

**STATEMENT OF CARL J. TRUSCOTT, DIRECTOR
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES,
BEFORE THE UNITED STATES SENATE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE AND RELATED
AGENCIES**

April 5, 2006

Mr. Chairman, Senator Mikulski, and distinguished members of the Subcommittee, I am pleased to appear before you today to discuss the accomplishments of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the President's Fiscal Year (FY) 2007 Budget for ATF.

As you know, ATF is a principal law enforcement agency within the United States Department of Justice dedicated to preventing terrorism, reducing violent crime, and protecting our Nation. The men and women of ATF perform the dual responsibilities of enforcing Federal criminal laws and regulating the firearms and explosives industries. We are committed to working directly, and through partnerships, to investigate and reduce crime involving firearms and explosives, acts of arson, and illegal trafficking of alcohol and tobacco products.

I appreciate very much the support the Subcommittee has given to ATF and the interest it has demonstrated in ATF's missions and programs. Thanks to the leadership and support of this Committee, and the dedication and diligence of the men and women of ATF, our efforts are producing real results: safer neighborhoods, where all of us can live without fear.

With your support during the FY 2006 appropriations process, ATF received funding to expand its Violent Crime Impact Teams (VCIT), participate in the Terrorist Explosive Device Analytical Center (TEDAC), and plan a permanent facility for the National Center for Explosives Training and Research (NCETR). These investments are in direct support of ATF's core mission.

The President's budget request for FY 2007 builds on your FY 2006 investments with \$16 million to further enhance VCIT, a focused and cooperative law enforcement component of the President's Project Safe Neighborhoods (PSN) initiative.

RESPONSE TO HURRICANE KATRINA

Before I give an overview of ATF programs and our FY 2007 budget request, first I would like to briefly inform the Committee of the resources we deployed to the Gulf Region and the efforts we undertook as part of the Federal response to Hurricane Katrina.

In the week preceding Katrina making landfall in New Orleans, we prepared by identifying resources and personnel to send to the affected areas and held daily meetings and teleconferences of our Emergency Management Working Group. On August 30th, one day after Katrina made landfall, we activated our Continuity of Operations (COOP) site in Mandeville, Louisiana, and established an alternative division office in Shreveport, Louisiana. At that time,

we also began planning forward command posts in Mandeville, New Orleans, and Biloxi, Mississippi, and decided to establish a Critical Incident Management Response Team (CIMRT) in Baton Rouge, Louisiana. ATF field offices from across the nation immediately began moving manpower and equipment to the region, while personnel in the affected areas made locating missing ATF employees their top priority. In the following days, we deployed two Special Response Teams (SRTs) to New Orleans to address, in coordination with the New Orleans Police Department, the looting and violence in the aftermath of the storm.

Despite catastrophic damage to our facilities, the onerous logistics of re-establishing operations, and the severe personal hardships endured by our personnel, I am proud to point out that ATF was able, without interruption or a reduction in effectiveness, to continue our mission of enforcing Federal law and safeguarding the public. By September 22, less than four weeks after the levee breaches in New Orleans, ATF had assisted with over 600 law enforcement actions. Twelve arrests were made by ATF, including the September 5th arrest of a suspect who was observed by ATF SRT members firing on a helicopter conducting relief efforts. This arrest was the first of many Federal arrests, both by ATF and other Federal partners, for firearms violations in New Orleans after Hurricane Katrina.

ATF was given primary jurisdiction in the 1st and 8th Police Districts in New Orleans, responded to firearms-related calls, stopped looting, assisted in rescue operations, provided surveillance, assisted in the establishment of a detention center, and provided security to Assistant United States Attorneys. During that time, ATF also proactively reached out to all Federal Firearms Licensees (FFLs) and Federal Explosives Licensees (FELs) in affected areas. As an extension of those efforts, we established a toll-free number for FFLs and FELs to contact ATF regarding the status of their premises, records, and inventory; and we instituted a plan to systematically inspect all 742 FFLs and 182 FELs where looting and flooding occurred.

IRAQ

I would also like to provide the Committee with a brief overview of our activities in support of the coalition forces in Iraq before I move on to a discussion of ATF programs. I would like to thank the Committee for its support for ATF's FY 2006 Iraq Supplemental request. Currently, ATF is contributing the expertise of its Special Agents and Explosives Enforcement Officers to the Iraq Combined Exploitation Cells (CEXCs). This participation has been praised by the Department of Defense. In cooperation with the U.S. Army, we are training Army explosives units at our National Center for Explosives Training and Research (NCETR) prior to their deployment to Iraq. In addition, ATF provides post-blast training for U.S. and coalition forces in Iraq and for the Iraqi National Police, and ATF-trained explosives detection canines are deployed in Iraq. ATF also has special agents assigned to the Regime Crimes Liaison Office in Iraq to assist in the investigation and prosecution of war crimes.

FY 2007 PRESIDENT'S BUDGET REQUEST

ATF's mission supports the priorities of the Administration and the Department under the Department's Strategic Goals 1 and 2, to "Prevent Terrorism and Promote the Nation's Security" and "Enforce Federal Laws and Represent the Rights of the American People."

