

Congressional Budget Submission

Fiscal Year 2010



A T F

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

At The Frontline - Against Violent Crime

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

A. Summary of Budget Request

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) requests \$1,120,772,000 for FY 2010, including \$1,114,772,000 in Direct Salaries and Expenses and 5,025 full time equivalents (FTE) and \$6,000,000 for construction of explosives ranges at the ATF National Center for Explosives Training and Research (NCETR). Specifically, ATF requests \$1,077,783,000 and 4,979 FTE for current services, \$17,989,000 and 46 FTE for Southwest Border enforcement efforts, and \$19,000,000 for operations and infrastructure costs associated with the NCETR. The FY 2010 request supports ATF's and the Department of Justice's priorities to reduce violent crime, detect and prevent terrorism and enforce the Federal firearms and explosives laws.

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

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

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits are accessible on the Internet at:

<http://www.usdoj.gov/jmd/2010justification/>.

B. Mission and Strategic Goals

ATF is the U.S. law enforcement agency dedicated to protecting our Nation from the illicit use of firearms and explosives in violent crime and acts of terrorism. ATF protects our communities from violent criminals and criminal organizations by investigating and preventing the illegal use and trafficking of firearms, the illegal use and improper storage of explosives, acts of arson and bombings, and the illegal diversion of alcohol and tobacco products.

ATF regulates the firearms and explosives industries from manufacture and/or importation through retail sale to ensure that Federal Firearms Licensees (FFLs) and Federal Explosives Licensees (FELs) and permittees conduct business in compliance with all applicable laws and regulations.

ATF is the Federal agency charged with enforcing the provisions of the Gun Control Act (GCA) and the National Firearms Act (NFA); the two major laws enacted by Congress to respond directly to firearms violence. In addition, ATF has oversight of the importation of arms, ammunitions, and implements of war as authorized by the Arms Export Control Act. ATF also enforces the Safe Explosives Act of 2002 (SEA) which expanded the scope of the Federal explosives regulations administered by ATF by placing controls on the intrastate movement of explosives and mandating that all persons who receive explosives obtain a Federal permit and undergo a background check.

The genesis of our laws, the long-standing focus of our programs, the nature of the cases we submit for prosecution, and years of anecdotal evidence clearly illustrate that we best serve our country working at the frontline to reduce violent crime. This is our specialty, our niche. All of our programs are designed first and foremost to impact violent crime. This is the proper role for ATF in the Department of Justice and reflects how we best contribute, given the realities of a post 9/11 redirection of many departmental assets to counter terrorism.

ATF's regulatory and enforcement missions are interwoven to provide a comprehensive approach in reducing violent crime, protecting the public and preventing terrorism. The integrated efforts of our agents, Industry Operations Investigators (IOIs,) attorneys, scientists, financial auditors, and administrative professionals allow ATF to effectively identify, investigate, and recommend for prosecution violators of the Federal firearms and explosives laws and ensure that licensees and permittees are operating within established laws and regulations. This synergy is further enhanced by external partnerships with other Federal, State, local and international law enforcement entities.

ATF has long recognized the clear link between the availability of criminally possessed firearms and violent crime. We also recognize that by the time a firearm reaches the criminal "market" we have to dedicate more resources to overcome its effects on the U.S. and global community. Using only a market-based approach to violent crime reduction is incomplete. To reduce violent crime, we must also concentrate on the sources of illegal firearms that fuel violence across the U.S., on our borders, and abroad. This is the essence of our firearms trafficking, violence reduction, and Southwest Border strategies.

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

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

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

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

At The Frontline

- *Between fiscal years 2003 and 2008, across all of ATF's violent crime programs, ATF has recommended 77,662 cases and 109,613 defendants for prosecution.*
- *Nearly 60% of these defendants are previously convicted felons and 83% have prior arrest records.*
- *While the judicial process is not complete for many of the more recent cases, the results to date are significant: of those recommended for prosecution, over 59,000 of the cases have resulted in the indictment of nearly 78,000 defendants;*
- *Of those, over 45,000 cases have resulted in the conviction of 61,000 defendants;*
- *Nearly 44,000 defendants have been sentenced to an average of 110 months of incarceration.*

Among all DOJ components, ATF's expertise pertaining to the firearms and explosives makes us an integral part of the law enforcement community's response to violent crime and preventing acts of terrorism.

Firearms violence claims 84 lives every day in the U.S. and more than 30,000 people die each year because of firearms violence. The exceptional results noted above in the At The Frontline excerpt in addressing violent crime are based upon ATF's authority to enforce Federal firearms laws and regulations. The Bureau also regulates the firearms industry to ensure FFLs conduct business in compliance with all applicable laws and regulations. ATF's regulatory function is a key component in the effort to stem the flow of firearms to prohibited persons and criminal organizations.

ATF's Integrated Violence Reduction Strategy

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

This is accomplished by:

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

Reducing Violence through the Interdiction and Prevention of Firearms Trafficking

Reducing firearms trafficking on a broader, nationwide basis is a principal means of reducing violent crime. ATF's firearms trafficking strategy focuses on shutting off the sources of firearms to violent offenders, from both commercial and secondary markets such as gun shows. Since there is no legal way for a convicted felon, a drug trafficker, or a juvenile gang member to obtain a firearm, these offenders rely on firearms traffickers (those persons and organizations willing to sell firearms without regard to the law) to make quality firearms readily available. A criminal's need for a "firearms trafficker" is a consequence of the laws enacted at the Federal, State, and local level to control the sale, possession, and use of firearms. Firearms trafficking investigations are inherently of Federal interest due to their interstate and international nature. These investigations most often exceed the jurisdictional boundaries and authorities of State and local law enforcement. ATF is uniquely suited to address firearms trafficking by virtue of its statutory authority and long experience in enforcing Federal firearms laws and regulating the firearms industry.

ATF's strategy addresses the on-going movement of firearms from legal to illegal commerce and from source area to market area. ATF agents, IOIs and Federal prosecutors working together in a source area -- thousands of miles from a criminal market area -- have as big an effect on violent crime and gang violence in a market area than do local police and prosecutors. This is equally true of firearms trafficking on the Southwest Border. In both instances, the agents and prosecutors targeting the firearms traffickers in the source areas are disarming the violent criminals and gangs in the market areas. When viewed nationally, dismantling a gun trafficking organization providing scores of guns to any of dozens of major cities and/or gangs will have a major impact on reducing the nation's overall violent crime rate.

ATF approaches firearms violence from two distinct fronts: industry regulation and criminal investigation. To this end, ATF investigates FFL applicants to determine their eligibility to engage in the business and to educate them about their recordkeeping responsibilities. ATF conducts compliance inspections of current FFLs; and collaborates with industry on voluntary compliance efforts. ATF employs approximately 700 field based IOIs

responsible for investigating the approximately 113,019 firearms licensees of all types (53,472 of which are collectors of specialty firearms, e.g., curios and relics).

ATF regulates the manufacture, importation, and sale of firearms in the U.S. and qualifies individuals who wish to engage in the firearms industry by licensing their business operation; ensuring that prohibited persons do not enter the firearms industry nor gain access to firearms, and providing guidelines for maintaining records for each acquisition and sale of a firearm. Through this regulatory framework, ATF establishes the process that allows for the tracking of each firearm from its point of manufacture or importation to the point of first retail sale, a process known as “tracing.” By tracing every recovered firearm, ATF is able to discern patterns of names, locations, and weapon types that provide invaluable leads aiding in the identification of persons engaged in the diversion of firearms into illegal commerce.

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

Reducing Violence on the Southwest Border – Project Gunrunner

The violence fueled by firearms trafficking is demonstrated in the crisis on our Southwest Border. Our firearms trafficking strategy complements our continued focus on the deployment of resources to specific localities where there is a high incidence of gang and gun violence. Through firearms trafficking interdiction efforts, ATF decreases the availability of illicit firearms and recommends for prosecution those who illegally supply firearms to prohibited possessors.

At The Frontline

Firearms Trafficking

- *From FY 2003 through FY 2008, ATF recommended prosecution of over 10,600 cases and 18,800 defendants for firearms trafficking related offenses involving an estimated 336,400 weapons.*
- *In FY 2007-08, ATF conducted an integrated training program focusing on firearms tracing, trafficking, and enforcement strategies to 8,388 State, local, and other Federal law enforcement personnel.*

Violent gang members are often involved in firearms trafficking, both for potential profit and in furtherance of drug trafficking and other crimes. Recent trends have shown an increase in the number of firearms recovered in Mexico, and these firearms fuel the growing violence along the border, including the brutal murders of hundreds of law enforcement officers and government officials.

ATF's Southwest Border initiative, Project Gunrunner, is a focused subset of ATF's broader firearms trafficking initiative, addressing U.S.-based firearms trafficking that is fueling the violence along the Southwest Border and nationwide. Over 90 percent of the crime guns used in Mexico originates from sources in the U.S. In the Southwest Border States, ATF's primary role is to stem the illegal trafficking of weapons across the border and to reduce the firearms driven violence now occurring on both sides of the international boundary. ATF is focused on shutting off the sources of firearms to violent offenders and criminal organizations, from both commercial dealers using "straw purchasers" and secondary markets such as gun shows. In partnership with other U.S. agencies and the Government of Mexico, ATF's Project Gunrunner focuses on deploying resources on the Southwest Border to investigate the sources of firearms identified from trace data supplied by its Mexican counterparts. The trace data is derived from firearms recovered in the Mexican "market" areas.

Firearms tracing, in particular the expansion of the eTrace firearms tracing system, is a critical component of Project Gunrunner in Mexico. In 2008, ATF deployed eTrace technology to the nine U.S. consulates in Mexico. ATF provided extensive training to Mexican law enforcement personnel on firearms tracing and trafficking techniques. ATF and the government of Mexico have discussed (and continue to discuss) decentralizing the firearms tracing process in order to deploy a Spanish-language eTrace to other Mexican law enforcement agencies.

In the past two years, ATF seized thousands of firearms headed to Mexico. Trends indicate that the firearms illegally crossing the U.S.-Mexico border are becoming more powerful. ATF analyzed firearms seizures in Mexico from FY 2005 to FY 2007 and identified the following weapons of choice most commonly used by drug traffickers: 9mm pistols; .38 Super pistols; 5.7mm pistols; .45-caliber pistols; AR-15 type rifles, and AK-47 type rifles.

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

ATF currently has approximately 145 agents, 60 IOIs, and 12 forensic auditors assigned to Project Gunrunner, as part of a broad plan to increase strategic coverage of and disrupt the firearms trafficking corridors operating along the border. Additionally, ATF has dedicated four Intelligence Research Specialists (IRSs) and a special agent intelligence officer to intelligence collection, analysis, and information sharing.

At The Frontline

- *Between fiscal year 2005 and the end of the first quarter of 2009, ATF has had significant impact on the trafficking in the Southwest Border states.*
- *509 cases involving 1,105 defendants have been recommended for prosecution.*
- *To date, 754 defendants have been arrested, 708 defendants have been indicted, 437 defendants have been convicted, and 348 defendants have been sentenced to an average of 72 months incarceration.*
- *169 of the cases and 536 of the defendants recommended for prosecution involve gang related offenses.*
- *177 cases have charged violations related to the trafficking of an estimated 7,600 firearms. Sixty of these cases involved gang related trafficking of over 1,250 firearms.*
- *In all investigations, over 4,100 firearms have been seized and are no longer available to violent criminals and gang members.*

Internationally, ATF works with other agencies to prevent firearms from reaching the hands of drug traffickers, organized crime members, and terrorist organizations. ATF has primary jurisdiction over the importation of firearms, ammunition and implements of war under the Arms Export Control Act (AECA), and has shared jurisdiction over firearms exports with the Department of Homeland Security and the Department of State's Office of Munitions Control.

Reducing Violent Gang Crime

Since its creation as a Bureau in 1972, ATF has established itself as a lead Federal agency in the investigation of violent gang-related crime. With a long history of focusing on violent crime, ATF has unique statutory authority over the "tools of the trade" that make gangs a threat to public safety. These tools include guns in the hands of felons and prohibited persons, and weapons and explosives used to retaliate against rivals and witnesses. ATF's core missions—enforcing laws that prohibit the criminal misuse of firearms and explosives, and investigating acts of arson—have placed it at the center of gang investigations. ATF targets and dismantles criminal organizations that pose the greatest threat to public safety, like Mara Salvatrucha (MS-13), outlaw motorcycle organizations (such as the Hells Angels and Mongols), Crips and Bloods, Asian gangs, white supremacists, and innumerable neighborhood-based gangs. ATF's anti-gang strategy includes enforcing Federal statutes such as the Racketeer Influenced and Corrupt Organizations Act (RICO) and the Armed Career Criminal statute.

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

Using the IVRS concept of our integrated strategy to address violent firearms crime, ATF introduced Violent Crime Impact Teams (VCITs) in 2004. Focused primarily in urban areas and working with local law enforcement partners, VCITs identify hot spots of violent firearms crime and target, investigate, arrest, and prosecute the “worst of the worst” criminals. These efforts produce long-term reductions in firearms violence in communities by removing violent offenders from the streets for long periods of incarceration rather than merely shifting the violence to adjacent neighborhoods. The teams focus on a small area and flood it with the integrated resources of the VCIT partners. ATF’s VCIT program is the logical “market area” complement to its firearms trafficking strategy.

At The Frontline

- *Criminal gangs are active within all 50 States, the District of Columbia, and the Commonwealths.*
- *Approximately 1 million gang members belong to more than 20,000 gangs.*
- *Criminal gangs commit as much as 80% of the crime in communities, according to law enforcement sources.*
- *Gangs traffic illicit narcotics supplied by and through Mexico based drug trafficking organizations.*
- *The FY 2009 National Gang Threat Assessment reports that 94.3 percent of gang-related homicides involved the use of a firearm.*
- *VCITs are currently active in 31 cities*
- *Through this initiative, ATF and its law enforcement partners have arrested more than 15,130 gang members, drug dealers, felons-in-possession of a firearm, and “worst of the worst” violent criminals and recovered more than 18,700 firearms.*
- *The teams have obtained convictions against nearly 3,000 defendants.*

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

At The Frontline

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

Reducing Violent Crime through Effective Regulation of the Firearms Industry

The fair and effective regulation of the firearms industry is a key component of ATF's firearms enforcement efforts. ATF has sole Federal regulatory authority over FFLs businesses authorized to engage in the manufacture, importation, and/or sales of firearms in the U.S. ATF licenses those who enter the firearms business, prescribes the manner by which they must operate, and defines the records they must keep for the acquisition and sale of each firearm.

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

ATF's IOIs determine the eligibility of applicants to engage in the business and educate them about their recordkeeping responsibilities in the conduct of qualification inspections. ATF also conducts compliance inspections of current FFLs; and collaborates with the industry on voluntary compliance efforts. ATF employs approximately 700 field based Industry Operations Investigators (IOIs) responsible for investigating approximately 113,019 firearms licensees of all types (53,472 of which are collectors of specialty firearms, e.g., curios and relics).

Through this regulatory framework, ATF establishes the "paper trail" to track each firearm from its point of manufacture or importation to the point of its first retail sale, a process known as "firearms tracing." ATF operates the NTC, which is the only entity able to trace firearms from their manufacture or importation to the point of first retail sale. Every firearm recovered by law enforcement and subsequently traced, enables ATF to discern patterns that provide invaluable leads to aid in identifying the diversion of firearms into illegal commerce. ATF inspections focus on identifying criminals who illegally purchase firearms, in addition to ensuring compliance with the Federal requirements for gun sales/purchases and the National Instant Criminal Background Check System (NICS).

At The Frontline

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

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

ATF IOIs conduct inspections of FFLs to ensure compliance with the law and regulations and to assist them with the implementation of business practices designed to improve compliance with the GCA. If violations are discovered during the course of an FFL inspection, ATF has several tools available to encourage compliance. These include issuing a Report of Violations, sending a Warning Letter, and holding a Warning Conference with the industry member. On rare occasions, ATF encounters a licensee who, despite ATF's efforts, fails to comply with the laws and regulations and who demonstrates a lack of commitment to improving his or her business practices. In such cases where willfulness is demonstrated, ATF's obligation to protect public safety may require revocation of the Federal firearms license.

As authorized by the Arms Export Control Act, ATF also regulates the importation of firearms, ammunition and implements of war into the U.S. ATF approves or denies applications to import

items by domestic businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after having lived abroad. ATF also provides technical advice to the public regarding import requirements applicable to firearms, ammunition and implements of war.

