgrade its information architecture to provide a modern electronic data processing platform and enhanced technology base for all future development. The Bureau awarded an agreement to Unisys Corporation to provide ATF with equipment and services; including Dell Computer Corporation, Micron Electronics Incorporated laptops, Hewlett-Packard Company printers, servers, training, help desk and other maintenance support as a part of the Enterprise Systems Architecture. This contract is believed to be a government first; i.e., a governmental entity leasing equipment and relying on contractors to manage

it. Enterprise Systems Architecture, a significant investment, is an integral part of ATF's strategic plan that is essential to meet the challenges of Year 2000 Date Compliance Project, virus protection, and business needs over the next three-to-five years.

Major components of the Enterprise System Architecture include:

- establishment of a modern backbone communications network capable of transmitting and sharing data simultaneously within and among organizational units via local, metropolitan, and wide area networks;
- deployment of a mix of desktop and notebook personal computers and commensurate training for ATF's entire user community;
- standardization of a software suite consisting of operating systems, telecommunications, database management systems, and applications development tools; and
- upgrade of the mainframe computer environment to add significant functionality.

# PROGRAM DISCUSSION & ANALYSIS (PROGRAM ADMINISTRATION AND SUPPORT)

ATF's Internet site, originally designed in FY 1996, went through several evolutionary phases during FY 1997. The Internet site now contains information on the Youth Crime Gun Interdiction Initiative; First Year Report to the President from the National Church Arson Task Force; Brady Law; Domestic Violence; Federal Firearms Regulations Reference Guide; pictures and descriptions of ATF's most wanted persons; jobs; Freedom of Information Act requests; press releases and industry news; and a list of toll-free telephone numbers to ATF's hotlines.

The web site has been positively received by the news media, the public, industry members, and interest groups. The web site averages approximately 700 visits per day and the average visitor downloads five pages. ATF's web site is rapidly becoming the communication vehicle for obtaining information on the Bureau's enforcement activities.

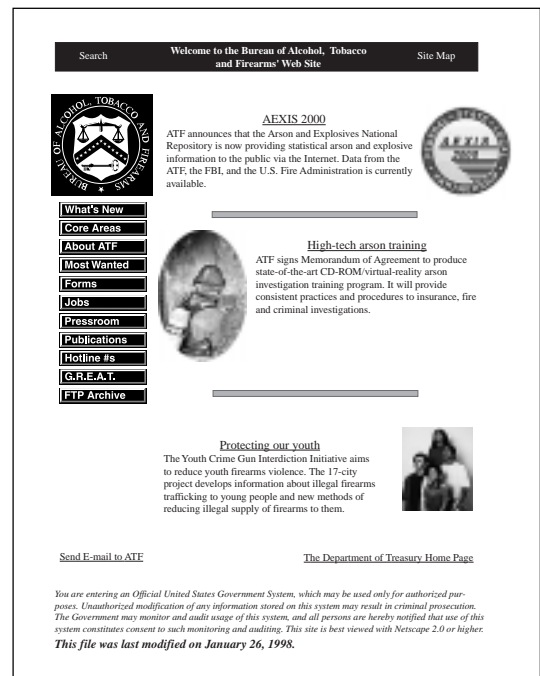
The Bureau's Intranet site was developed in FY 1997. It is becoming the internal communication vehicle for employees to obtain information on ATF activities, database applications, publications, and directives.

## LABORATORY SERVICES

ATF laboratories specialize in examining bombing, arson, and firearms evidence. Control measures are maintained to ensure the

quality and integrity of laboratory operations and products. These include:

- **Accreditation:** ATF's three forensic science laboratories are fully accredited by the American Society of Crime Laboratory Directors;
- **Proficiency Testing:** ATF maintains an independent test sample service to ensure individual examiner proficiency;
- **Internal Review:** All examiner findings are reviewed by a second examiner and a supervisor to ensure accuracy, completeness, and that scientifically valid conclusions have been drawn;
- **Safeguards:** ATF employs stringent evidence packaging protocols to detect and guard against contamination among forensic samples and cases; and
- **Management:** All ATF forensic management personnel are subject matter experts within their specific discipline.