The President's 2007 budget request for ATF is 5,030 FTE and \$860,128,000 for salaries and expenses and for program enhancements, offset by a \$20,000,000 reduction in the firearms decision unit and a \$120,000,000 explosives user fee.

The FY 2007 request includes funds for the expansion of the VCIT program. VCIT is one of ATF's most effectively designed initiatives and is an important part of PSN. The President's budget requests \$16,000,000 and 44 FTE to further enhance the initiative and offer more Americans the opportunity to live in safer neighborhoods. This initiative would increase the number of VCIT teams from twenty-five to forty in the coming fiscal year.

FIREARMS

ATF enforces Federal firearms laws and provides requested support to Federal, State, and local law enforcement officials in their fight against crime and violence. Our agents investigate a broad range of firearms violations that can be generally divided into three categories:

- investigations of those persons who are prohibited by law from possessing firearms, such as felons, illegal aliens, and drug traffickers;
- investigations of persons possessing firearms that are generally prohibited, such as machineguns and sawed-off shotguns; and
- investigations of firearms trafficking.

From these types of investigations, ATF agents concentrate on firearms traffickers diverting firearms out of lawful commerce into the hands of criminals. Firearms trafficking investigations can be complex and time-consuming. They can involve illegal straw purchases of firearms for those unable to legally possess firearms, illegal dealing at gun shows or other locations, robberies of gun stores, and thefts from interstate shipments.

We are a major participant in the Administration's PSN initiative, which began in 2001. This cooperative program builds upon the enforcement efforts of the past, and includes the use of advanced technology and effective sharing of intelligence and information. Law enforcement, prosecutors, and community leaders work together on deterrence and prevention. Agencies develop focused enforcement strategies to investigate, arrest, and prosecute violent offenders, prohibited possessors of firearms, domestic and international firearms traffickers, and others who illegally attempt to acquire firearms. ATF, local law enforcement, U.S. attorneys, and local prosecutors evaluate cases and seek the most appropriate venue for firearms prosecution. The Department filed 10,841 federal firearms cases in FY 2005—a 73% increase since PSN's inception. ATF-related firearms investigations resulted in over 8,300 convictions in FY 2005.

VIOLENT CRIME IMPACT TEAMS

In June 2004, former Attorney General Ashcroft, former Deputy Attorney General Comey, and I announced the VCIT initiative, a new program to reduce violent crime in specific geographic locations with high crime rates. Through VCIT, ATF-led teams work with local law enforcement to identify and arrest the most violent offenders in each area. The program began in 15 selected communities and has since expanded to a total of 23. VCITs are now in place in:

Albuquerque, New Mexico; Atlanta, Georgia; Baltimore, Maryland; Baton Rouge and New Orleans, Louisiana; Camden, New Jersey; Columbus, Ohio; Fresno and Los Angeles, California; Greensboro, North Carolina; Hartford, Connecticut; Houston and Laredo, Texas; Las Vegas, Nevada; Miami and Tampa, Florida; Minneapolis, Minnesota; Philadelphia and Pittsburgh, Pennsylvania; Richmond, Virginia; Tucson, Arizona; Tulsa, Oklahoma; and the Washington, DC/Northern Virginia area. We plan to expand to 25 cities in this fiscal year and forty cities in FY 2007.

ATF-led VCIT teams in these cities bring the targeted area's Federal, State, local and Tribal law enforcement officials together. The VCIT strategy counsels each team to create an individualized strategy, then to work together to remove those responsible for violent crime. Civic leaders and law enforcement officials have praised VCIT's positive impact on their communities. I am proud to note that, in August 2005, six ATF personnel received the Attorney General's Outstanding Contributions to Community Partnerships for Public Safety Award, honoring them for developing, organizing, and implementing VCIT.

ANTI-GANG EFFORTS

We have developed expertise in working against criminal groups, particularly gangs. As such, ATF played an integral role in the development of the Department of Justice's Gang Strategy Report for the House Appropriations Committee. This reflects our years of experience in working against violent gangs, including outlaw motorcycle organizations active in firearms and narcotics trafficking. In fact, ATF oversees a comprehensive gang strategy, combining education, prevention, training, and a variety of criminal enforcement tactics to take violent gang members and their organizations off the streets. As part of the strategy, ATF shares investigative information with other law enforcement agencies on gangs nationally through its case management system. This system allows every agent and task force member the ability to access information about other cases in order to coordinate efforts.

Our efforts have resulted in ATF referring more than 7,750 gang members and their associates to federal and state prosecutors for prosecution during the past 5 years—3,100 of them during FY 2005 alone—for charges including firearms violations, continuing criminal enterprise violations, Racketeer Influenced Corrupt Organization Act (RICO) violations, and arson and explosives violations. During this same five-year period, as a result of our investigations, more than 3,000 gang members have been convicted of firearms offenses. In the past two fiscal years, we also traced more than 12,000 firearms linked to gang activity to assist in developing investigative leads for law enforcement.