These efforts focus on reducing the sources of firearms to violent offenders by finding and prosecuting firearms traffickers. Firearms trafficking investigations are inherently Federal activities due to their interstate and international nature. ATF is uniquely suited to address firearms trafficking by virtue of its statutory authority as outlined above and long experience in enforcing Federal firearms laws and regulating the firearms industry.

Reducing Violent Crime through Regulation of Specified Classes of Weapons

The National Firearms Act (NFA) was enacted in 1934 to address growing concerns about organized crime and violence. The NFA regulates the manufacture, possession, and transfer of a limited group of firearms considered especially dangerous including machineguns, sawed-off shotguns and rifles, silencers, other concealable firearms, and destructive devices such as bazookas, bombs, missiles, and grenades. The NFA requires the Attorney General to maintain a central registry of firearms covered by the statute. The statute also prohibits the transfer or making of NFA firearms without prior approval and imposes a tax on the transfer and making of such firearms.

ATF maintains the National Firearms Registration and Transfer Record (NFRTR,) the central registry of all NFA firearms in the U.S. There are more than 2.1 million firearms registered in the NFRTR. In FY 2008, ATF processed 970,000 NFA transactions. Through ATF's investigation program of licensees, agents (and IOIs) determine the lawfulness of the making, possession, or transfer of recovered machineguns, silencers, and other such weapons using information in the NFRTR. U.S. Attorneys' Offices nationwide also rely on NFRTR information for court certificates or testimony. Each year, NFA Branch personnel prepare more than 400 certificates for court cases.

Reducing Violent Firearm Crime with National Information Sharing

Intelligence and information sharing are a key component of the Integrated Violence Reduction Strategy (IVRS). As with fingerprints, every firearm has unique identifying characteristics. The barrel of a weapon leaves distinct markings on a bullet or projectile and the breech mechanism leaves distinct markings on the cartridge case. Using these markings, firearms examiners are able to examine bullets and cartridge casings to determine if they were expelled from the same firearm. Historically, this was a tedious, time-consuming, and in many cases, nearly impossible process for firearms examiners to compare suspect bullets and cartridge casings recovered at disparate crime scenes, or from a recovered firearm to the vast inventory of recovered or test-fired evidentiary projectiles and casings.

ATF recognizes the benefits to law enforcement that innovative computerized, crime-fighting technology provides. ATF's National Integrated Ballistics Information Network (NIBIN) Program is the only ballistic imaging system operating in the U.S., primarily supporting State and local law enforcement. This equipment allows firearms technicians to acquire digital images

of the markings made by a firearm on bullets and cartridge casings. The images then undergo automated initial comparison. If a high-confidence “match” or “hit” emerges, firearms examiners compare the original evidence to confirm a match. By minimizing the amount of non-matching evidence that firearms examiners must inspect to find a confirmable match, the NIBIN system enables law enforcement agencies to discover links between crimes more quickly, including links that would have been lost without this technology.

ATF deploys Integrated Ballistic Identification System (IBIS) equipment to Federal, State, and local law enforcement agencies for their use to image and compare crime gun evidence. By funding and supporting this program, ATF makes it possible to share intelligence across jurisdictional boundaries, enabling Federal, State, and local law enforcement agencies to work together in the fight against violent crime. More than 174 law enforcement agencies nationwide participate in this program, and IBIS equipment is installed at 203 sites. Nearly 1.3 million pieces of evidence have been imaged in the system. To date, over 25,000 “hits” have been logged, many of them yielding investigative information not obtainable by other means. The investigative information provided by NIBIN supplies pieces to a puzzle for investigators in solving seemingly unrelated crimes.

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

Intelligence gathered from tracing crime guns provides leads on illegal firearms traffickers and others involved in violent firearms crime, such as criminal gang members. ATF data identifies “hot spots” of criminal activity, and locates the sources of weapons used in these areas—the source of which may be in other States or across the country. Analysis and examination of crime gun data helps identify illegal firearms traffickers who supply arms to criminals. ATF uses this data to perfect its own criminal investigations, and transmits information to State and local law enforcement to support those agencies in their fight against violent crime.

Reducing Violent Firearm Crime Globally Through International Policy Development and Partnership

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

At The Frontline

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

ATF enforces the NFA, as well as the import provisions of the AECA and works closely with the Department of Homeland Security (DHS) to monitor firearms imports and NFA exports to ensure that their international movement is consistent with the law. ATF is the principal DOJ component involved in efforts to combat the illicit manufacturing and trafficking of firearms, their parts and components, and ammunition and explosives in a number of international forums including the United Nations and the Organization of American States (OAS) and maintains close liaison with the Department of State.

These efforts, which include the negotiation of legally and politically binding agreements and model regulations, prevent the diversion and misuse of dangerous commodities by terrorists. Additionally, ATF participates in the DHS's Interagency Incident Management Group and the State Department's International Law Enforcement Academy program (ILEA), which encourages cooperation among participating countries and other U.S. Government agencies. Currently, an ATF special agent serves as the Deputy Director at the ILEA in Bangkok, Thailand. In addition, ATF has assigned a liaison officer to EUROPOL in The Hague, The Netherlands.

ATF, through its international offices, has implemented bilateral initiatives to help reduce violent crime at home and in neighboring countries. ATF's Canadian Office, along with the NIBIN Program Office at ATF Headquarters, was also instrumental in developing a memorandum of understanding (MOU) with Canadian officials related to ballistic tracing and interconnectivity of data systems. The MOU facilitates sharing leads and other information in real time and exploiting ballistic evidence recovered at crime scenes. The Attorney General and the Canadian Minister for Public Safety at the 9th Annual Canadian-U.S. Cross Border Crime Forum signed this MOU on November 16, 2006.

Reducing Violent Crime Involving Explosives and Bombings

The terrorist attacks of September 11, 2001 highlighted the importance of ATF's role in enforcing the criminal and regulatory provisions of Federal firearms and explosives laws, and in preventing and deterring the use of firearms and explosives by criminals and terrorists.

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

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

Objective 1.2: Strengthen partnerships to prevent, deter, and respond to terrorist incidents.

ATF plays a key role in DOJ’s counterterrorism responsibilities as set forth in the National Implementation Plan for the War on Terror (NIP) and in DOJ’s supporting plan for the NIP. The impact of ATF’s investigative and regulatory programs includes the detection and deterrence of terrorist’s use of firearms, explosives and other conventional weapons. Through regulation of firearms and explosives commerce and through its investigative and criminal enforcement activities, ATF prevents prohibited persons from acquiring and possessing firearms and explosives, which could be used in acts of terrorism. ATF also disrupts the illegal trafficking of alcohol and tobacco products, the proceeds of which have been traced to terrorist organizations.

Most of the bombings that occur in the U.S. are criminal in nature and fall under the jurisdiction of ATF. ATF also responds to and helps investigate the remaining explosives incidents that are classified as “terrorist bombings” since all terrorist bombings are criminal acts. These include incidents classified as domestic terrorism, such as acts by animal- or environmental-rights extremists.

At The Frontline

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

Criminal bombings and the illegal use of explosives are a threat to public safety at home and abroad. A common trend emerging in explosives and bombing incidents is the increased use of IEDs. The Internet has made the knowledge and supplies needed to construct an IED available

to a broader range of the public than ever before, including those who would use that knowledge to commit violent crimes. Many of the materials required to produce an explosive device are common household goods, available with minimal or no regulation. U.S. law enforcement needs to continue to adapt our regulatory and investigative practices to address this new reality.

At The Frontline

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

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

ATF’s explosives and arson jurisdiction is based on Title XI of the Organized Crime Control Act of 1970 and its amendments including the Safe Explosives Act. The original legislation was modeled after the GCA and, like the GCA the explosives law prohibits persons with certain disabilities, such as felons, from receiving or possessing explosives. The law establishes a system of controls over commerce in explosives by making it a crime to engage in the business of manufacturing, importing, and dealing explosives without a license and requires all licensees to maintain certain records. The law requires that any person who receives explosives for personal use, whether interstate or intrastate, must obtain a permit from ATF, and requires that explosives be stored in compliance with regulations.

As an integral part of ATF’s overall violent crime reduction strategy, ATF’s Explosives Program provides vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. ATF’s National Response Team (NRT) consists of highly trained agents, forensic chemists, engineers, Explosives Enforcement Officers (EEOs,) electrical engineers, fire protection engineers, canine handlers, and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT conducts investigations

with State and local officers in fire and explosives incidents by providing examinations of the scene, interviews, assistance with the resulting investigations, and expert court testimony.

At The Frontline

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

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

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

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

ATF's analytical and forensic technology resources and knowledge are available to agencies at every level of government, domestically as well as internationally, to assist in preventing, detecting, disrupting, and prosecuting criminal activity and terrorism. To complete our mission, ATF relies upon information sharing partnerships with other domestic and international law enforcement agencies to provide accurate and timely intelligence support. ATF also uses partnerships in all aspects of its regulatory enforcement, training, and forensic mission areas and works with the industries it regulates to prevent violence and safeguard the public while minimizing regulatory constraints that hinder legitimate business.

ATF participates in a number of efforts and activities that support the Attorney General's counterterrorism efforts, including supporting the Law Enforcement Information Sharing Program (LEISP) with both investigative and intelligence resources. ATF fully supports Government anti-terrorism efforts and in particular, the FBI-led Joint Terrorism Task Force (JTTF). Currently, ATF has 60 agents assigned fulltime to the 103 JTTFs throughout the country. In addition, we have one agent assigned to the National JTTF at FBI Headquarters. Because of this participation, ATF has played an important part in a number of terrorism cases

that involved firearms smuggling, bombings, illegal explosive possession, and tobacco diversions.

ATF's support to departmental efforts to prevent terrorist attacks extends beyond our nation's boundaries. In order to remain at the forefront of emerging terrorist trends, ATF also supports the Department of Defense's Combined Explosives Exploitation Cells (CEXC) program, which was established to document, collect, process, and serve as a repository for physical evidence recovered from detonations of IEDs in Iraq. Since March 2005, ATF has deployed 36 explosives experts internationally to Iraq to provide onsite investigative assistance in processing post-blast incidents directed at U.S. and allied forces.

To further exploit the work of CEXC, ATF supports the Terrorist Explosive Device Analytical Center (TEDAC). The TEDAC is a DOD program managed by a combined DOJ leadership team composed of the FBI and ATF. This joint DOJ-DOD program is supported by ATF and FBI agents, intelligence analysts, certified explosives specialists, and other personnel with specialized training. Collectively, they assist in the technical and forensic exploitation of evidence and triggering mechanisms recovered from IED detonations and render safes in Iraq and Afghanistan. The exploitation of the recovered evidence is a time consuming process in which every IED component part is identified and documented in an IED database. Additionally these examinations identify the assembly characteristics and functionality of the IEDs. ATF is a managing partner in the TEDAC and has assigned 19 permanent employees (with a commitment of 26 by the end of the year) and nine contract employees to support the analysis of improvised explosive devices (IED) from Iraq and Afghanistan in an effort to identify bombers and prevent further attacks.

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

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

At the request of the State Department, ATF strategically utilizes its IRT to provide technical and investigative assistance in international explosives and fire incidents. The IRT has responded to 27 incidents since its inception in 1991, and in April 2007, the IRT responded to Paramaribo, Suriname, to assist with rendering safe an explosive device.

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

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

Congress appropriated funds to construct a permanent facility for NCETR at Redstone Arsenal in Huntsville, Alabama. This facility, under construction and scheduled for completion in 2010, will consist of three explosives ranges, eight classrooms, laboratories, a conference facility and office space for ATF personnel and for partners from the Federal, State, local and international law enforcement and explosives communities. The first of the explosives ranges were available for training/research activity in August 2008.

The NCETR will be a center for the management and execution of ATF's explosives related training, research, and information sharing programs and initiatives. Upon completion, the NCETR facility will provide the highest-quality training experience and scientific research for those on the front lines of efforts to prevent and investigate bombings. This concept fits within ATF's and DOJ's strategic goals and missions. The NCETR facility is a world-class explosives training facility for all levels of government from which the interagency explosives community will derive significant benefits.

Upon its scheduled completion in 2010, the NCETR will consist of three explosives ranges, eight classrooms, laboratories, a conference facility, and office space for ATF personnel and for partners from throughout the Federal, State, local and international law-enforcement and explosives communities. Establishment of the NCETR at Redstone Arsenal will enable ATF to bring together under one roof its explosives training, research, and information-sharing activities, affording maximum synergy across these inter-related disciplines. Additionally, the planned presence at the NCETR of training and research partners from across the domestic and international communities will enhance U.S. Government efforts to foster collaboration and to successfully combat violent crime and terrorism.

The demand for training and other support from ATF explosives experts, both for ATF personnel and personnel from other Federal, State, and local agencies, continues to increase. One of the premier NCETR programs, the Advanced Explosives Destruction Techniques (AEDT) course has been presented to 371 students in the last three years and still has a backlog of over 900 State and local law enforcement personnel seeking this training. ATF has historically sought to meet this demand by using multiple training sites, often borrowed, throughout the country. This approach is simply insufficient to deliver all the training and explosives support needed.

Among the primary focuses of the planned facility for the NCETR will be to provide state-of-the-art explosives training for ATF agents, ATF IOIs, ATF Explosives Enforcement Officers and for law-enforcement and other first-responders from throughout the Federal, State, local, and international explosives communities. Training that will continue to serve as a cornerstone of

the NCETR curriculum will include courses such as “Advanced Explosives Destruction Techniques,” “Post-Blast Investigation Techniques,” and “Advanced Explosives Training for IOIs.” Another of the missions of the NCETR will be to promote and conduct research that will improve ATF’s ability and the ability of our law enforcement partners to investigate bombings, prevent diversion, and ensure the safe and secure storage of explosives. Additionally, the NCETR will have onsite data and information-sharing resources of the U.S. Bomb Data Center. Integrating ATF’s explosives training, research and information-sharing functions at the NCETR will improve efficiencies within ATF and will enhance our efforts in each of these inter-related explosives disciplines.

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

At The Frontline

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

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

ATF is at the forefront of efforts to create and maintain explosives databases that identify components used in terrorist IED triggering devices. The TEDAC database, the International Terrorist Bombing Information System (ITBIS), houses international terrorist bombing information and IED technical data from Iraq and Afghanistan. The database stores information about IEDs and components, and is used to identify similarities between devices and components collected by federal agencies, international governments, and the military. This electronic comparison quickly identifies previously used electronic components to determine whether two or more IEDs have the same “signature” or common origin, thus providing leads for further investigative or preventive work. The explosives components database will also be utilized in conjunction with coalition partners (United Kingdom, Australia, etc.) to create an international network of IED information, centralized at TEDAC, to suppress global terrorist bombings.

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

The U.S. Bomb Data Center (USBDC) is the sole repository for arson and explosives related incident data, having been established by statute and by authority of the Attorney General. Its purpose is to collect data and to provide investigators with analytical products to assist in the investigation of the criminal misuse of explosives and acts of arson.

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

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

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

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

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

records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only Federal agency authorized access to these records.

The USBDC has the responsibility for tracing and maintaining the official records for the theft and recovery of foreign and domestic commercial explosives, military explosives and ordnance and other munitions. The USBDC maintains a unique set of data associated with the tracing of explosives products from the manufacture to the end user in support of criminal investigations. Building strong partnerships with the Department of Defense (DOD) and the commercial explosives industry has allowed the USBDC to trace stolen and recovered explosives to their origin, including movement in interstate and international commerce.

Preventing Violent Crime Involving Explosives

To assist in the prevention of explosives incidents, ATF trains explosives detection canines (EDC) and handlers for its use and for other Federal, State, local, and international partners, the latter in partnership with the State Department's Office of Anti-Terrorism Assistance program.