# PROGRAM DISCUSSION & ANALYSIS

(PROGRAM ADMINISTRATION AND SUPPORT)

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## AUDIT SERVICES

The Bureau's Audit Services Division provides another important investigative tool for solving financially motivated crimes such as arson and the illegal diversion of alcohol and tobacco products. Auditors determine the financial condition of the business and the suspect, develop investigative

leads and criminal charges through examinations of financial records, participate in conducting interviews, assist the case special agent in determining, for example, if an insurance claim is fraudulent, and ultimately, provide expert witness testimony at trial.

## INSPECTION SUPPORT

The Bureau maintains an Office of Inspection with primary responsibilities to plan, direct, and coordinate inspection and internal affairs activities. It appraises the effectiveness of operations, assesses the quality of management and supervision, and determines adherence to organizational policies, regulations, and procedures. The Office of Inspection is also responsible for conducting employee integrity investigations, either criminal or administrative, as well as other sensitive investigations assigned by the ATF Director.

## SPECIAL OPERATIONS SUPPORT

The Special Operations Division is assigned several unique responsibilities that support specific Bureau mission objectives. These objectives include: polygraph examinations; airborne operations; undercover investigations; coordination of mission support to the U.S. Secret Service and Department of State; coordination of gang enforcement projects and programs; and management of the witness protection program.

In FY 1997, the Bureau established the Critical Incident Management Branch function to manage and coordinate ATF's preparation and readiness for critical incidents, major/complex investigations, and significant operations. In addition, the

function is responsible for coordinating the Special Response Team, Crisis Negotiations and ATF's Operational Medical Support. During FY 1997, a change from divisional to regional Special Response Teams was implemented. The Special Response

# PROGRAM DISCUSSION & ANALYSIS

(PROGRAM ADMINISTRATION AND SUPPORT)

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Teams conducted 174 operations and all of the activations ended without incident.

During FY 1997, Polygraph Program Examiners conducted approximately 400 examinations of suspects, informants, and witnesses. Conclusive opinions were rendered in approximately 76 percent of those tested and most agencies average in the 60 percent range. Polygraph Program examiners were extremely effective in obtaining admissions and confessions from examinees determined to be deceptive in their answers.

The National Communications Center provides bureauwide tactical communications and record communications support and access to various law enforcement information databases. During FY 1997, the National Communications Center received and assisted in 1,547 hotline calls and 2,400 Federal Firearms Licensee calls. The National Communication Center's enforcement operations provided operational support to critical incidents at the Sandy Springs Professional Building and the Otherside Lounge bombings in Atlanta, Georgia.

## STRATEGIC INTELLIGENCE SUPPORT

Strategic Intelligence has been identified as a critical tool for ATF to collect, evaluate, analyze, and disseminate information which supports the mission of ATF. This function also provides coordination and oversight of the Bureau's field intelligence officers and analysts who support the enforcement efforts of ATF's field agents and inspectors.

Other responsibilities include: monitoring sensitive/significant investigations conducted by field agents; providing analytical support and coordination for church fire investigations; serving as the Bureau's liaison office in matters involving foreign law enforcement agencies; handling of requests for intelligence information and Interpol; and coordinating ATF officials' mission related foreign travel.

During FY 1997, the Intelligence function provided analytical support to the Bureau and its partners in law enforcement in the following categories:

- conducted 1,270 intelligence research and analysis requests;
- conducted 164,649 telephone toll analyses;

# PROGRAM DISCUSSION & ANALYSIS

(PROGRAM ADMINISTRATION AND SUPPORT)

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- conducted 10,646 subscription service queries;
- conducted 3,093 intelligence database queries;
- scanned 40,000 documents in ATF's electronic document imaging/retrieval system;
- provided training to ATF and other law enforcement personnel in topical areas of expertise specific to ATF intelligence;
- activated special response support to the Atlanta bombing investigations and the Kehoe brothers national manhunt investigations which included the collection and analysis of 1,212 and 80 investigative leads respectively.