The Regional Area Gang Enforcement (RAGE) unit, an ATF led task force, was established in June 2003 to contend with the growing Latino gang problems in the Maryland portion of the Washington, DC Metropolitan region. RAGE has had contact with and identified approximately 1,000 members of various Latino gangs in this area. RAGE is currently comprised of investigators from ATF, ICE, FBI, Prince George's County Police, Maryland National Capital Park Police, Howard County Police, Montgomery County Police, Hyattsville City Police, Fairfax County (VA) Police and Maryland State Police. RAGE investigators have identified three Mara Salvatrucha 13 (MS-13) cliques which are the most violent and involved in

criminal activity, and consequently present the greatest threat to the public and law enforcement. MS-13 is an extremely violent street gang with documented involvement in homicides, rapes, aggravated assaults, carjacking, citizen robberies, prostitution, firearm trafficking, extortion, witness intimidation, auto theft, burglaries and other crimes.

SOUTHWEST BORDER INITIATIVE

In October 2005, the Attorney General established an ATF-led VCIT in Laredo, Texas, to address increased violent crime along the border between the United States and Mexico. The Laredo VCIT serves as the focal point for ATF's Southwestern Border Initiative. This Initiative coordinates resources from four field divisions and previously established VCITs in Tucson, Albuquerque, and Houston. The initiative fights regional and cross-border violence and firearms trafficking by employing the tools of the VCIT strategy—geographic targeting, partnership and technology. ATF is working closely with the Laredo Police Department to identify targeted geographical areas and the worst offenders. ATF also is working in a reciprocal partnership with Immigration and Customs Enforcement (ICE) lending support to Operation Community Shield and Operation Blackjack while ICE supports VCIT to ensure the full use of the expertise and resources of both agencies. Through its International Programs Branch, ATF is working closely with the Mexican government to ensure that U.S.-sourced firearms recovered in Mexico are properly identified and documentation is submitted to ATF for tracing. ATF uses the trace results to identify and investigate firearms traffickers who illegally divert firearms to drug traffickers. Other technologies being used include crime gun mapping and ballistic tracing.

NATIONAL TRACING CENTER

ATF's National Tracing Center (NTC) is the largest operation of its kind in the world. This facility conducts traces of firearms recovered at crime scenes for any Federal, State, local, or international law enforcement agency. In FY 2005, the NTC traced over 260,000 firearms. The NTC stores information concerning multiple sales of firearms, suspect guns, and firearms with obliterated serial numbers, and is also the only repository for all records of FFLs that have gone out of business. The NTC provides ATF personnel and other law enforcement agencies with crime gun data specific to their geographic areas, and helps them identify emerging trends and patterns in firearms-related criminal activity.

In the Conference Report accompanying the Consolidated Appropriations Act for FY 2005, Congress expressed support for the NTC Program known as Access 2000 and encouraged us to emphasize and expand it. I am pleased to inform the Committee that we have done so. Under the Access 2000 initiative, which benefits both ATF and our industry partners, servers supplied by ATF have been installed at 49 firearms manufacturers and major wholesale distributors, all of them FFLs, who have voluntarily partnered with ATF in this effort. FFLs enter firearms information into the servers; the NTC connects to these servers remotely and can obtain information on a firearm's disposition in the course of a crime gun trace. This program substantially reduces administrative costs to the FFL and the time it takes ATF to trace a firearm.

In order to reduce violent crime, ATF will continue to develop and employ technology that will help law enforcement at all levels. Through the National Integrated Ballistic

Information Network (NIBIN) Program, ATF has installed automated ballistic comparison equipment at 230 sites in participating forensic laboratories in the continental United States and its territories, giving these State and local law enforcement agencies the opportunity to identify ballistic links between crimes not otherwise known to be connected.

EXPLOSIVES

In addition to our investigative efforts against firearms trafficking and violent firearms crime, ATF agents investigate bombings, unlawful distribution of explosives, thefts of explosives, and other violations of explosives laws. ATF industry operation investigators (IOIs) ensure that the manufacture, importation, and commerce in explosives are conducted lawfully. Other programs combine advanced technology with ATF's years of expertise, providing critical intelligence for Federal, State, and local law enforcement to use in investigating explosives incidents in their areas.

As part of the Department of Justice's efforts to ensure the coordination of explosives investigations, explosives information sharing, and other related explosives matters amongst its law enforcement components, the Department of Justice reviewed the explosive programs of ATF, FBI, and others and on August 11, 2004, issued a policy memo outlining roles and responsibilities as they relate to explosives issues. Former Attorney General Ashcroft's policy memorandum regarding coordination of explosives investigation and related matters helped to clarify the responsibilities of ATF, and a few of the decision points are as follows:

- Mandated that ATF would control the investigation of all explosives incidents except those related to terrorism and those where the FBI has traditionally exercised jurisdiction (bank robberies, organized crime, etc).
- Tasked ATF to maintain all DOJ arson and explosives databases currently maintained by other DOJ components.
- Mandated the consolidation within ATF of all budget, curriculum, teaching, and scheduling functions related to DOJ post-blast explosives training for Federal, State, local, and international entities.
- Directed ATF to establish standards to certify all explosives detection canines used by DOJ components.

I am honored by the confidence that the Attorney General placed in ATF when he made these decisions. Mr. Chairman, I believe that these policies will be responsible for significant financial efficiencies.