ATF's world-recognized canine training program produces extremely reliable, mobile, and accurate explosives and accelerant detection canines that are able to assist law enforcement and fire investigators worldwide. The Accelerant Detection Canine Program places accelerant

At The Frontline

- *There are 34 ATF-trained explosives detection canine teams with ATF special agent canine handlers.*
- *There are currently 111 ATF-trained explosives detection canine teams deployed throughout the U.S. with local, State or other Federal agencies, as well as in 21 foreign countries.*
- *In addition, there are 71 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada.*
- *Since 1991, ATF has trained 595 explosives detection canines and 127 accelerant detection canines.*
- *ATF has trained 380 explosive detection canines for foreign partners*
- *ATF is working with the Department of Defense to train more than 300 military working canines to detect odors associated with "homemade explosives." This effort is of critical importance to combating the IED threat in Iraq and Afghanistan.*
- *ATF has developed the cutting-edge Suicide Bomber Initiative, which will combine canine and tactical assets to confront the threat posed by terrorist bombers.*
- *ATF has trained/tested 691 canine teams in the National Odor Recognition Test nationwide.*

detection canines with State and local agencies to support their arson investigation activities. The Explosives Detection Canine Program (EDCP) trains explosives detection canines for use overseas and domestically in the war against terrorism. ATF works with agencies that have received ATF-certified explosives detection and accelerant detection canines and supports those who are without canine services in their communities.

ATF's canine training incorporates the research and development of the National Laboratory and the technical expertise of ATF explosives experts into a training regimen that produces an extremely reliable, mobile, accurate, and durable explosives detection tool, capable of assisting law enforcement with the escalating explosives threat faced by communities worldwide.

Congress recognizes the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection.

ATF is also at the forefront of combating terrorism through such innovative programs as training other Federal, State, local, and international law enforcement explosives detection canines in peroxide explosives, utilizing its years of experience training its own ATF-certified explosives detection canine teams on the substances.

Reducing Violent Crime through Effective Regulation of the Explosives Industry

ATF's enforcement of explosives laws and regulations helps prevent thefts and the acquisition and use of explosives for criminal or terrorist purposes.

At The Frontline

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

ATF is the only Federal law enforcement agency that regulates the storage of explosives. ATF's criminal and regulatory programs are a key means by which the U.S. Government enforces Federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings. Federal law requires that any manufacturer, importer, or dealer of explosives must have a Federal explosives license, and anyone who acquires for use or transports explosives must hold a Federal explosives permit or license. ATF enforces the Safe Explosives Act of 2002 (SEA) which reflected Congressional intent to close a loophole in the regulation of explosives commerce. In order to prevent prohibited persons from gaining access to explosive materials, the SEA expanded the scope of the Federal explosives regulations administered by ATF by placing controls on the intrastate movement of explosives and mandating background checks on employees who possess explosive materials in the course of their employment with explosives licensees and permittees. The SEA also requires that all persons who receive explosives obtain a Federal permit that includes a background check.

The Federal Explosives Licensing Center (FELC) screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF established standards for the storage of explosives materials and related record keeping requirements to ensure explosives accountability and traceability to which licensees and permittees must adhere. ATF's IOIs conduct compliance inspections of the 11,163 explosives licensees and permittees nationwide to prevent diversion and promote the safe and secure storage of explosives. IOIs also detect and assist in the investigations of the theft, loss, and diversion of explosives.

Alcohol and Tobacco Regulation

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

ATF enforces Federal criminal statutes that address the diversion of tobacco products in avoidance of Federal, State, local, and/or foreign tax revenue, including the Contraband Cigarette Trafficking Act (CCTA.) Organized crime groups and individuals with ties to terrorist organizations increasingly engage in illegal trafficking of tobacco products. The proliferation of large-volume trafficking across international borders and interstate commerce to avoid taxes provides increased funding to terrorist organizations and traditional criminal enterprises. This trafficking also robs Federal and State governments of important tax-based funding. An estimated \$3.5 billion in tax revenue is lost annually to the Federal and State governments by the diversion of tobacco products.

Current investigations have identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies used to support their organizations and activities. Diversion activities often generate tremendous cash profits that are laundered and used to further other unlawful schemes, such as narcotics and firearms trafficking. As an example, ATF conducted two contraband cigarette trafficking cases in which individuals were convicted of Material Support to a Terrorist Organization. The individuals in the two cases that were convicted of the "Material Support" charge were members of Hezbollah.

Criminals have long exploited the differences among tax rates for alcohol and cigarettes by illegally producing, distributing, and smuggling alcohol and cigarettes into domestic and international high tax jurisdictions areas, activities collectively referred to as diversion.

At The Frontline

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

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

ATF's primary jurisdiction relating to tobacco is the CCTA. The CCTA makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of State tax payment for the State in which the cigarettes are found (if a State tax stamp is required).

ATF investigates the trafficking of contraband (non-tax paid) and counterfeit tobacco products that deprive State governments of billions of dollars in tax revenue annually and have been found to be a funding source for terrorism. Through the successful prosecution and plea agreements in these complex investigations, millions of dollars in defrauded State excise tax revenues are returned to the affected States.

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

FY 2010 Request and Current Services/Adjustments to Base (ATB):

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) requests \$1,120,772,000 for FY 2010, including \$1,114,772,000 in Direct Salaries and Expenses and 5,025 full time equivalents (FTE) and \$6,000,000 for construction of explosives ranges at the ATF National Center for Explosives Training and Research (NCETR). Specifically, ATF requests

\$1,077,783,000 and 4,979 FTE for current services, \$17,989,000 and 46 FTE for Southwest Border enforcement efforts, and \$19,000,000 for operations and infrastructure costs associated with the NCETR. The FY 2010 request supports ATF's and the Department of Justice's priorities to reduce violent crime, detect and prevent terrorism and enforce the Federal firearms and explosives laws.

Each of ATF's programs is essential to reducing violent crime, preventing terrorism, and protecting the Nation. ATF's unique regulatory authority of the firearms and explosives industries provides strong support to accomplishment of its law enforcement mission. ATF's mission supports the priorities of the Attorney General under the Department's Strategic Goals 1 and 2, to "Prevent Terrorism and Promote the Nation's Security" and "Prevent Crime, Enforce Federal Laws, and Represent the Rights of the American People."

ATF Resource Profile FY 2010

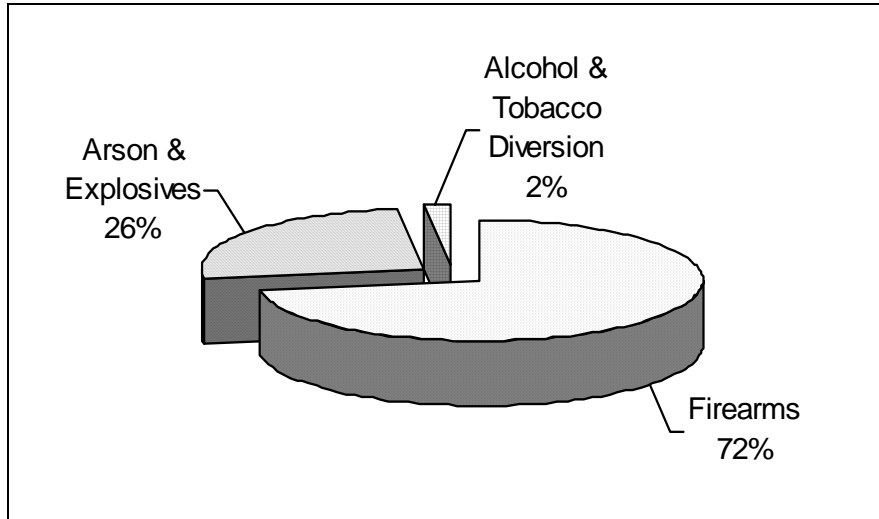
Resources in Support of DOJ Strategic Goals 1 & 2

Decision Unit	FY 2008 Enacted FTE	FY 2008 Enacted (\$000)	FY 2009 Enacted FTE	FY 2009 Enacted (\$000)	FY 2010 Request FTE	FY 2010 Request (\$000)
Firearms	3,474	\$708,550	3,547	\$759,035	3,614	\$802,636
Arson and Explosives	1,316	\$255,865	1,320	\$274,096	1,321	\$289,841
Alcohol and Tobacco Diversion	90	\$19,682	90	\$21,084	90	\$22,295
Subtotal ATF S&E	4,880	\$984,097	4,957	\$1,054,215	5,025	\$1,114,772
Construction	0	23,500	0	0	0	6,000
Total ATF S&E and Construction	4,880	\$1,007,597	4,957	\$1,054,215	5,025	\$1,120,772

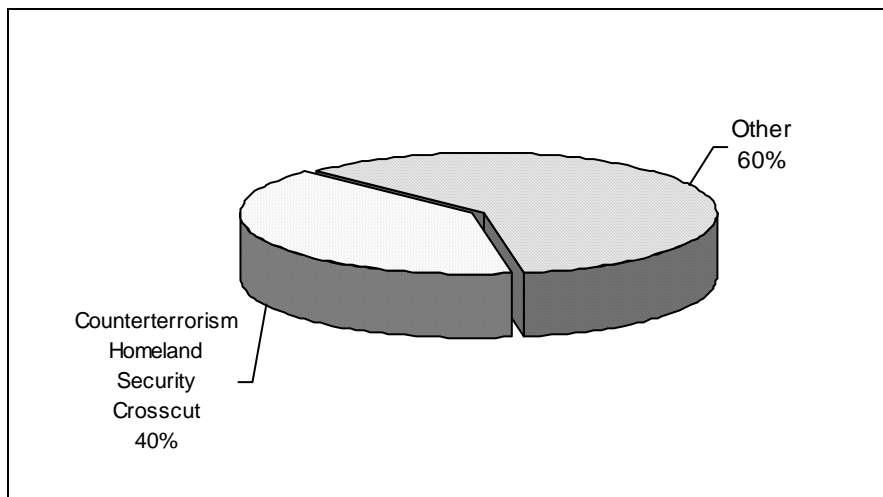
S&E Resources in Support of DOJ Strategic Goals 1 & 2

By Decision Units and Counterterrorism Crosscut

Decision Units



ATF Homeland Security Counterterrorism Crosscut



II. Summary of Program Changes

Item Name	Description				Page
	S & E and Construction	Pos.	FTE	Dollars (\$000)	
Southwest Border Enhancement (S&E)	This initiative is part of the Department of Justice strategy to reduce cross border weapons trafficking and the extremely high level of violence associated with these activities. This initiative supports a concerted strategy to meet the threats that affect the U.S. – Mexico border, and ATF’s primary role in this strategy is to stem the illegal trafficking in weapons across the border and to reduce firearms driven violence occurring on both sides of the border. This initiative supports establishment of two Project Gunrunner teams in the Southwest Border region.	92	46	\$17,989	46
NCETR (S&E)	This initiative will provide basic infrastructure, including, furniture, office equipment, audio-visual equipment, training equipment, classroom information technology assets and laboratory equipment, as well as relocation moves, expanded training and operational maintenance.	0	0	\$19,000	72
NCETR (Construction)	This initiative will complete the conversion of two additional explosives ranges at the NCETR.	0	0	\$6,000	72

III. Appropriations Language and Analysis of Appropriations Language

FY 2010

Appropriations Language and Analysis of Appropriations Language

Salaries and Expenses

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives; not to exceed \$40,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and for provision of laboratory assistance to State and local law enforcement agencies, with or without reimbursement, [*\$1,054,215,000*] *\$1,114,772,000*, of which not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by section 924(d)(2) of title 18, U.S. Code; and of which *not to exceed* \$10,000,000 shall remain available until expended: Provided, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the U.S. to implement an amendment or amendments to 27 CFR 478.118 or to change the definition of "Curios or relics" in 27 CFR 478.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, U.S. Code: Provided further, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments in fiscal year [2009] *2010*: Provided further, That, beginning in fiscal year [2009] *2010* and thereafter, no funds appropriated under this or any other Act may be used to disclose part or all of the contents of the Firearms Trace System database maintained by the National Trace Center of the Bureau of Alcohol, Tobacco, Firearms and Explosives or any information required to be kept by licensees pursuant to section 923(g) of title 18, U.S. Code, or required to be reported pursuant to paragraphs (3) and (7) of such section 923(g), except to: (1) a Federal, State, local, *or* tribal [*, or foreign*] law enforcement agency, or a Federal, State, or local prosecutor [*, solely in connection with and for use in a criminal investigation or prosecution*]; (2) *a foreign law enforcement agency solely in connection with or for use in a criminal investigation or prosecution; or* ([2]3) a Federal agency for a national security or intelligence purpose; *unless such disclosure of such data to any of the entities described in (1), (2) or (3) of this proviso would compromise the identity of any undercover law enforcement officer or confidential informant, or interfere with any case under investigation; and no person or entity described in (1), (2) or (3) shall knowingly and publicly disclose such data*; and all such data shall be immune from legal process, shall not be subject to subpoena or other discovery, shall be inadmissible in evidence, and shall not be

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

Analysis of Appropriations Language

The revised language provides that ATF may share firearm trace data among and between Federal, State, local or tribal law enforcement and prosecutors without an investigative or prosecutorial nexus, or with foreign law enforcement solely in connection with or for use in a criminal investigation or prosecution when connected to a criminal investigation; or with national security, intelligence or counterterrorism officials. ATF cannot share any such data with any such entity if the disclosures would compromise the identity of any undercover law enforcement officer or confidential informant, or interfere with any case under investigation, and no person or entity who receives such data can knowingly and publicly disclose it.

Construction

For necessary expenses to construct or acquire buildings and sites by purchase, or as otherwise authorized by law (including equipment for such buildings); conversion and extension of federally-owned buildings and property; and preliminary planning and design or projects; \$6,000,000, to remain available until expended.

IV. Decision Unit Justification

A. Firearms

Firearms TOTAL	Perm Pos.	FTE	Amount (\$000)
2008 Enacted w/Rescissions	3,546	3,474	708,550
2008 Supplementals	0	0	1,000
2008 Enacted w/Rescissions and Supplementals	3,546	3,474	709,550
2009 Enacted	3,594	3,547	759,035
Adjustments to Base and Technical Adjustments	1	21	25,612
2010 Current Services	3,595	3,568	784,647
2010 Program Increases	92	46	17,989
2010 Request	3,687	3,614	802,636
Total Change 2009-2010	93	67	43,601

1. Program Description

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

This is accomplished by:

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

- Preventing violence through community outreach.

Firearms

ATF pursues an integrated regulatory and enforcement strategy designed to reduce violent crime. ATF's IVRS removes violent offenders from our communities, keeps firearms from prohibited possessors, eliminates illegal weapons transfers, and prevents firearms violence through community outreach. The IVRS builds upon traditional enforcement efforts with the use of state-of-the-art ballistic imaging technology, firearms tracing, and intelligence/information sharing.

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

Firearms Trafficking

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

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

Gangs

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

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

Firearms Industry Regulation

ATF has sole Federal regulatory authority over FFLs authorized to engage in the business of manufacturing, importing, or selling firearms in the U.S. ATF qualifies those who enter the

firearms business, licenses them, prescribes the manner in which they must operate, and defines the records they must keep for the acquisition and sale of each firearm.

Through this regulatory framework, ATF establishes the “paper trail” that tracks each firearm from its point of manufacture or importation to the point of its first retail sale, a process known as “firearms tracing.” ATF operates the National Tracing Center (NTC), which is the only entity able to trace firearms from their manufacture to the point of first retail sale. When every firearm recovered by law enforcement is traced, ATF is able to discern patterns that provide invaluable leads that aid in identifying the diversion of firearms into illegal commerce. In addition to ensuring compliance with the Federal requirements for gun sales/purchases and the National Instant Check System, ATF investigations focus on identifying criminals who illegally purchase firearms.

The fair and effective regulation of the firearms industry is a key component of ATF’s firearms enforcement efforts. To this end, ATF inspects FFL applicants to determine their eligibility and to educate them about their responsibilities, conducts compliance investigations of current FFLs, and works with industry on voluntary compliance efforts. ATF employs approximately 700 field based IOIs who are responsible for inspecting 113,019 firearms licensees of all types (53,472 of which are collectors of specialty firearms, e.g., curios and relics). In FY 2008, these IOIs inspected more than 11,100 active FFLs.

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

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

Southwest Border – Project Gunrunner

ATF is deploying its resources strategically on the Southwest Border to deny firearms, the “tools of the trade,” to criminal organizations in Mexico and along the border, and to combat firearms-related violence affecting communities on both sides of the border. In partnership with other U.S. agencies and with the Government of Mexico, ATF refined its Southwest Border strategy. ATF developed Project Gunrunner to stem the flow of firearms into Mexico and thereby deprive the DTOs of weapons. The initiative seeks to focus ATF’s investigative, intelligence and training resources to suppress the firearms trafficking to Mexico and stem the firearms-related violence on both sides of the border.