## MANAGEMENT ACTIVITIES

Management support functions are grouped into five primary areas: management analysis, financial management, personnel management, administrative programs, and procurement. The Office of Assistant Director (Management)/Chief Financial Officer provides leadership, coordination, and direction and works in partnership with other senior Bureau officials in these and other areas to support the Bureau's mission.

Recent management support accomplishments include:

- the collocation of 65 of 80 criminal and regulatory field offices; reducing overall space needs, increasing the sharing of resources, and reducing future rental costs;
- continued aggressive efforts to maintain an unqualified opinion on financial statements and to successfully address the Office of Inspector General FY 1996 reportable conditions;
- continued refinement of the Bureau's budget activity structure that has resulted in a stronger and clearer linkage to the Bureau's strategic plan;
- assistance with the development of Bureau-wide performance measures in accordance with requirements contained in the Chief Financial Officers Act of 1990 and Government Performance and Results Act of 1993;

# PROGRAM DISCUSSION & ANALYSIS

(PROGRAM ADMINISTRATION AND SUPPORT)

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- renewal of an agreement with the Department of Defense on the automated Injury and Unemployment Compensation Tracking System, which will continue to yield new efficiencies and cost savings for the Bureau;
- completion of a business case for future personnel system needs, in part leading to the purchase of commercial off the shelf software by the Department of the Treasury;
- progress with the ATF headquarters building relocation plan and site selections for the National Laboratory Center and Fire Investigation, Research and Education Center facility;
- significant improvements to ATF physical security in the wake of recent national criminal acts against Government facilities;
- a record year in both the number of contract actions completed and dollars saved;
- preliminary contractual advice on implementing a cost accounting system;
- maintained a 1.9 percent delinquency rate for prompt payment to vendors;
- implementation plan for closing field imprest funds; and
- effective implementation of systems conversions to support Headquarters restructuring.

## INTO THE FUTURE

ATF's vision in approaching the twenty-first century is "Working for a Sound and Safer America Through Innovation and Partnerships."

To support this long-term effort, the Bureau will work to provide the highest levels of expertise, leadership, and knowledge in its mission areas. The Bureau will continue to support and develop collaborative partnerships with regulated industry members, other Federal agencies, the international community, and state and local governments.

ATF's goal is to concentrate its unique Federal enforcement capabilities to best serve its customers and not duplicate the work of others. By accomplishing this goal, ATF will become more effective, more efficient, and more sensitive to community and customer needs.

# PROGRAM DISCUSSION & ANALYSIS (PROGRAM ADMINISTRATION AND SUPPORT)

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ATF has identified certain key priorities for meeting the goals in the vision and mission statements: developing a state-of-the-art technology infrastructure and effectively managing and sharing unique ATF intelligence and information assets. The Bureau will continue minimizing regulatory burden while promoting voluntary compliance with the laws and regulations.

ATF's goals also include the fair and effective collection of excise and special occupational taxes, and licensing and permit fees. To this end—simultaneously with the consolidation and streamlining of operations—the Bureau is overhauling its technical services and tax processing functions to meet the demands of the twenty-first century. ATF will, to the maximum extent feasible, implement a paperless tax and permit monitoring environment. Upgraded computer capability will enhance analysis so that the regulatory and paperwork burden on industry is reduced. Partnership opportunities with state counterparts will be enhanced as statistical and technical regulatory data increasingly become available on-line.

ATF will continue its strong focus on industry and law enforcement training through seminars for industry members in firearms, arson and explosives, alcohol, and tobacco. Seminars for Federal, state and local law enforcement, and international agencies will focus on explosives identification, post-blast explosives, and complex firearms trafficking investigations. The Bureau remains the foremost training provider for arson investigations to the insurance industry, state and local law enforcement, and Federal prosecutors. As ATF is given new legislative authorities, it will work to implement them in partnership with others.

President John F. Kennedy said “change is the law of life. And those who look only to the past or present are certain to miss the future.” In this light, ATF will continue to improve and expand its expertise—with an eye toward the future. This includes an ongoing assessment of the best organizational structure, staffing and processes for accomplishing the Bureau's mission and for providing full service to the American public.