ATF strives to investigate each and every report of theft or loss of explosives in the United States in order to ensure that these explosives do not fall into the hands of terrorists or criminals. In FY 2005 alone, ATF's diligent investigative efforts have led to the recovery of more than 15,000 pounds of high explosives, in addition to 1,533 pounds of low explosives, 5,280 blasting agents, 14,356 detonators, and 6,859 grenades. Mr. Chairman, the recovery of these items has made our nation a safer place.

At the end of last year, the theft of a large quantity of explosives and detonators garnered significant public attention. On December 18, 2005, ATF, the Albuquerque Police Department, the Bernalillo County Sheriff's Department, the New Mexico State Police, and the FBI began investigating the theft of approximately 400 pounds of explosives from a Federal Explosive Licensee (FEL) located just outside Albuquerque, New Mexico. Five subjects have been subsequently arrested and charged with Federal explosives- and firearms-related violations. All of the stolen explosives have subsequently been recovered with the exception of one or two detonators.

While all ATF special agents receive substantial explosives-related training, special agents who qualify as certified explosives specialists (CESs) are among the most experienced, best-trained explosives experts in the Federal Government. They conduct explosives crime scene examinations, lend expertise in support of security measures implemented at special events, and assist ATF's law enforcement counterparts at the Federal, State, local, and international levels in their efforts to investigate explosives-related incidents. CESs are highly trained in all aspects of explosives handling, instruction, identification, demonstration, and destruction. Because of their proficiency in explosives investigation, CESs are used regularly as instructors for explosives-related training throughout the United States and at the International Law Enforcement Academies in Budapest, Hungary; Bangkok, Thailand; and Gaborone, Botswana.

ATF has other experts in the field of explosives. ATF's explosives enforcement officers (EEOs) provide technical assistance and support in explosives matters. These bomb technicians have between 12 and 35 years of experience in explosives and bomb disposal. EEOs render explosive devices safe, disassemble explosive and incendiary devices, prepare destructive device determinations, and render expert testimony in support of such determinations in State and Federal criminal court proceedings. EEOs also provide expert analysis and onsite investigative technical assistance at bombing and arson scenes and other scenes where explosions of an undetermined nature have occurred. They provide assistance and training in all aspects of explosives handling, usage, and destruction; threat vulnerability assessments; and all other explosives-related matters for ATF and State and local law enforcement agencies. EEOs use a full range of bomb disposal equipment including such robotic equipment as the All-purpose Remote Transport System (ARTS), which is designed to remotely disrupt car and truck bombs that are too large to disarm by traditional methods—ATF is one of the few Federal agencies with ARTS capability.

To comply with the Attorney General's 2004 August memorandum, ATF has transferred the Arson and Explosives National Repository (AENR) to the United States Bomb Data Center (USBDC). The information maintained within the USBDC is this country's most comprehensive set of data describing fire/explosion incidents. The incidents are divided into specific categories such as targets, locations, motives, and victims. Trends, patterns, and criminal methodologies, as well as the identities of known previous offenders, can be derived from the data set. Most importantly, ATF agents or other law enforcement officials can contact USBDC to query the construction characteristics of an explosive device, and match the device to others with similar characteristics.

ATF is now using the latest information management technology to make case information available to law enforcement nationwide through the Bomb Arson Tracking System (BATS). This program facilitates and promotes the collection and dissemination of fire, arson, and explosives incidents and information among participating agencies. Law enforcement agencies are able to enter their case information and query information entered by others, both locally and across agencies. BATS benefits its users by providing real-time incident-based information, records management functions, and there are plans to incorporate a feature providing spatial representation of incidents via an integrated Geographical Information System—all within a secure law enforcement environment. Eventually, the wealth of case information available through the USBDC will also be accessible through BATS.

ATF is sharing its expertise by training Federal, State, local, military, and international bomb technicians and investigators in explosives disposal and investigation techniques at NCETR, currently located at Fort A.P. Hill, Virginia. ATF offers numerous advanced courses related to explosives disposal and post-blast investigation techniques at NCETR, which was authorized in the Homeland Security Act of 2002. As previously noted, we are currently training Army explosives units prior to their deployment to Iraq. In addition, ATF provides post-blast training to members of the Department of State, the Naval Criminal Investigative Service, and the Air Force Office of Special Investigations. Since ATF began holding training classes at Fort A.P. Hill in 2000, we have provided training to more than 4,000 Federal, State, local, and international bomb technicians and investigators. The FY 2006 conference agreement (P.L.109-108) provides \$5.0 million in funding for site selection, architectural design, site preparation for the construction of a permanent site for NCETR. In considering site selection, ATF is directed to consider a site co-located with other law enforcement and Federal government entities that provides similar training and research. The dynamic of these collective resources will provide a unique opportunity to leverage assets, knowledge, and expertise in the field, providing Federal, State and local law enforcement explosives expertise at a single location.