Firearms tracing, in particular the expansion of the eTrace firearms tracing system, is a critical component of Project Gunrunner in Mexico. In 2008, ATF deployed eTrace technology in the nine U.S. consulates in Mexico. ATF has conducted discussions with the government of Mexico regarding the decentralization of the firearms tracing process to deploy Spanish-language eTrace to other Mexico agencies.

In the past two years, ATF has seized thousands of firearms headed to Mexico. Trends indicate the firearms illegally crossing the U.S.-Mexico border are becoming more powerful. ATF has analyzed firearms seizures in Mexico from FY 2005-07 and identified the following weapons most commonly used by drug traffickers: 9mm pistols, .38 Super pistols, 5.7mm pistols, .45-caliber pistols, AR-15 type rifles; and AK-47 type rifles.

Most of the firearms violence in Mexico is perpetrated by DTOs who are vying for control of drug trafficking routes to the U.S. and engaging in turf battles for disputed distribution territories. Hundreds of Mexican citizens and law enforcement personnel have become casualties of the firearms related violence. DTOs operating in Mexico rely on firearms suppliers to enforce and maintain their illicit narcotics operations. Intelligence indicates these criminal organizations have tasked their money laundering, distribution and transportation infrastructures reaching into the U.S. to acquire firearms and ammunition. These Mexican DTO infrastructures are among the leading gun trafficking organizations operating in the U.S.

ATF has dedicated approximately 100 agents and 25 IOIs to the Southwest Border initiative over the past two years. Additionally, ATF has dedicated four IRSs and one special agent intelligence officer to the collection, analysis, and sharing of information. ATF has recently assigned agents to Las Cruces, N.M.; Yuma, Ariz.; as well as El Paso, Laredo, Houston, Brownsville, San Antonio, Corpus Christi and McAllen, Texas. New IOIs have been assigned to Houston, McAllen, and San Antonio. These assignments are part of a broad plan to increase the strategic coverage and disrupt the firearms trafficking corridors operating along the border.

ATF's involvement is critical to the Administration and to the Department's Southwest Border strategy. ATF's primary role in this strategy is to stem the traffic in illegal weapons across the border and to reduce the firearms driven violence occurring on both sides of the border. ATF's industry regulation and criminal investigation programs make a significant contribution to reducing cross-border drug and weapons trafficking and the extremely high level of violence associated with these activities. We have proposed the investment of additional resources to meet the threats that affect the U.S. - Mexico border, and to address U.S.-based firearms trafficking related to the illicit international drug market.

National Integrated Ballistics Information Network (NIBIN)

The NIBIN Program is the only ballistic imaging system that operates in the U.S., and primarily supports State and local law enforcement. ATF deploys Integrated Ballistic Identification System (IBIS) equipment to Federal, State, and local law enforcement agencies for their use to image and compare crime gun evidence. More than 174 law enforcement agencies nationwide participate in this program, and IBIS equipment is installed at 203 sites. Nearly 1.3 million pieces of evidence have been imaged in the system. To date, over 24,946 "hits" have been logged, many of them yielding investigative information not obtainable by other means. The investigative information provided by NIBIN supplies pieces to a puzzle for investigators in

solving seemingly unrelated crimes. This program facilitates information sharing across jurisdictional boundaries and allows law enforcement agencies to discover links between crimes.

International Policy

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

Firearms Tracing

ATF's NTC is the country's only crime-gun tracing facility. It provides critical information that helps Federal, State, and local law enforcement agencies solve firearms crimes, detect firearms traffickers, and track the intrastate, interstate, and international movement of crime guns. Congressional restrictions currently prevent the release of firearms trace information to anyone other than law enforcement agencies.

NTC Programs

eTrace: This is a web-based tracing system that ATF developed to allow law enforcement agencies to securely submit trace requests via the Internet, as well as receive trace results and perform limited analysis of the data. Currently, approximately 2,000 law enforcement agencies use eTrace to submit their trace requests to the NTC, including law enforcement agencies from 10 foreign countries.

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

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

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

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

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

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

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

Record Search Requests: By searching the out-of-business FFL records, the NTC can assist law enforcement agencies investigating the theft of firearms to obtain firearms serial numbers. This is conducted when the owner has no record of the firearm serial number and the FFL from whom the owner purchased the firearm is now out of business.

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

Demand Letter Project: The NTC sends certified demand letters to non-compliant FFLs who repeatedly fail to respond to firearms trace requests within the required timeframe, and to FFLs who repeatedly sell firearms with short time-to-crime traces. (The time-to-crime is the period between the sale of a firearm and the use of that firearm in a crime.)

The NTC is located on a 10-acre secure site in Martinsburg, W.Va. This facility also houses ATF's Violent Crime Analysis Branch, Firearms Technology Branch, Firearms Testing Range, Brady Operations Branch, ATF's Gun Vault Collection, the Federal Explosives Licensing Center, Imports Branch, NFA Branch, and will soon house the Federal Firearms Licensing Center.

National Firearms Act (NFA) Enforcement

NFA requires registration and payment of a tax for the making or transfer of the following types of firearms: machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as "any other weapons." The NFA requires that firearms manufacturers, importers, and manufacturers register the NFA firearms they make or import, and that ATF approve in advance all NFA firearms transfers and exports. The NFA also imposes a tax on the making and transfer of NFA firearms and requires manufacturers, importers, and dealers to pay a special occupational tax. ATF processes all applications to manufacture, transfer, and register NFA firearms and notices of NFA firearms manufactured or imported. The registration information is captured in the National Firearms Registration and Transfer Record (NFRTR), and is used to support ATF's field efforts to inspect firearms licensees and conduct criminal investigations. ATF also continually provides technical information to the industry and the public concerning compliance with the NFA.

Importation of Firearms

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

ammunition by nonimmigrant aliens. ATF maintains close liaison with the Department of State and U.S. Customs and Border Protection to ensure that the permits issued do not conflict with the foreign policy and national security interests of the U.S.

ATF Partnerships with the Firearms Industry

ATF updates members of the regulated firearms community of statutory, regulatory, and policy changes that affect their day-to-day operations. Seminars are routinely held with industry associations such as the National Firearms Act Trade and Collectors Association, Firearms and Ammunition Importers Roundtable, National Shooting Sports Foundation, National Pawnbrokers Association, the National Association of Arms Shows, and other industry groups. ATF publishes and distributes open letters to importers of firearms, ammunition, and other regulated commodities advising them of important issues that impact their operations. ATF also publishes pertinent articles in its semi-annual *FFL Newsletter* and conducts seminars for licensees at various locations.

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

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Firearms

DOJ Strategic Goal/Objective: Goal 2, Objective 2.2

WORKLOAD/ RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
Workload										
Number of firearms compliance inspections completed (QSR measure)	6,650		11,169		9,000		0		9,000	
Number of firearms investigations initiated during fiscal year ¹	25,000		22,830		25,000		0		25,000	
Total Costs and FTE.	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
	3,474	\$708,550	3,348	\$729,835	3,547	\$759,035	67	\$43,601	3,614	\$802,636

¹ This figure includes all firearms investigations, including NICS investigations forwarded to ATF field offices from ATF's Brady Operations Branch.

Program Activity	Criminal Enforcement	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		2,804	\$620,583	2,674	\$612,815	2,833	\$637,332	61	\$39,494	2,894	\$676,826
OUTCOME Measure	Number of gang related defendants	4,100		3,790		4,100		(150)		3,950	
Performance Measure	Number of defendants who are involved in trafficking	3,225		2,664		3,225		125		3,350	
OUTPUT Measure	Number of defendants in investigations referred for prosecution who are felons in possession of firearms ²	8,000		7,210		8,000		700		8,700	
Performance Measure	Percentage of firearms investigations resulting in a referral for criminal prosecution.	58%		47%		59%		1%		60%	
OUTCOME Measure	Percentage of firearms investigations involving the recovery of crime guns	32%		51% ³		34%		2%		36%	

² This measure specifically reflects ATF defendants convicted under Title 18 of the U.S. Code, Section 922(g) (1). This section prohibits possession of a firearm by persons convicted of a crime punishable by imprisonment for a term exceeding one year. The measure has been re-worded. It was previously worded as "Number and Percentage of defendants who are prohibited possessors of firearms." However, for reporting purposes actual percentages will be provided when made available for years percentage targets were set.

³ Revised methodology used to calculate the Percentage of Firearms Investigations Involving the Recovery of Crime Guns starting with FY 2008 Projected Actual. Since a random sampling will be done again in 2009 the results for the 2008 actuals would not be statistically valid.

		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
Program Activity	Regulatory Compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		670	\$87,967	674	\$117,020	714	\$121,703	6	\$4,107	720	\$125,810
Performance Measure	Reduction in unaccounted firearms based on total recall inspection (QSR)	75%		88%		77%		0		93%	
EFFICIENCY Measure	Percent of firearms traces completed within nine days (QSR)	67%		65%		68%		0		68%	
OUTCOME Measure	Increase pawn brokers' compliance rate with Federal firearms laws and regulations	53%		TBD		57%		3%		60%	

2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Number of gang related defendants	N/A	1,123	2,010	3,136	3,821	4,381	4,100	3,790	4,100	3,950
Performance Measure	Number of defendants who are involved in trafficking	N/A	2,380	2,957	3,253	3,017	3,457	3,225	2,664	3,225	3,350
OUTPUT Measure	Number of defendants in investigations referred for prosecution who are felons in possession of firearms	N/A	8,034	8,944	9,388	8,655	8,069	8,000	7,210	8,000	8,700
OUTCOME Measure	Percentage of firearms investigations resulting in a referral for criminal prosecution.	N/A	N/A	N/A	55%	57%	57%	58%	47%	59%	60%

2. PERFORMANCE MEASURE TABLE

Decision Unit: Firearms

Performance Report and Performance Plan Targets		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Percentage of firearms investigations involving the recovery of crime guns	N/A	N/A	N/A	26%	30%	30%	32%	51%	34%	36%
Performance Measure	Reduction in unaccounted firearms based on total recall	N/A	85%	90%	90%	91%	90%	75%	88%	77%	93%
OUTCOME Measure	Increase pawn brokers' compliance rate with Federal firearms laws and regulations	N/A	N/A	N/A	41%	N/A (FY09)	N/A (FY09)	53%	TBD	57%	60%
EFFICIENCY Measure	Percent of firearms traces completed within nine days	N/A	48%	61%	58%	68%	67%	67%	65%	68%	68%

3. Performance, Resources, and Strategies

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

a. Performance Plan and Report for Outcomes

Ensuring the integrity of the records maintained by FFLs in the conduct of business is another key element of preventing violent firearms crime and ensuring that investigators have the tools needed to do their jobs. Although comprising only a small percentage of the more than 113,019 licensees, those who willfully disregard the laws and regulations represent a significant threat to public safety. To ensure all FFLs operate in accordance with the law, ATF is focused on improving its compliance procedures, which are essential to ensure that (a) prohibited individuals do not obtain firearms licenses, and (b) firearms are not illegally diverted from legal to illegal markets. ATF will measure reductions in instances of violations among FFLs to ensure that its regulatory efforts (i.e., inspection and education) are having the desired impact. Where problems are discovered, appropriate actions will be taken.

b. Strategies to Accomplish Outcomes

Violent firearms crime and firearms trafficking continue to plague the Nation and our international neighbors. As the agency responsible for enforcing Federal firearms laws, ATF leads the fight to reduce violent firearms crime domestically. To achieve the performance goals outlined for FYs 2009 and 2010, as well as the long-term goals into FY 2015, ATF will depend on a strategy balanced between incremental increases in personnel and the maximization of resources through the leveraging of partnerships, technology, and expertise. ATF will continue to strive to meet the demands and requirements placed by the Administration and the Department in connection with various domestic and international initiatives under national counterterrorism strategies and other U.S. government policy measures. ATF will need to create innovative solutions and use technology in its strategies to accomplish the Bureau's ambitious goals and meet national and Department priorities.

In order to address the increasing crime rate on the national level, ATF must build upon its investigative expertise and past successes. Through the IVRS, ATF addresses domestic firearms violence nationwide. ATF works closely with other Federal, State, and local agencies to prevent armed offenders from victimizing the American public, to end illegal gun sales, apprehend illegal possessors, and ensure industry adherence to applicable laws and regulations.

To maintain the integrity of the licensee population and ensure they are operating within law and regulation, ATF is working to update procedures, including those involving the selection of licensees for inspection, as well as license revocation for those who violate the law.

As mentioned earlier, ATF's strategic success in reducing violent firearms crime depends upon the effective use of technology. ATF continues to improve its data quality and data capabilities so that timely and integrated information is available for all ATF employees to do their jobs, and to share this information when appropriate and when authorized by law with their Federal partners, industry members, stakeholders, and the general public. ATF plans to integrate all of its firearms enforcement and licensing systems and explosives systems so that information can be cross-referenced and can be accessed expeditiously, using a National Information Exchange Model (NIEM)-compliant data architecture and the ATF Knowledge Online portal as a front end. ATF's NTC is working with firearms manufacturers and wholesalers through electronic linkups to decrease completion time and reduce costs associated with traces. Through NIBIN, ATF also provides automated ballistic comparison capabilities to hundreds of agencies nationwide.

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

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

Sharing technology and information is an important element in the success of law enforcement operations. The Gang Targeting, Enforcement, and Coordination Center (GangTECC) is one example of this type of coordinated effort. This task force develops law enforcement strategies and facilitates operations across agency lines aimed at dismantling national and transnational violent gangs. GangTECC coordinates overlapping investigations conducted by different agencies, encourages the sharing of tactical and strategic intelligence between law enforcement agencies, and serves as a coordinating center for multi-jurisdictional gang investigations involving Federal law enforcement agencies. Additionally, ATF is implementing computer applications that will allow field employees greater access to needed data, provide an electronic interface with the FBI for submission of fingerprints and retrieval of results, and facilitate the sharing of domestic intelligence information with the Department of Homeland Security.

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

c. Results of Program Assessment

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

- ATF will develop an evaluation strategy that subjects the program to external, rigorous, and thorough, regularly scheduled independent evaluations.
- ATF will continue to work with the Department and OMB on legislative proposals regarding graduated sanctions for FFLs when they are found to be non-compliant. Graduated sanctions for FFL non-compliance are included in the proposed "Violent Crime and Anti-Terrorism Act of 2007."
- ATF will ensure that all financial management related material weaknesses identified are corrected in an expeditious and comprehensive manner.
- ATF will develop ambitious and/or challenging targets for the annual performance measures associated with its firearms program.

Subsequent to this evaluation, ATF was again audited in FY 2008 under the Chief Financial Officer's Act. The auditors removed the prior cited financial management material weakness after that audit. ATF's firearms programs continue to receive positive overall assessments for purpose, resource utilization, strategic planning, program management, and program results.

Program Increases

Item Name: **Project Gunrunner — Southwest Border Enforcement**

Budget Decision Unit(s): Firearms

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

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

Organizational Program: Firearms

Component Ranking of Item: Item 1 of 2

Program Increase: Positions: 92 Agt: 34 FTE: 46 Dollars: \$17,989,000

Description of Item

ATF requests 92 positions (26 domestic and eight foreign agents, 45 IOIs, three Investigative Analysts (IAs), eight IRSs, and two firearms enforcement officers), 46 FTE, and \$17,989,000 to address U.S.-based firearms trafficking fueling the violence along the Southwest Border. This includes the following emphasis:

- 41 IOIs and \$3,897,000 to be added to understaffed offices in the Dallas, Houston, Phoenix, and Los Angeles Field Divisions.
- 25 agents, four IOIs, two IAs, four IRSs and \$7,668,000 to establish Project Gunrunner Teams in El Paso, TX, and Tucson, AZ. The new field offices will allow ATF to more effectively address firearms trafficking and gang-related firearms violence that continues along the Southwest Border.
- Eight agents and \$ 4,988,000 to assign two agents to each of the existing DEA offices in Guadalajara, Monterrey, Hermosillo, and Mazatlan, Mexico to work locally with and provide direct support to Mexican law enforcement officials on firearm-trafficking-related issues.
- \$616,000 to purchase armored vehicles and tracking devices to ensure the safety of ATF personnel
- Four IRSs, one IA, one special agent/intelligence officer, and \$647,000 to be added to the ATF Southwest Border Unit, located at the El Paso Intelligence Center, to focus on the intelligence and analytical collection management efforts.
- Two Firearms Enforcement Officers and \$173,000 to assist in the identification and classification of recovered firearms.