ARSON

ATF's arson investigative work includes two recent high-profile arson cases. In December 2004, fires were set in a new housing development in Charles County, Maryland, resulting in damage to over 30 homes—a number of which were completely destroyed. Our agents investigated and our state-of-the-art Forensic Science Laboratory analyzed all of the evidenced gathered. The results of our efforts were two guilty pleas and a conviction. The second example is the District of Columbia (D.C.) serial arsonist investigation. From June 2003 through April 2005, ATF, with other law enforcement organizations, investigated over 50 fires in D.C. and adjoining Prince Georges County, Maryland. These fires caused considerable loss of property for residents, and in D.C., were responsible for the deaths of two people. We examined more than 1,000 leads and 1,300 suspects and were ultimately able to identify the person responsible using DNA evidence. In June, the defendant pled guilty to 50 arsons and two counts of murder. In subsequent interviews, he has acknowledged setting as many as 350 additional fires. By investigating and solving these crimes with our State and local partners, we are also helping to prevent future arsons.

ATF's arson enforcement efforts are an integral part of ATF's overall violent crime reduction strategy, and are directed toward preventing the crime of arson, providing effective post-incident response, and reducing the community impact of crimes involving fire. ATF investigative efforts are generally focused on arsons of Federal interest, including those at houses of worship, commercial buildings, and reproductive health clinics. In FY 2005, ATF opened nearly 2,000 fire investigations. I would like to address some of ATF's arson program areas and assets, including the certified fire investigator (CFI) program, ATF's response to animal-rights and environmental-rights extremism, the ATF Church Arson Task Force, and the ATF Fire Research Laboratory.

After fire departments extinguish the flames, the work begins for cause and origin investigators who must determine whether the fire was intentionally set and whether a crime was committed. The agents participating in ATF's CFI program are at the forefront of fire investigation. The special agents who participate in this program are the only federally trained and federally certified cause and origin investigators in the Federal Government. These CFIs are able to qualify as expert witnesses, that is, opinion witnesses, in fire cause and origin determinations. Each CFI has participated in hundreds of investigations and has undergone hundreds of hours of training to qualify in giving expert testimony. The CFI program is the only one of its type in Federal law enforcement and has received national and international acclaim. ATF currently has CFIs who are based in 39 States and provide support to the entire United States and its territories.

ATF also investigates bombings and crimes of arson by environmental and animal rights extremists, such as the Animal Liberation Front (ALF) and the Earth Liberation Front (ELF). Because of ATF's expertise in these areas, we have made these investigations a priority and will continue to do so. In the last several years we have initiated about 100 explosives and arson investigations believed to be linked to ALF and ELF. Most recently, 11 defendants were indicted by a Federal grand jury on 65 counts including arson, conspiracy and destruction of an energy facility for allegedly participating in a criminal campaign in five western states on behalf of ELF and ALF. In the past, many of the fires set by these extremists have been set utilizing a particular methodology, and the USBDC—which has records and intelligence on these acts spanning decades—stands ready to assist fire investigators in determining the methodology used in future incidents, linking events, and identifying suspects.

One of the most painful and destructive crimes that ATF investigates is arson directed at houses of worship. In FY 2005, ATF responded to approximately 223 such fires and explosives incidents. Out of that number, 108 of the fires were determined to be incendiary, that is, set by human hands. Those 108 arsons caused over \$23 million in damage.

In addition to the Forensic Science Laboratory, one of ATF's newer fire investigation resources is the Fire Research Laboratory (FRL). The FRL houses a one-of-a-kind fire test center with the capability of replicating initial fire scenarios approaching a quarter acre in size, to scale, and under controlled conditions allowing for detailed analysis. This facility is the only such facility in the United States that is dedicated to providing case support in fire investigations using forensic fire science, and the facility will support ATF's investigative requirements well into the future.

CRIMINAL DIVERSION OF ALCOHOL AND TOBACCO

ATF is engaged in ongoing efforts to reduce the rising trend of the illegal diversion of alcohol and tobacco products by criminal gangs, organized crime, and terrorist groups. In FY 2002 we had 61 defendants, 35 arrests, and 18 convictions relating to tobacco diversion. In FY 2005, we had 314 defendants, 162 arrests, and 73 convictions, increases of 515%, 463%, and 406% respectively. From the hijacking of tractor trailer loads and cargo containers of cigarettes, to the armed robbery of tobacco retailers, wholesalers, and distributors, to traditional smuggling conspiracies, ATF has successfully investigated and prosecuted the criminals involved. Current investigations have identified several instances of terrorist groups forming alliances with tobacco traffickers to generate funding to support their organizations and activities. We have built complex cases against individuals and organizations that have used proceeds from the illegal sales of cigarettes to fund organized crime and terrorism, and these cases have been successfully prosecuted. ATF also works in partnership with other Federal, State, and local agencies to enforce the laws under their jurisdiction. Where a terrorism nexus is present, ATF works with the local Joint Terrorism Task Force.

Illegal trafficking of ATF-regulated commodities using the Internet is a growing problem, particularly with tobacco products. The illicit sale of tobacco products via the Internet is increasing and causing a substantial loss of excise tax revenue to Federal and State Governments. ATF utilizes laws such as the Contraband Cigarette Trafficking Act and Wire Fraud, Mail Fraud, and money laundering statutes to interdict illicit interstate cigarette distribution via the Internet and the mail.