Justification

The Southwest Border initiative brings together the resources of DOJ's various law enforcement components to reduce cross border drug and weapons trafficking and the extremely high level of violence associated with these activities. It is a concerted strategy to meet the threats that affect the U.S. — Mexico border, and is consistent with the U.S. Department of State's proposal to address U.S.-based firearms trafficking related to the illicit international drug market. ATF's primary role in this strategy is to stem the illegal trafficking in weapons across the border and to reduce the firearms driven violence occurring on both sides of the border.

ATF approaches firearms violence from two distinct fronts: industry regulation and criminal investigation. ATF regulates the manufacture, importation, and sale of firearms in the U.S. ATF qualifies persons who wish to engage in these businesses, licenses them, proscribes the manner in which they must operate, and defines the records they must keep for the acquisition and sale of each firearm. Through this regulatory framework, ATF establishes the "paper trail" that allows us to track each firearm from its point of manufacture or importation through the point of first retail sale, a process known as "tracing." By tracing every recovered firearm, ATF is able to discern patterns of names, locations, and weapon types that provide invaluable leads that aid in the identification of persons engaged in the diversion of firearms into illegal commerce. ATF has sole regulatory authority over FFLs, and manages the NTC, which is able to trace firearms from their manufacture to the point of first retail sale.

Southwest Border IOI Understaffing

ATF has four field divisions that operate along the Southwest Border in support of this strategy: Dallas, Houston, Phoenix, and Los Angeles. Besides being contiguous to the Southwest Border, the areas of responsibility covered by these divisions are the source areas for a vast majority of the firearms that are recovered along the Southwest Border. Funding for the requested 41 positions would allow ATF to more fully staff its Southwest Border offices and focus more readily on firearms trafficking and the associated violent crime that occurs along the Southwest Border.

ATF's IOIs carry out its industry regulation functions. By ensuring that those engaged in the business of manufacturing, importing and selling firearms are in compliance with law and regulation, the IOIs are the first line of defense in preventing the movement of firearms to persons who are prohibited from possessing them. Through their inspection processes, IOIs routinely examine the licensee's books and records for illegal transactions or a series of transactions, which would suggest the possible diversion of firearms. By ensuring the availability and accuracy of licensee records, the IOIs establish the critical foundation for many firearms trafficking criminal cases.

There are over 6,600 FFLs along the Southwest Border, and ATF does not have sufficient IOIs to properly inspect the FFLs on a regular basis. With the addition of 41 IOIs to the four affected field divisions, ATF will be able to inspect nearly all retail dealers and pawnbrokers in the source areas of Texas and Arizona once every two years instead of once every four years. With only a slight staffing addition, the Los Angeles Division will be staffed to a level that permits inspections once every two years. More frequent inspection of licensees will yield critical early leads for our criminal investigators. The requested resources will strengthen industry oversight

in the region and provide greater focus to identify purchasers, traffickers, and non-compliant licensees that may be sources of trafficked firearms.

ATF will dedicate resources to operate offices in each of the following field divisions:

Field Division	IOI
Dallas	12
Houston	14
Los Angeles	3
Phoenix	12
Sub-total	41

Project Gunrunner Teams

ATF agents carry out criminal investigation functions focusing on those cases that will have significant impact on violent crime. From October 1, 2003 to January 1, 2009 (FY 2004 to FY 2009 year-to-date) ATF has referred 754 cases and 1,580 defendants pertinent to the Southwest Border for prosecution. To date, 293 of those cases have resulted in the conviction of 690 defendants. Through hiring and reassigning senior agents during FY 2008, ATF has redirected 52 agents from existing resources to increase the number of agents dedicated to the Southwest Border to 145 agents.

On the Southwest Border, ATF’s focus is firearms trafficking. From October 1, 2003 to January 1, 2009 (FY 2004 to FY 2009 year-to-date), ATF has referred 374 firearms trafficking cases involving 12,692 firearms, believed to have been trafficked to the Southwest Border, for prosecution.

The investigation of firearms traffickers is a function exclusive to ATF. By its nature, firearms trafficking is an issue that only ATF can consistently and adequately address. Many have the false impression that State and local law enforcement has the authority to impact illegal firearms trafficking through investigation. However, due to the multi-jurisdictional nature of the federally regulated firearms industry, State or local laws to prevent illegal firearms trafficking do not exist in most states. In the few states that have trafficking laws, the laws are ineffective unless they catch the interstate trafficker in the act within their State. The important role of State and local law enforcement is to trace all their recovered crime guns and collaborate with ATF. Even intrastate firearms trafficking cases often exceed the jurisdiction of a city or county law enforcement agency and require ATF’s involvement to both identify and dismantle the illegal firearms source.

Domestically, ATF can address this type of situation at both the “source” and “market” ends of the trafficking problem. Without ATF, crime guns do not get traced, trace data does not get analyzed, illegal firearms traffickers do not get investigated and apprehended, and armed crime does not get reduced. No other law enforcement agency has the unique statutory ability, unique industry and crime gun information, and expertise to address firearms trafficking. In the case of the Southwest Border, ATF’s primary focus is on investigating the sources of firearms identified

from trace data supplied by its Mexican counterparts that is derived from firearms recovered in the Mexican “market” areas.

Presently, ATF is directing most of its investigative efforts at the armed violent criminal organizations operating on the U.S. side of the border. ATF has been very successful in obtaining lengthy mandatory sentences for violent criminals who are in possession of firearms.

In 2008, ATF arrested 385 defendants involved in crimes affecting the Southwest Border. Of those defendants, 215, or fifty-six percent were involved in gang related criminal acts that caused their arrests. Between FY 2004 and the first quarter of FY 2009, one hundred cases focused on gang related firearms trafficking and involved an estimated 2,831 weapons. As a result, ATF is seeking the necessary resources to pursue firearms trafficking investigations.

ATF requests 25 agents, four IOIs, two IAs and four IRSs to expand firearms trafficking investigations in support of the Southwest Border initiative. These additional resources will support Project Gunrunner by establishing teams in El Paso, TX, and Tucson, AZ. Project Gunrunner is the name given to the ATF strategy devised to interdict weapons trafficked from the U.S. into Mexico and is a crucial part of the overall Department of Justice and U.S. government strategy to reduce the armed violence occurring in both Mexico and the U.S. The focus of Project Gunrunner is to disrupt and dismantle the individuals and organizations responsible for the movement of the high quality firearms to the violent criminal organizations operating on both sides of the border.

Analysis of firearm trace data has shown that there are multiple routes being used to traffic firearms that are eventually recovered in Mexico.

The data mining of firearms trace data has determined that the seven areas noted above have gained the most notoriety as sources of firearms recovered in Mexico and will be the initial focus of Project Gunrunner. To successfully disrupt and dismantle the firearms trafficking infrastructures supplying firearms to Mexico’s criminal organizations, ATF will deploy seven Project Gunrunner Teams. These teams will be comprised of 11 agents, one supervisor, two IOIs, 1 IA, and one IRS and will focus solely on firearms trafficking.

ATF has already supplemented existing staffing by assigning an additional 52 agents and 15 IOIs to the Southwest Border in FY 2008. The two new Project Gunrunner Teams will help ATF expand its efforts and produce results for the Southwest Border initiative. These teams will allow ATF to further focus their efforts to preventing and disrupting violence perpetrated by militias and cartels that traffic in firearms, ammunition, and narcotics between the U.S. and Mexico.

Even with the limited number of ATF agents currently assigned to duties along the Southwest Border, ATF has proven it has the experience, but most importantly the expertise to investigate the types of violations that are threatening citizens on both sides of the border.

An example of this expertise occurred on April 26, 2008, when two feuding drug lords with ties to the Arellano Felix Drug Trafficking Organization, based in Baja California, Mexico engaged in a gun battle in a neighborhood located in the city of Tijuana. The battle is purported to have lasted nearly 2-1/2 hours and involved over 35 members of the warring drug organizations. More than 1,500 shell casings were recovered at the scene. The violence continued as federal

police responded and were drawn into the confrontation. In the end, 16 people died including several Mexican federal police officers. Sixty crime firearms were seized and taken into Mexican custody. ATF agents quickly traveled to Tijuana to assist with the identification of the firearms and expedite the gun tracing. ATF identified that many of the rifles had been illegally converted into machine guns, some of the firearms had their serial numbers illegally removed, and others had not originated from the U.S. Thirty-eight of the confiscated firearms improperly identified by Mexican authorities were re-identified by ATF agents allowing them to be traced. Within days, ATF traced many of the firearms to nine different source cities in the U.S. As a result, several ATF investigations are now being conducted that involve organized firearm trafficking and purchasing schemes.

In a separate case, ATF's Violent Crime Analysis Branch recently identified a man living in a U.S. city located along the U.S. — Mexico border as the purchaser of three crime guns recovered and traced from Mexico. The firearms were involved in three separate crime scene recoveries. ATF opened an investigation and quickly uncovered that the man was also responsible for a fourth firearm also recovered and traced in Mexico. ATF trace data identified the federally licensed firearm dealer (FFL) who had sold these firearms. On further investigation, ATF uncovered evidence that the suspect had purchased 111 AR-15 type rifle/pistol receivers and seven additional firearms within a short time span utilizing nine separate FFL wholesale distributors as sources for his guns.

In April 2008, ATF seized 80 firearms from the suspect and learned that he was manufacturing firearms from parts and selling them from his home to several buyers. The man sold over 100 firearms to one suspect alone who is alleged to be linked to a drug cartel. Investigative leads are being pursued in Mexico with charges pending by ATF.

International Support and Cooperation

Mexican President Calderon and Attorney General Medina-Mora have called the trafficking of U.S. sourced firearms the number one crime problem affecting the security of Mexico. ATF continues to see an increase in firearms recovered in Mexico that originated in the U.S. As the major source nation for these recovered guns, the U.S. is very concerned about by the explosion of firearms related violent crime in Mexico. International cooperation continues to be crucial in effectively preventing and disrupting criminal use of firearms and gang activity. ATF proposes to post eight additional personnel in Mexico — two each for the existing U.S. Consulate offices in Guadalajara, Monterrey, Hermosillo, and Mazatlan in Mexico to work with and provide direct support to Mexican law enforcement personnel on firearms-trafficking-related issues as described in the case examples above.

To maximize safe investigative operations in Mexico, funding is requested to provide appropriate investigative and safety-related equipment to ATF personnel assigned to the consulate offices in Mexico, including armored vehicles and personnel Emergency Alert and Tracker Safety devices. Funds will also be utilized to build out or reconstruct Consulate Office space, and supplement applicable ICASS, and CSCS Costs.

Southwest Border Agent Safety

An integral part of the investigative efforts is regular travel into Mexico to assist in the identification of recovered firearms, assist at crime scenes, and coordinate investigative efforts with its counterparts as noted above. Currently, ATF must rely on obtaining assistance from other Federal agencies to drive ATF personnel into Mexico in their armored vehicles in order to ensure the safety of its personnel. Given the level of violence in the region, in order to provide for the safe transit of ATF personnel into and out of Mexico, ATF requests \$592,000 for the purchase of four armored vehicles and \$24,000 for 12 GPS-enabled personal tracking devices.

El Paso Intelligence Center (EPIC)

In addition to the Project Gunrunner Teams, ATF will augment its staffing (agents and intelligence analysts) at the ATF Southwest Border Unit, at the El Paso Intelligence Center (EPIC). ATF requests one special agent, four IRSs, and one IA to support the Southwest Border initiative. The ATF Southwest Border Unit, which includes the EPIC Gun Desk, serves as the focal point for the collection, analysis, and dissemination of investigative leads derived from Federal, State, local, and international law enforcement agencies. Working with its domestic and international law enforcement partners, ATF will deny the “tools of the trade” of the criminal organizations operating in Mexico through proactive investigation of firearms trafficking and violent crime. This enforcement effort extends beyond the affected border states on the domestic front and will support investigative and enforcement efforts in Mexico through assistance and cooperative interaction with the Mexican authorities.

ATF’s unique attributes allow the Bureau to address this problem where other Federal, State, and local law enforcement agencies lack the expertise, resources, and jurisdiction to curb firearms trafficking. ATF and other DOJ components (DEA, USMS, and FBI), as well as DHS, are anchored along the Southwest Border. Each agency is responsible for the implementation of investigative strategies and development of intelligence related to their specific areas of expertise. Any information they develop as to weapons trafficking into Mexico is routed to ATF’s Southwest Border Unit at EPIC, which is a central repository for weapons-related intelligence.

The Southwest Border Unit, in coordination with participating law enforcement entities at EPIC, exploits all illicit weapons trafficking intelligence, violence related data and drug trafficking intelligence collected from Federal, State, local and international law enforcement agencies. Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE) share weapons seizure data with the EPIC ATF Southwest Border Unit, which is appropriately de-conflicted and coordinated with participating agencies. The information vetted through EPIC will serve as the primary source of actionable intelligence to the Gunrunner Teams.

Southwest Border Firearms Recoveries

ATF requests two Firearms Enforcement Officers (FEOs) and \$173,000 to support Southwest Border firearm recoveries. One of the principal challenges faced on the Southwest Border is proper identification of recovered firearms and the identification of modifications that may change their legal classification. ATF’s FEOs assigned to the Firearms Technology Branch (FTB) serve as ATF’s authority in the field of firearms identification and classification under

Federal law. FEOs support the Southwest Border Initiative by providing rapid response to the field to assist with the identification of firearms recovered at arrest and search warrant locations or in the custody of its international partners. The FEOs also provide technical training to support on-going criminal investigations for Federal, State, and local law enforcement agencies, expert testimony for criminal prosecutions involving violations of the Gun Control Act, National Firearms Act, and the Arms Export Control Act, and international training by traveling overseas to assist in the area of firearms identification. The FEOs also provide current firing and non-firing prop firearms for use in all types of undercover and enforcement operations.

Impact on Performance (Relationship of Increase to Strategic Goals)

The expected strategic outcome is multifold. By curtailing the availability of firearms to the Mexican drug cartels, ATF will diminish their ability to export drugs to the U.S. In addition, by removing the guns from the cartels' lethal resources, ATF will directly affect their ability to operate and concurrently suppress the firearms — related violence that occurs on both sides of the Southwest Border. This will be accomplished through effective law enforcement collaboration, focused training, and interdiction of illicit trafficking and illegal use of firearms and ammunition.

ATF must continually collaborate with its domestic and international law enforcement partners to deny “tools of the trade” to the criminal organizations that operate along the U.S. — Mexico border. ATF continually assists and interacts with the Mexican authorities in their fight against violent crime. This is accomplished through proactive enforcement in the Southwest Border states previously noted.

Firearms tracing allows law enforcement agencies to identify trafficking trends of criminal organizations that funnel guns into Mexico from the U.S. Using the trace data developed from U.S.-based and Mexican-based law enforcement personnel, ATF is positioned to develop leads to put firearms traffickers and straw purchasers, people who knowingly purchase guns for prohibited persons, behind bars before they cross the border.

Funding

Base Funding

FY 2008 Enacted (w/resc/supps)				FY 2009 Enacted				FY 2010 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
215	155	215	33,689	255	177	235	39,637	255	177	255	43,026

Personnel Increase Cost Summary

Type of Position	Modular Cost Per Position (\$000)	Number of Positions Requested	FY 2010 Request (\$000)	FY 2011 Net Annualization (change from 2010) (\$000)
Domestic				
Agents	214.8	26	5,586	994
IOIs	95.1	45	4,277	3,497
Other	86.5	13	1,124	961
Domestic Sub-Total		84	10,987	5,452
International				
Agents	623.5	8	4,988	900
International Sub-Total		8	4,988	900
Total Personnel		92	15,975	6,352

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2010 Request (\$000)	FY 2011 Net Annualization (Change from 2010) (\$000)
Domestic				
Rent for Field Office	153.9	2	308	(308)
PCS Moves	135	6	810	(810)

Operational Support			280	
Armored Vehicles	148	4	592	(592)
GPS Tracking Devices	2	12	24	(24)
Total Non-Personnel			2,014	(1,734)

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	255	177	255	39,176	3,851	43,027
Increases	92	34	46	15,975	2,014	17,989
Grand Total	347	211	301	55,151	5,865	61,016

B. Arson and Explosives

Arson and Explosives TOTAL	Perm Pos.	FTE	Amount (\$000)
2008 Enacted w/Rescissions	1,317	1,316	255,865
2008 Supplementals	0	0	3,000
2008 Enacted w/Rescissions and Supplementals	1,317	1,316	258,865
2009 Enacted	1,321	1,320	274,096
Adjustments to Base and Technical Adjustments	0	1	(3,255)
2010 Current Services	1,321	1,321	270,841
2010 Program Increases	0	0	19,000
2010 Request	1,321	1,321	289,841
Total Change 2009-2010	0	1	15,745

1. Program Description

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

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

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

ATF has primary responsibility for the investigation of criminal bombings utilizing Improvised Explosive Devices (IEDs). ATF has the training, experience, and ability to detect, prevent, protect against, and respond to explosives incidents involving IEDs.