INDUSTRY OPERATIONS: ATF'S DUAL ROLE

ATF's role in Federal firearms and explosives laws, with both regulatory and enforcement responsibilities, is unique. ATF industry operations investigators ensure that the manufacture, import, and sale of firearms and explosives are conducted lawfully. Through education and industry partnerships, we work to keep firearms and explosives out of the wrong hands.

According to the Institute of Makers of Explosives, over 5.6 billion pounds of commercial explosives are used every year in the United States in mining and other applications. ATF ensures compliance with explosives laws and regulations through its explosives regulatory program. The purpose of this program is to protect interstate and foreign commerce against interference and interruption by reducing hazards to persons and property arising from the misuse and unsafe or unsecured storage of explosive materials. This is accomplished through the explosives field inspection effort; through the development, implementation, and evaluation of regulatory enforcement procedures and policy; through the screening of prospective and current explosive licensees/permittees and their employees; and through regular and open communication with the explosives industry and its representatives. ATF's field inspection program includes the thorough review of records and inventory to ensure product accountability, as well as the visual inspection of explosives storage facilities to ensure safe and secure product storage to prevent theft and misuse of explosives and accidents. Investigators verify that

explosives storage magazines meet Federal construction and location requirements, including the required distance from explosives storage areas to roads or residential areas.

The Safe Explosives Act (SEA) enhanced ATF's unique statutory mission of regulating the explosives industry. With the passage of this Act in 2002, ATF assumed a significant additional workload such as continued issuance of renewal licenses/permits for nearly 13,000 explosives-related businesses; increased inspection efforts and more thorough license application processing, including background checks for all employees who possess explosives. Further, the SEA decreed that ATF physically inspect every new explosives licensee applicant to ensure public safety. ATF's proposed explosives user fee will offset the explosives industry inspections that are currently carried out by ATF in furtherance of its mission.

ATF's investigators are also responsible for firearms licensee inspections. Day in and day out, these investigators ensure that FFLs follow appropriate guidelines and procedures. Their work helps to prevent the acquisition of firearms by prohibited persons. Further, by promoting proper recordkeeping and business practices, they help ensure effective firearms tracing in critical investigations by the Nation's law enforcement community. Cooperative programs such as "Don't Lie for the Other Guy," a joint venture between ATF and the National Shooting Sports Foundation, provide essential education for FFLs. In addition, our Federal Firearms Licensing Center in Atlanta screens all FFL applicants by coordinating background checks on persons responsible for firearms operations. I would like to note that, consistent with the Consolidated Appropriations Act for FY 2005 (P.L. 108-447), we are in the process of moving the licensing center to the site of our National Tracing Center in Martinsburg, West Virginia. Co-locating these facilities will result in increased efficiencies and improved service to the public.

INTELLIGENCE/TECHNOLOGY

ATF recognized the opportunity to improve intelligence support internally and externally, and created an Office of Strategic Intelligence and Information (OSII) in 2003. The new directorate, headed by an assistant director, provides timely, accurate, and focused intelligence through the collection and analysis of information which enhances decision-making for all Bureau customers. Thus, it ensures that our special agents and investigators receive the necessary information to disrupt criminal organizations and individuals that threaten public safety. The creation of OSII was a big step toward enabling ATF to put its information to the best possible use. The dynamic exchange of intelligence information between Headquarters and field offices allows ATF to leverage data collection and analytical expertise to aid in providing accurate and timely intelligence support. I would also like to note that ATF has committed resources to all Joint Terrorism Task Forces (JTTFs) nationwide. The ultimate outcome of these efforts will be better information to investigators, which will, we hope, help prevent future incidents.

ATF's Forensic Science Laboratories are an invaluable resource in perfecting ATF cases and in serving as a resource for State and local law enforcement. ATF's Forensic Science Laboratory system is composed of the National Laboratory Center (NLC) in Ammdale, Maryland, and the regional laboratories in Atlanta, Georgia, and San Francisco, California. The

laboratories are equipped with state of the art forensic and scientific technologies. ATF laboratory personnel perform fire debris analysis, tool mark comparisons, explosives scene evidence examinations, searches for the presence and comparison of identifiable latent fingerprints, and examine trace evidence from crime scenes such as hair, paint, or fibers.

ATF is a participant in the Terrorist Explosive Device Analytical Center, or TEDAC, operated at the FBI laboratory in Quantico, Virginia. At this center, ATF and other partners analyze explosive devices from Iraq and Afghanistan in an effort to identify bombers and to prevent further attacks. Experts work to evaluate improvised explosive device (IED) components to identify similarities and potential bomb makers, provide timely intelligence to military and law enforcement, and collect latent prints and DNA from terrorist IEDs to link the same person to similar devices. Four ATF employees work full-time at the center—including an ATF special agent who serves as TEDAC’s Deputy Director—providing their technical expertise in identifying components of IEDs. TEDAC has provided assistance to U.S. military and intelligence personnel in preventing fatal detonations of IEDs and in tracking down bombing suspects. This is an example of how we are working within DOJ to prevent terrorism, and contributing our knowledge to a common goal.

I have worked closely with Federal Bureau of Investigation Director Robert Mueller to strengthen interagency collaboration on a number of international efforts, including TEDAC. Under Director Mueller’s leadership, and with the assistance of an ATF special agent serving as Deputy Director, TEDAC’s device component analyses has more than doubled. ATF is incorporating this information on terrorist IEDs in State and local training programs to better equip local investigators and bomb technicians in recognition and investigative skills to alert on potential criminal and terrorist IEDs.