98.5 percent of all bombings in the U.S. fall under the jurisdiction of ATF. ATF also responds to and helps investigate the remaining explosives incidents that are classified as “terrorist bombings.” These include incidents classified as domestic terrorism, such as acts by animal- or environmental-rights extremists. Since 1978, ATF has investigated more than 25,000 bombings and attempted bombings, more than 1,000 accidental explosions and more than 21,000 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of IEDs.

ATF’s explosives and arson jurisdiction is based on Title XI of the Organized Crime Control Act of 1970 and its amendments including the Safe Explosives Act. The original legislation was modeled after the GCA and, like the GCA the explosives law prohibits persons with certain disabilities, such as felons, from receiving or possessing explosives. The law establishes a system of controls over commerce in explosives by making it a crime to engage in the business of manufacturing, importing, and dealing explosives without a license and requires all licensees to maintain certain records. The law requires that any person who receives explosives for personal use, whether interstate or intrastate, obtain a permit from ATF, and requires that explosives be stored in compliance with regulations.

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

There is a strong link between explosives and terrorism. As our understanding of terrorist tactics grows, so does the range of tools and techniques employed by the terrorists. Therefore, it is critically important that we have effective intelligence and robust information sharing practices, and that we use innovative research, training, and investigative tactics to meet this evolving threat.

Participation in Joint Terrorism Task Forces (JTTFs)

ATF fully supports Government anti-terrorism efforts and in particular, the FBI-led JTTFs. Currently, ATF has 60 agents assigned fulltime to the 103 JTTFs throughout the country. In addition, we have one agent assigned to the National JTTF at the National Counter-terrorism Center. Because of this participation, ATF has played an important part in a number of terrorism cases that involved firearms smuggling, bombings, illegal explosive possession, and tobacco diversions.

Combined Explosives Exploitation Cells (CEXC)

Since March 2005, ATF has deployed personnel to Iraq to support CEXC activity. CEXC is a DOD program that provides immediate, in-theater technical and operational analysis of IEDs

used by insurgents. ATF explosives experts provide onsite investigative assistance to process post-blast incidents directed at U.S. and allied forces.

Terrorist Explosive Device Analytical Center (TEDAC)

An ATF special agent serves as the deputy director of the TEDAC. TEDAC coordinates and manages the technical and forensic analysis of evidence recovered from IEDs of interest to the U.S. Government (principally derived from CEXC activities in the Iraq and Afghanistan conflicts). The TEDAC combines the assets of law enforcement, military, and intelligence assets to classify the operation, componentry, and deployment of IEDs. These efforts help prevent IED detonations, protect our armed forces, and identify those who manufacture and place these devices so they may be brought to justice. ATF is a significant TEDAC partner and has committed 26 full-time employees and 9 contract technical examiners.

Arson Task Forces

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

Fires and Bombings at Houses of Worship

In 1996, the National Church Arson Task Force (NCATF) was created to coordinate Federal, State, and local law enforcement efforts to combat arson at houses of worship. As part of NCATF, ATF employs all of its authorities and assets to combat the problem of church arsons, including its National Response Teams, laboratories, U.S. Bomb Data Center, and computer systems. NCATF's arrest rate is more than twice the national average for arson cases. ATF continues to place a priority on investigating bombings and arsons at houses of worship.

National and International Response Teams

As an integral part of ATF's overall violent crime reduction strategy, ATF's Explosives Program provides vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. ATF's National Response Team (NRT) consists of highly trained agents, forensic chemists, engineers, EEOs, electrical engineers, fire protection engineers, canine handlers, and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT assists State and local officers in fire and explosives incidents by providing examinations of the scene, interviews, assistance with the resulting investigations, and expert court testimony. Since 1978, the NRT has responded to more than 600 significant incidents throughout the U.S., including the Oklahoma City Bombing; the 1993 World Trade Center bombing; the September 11, 2001 World Trade Center attacks. In FY 2008, the NRT responded to 19 incidents that caused \$410 million in property damage. ATF also provides NRT support to security preparedness efforts at the Olympics, The National Governor's Conference, the Super Bowl, and other National Special Security Events. ATF's

International Response Team, through an agreement with the Department of State, deploys in support of Diplomatic Security Service and foreign government requests to investigate explosive and arson incidents.

Explosives Industry Regulation

ATF is the only Federal law enforcement agency that regulates the explosives industry. ATF's criminal and regulatory programs are a key means by which the U.S. Government enforces Federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings. Federal law requires that any manufacturer, importer, or dealer of explosives must have a Federal explosives license, and anyone who acquires for use or transports explosives must hold a Federal explosives permit or license. The FELC screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives. ATF established standards for the storage of explosives materials and related record keeping requirements to ensure explosives accountability and traceability to which licensees and permittees must adhere. ATF's IOIs conduct compliance inspections of the nearly 12,000 explosives licensees and permittees nationwide to prevent diversion and promote the safe and secure storage of explosives. IOIs also detect and assist in the investigations of the theft, loss, and diversion of explosives.

At The Frontline

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

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

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

U.S. Bomb Data Center (USBDC)

The USBDC is the sole repository for arson and explosives related incident data, having been established by statute and by authority of the Attorney General. Its purpose is to collect data and to provide investigators with analytical products to assist in the investigation of the criminal misuse of explosives and acts of arson.

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

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

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

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

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and in foreign countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and foreign countries

cooperate in the tracing endeavor by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only Federal agency authorized access to these records.

The USBDC has the responsibility for tracing and maintaining the official records for the theft and recovery of foreign and domestic commercial explosives, military explosives and ordnance and other munitions. The USBDC maintains a unique set of data associated with the tracing of explosives products from the manufacture to the end user in support of criminal investigations. Building strong partnerships with the DOD and the commercial explosives industry has allowed the USBDC to trace stolen and recovered explosives to their origin, including movement in interstate and international commerce.

ATF National Center for Explosives Training and Research (NCETR)

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

Congress appropriated funds to construct a permanent facility for NCETR at Redstone Arsenal in Huntsville, Alabama. This facility, under construction and scheduled for completion in 2010, will consist of three explosives ranges, eight classrooms, laboratories, a conference facility and office space for ATF personnel and for partners from the Federal, State, local, and international law enforcement and explosives communities. The first of the explosives ranges were available for training/research activity in August 2008. The planned facility will provide explosives training for ATF personnel and for law enforcement and other first responders from the full explosives community. It will promote and conduct research to improve the ability of ATF and its partners to investigate bombings, prevent diversion of explosives from legal commerce to the black market, and ensure the safe, secure storage of explosives.

NCETR will be a center for the management and execution of ATF's explosives related training, research, and information sharing programs and initiatives. The concept fits squarely within ATF's explosives mission and supports the mission and strategic goals of DOJ and ATF. The NCETR facility will be a world-class explosives training facility for all levels of government and ATF fully expect that the interagency explosives community will derive significant benefits from the facility. Upon completion, the NCETR facility will provide the highest-quality training experience and scientific research for those on the front lines of efforts to prevent and investigate bombings.

The demand for training and other support from ATF explosives experts, both for ATF personnel and personnel from other Federal, State, and local agencies, continues to increase. Demand for explosives investigation training is significant and continues to grow. One of the premier NCETR programs, the Advanced Explosives Destruction Techniques (AEDT) course currently has a backlog of over 900 State and local law enforcement personnel seeking this training. ATF has historically sought to meet this demand by using multiple training sites, often borrowed,

throughout the country. This approach is simply insufficient to deliver all the training and explosives support needed.

The explosives training conducted at the NCETR reflects ATF's expertise regarding explosives-related investigations. Courses related to post-blast investigations, homemade explosives, and explosives disposal ensure that ATF agents and Certified Explosives Specialists (CES) maintain a cutting-edge acumen and capability in support of ATF's mission.

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

Arson and Explosives Detection Canine Training

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

ATF's canine training incorporates the research and development of the National Laboratory and the technical expertise of ATF explosives experts into a training regimen that produces an extremely reliable, mobile, accurate, and durable explosives detection tool, capable of assisting law enforcement with the escalating explosives threat faced by communities worldwide. Congress has recognized the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection.

There are 32 ATF-trained explosives detection canine teams with ATF special agent canine handlers. In addition, there are currently 112 ATF-trained explosives detection canine teams deployed throughout the U.S. with other Federal, State and local agencies, as well as in 21 foreign countries. In addition, there are 71 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada. Since 1991, ATF has trained 595 explosives detection canines and 127 accelerant detection canines.

ATF is also at the forefront of combating terrorism through such innovative programs as training other Federal, State, local and international law enforcement explosives detection canines in peroxide explosives, utilizing its years of experience training its own ATF-certified explosives detection canine teams on the substances.

Arson and Explosives Enforcement Programs

ATF specialists are trained in investigating post-blast scenes in response to criminal and terrorist explosives incidents. These agents investigate bombings, explosions, and potential acts of arson motivated by profit, ideology or other criminal intent. The agents train Federal, State, local, and

international law enforcement agencies on how to investigate and solve such crimes. ATF is recognized for its expertise in fire and explosives investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial analyses to identify illegal arson for profit schemes. ATF also investigates incidents of explosives stolen from licensees, a particular concern considering the threats of terrorism against U.S. citizens.

Certified Fire Investigators (CFI)

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

Certified Explosives Specialists (CES)

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

Explosives Enforcement Officers (EEO)

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

ATF Laboratories

ATF's Laboratory Services Division provides analytical examination of evidence and advisory services on matters of a scientific nature. Our examiners support the National Response Teams, provide numerous training exercises in all mission related functions, and provide expert witness testimony. Laboratory Services averages over 1,000 days out of the laboratory providing this service. Laboratory Services is made up of four organizational groups: the Forensic Science Laboratory (FSL) in Atlanta, San Francisco, and Washington metropolitan area, and the Fire Research Laboratory (FRL). The National Laboratory Center houses the FSL in Washington metropolitan area and the FRL and serves as the administrative center for Laboratory Services. Laboratory staff is composed of more than 100 personnel, including biologists, chemists, scientists, engineers, fingerprint specialists, firearm and tool mark examiners, document examiners and administrative support personnel. ATF Laboratory personnel hold leadership positions in numerous professional scientific organizations and are considered among the most highly qualified specialists in their individual fields.

All of the ATF Laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB). ASCLD-LAB is a voluntary program in which crime laboratories may participate to demonstrate that their management, operations, personnel, procedures, equipment, physical plant, security, and safety meet the industry standards. ASCLD-LAB accreditation must be renewed every five years. ATF was the first Federal agency to be accredited by ASCLD-LAB, beginning in 1984. The ATF Laboratories recently added two new forensic disciplines in support of ATF investigations—DNA and tobacco analysis. DNA analysis has added significant capability for linking a suspect to a crime. Tobacco analysis was developed to support all the Bureau needs for analysis of counterfeit and contraband tobacco products and tax stamps.

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

Forensic Auditing

ATF develops and provides financial investigative, forensic accounting, and financial expert witness capabilities in support of criminal and regulatory investigations such as arson-for-profit, the use of explosives and bombings in the furtherance of financial frauds, threats to public safety, and alcohol and tobacco diversion investigations. Forensic auditors provide pretrial depositions and expert witness testimony for Federal, State, local governments and insurance companies.

ATF's forensic auditors provide comprehensive accounting, fraud detection, and financial investigative services for a diverse range of ATF programs. ATF forensic auditors hold advanced licenses and certifications in accounting, auditing and fraud detection. While forensic auditors support counter-terrorism, alcohol and tobacco diversion, firearms and narcotics trafficking cases, gang and other organized crime enterprises, the largest caseload support is

arson-for-profit cases. Regardless of the type of case, at the conclusion of the financial investigation, the forensic auditor provides a written report and, if needed, expert testimony. ATF's auditors are certified by the National Association of States Board of Accountancy.

Outreach Activities

ATF works with a variety of customers in providing services such as the NRT investigators, guidance, and advice to arson programs customers and explosives industry members. A 2005 survey found that customers of ATF's arson and explosives programs and services are generally highly satisfied with ATF and want more of what they are receiving: training, programs, agents, and other ATF expertise.

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

ATF also continues to work with the Institute of Makers of Explosives (IME) and the International Society of Explosives Engineers (ISEE) and took steps to eliminate explosives losses by examining issues pertaining to the inventory, security, and control of bulk products, including ammonium nitrate. This ongoing project will expand to include packaged products. These agencies/associations also worked together to complete an ATF publication titled "Safety and Security of Explosives Materials for Explosives Licensees and Permittees." ATF, IME, and ISEE work together to increase safety and security and examine new explosives identification and tracking technologies as they become available.

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

ATF communicates with the fire and explosives investigation community through arson and explosives advisory groups, the National Bomb Squad Commander Advisory Board (NABSCAB) and the International Bomb Data Center Working Group (IBDCWG Portal)⁴ meetings. Each week, the USBDC provides information on ATF's arson and explosives investigative activity. The advisory reports are distributed to other Federal, State, and local law enforcement agencies. The USBDC also publishes explosives theft advisory reports and periodic advisories highlighting specific or emerging threats to public safety or the bomb technician community.

⁴ The IBDCWG Portal is phase I of the larger ATF Knowledge Online (ATF KO) portal, which will be the unifying point of presence for several ATF information sources.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Arson & Explosives

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

WORKLOAD/ RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
Workload										
Number of explosives investigations initiated during fiscal year (QSR)	2,214		1,686		1,895		0%		1,895	
Number of arson investigations initiated during fiscal year	1,526		1,306		1,526		0%		1,526	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
	1,316	\$255,865	1,132	\$229,380	1,320	\$274,096	1	\$15,745	1,321	\$289,841

Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		924	\$202,467	811	\$175,837	946	\$216,444	0	\$16,429	946	\$232,873
OUTCOME Measure	Percentage of arson/explosives cases with defendants referred for prosecution. (QSR)	23%		32%		24%		1%		25%	
Performance Measure	NRT Satisfaction rating	90%		100%		90%		0%		Discontinued	
Program Activity	Regulatory compliance	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		392	\$53,398	321	\$53,543	374	\$57,652	1	(\$684)	375	\$56,968
Performance Measure	Resolution of unsafe explosives conditions by inspection	1,722		1,845		1,722		0		Discontinued	
Performance Measure	Number and percentage of explosives licensees/permittees inspected ⁵	2,640 / 22%		3,055/27%		2,640 / 22%		0		Discontinued	
OUTCOME Measure	Percentage of explosives licensees/permittees who improve compliance with Federal explosives regulations upon re-inspection (QSR)	Baseline		80%		80%		0		80%	

⁵ According to the SEA mandate to inspect explosives licensees and permittees at least once every 3 years, ATF had set a goal to inspect approximately one third of licensees/permittees each year.