SPECIAL PROGRAMS

Several of ATF’s programs, such as the National Response Team (NRT), Special Response Team (SRT), and the canine program, strengthen our efforts in firearms, explosives and arson, and alcohol and tobacco diversion. They contribute to our missions of preventing terrorism, reducing violent crime, and protecting our nation.

In the wake of a major fire or explosives incident, law enforcement investigators can rely on the expertise and advanced technology of ATF’s NRT. The NRT augments the investigative expertise of special agents in each field office and are capable of responding within 24 hours to major explosives or fire incidents. NRT members—consisting of highly trained special agent CFIs as well as CESSs, EEOs, chemists, intelligence and audit support, legal advisors, and others—work alongside State and local officers in reconstructing the scene, identifying the seat of the blast or origin of the fire, conducting interviews, sifting through debris to obtain evidence related to the explosion and/or fire, assisting with the ensuing investigation, and providing expert court testimony. Since the NRT was created in 1978, it has been activated 601 times. In FY 2005 alone there were 13 activations. The effectiveness of this response capability and the expertise of the team members were evident in the NRT’s responses to incidents, such as the 1993 World Trade Center and 1995 Oklahoma City Federal Building bombings and the 2001 attack on the Pentagon.

One of ATF's major assets in the fight against violent criminals is our SRTs consisting of some of the bravest, most dedicated, and most professional special agents in Federal law enforcement. The special agents on these teams conduct high-risk tactical operations such as the execution of arrest warrants, search warrants, and buy/bust operations. In FY 2005, the SRT planned 150 operations and executed 101 of these high risk enforcement actions. In addition, two SRT Teams were assigned to New Orleans for 60 days to assist in the law enforcement response in the aftermath of Hurricane Katrina.

In September of last year, ATF had the privilege of providing a demonstration of our explosives and accelerant detection canine program to the House Homeland Security Subcommittee on Management, Integration and Oversight. After the demonstration, the Branch Chief for the canine training program testified before the Subcommittee regarding the status of ATF's program and progress made on establishing a National Odor Recognition Standard for all explosives canines. ATF's unique training methodology enables its 35 explosives detection canines to find explosives and gunpowder residue, IEDs, post-blast debris, firearms, ammunition, bulk explosives, and spent shell casings. By breaking down the thousands of known explosive compounds into five recognizable and consistent chemicals, the canines can detect explosives used in up to 19,000 known explosives compounds. It is important to note that ATF is the only agency systemically training canines on peroxide explosives such as those used in the July 2005 terrorist attacks on the London transportation system.

Our canine program trains and certifies explosives detection canines for State, local, and Federal agencies as well as foreign countries. To date, we have trained 621 canines for the use of our agents and our domestic and international law enforcement partners. In compliance with former-Attorney General Ashcroft's mandate, we have established standards to certify all canines used by DOJ components which will ensure that these components have an efficient tool to identify and locate explosives. Because there are so many other providers of explosives detection canines that are trained under a variety of standards and conditions, the National Bomb Squad Commanders Advisory Board, which represents State and local bomb squads, asked ATF to implement a National Canine Basic Odor Recognition Standard for all explosives canine teams domestically. While ATF shares the concern of the Advisory Board that explosives detection canines used domestically should be trained to a national odor recognition standard, this cannot currently be accomplished within existing resource levels. ATF is evaluating ways to further implementation of the standard within existing resource levels. Moreover, our 60-accelerant detection canines help to identify potential points of origin at a fire scene. In addition to supporting local authorities, the accelerant detection canines respond with the NRT and are used by ATF field offices on a case-by-case basis.

Although the original goal of the explosives detection canine program was to locate explosive devices, these canines have also proven themselves to be a valuable asset in firearms investigations through their ability to locate hidden firearms and ammunition. Using this existing asset in a new way has been invaluable during search warrants and following shootings when other means of locating firearms, ammunition, and spent shell casings have failed. On October 20, 2002, following a shooting connected to the DC sniper investigation, an ATF canine team searching the woods surrounding the crime scene found a .223 shell casing. This ballistics

discovery also led investigators to a note tacked to a nearby tree which had been placed by the suspects in an effort to communicate their demands. The shell casing was analyzed by the ATF National Laboratory and was eventually matched to the Bushmaster rifle recovered at the arrest site.

INTERNATIONAL

Law enforcement agencies worldwide use our firearms tracing capabilities to gain additional information about crime guns. In FY 2005, Congress provided ATF's National Tracing Center with a \$1 million increase to cover the cost of increased international trace requests. In that fiscal year, ATF traced over 12,000 firearms for foreign law enforcement representing 56 foreign countries. Our international activities enhance public safety in many countries worldwide, and in so doing, they protect American interests.