		Final Target	Actual	Projected	Changes	Requested (Total)
Program Activity	Regulatory compliance	FY 2008	FY 2008	FY 2009 Enacted	Current Services Adjustments and FY 2010 Program Change	FY 2010 Request
OUTCOME Measure	Percentage of explosives licensees/permittees inspected in compliance with the Safe Explosives Act.	53%	55%	100%	(72%)	28%
EFFICIENCY MEASURE	Number of forensic arson and explosives cases completed per chemist FTE (QSR)	Baseline	60	60	0	60
OUTPUT Measure	Percent of forensic arson cases closed within 30 days	57%	52%	58%	2%	60%
OUTPUT Measure	Percent of forensic explosives cases closed within 30 days	36%	20%	37%	2%	39%
OUTCOME Measure	Percentage reduction in public safety violations (recall inspection)	75%	70%	75%	0	Discontinued

Performance Measure Table

Decision Unit: Arson & Explosives

		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Minimum satisfaction rating – National Response Team	N/A	N/A	100%	100%	100%	100%	90%	100%	90%	Discontinued
Performance Measure	Resolution of unsafe explosives conditions by inspection	N/A	N/A	1,235	1,821	1,655	1,836	1,722	1,845	1,722	Discontinued
Performance Measure	Number and percentage of explosives licensee/permittees inspected	N/A	N/A	22%	34%	6,392 / 55%	3,291 / 28%	2,640 / 22%	3,055 / 27%	2,640 / 22%	Discontinued
OUTCOME Measure	Percentage of arson/explosives cases with defendants referred for prosecution.	N/A	N/A	N/A	20%	21%	37%	23%	32%	24%	25%

		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
Performance Report and Performance Plan Targets		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Percentage of explosives licensees/permittees who improve compliance with Federal explosives regulations upon re-inspection	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	80%	80%	80%
OUTCOME Measure	Percentage of explosives licensees/permittees inspected in compliance with the Safe Explosives Act.	N/A	N/A	N/A	N/A	N/A	28%	53%	55%	100%	28%
EFFICIENCY Measure	Number of forensic arson and explosives cases completed per chemist FTE	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	60%	60%	60%
OUTPUT Measure	Percent of forensic arson cases closed within 30 days.	N/A	N/A	54%	45%	60%	56%	57%	52%	58%	60%
OUTPUT Measure	Percent of forensic explosives cases closed within 30 days	N/A	N/A	22%	35%	35%	32%	36%	20%	37%	39%
OUTCOME Measure	Percent reduction in public safety violations – recall inspections	N/A	N/A	N/A	N/A	N/A	75%	75%	70%	75%	Discontinued

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

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

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

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

b. Strategies to Accomplish Outcomes

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

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

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

Crosscutting Activities

ATF plays a major role in the prevention and investigation of violent crimes, including those involving explosives and fire. ATF participates in multi-agency efforts such as the JTTF, High

Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA) and the Organized Crime Drug Enforcement Task Force (OCDETF) and provides direct investigative expertise to State and local public safety agencies.

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

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

c. Results of Program Assessment

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

- ATF will work with the FBI to implement the provisions of the July 2008 Memorandum of Understanding between the two agencies.
- ATF will conduct independent program evaluations to determine whether the program is effective and achieving results.
- ATF will establish a performance measure based on in-depth evaluation of the application of select training it provides.
- Consolidate the Bomb Arson Tracking System and other internal arson and explosives information systems and will be completed by the end of the fiscal year.

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

Program Increases

Item Name: ATF National Center for Explosives Training and Research (NCETR)

Budget Decision Unit(s): Arson and Explosives

Strategic Goal(s) & Objective(s): The NCETR directly supports the Department of Justice's Strategic Goal 1: *Prevent Terrorism and Promote the Nation's Security*. NCETR will further advance Federal, State and local government agencies in a comprehensive effort to develop and maintain adequate domestic preparedness. Explosives and bombs are tools of preference for terrorist organizations. The NCETR supports DOJ's Strategic Goal II: *Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People*. Objective 2.2 of this goal": *reduce the threat, incidence, and prevalence of violent crime*" is directly supported by the NCETR concept.

Organizational Program: Arson & Explosives

Component Ranking of Item: Item 2 of 2

Program Increase: Positions 0 Agt 0 FTE 0 Dollars \$25,000,000

Description of Item

In FY 2010, ATF requests \$25,000,000 (\$19,000,000 for S&E and \$6,000,000 for Construction) for the NCETR. This includes the following components:

- \$6,000,000 in Construction funds to re-engineer two additional explosives ranges and construct range facilities.
- \$15,320,000 for facility infrastructure
- \$725,000 for 5 Permanent Change of Station Relocations (PCS) moves
- \$1,127,000 for expanded training delivery
- \$1,828,000 for Operations and Maintenance

In FY 2011, ATF will request approximately \$22,000,000 to complete the operational funding requirements for NCETR (Facility Infrastructure, PCS moves, Staffing, Training, Research & Development projects, and Operations and Maintenance).

Justification

In FY 2008, Congress approved a multi-year project to construct and operate the ATF NCETR facility located at the Redstone Arsenal in Huntsville, Alabama. In FY 2008, Congress provided \$23,500,000 for phase one of the project (basic building construction). In FY 2009, an additional \$5,000,000 was added from S&E appropriations for non-construction items related to the NCETR project. Groundbreaking for the construction project took place during the fourth quarter of FY 2008 with completion expected in June 2010.

From the inception of this project, ATF, the Department, and Congress agreed to facilitate the execution of this project by phasing development, funding, and implementation over multiple fiscal years. This funding request is for the second of three project phases, and includes partial staffing and equipment requirements for the facility. The requested funds are required to complete the construction of the explosives training and research ranges; provide the fixtures, equipment, and facility infrastructure needed to bring the building into operation; partially staff the facility; and provide for the partial year operation and maintenance of the facility.

Construction

Funding for the completion of the two additional explosives ranges, while anticipated at the inception of the project, was deferred in order to manage fiscal outlays. \$6,000,000 is required to complete the conversion of the Corkern and McKinley explosives ranges.

Facility Infrastructure

In FY 2009, Phase I of occupancy and operations at the NCETR facility has begun. Two ATF personnel will coordinate site development, facility design, environmental issues, information technology, and equipment needs of the NCETR facility. This request includes \$15,320,000 to provide the basic infrastructure, including security fencing, furniture, office equipment, audio-visual equipment, training equipment, classroom information technology assets, and laboratory equipment necessary to begin operations as depicted below. It also includes the interagency agreement charges from the U.S. Army during the construction phase of the project.

Non-Personnel Items	Unit	Quantity	FY 2010 Request (\$000)
Explosives Range Instrumentation	LT	1	4,000
Explosives Library Database			500
Furniture	LT	1	1,750
Audio Visual Equipment	LT	1	1,500
Classroom IT	EA	4	2,500
Lab Equipment	LT	1	1,700
Office Equipment	LT	1	750

Training Equipment	LT	1	1,050
Loading Dock Equipment	LT	1	125
U.S. Army Interagency Agreement (during construction phases)	EA	1	1,445
Total			15,320

Facility Staffing

In FY 2010 and FY 2011, ATF will initiate the relocation of 18 existing program positions (five positions in FY 2010 and 13 positions in FY 2011) to NCETR that will form the core of the NCETR staff. ATF requests \$725,000 in FY 2010 funding for five PCS moves for training officers.

Training

The NCETR facility will serve as a world-class explosives training facility for all levels of government. Upon completion of the staffing and relocation phase of the project in FY 2011, the facility will more than triple ATF's capacity to provide explosives training to ATF personnel and to Federal, State, local and international partner agencies, including the DOD. In so doing, ATF will be in a better position to meet the continually growing demand for its explosives expertise and the delivery of its cutting-edge explosives training programs. In FY 2010, with completion of the first explosives range and classrooms, full capacity will not be realized. Nonetheless, there will be an opportunity to increase modestly the number of training courses delivered. Accordingly, ATF requests an enhancement of \$1,127,000 to its existing budget to fund additional deliveries of several courses as shown below.

FY 2010 Planned Capability

Class	Current Deliveries	# of Students	Cost	Proposed Deliveries	# of Students	Cost	Increment
ATF Certified Explosives Specialist Basic Training	0	0	0	1	33	100	100
ATF Certified Explosives Specialist Recertification	4	120	752	6	180	1,128	376
Explosives Training for IOIs	2	60	240	4	120	481	241
Advanced	4	120	548	7	210	958	410

Explosives Destruction Techniques							
Total S&E Base Increase Requested	10	300	1,540	18	543	2,667	1,127

To fully utilize the training capacity that will be available through the NCETR beginning in FY 2011, phase three of this project, including completion of staffing and augmentation of ATF's annual training and operations budget will be required.

In addition to the basic and advanced courses for ATF employees, ATF will the opportunity to conduct a variety of explosives training courses for other Federal, State, local, and international organizations, and the U.S. military, including courses for the U.S. Army's Explosive Ordnance Disposal units deploying to Iraq and Afghanistan.

Training provided through the NCETR will teach the nation's first responders, bomb technicians and investigators to prevent, deter, and protect against bombings by providing the best training and operational support available to improve their skills. The NCETR training will also equip first responders, bomb technicians and investigators with the knowledge and skills necessary to complete thorough and effective post blast investigations.

ATF continues to receive requests for training from Federal, State, local, and international agencies on a regular basis. ATF plans to expand capabilities in explosives training through memoranda of understanding with other Federal and international law enforcement partners to address these needs. ATF fully anticipates the interagency explosives community will derive significant benefits from training at the NCETR facility.

Operations and Maintenance

The Redstone Arsenal Department of Public Works has estimated the fully serviced and supported annual operating costs for NCETR at \$3,103,000. This amount provides all support and utilities required to maintain and operate the facility. It includes, for example, police and fire and ambulance services, electricity, heat, water, telephone, building and grounds maintenance, etc. Partial year funding will be required in FY2010 as depicted below.

Operation and Maintenance Costs (\$000)		
U.S. Army, Redstone Arsenal Interagency Agreement for utilities, maintenance, and support.		\$1,056
<u>Other Services:</u>		
ADP Services	\$261	
Guard Services	\$156	
All Other	\$ 16	

Total Other Services		\$433
Supplies		\$339
Total O&M Costs		\$1,828,000

Impact on Performance (Relationship of Increase to Strategic Goals)

The NCETR directly supports the Department of Justice’s Strategic Goal 1: *Prevent Terrorism and Promote the Nation’s Security*. NCETR will further advance Federal, State and local government agencies in a comprehensive effort to develop and maintain adequate domestic preparedness. Explosives and bombs are tools of preference for terrorist organizations. The explosives training that will be provided to law-enforcement and military personnel through the NCETR—and the explosives-related research that the NCETR will facilitate--will play a critical role in enhancing government efforts to prevent and respond to acts of terrorism involving explosives. Importantly, NCETR will allow ATF to realize internal efficiencies through the co-location of operations. The co-location of NCETR with the FBI’s Hazardous Devices School will also greatly enhance DOJ’s efforts to create a coordinated explosives training environment and realize efficiencies in DOJ programs and activities. The ability of ATF and FBI personnel to better coordinate training activities and participate in training together will also be enhanced.

The NCETR will also afford first responder, bomb technicians and investigators the training necessary to complete thorough and effective post blast investigations. Developing this skill-set in the nation’s first responders will allow them to more readily defeat improvised explosive devices before they are used against the citizens of the U.S.

The NCETR also supports DOJ’s Strategic Goal II: *Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People*. Objective 2.2 of this goal”: *reduce the threat, incidence, and prevalence of violent crime*” is directly supported by the NCETR concept. Most bombings and explosives crimes committed in the U.S. are perpetrated by violent domestic criminals. As a world-class technical and training resource for all levels of government, the NCETR will prepare Federal, State, local law enforcement officers and bomb technicians to be better able to prevent the unlawful use of explosives through criminal investigations and through the effective regulation of the explosives industry.

Funding

Construction Only

FY 2008 Enacted (w/resc.sups)				FY 2009 Enacted				FY 2010 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
			23,500				5,000				

Fort AP Hill and NCETR Program Office Only

FY 2008 Enacted (w/resc.sups)				FY 2009 Enacted				FY 2010 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
14	8	14	3,340	14	8	14	3,407	14	8	14	3,473

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2010 Request (\$000)	FY 2011 Net Annualization (Change from 2010) (\$000)
Construction	6,000		6,000	(6,000)
Facility Infrastructure	15,320		15,320	(15,320)
Facility Staffing – PCS Moves	145	5	725	(725)
Training	1,127		1,127	
Operations and Maintenance	1,828		1,828	
Total Non-Personnel			25,000	(22,045)

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	14	8	14	2,040	1,433	3,473

Increases	0	0	0	0	25,000	25,000
Grand Total	14	8	14	2,040	26,433	28,473

C. Alcohol and Tobacco

Alcohol and Tobacco TOTAL	Perm Pos.	FTE	Amount
2008 Enacted w/Rescissions	93	90	19,682
2008 Supplementals	0	0	0
2008 Enacted w/Rescissions and Supplementals	93	90	19,682
2009 Enacted	93	90	21,084
Adjustments to Base and Technical Adjustments	0	0	1,211
2010 Current Services	93	90	22,295
2010 Program Increases	0	0	0
2010 Request	93	90	22,295
Total Change 2009-2010	0	0	1,211

1. Program Description

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

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

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

ATF's primary jurisdiction relating to tobacco is the Contraband Cigarette Trafficking Act (CCTA). The CCTA makes it unlawful for any person to ship, transport, receive, possess, sell, distribute, or purchase more than 10,000 cigarettes that bear no evidence of State tax payment for the State in which the cigarettes are found (if a State tax stamp is required).

ATF investigates the trafficking of contraband (non-tax paid) and counterfeit tobacco products that deprive State governments of billions of dollars in tax revenue annually and have been found to be a funding source for terrorism. Through the successful prosecution and plea agreements in these complex investigations, millions of dollars in defrauded State excise tax revenues are returned to the affected States.

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

ATF has conducted two contraband cigarette trafficking cases in which individuals were convicted of Material Support to a Terrorist Organization. The individuals in the two cases that were convicted of the “Material Support” charge were members of Hezbollah.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Alcohol and Tobacco

DOJ Strategic Goal/Objective: Goal 2, Objective 2.2

WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2008		FY 2008		FY 2009 Enacted		Current Services Adjustments and FY 2010 Program Change		FY 2010 Request	
Workload											
Number of Alcohol and Tobacco investigations initiated during fiscal year (QSR)		135		122		135		(15)		120	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		90	\$19,682	95	\$20,878	90	\$21,084	0	\$1,211	90	\$22,295
Program Activity	Criminal investigations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		90	\$19,682	95	\$20,878	90	\$21,084	0	\$1,211	90	\$22,295
EFFICIENCY MEASURE	Average dollar value of tobacco seizures (QSR)	\$30,000		\$699,277		\$30,000		\$20,000		\$50,000	
OUTCOME Measure	Number defendants convicted (Alcohol and Tobacco) ⁶	50		92		50		0		50	

⁶ Current ATF investigations have identified instances of terrorist groups forming alliances with tobacco traffickers to generate monies used to support their organizations and activities. Diversion activities are extremely complex investigations since they generate tremendous cash profits that are then laundered to disguise the origin of the money and to further other unlawful schemes. Based upon this knowledge, ATF has determined that the use of this as a measure of program effectiveness is not recommended. The identification of groups that traffic in tobacco is vastly different than the identification of other type of crime groups. (e.g., Mafia) based upon the nature of their criminal activities. ATF is looking at other means by which to measure effectiveness but is presently using workload data.

Performance Measure Table

Decision Unit: Alcohol and Tobacco

Performance Report and Performance Plan Targets		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008		FY 2009	FY 2010
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target
EFFICIENCY Measure	Average dollar value of tobacco seizures ⁷	N/A	N/A	N/A	\$6,353	\$82,752	\$86,652	\$30,000	\$699,277	\$30,000	\$50,000
OUTCOME Measure	Number of defendants convicted (Alcohol and Tobacco)	N/A	N/A	72	50	98	0	50	92	50	50

N/A = Data unavailable

⁷ Beginning in FY-08, average dollar value will be calculated by using the dollar value of total seizure divided by the number of cases in which a seizure is made.

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

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

b. Strategies to Accomplish Outcomes

ATF serves as the primary Federal law enforcement agency in the investigation of the diversion of alcohol and tobacco products. Armed with investigative, technical, and scientific expertise, ATF investigates and dismantles schemes involving tobacco products, and their diversion from low tax jurisdictions to high tax jurisdictions.

ATF will continue to partner with other Federal, State, local, tribal and international law enforcement agencies to combat the illegal diversion of alcohol and contraband cigarette trafficking. This objective will be accomplished by sharing intelligence and investigative information and by providing comprehensive training to ATF partners to increase their proficiency in identifying and investigating alcohol and tobacco criminal activity. ATF will train its enforcement partners to maximize the use of Federal forfeiture statutes to divest criminal groups of assets derived from diversion and trafficking activity. ATF's presence in the alcohol diversion and contraband cigarette trafficking arena assists State, local, tribal, and international governments with recovering and reducing tax revenue losses resulting from this criminal activity. ATF's focus on the investigation of alcohol diversion and contraband cigarette trafficking will remain an integral component of its enforcement efforts with an anticipated result of a greater number of convictions and the collection and recovery of tax revenue and forfeiture of proceeds of these crimes.

Crosscutting Activities

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

Alcohol and Tobacco Information Technology

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

c. Results of Program Assessment

This program has not been assessed.