ATF provides extensive support to America's diplomatic activities. Regional Security Officers from the Department of State's Diplomatic Security Service (DSS) participate in post-blast training led by ATF. The training focuses on explosives crime scene processing, management and preservation, and includes explosives identification and effects. Other countries have benefited from ATF's expertise in training explosives detection canines: through a partnership with the Department of State, ATF has trained approximately 375 canines for international law enforcement agencies since the program's inception in 1990. Also, our International Response Team (IRT) deploys in support of DSS investigative responsibilities and foreign government requests. The IRT has been deployed 25 times in response to fire and explosives incidents since its inception in 1991, most recently to investigate a deadly fire in Granada.

ATF works with agencies worldwide to prevent firearms from reaching the hands of organized criminal gangs, drug traffickers, terrorist organizations, and other criminals. ATF enforces provisions of the Arms Export Control Act (AECA), and has primary jurisdiction over permanent firearms and ammunition imports. The Department of State administers the temporary import and export provisions of the AECA, and the Department of Homeland Security enforces all AECA provisions at U.S. ports and borders.

PARTNERSHIPS

At ATF, we believe that working together is not just a good idea—it is a matter of national security. Our agency has a long history of collaborating effectively with other enforcement agencies, industry, and the scientific and academic communities. Our successes are directly related to our ability to work effectively with our colleagues.

As part of our robust support for joint efforts to counter the grave threat of terrorism, we share our expertise in firearms, explosives, and alcohol and tobacco diversion. As noted previously, ATF contributes to the Department of Justice's fight against terrorism through the JTTF program. ATF personnel assigned to JTTFs function as in-house experts on firearms and explosives violations and on tobacco diversion act as liaisons between the FBI and ATF at the local level on intelligence matters, and are a vital part of the joint investigative team. ATF has

43 full-time and 17 part-time personnel assigned to JTTFs around the country with an additional 42 personnel designated to liaison with the remaining JTTFs not located in proximity to an ATF field office—therefore, ATF has committed resources to all JTTFs nationwide.

ATF works closely with other Federal agencies and with the academic and scientific communities, to conduct research and monitor developments in explosives research, blast mitigation, and explosives detection. ATF representatives also serve as a subgroup co-chair and as task managers on several research efforts funded through the Technical Support Working Group (TSWG). The TSWG, administered by DOD under the auspices of the National Security Council, conducts rapid research, development, and prototyping of multiple use technologies for law enforcement and military purposes. ATF also has collaborative research partnerships with the U.S. Army Engineer Research and Development Center, and has partnerships with Oak Ridge National Laboratory; Lawrence Livermore National Laboratory; University of Missouri, Rolla; and University of Massachusetts, Lowell. Also, ATF closely and regularly collaborates with representatives of foreign governments, including the United Kingdom, Israel, and Canada.

ATF leverages its resources to better inform, advise, and educate its stakeholders and customers. For instance, ATF has partnered with The Fertilizer Institute to launch voluntary campaigns to raise the awareness of industry, law enforcement, and the public on the sale, security, storage, and transportation of ammonium nitrate, the chemical that was mixed with fuel oil in the Oklahoma City bombing.

ATF employees hold key positions in many prestigious professional organizations. I am a member of the executive committee of the International Association of Chiefs of Police (IACP) and, since 1990, an ATF agent has chaired the IACP Arson and Explosives Committee. Similarly, ATF has maintained outstanding relationships with the International Association of Bomb Technicians and Investigators, the International Association of Arson Investigators, the International Association of Explosives Engineers, the National Sheriff's Association, Major Cities Chiefs Association, Police Research Forum, and the National Bomb Squad Commanders. Also, as stated previously, ATF has a partnership with the National Shooting Sports Foundation in conducting the "Don't Lie for the Other Guy" program which provides essential education for FFLs.

MANAGEMENT

Mr. Chairman, ATF is a well-managed and effective organization, and external evaluations of our abilities confirm this. In the last 2 years, the Office of Management and Budget has evaluated ATF's explosives and arson programs and our firearms programs. In each review, we received a rating of "moderately effective," one of the higher ratings received by Federal law enforcement programs. Also, as part of the President's Management Agenda, the Office of Personnel Management sponsored a survey of 115 Federal subcabinet agencies. On this survey of employee satisfaction, I am proud to say that ATF ranked 15th. With the continued support of the Department and this subcommittee, we will continue to provide innovative management and personnel.

The ATF Headquarters building is being constructed here in Washington, DC. The vision for this high-tech, environmentally friendly building is threefold: it fulfills Congress' intention to move ATF employees and mission to safer and more secure facilities; it will serve as a landmark facility for the Federal government; and it will support the revitalization efforts of the city. ATF is scheduled to move to its new Headquarters this fiscal year.

CONCLUSION

Chairman Shelby, Senator Mikulski, members of the subcommittee, on behalf of the men and women of ATF, I thank you for your support of our crucial work. In the last year, we have worked to stop those whose violent and criminal behavior threatens the peace of our communities. We have investigated explosives incidents and arsons. We have helped to ensure that the firearms and explosives industries operate safely and lawfully. And we have shared our knowledge with other law enforcement personnel through extensive training programs and effective partnerships. Yet I believe that our greatest achievements are still to come. We have made much progress—but we know there is much more to do. We are determined to succeed in our mission of preventing terrorism, reducing violent crime, and protecting our nation. We look forward to working with you to pursue this goal.