A: Organizational Chart

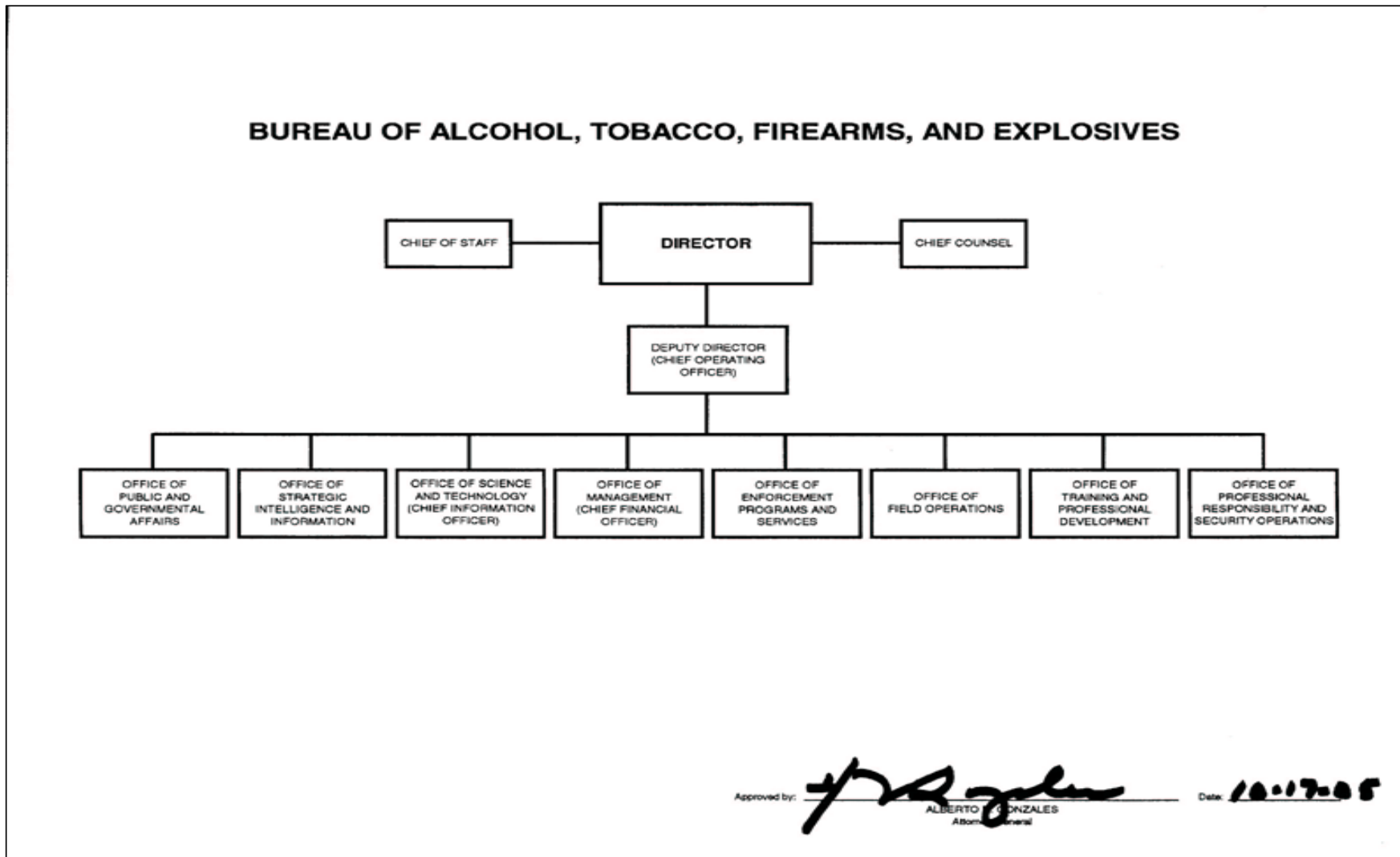


Exhibit A - Organizational Chart

B: Summary of Requirements

Summary of Requirements
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

	FY 2010 Request		
	Perm. Pos.	FTE	Amount
2008 Enacted (with Rescissions, direct only)	4,956	4,880	\$984,097
2008 Enacted (with Rescissions, Construction only)	\$23,500
2008 Supplementals			
Total 2008 Revised Continuing Appropriations Resolution (with Rescissions)	4,956	4,880	1,007,597
2009 Enacted (with Rescissions, direct only)			
2009 Supplementals			
Total 2009 Enacted (with Rescissions and Supplementals)	5,008	4,957	1,054,215
Technical Adjustments			
Restoration of 2009 Prior Year Unobligated Balance Rescission			
Adjustments to Base			
Increases:			
2010 pay raise (2.0%)			10,038
2009 pay raise annualization (3.9%)			6,049
Annualization of 2009 positions (FTE)		21	
Annualization of 2009 positions (dollars)			1,240
Merida Initiative Annualization	1	1	1,000
Retirement			558
Health Insurance Premiums			728
Rental Payments to GSA			3,649
DHS Security			128
Postage			41
Printing and Reproduction			28
Working Capital Fund			172
International Cooperative Administrative Support Services (ICASS)			207
Capital Security Cost Sharing			47
Living Quarters Allowance			63
Foreign COLA			3
Subtotal Increases	1	22	23,951
Decreases:			
Non-recurrence of 2009 Positions			(288)
Employees Compensation Fund			(77)
Gov't Leased Quarters			(12)
Education Allowance			(6)
Subtotal Decreases	0	0	(383)
Total Adjustments to Base	1	22	23,568
Total Adjustments to Base and Technical Adjustments	1	22	23,568
2010 Current Services	5,009	4,979	1,077,783
Program Changes			
Southwest Border	92	46	17,989
National Center for Explosives Training and Research (NCETR) S&E			19,000
National Center for Explosives Training and Research (NCETR) Construction			6,000
Subtotal Increases	92	46	42,989
Total Program Changes	92	46	42,989
2010 Total Request	5,101	5,025	\$1,120,772
2009 - 2010 Total Change	93	68	66,557

Summary of Requirements
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

Estimates by budget activity	2008 Appropriation Enacted w/Rescissions and Supplementals			2009 Enacted			2010 Adjustments to Base and Technical Adjustments			2010 Current Services			2010 Increases			2010 Offsets			2010 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Firearms	3,546	3,474	708,550	3,594	3,547	759,035	1	21	25,612	3,595	3,568	784,647	92	46	17,989				3,687	3,614	802,636
Arson & Explosives	1,317	1,316	279,365	1,321	1,320	274,096	0	1	(3,255)	1,321	1,321	270,841	0	0	25,000				1,321	1,321	295,841
Alcohol & Tobacco	93	90	19,682	93	90	21,084	0	0	1,211	93	90	22,295	0	0	0				93	90	22,295
Total	4,956	4,880	\$1,007,597	5,008	4,957	\$1,054,215	1	22	\$23,568	5,009	4,979	\$1,077,783	92	46	\$42,989	0	0	\$0	5,101	5,025	\$1,120,772
Reimbursable FTE		55			55						55									55	
Total FTE		4,935			5,012			22			5,034			46			0			5,080	
Other FTE:																					
LEAP		621			633			3			636			4						640	
Overtime		35			22						22									22	
Total Comp. FTE		5,591			5,667			25			5,692			50			0			5,742	

C: Program Increases/Offsets By Decision Unit

FY 2010 Program Increases/Offsets By Decision Unit
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 (Dollars in Thousands)

Program Increases	Location of Description by Decision Unit	Firearms				Arson & Explosives				Alcohol & Tobacco				Total Increases
		Pos.	Agt.	FTE	Amount	Pos.	Agt.	FTE	Amount	Pos.	Agt.	FTE	Amount	
SW Border	Firearms	92	34	46	17,989									17,989
NCETR S&E	Arson & Explosives								19,000					19,000
NCETR Construction	Arson & Explosives								6,000					6,000
Total Program Increases		92	34	46	\$17,989	0	0	0	\$25,000	0	0	0	\$0	\$42,989
Program Offsets	Location of Description by Decision Unit	Firearms				Arson & Explosives				Alcohol & Tobacco				Total Offsets
		Pos.	Agt.	FTE	Amount	Pos.	Agt.	FTE	Amount	Pos.	Agt.	FTE	Amount	
														0
Total Offsets		0	0	0	\$0	0	0	0	\$0	0	0	0	\$0	\$0

D: Resources by DOJ Strategic Goal and Strategic Objective

**Resources by Department of Justice Strategic Goal/Objective
Bureau of Alcohol, Tobacco, Firearms and Explosives
(Dollars in Thousands)**

Strategic Goal and Strategic Objective	2008 Appropriation Enacted w/Rescissions and Supplementals		2009 Enacted		2010 Current Services		2010				2010 Request	
	Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s	Increases		Offsets		Direct, Reimb. Other FTE	Direct Amount \$000s
							Direct FTE	Amount \$000s	Direct FTE	Amount \$000s		
Goal 1: Prevent Terrorism and Promote the Nation's Security												
1.1 Prevent, disrupt, and defeat terrorist operations before they occur											0	0
1.2 Strengthen partnerships to prevent, deter, and respond to terrorist incidents	1,974	393,639	2,005	421,686	2,014	431,113	18	17,196			2,032	448,309
1.3 Prosecute those who have committed, or intend to commit, terrorist acts in the United States											0	0
1.4 Combat espionage against the United States											0	0
Subtotal, Goal 1	1,974	393,639	2,005	421,686	2,014	431,113	18	17,196	0	0	2,032	448,309
Goal 2: Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People												
2.1 Strengthen partnerships for safer communities and enhance the Nation's capacity to prevent, solve, and control crime											0	0
2.2 Reduce the threat, incidence, and prevalence of violent crime	2,961	590,458	3,007	632,529	3,020	646,670	28	19,793			3,048	666,463
2.3 Prevent, suppress, and intervene in crimes against children											0	0
2.4 Reduce the threat, trafficking, use, and related violence of illegal drugs											0	0
2.5 Combat public and corporate corruption, fraud, economic crime, and cybercrime											0	0
2.6 Uphold the civil and Constitutional rights of all Americans											0	0
2.7 Vigorously enforce and represent the interests of the United States in all matters over which the Department has jurisdiction											0	0
2.8 Protect the integrity and ensure the effective operation of the Nation's bankruptcy system											0	0
Subtotal, Goal 2	2,961	590,458	3,007	632,529	3,020	646,670	28	19,793	0	0	3,048	666,463
Goal 3: Ensure the Fair and Efficient Administration of Justice												
3.1 Protect judges, witnesses, and other participants in federal proceedings, and ensure the appearance of criminal defendants for judicial proceedings or confinement											0	0
3.2 Ensure the apprehension of fugitives from justice											0	0
3.3 Provide for the safe, secure, and humane confinement of detained persons awaiting trial and/or sentencing, and those in the custody of the Federal Prison System											0	0
3.4 Provide services and programs to facilitate inmates' successful reintegration into society, consistent with community expectations and standards											0	0
3.5 Adjudicate all immigration cases promptly and impartially in accordance with due process											0	0
3.6 Promote and strengthen innovative strategies in the administration of State and local justice systems											0	0
3.7 Uphold the rights and improve services to America's crime victims											0	0
Subtotal, Goal 3	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	4,935	\$984,097	5,012	\$1,054,215	5,034	\$1,077,783	46	\$36,989	0	\$0	5,080	\$1,114,772

E. Justification for Base Adjustments

Justification for Base Adjustments Bureau of Alcohol, Tobacco, Firearms and Explosives

Transfers

Not Applicable

Technical Adjustments

Not Applicable

Increases

2010 pay raise. This request provides for a proposed 2.0 percent pay raise to be effective in January of 2010 (This percentage is likely to change as the budget formulation process progresses.) This increase includes locality pay adjustments as well as the general pay raise. The amount requested, \$10.0 million, represents the pay amounts for 3/4 of the fiscal year plus appropriate benefits (\$7.5 million for pay and \$2.5 million for benefits).

Annualization of 2009 pay raise. This pay annualization represents first quarter amounts (October through December) of the 2009 pay increase of 3.9 percent included in the 2009 President's Budget. The amount requested \$6.0 million, represents the pay amounts for 1/4 of the fiscal year plus appropriate benefits (\$4.6 million for pay and \$1.4 million for benefits).

Annualization of additional positions approved in 2009. This provides for the annualization of 1 additional position for the Merida Initiative and 12 additional positions requested in the 2009 President's budget. Annualization of new positions extends to 3 years to provide for entry level funding in the first year with a 2-year progression to the journeyman level. For Merida, this request includes an increase of \$1.0 million for full-year payroll and operational costs associated with this additional position. For 2009, this request includes a decrease of \$0.3 million for one-time items associated with the increased positions, and an increase of \$1.2 million for full-year costs associated with these additional positions, for a net increase of \$0.9 million.

	2008 Increases (\$000)	Annualization Required for 2010 (\$000)	2009 Increases (\$000)	Annualization Required for 2010 (\$000)
Annual salary rate of 13 new positions				814
Less lapse (50 %)				407
Net Compensation	0	0	0	407
Associated employee benefits				308
Travel				306
Transportation of Things				21
Communications/Utilities				218
Printing/Reproduction				2
Advisory and Assistance Services				447
Other Contractual Services:				
25.2 Other Services				22
25.3 Purchase of Goods and Services from Government Accts.				143
25.4 Operation and Maintenance of Facilities				6
25.5 Research and Development Contracts				47
25.6 Medical Care				0
Supplies and Materials				16
Equipment				297
TOTAL COSTS SUBJECT TO ANNUALIZATION	0	0	0	2,240

Retirement. Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on OPM government-wide estimates, we project that the DOJ workforce will convert from CSRS to FERS at a rate of 3 percent per year. The requested increase of \$0.6 million is necessary to meet our increased retirement obligations as a result of this conversion.

Health Insurance: Effective January 2008, this component's contribution to Federal employees' health insurance premiums increase by 2.4 percent. Applied against the 2009 estimate of \$34.3 million, the additional amount required is \$0.7 million.

General Services Administration (GSA) Rent. GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of \$3.6 million is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of an automated system, which uses the latest inventory data, including rate increases to be effective in FY 2010 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. GSA provided data on the rate increases.

DHS Security Charges. The Department of Homeland Security (DHS) will continue to charge Basic Security and Building Specific Security. The requested increase of \$0.1 million is required to meet our commitment to DHS, and cost estimates were developed by DHS.

Postage: The Postage Service rate increase was calculated at 2.5 percent. This percentage was applied to the 2010 estimate of \$1.6 million to arrive at an increase of \$0.041 million.

Government Printing Office (GPO): The increase for printing was calculated at 2%. This percentage was applied to the FY 2009 estimate of \$1.4 million to arrive at an increase of \$0.028 million.

WCF Rate Increases. Components in the DC metropolitan area use and rely on the Department's Working Capital Fund (WCF) for support services including telecommunications services, computer services, finance services, as well as internet services. The WCF continues to invest in the infrastructure supporting the telecommunications services, computer services, internet services. Concurrently, several security initiatives are being implemented and additional resources are being directed to financial management in an effort to maintain a clean audit status. Funding of \$0.2 million is required for this account.

International Cooperative Administrative Support Services (ICASS). Under the ICASS, an annual charge is made by the Department of State for administrative support based on the overseas staff of each federal agency. This request of \$0.2 million is based on the average costs per person from FY09 billing for non-post and post related charges.

Overseas Capital Security Cost Sharing (CSCS) - object class 12.1 or 25.2. The Department of State is in the midst of a 14-year, \$17.5 billion embassy construction program, with a plan to build approximately 150 new diplomatic and consular compounds. State has proposed that costs be allocated through a Capital Security Cost Sharing Program in which each agency will contribute funding based on the number of positions that are authorized for overseas personnel. The total agency cost will be phased in over 5 years. The estimated cost to the Department, as provided by State, for FY 2010 is \$0.047 million. ATF currently has 27 positions overseas, and funding of \$0.047 million is requested for this account.

Living Quarter Allowance. The living quarters allowance (LQA) is an allowance granted an employee for the annual cost of adequate living quarters for the employee and the employee's family at a foreign post. The rates are designed to cover the average costs of rent, heat, light, fuel, gas, electricity, water, local taxes, and insurance paid by the employee. Employees who receive GLQ do not receive LQA and vice versa. \$0.063 million reflects the change in cost to support existing staffing levels.

Post Allowance - Cost of Living Allowance (COLA). For employees stationed abroad, components are obligated to pay for their COLA. COLA is intended to reimburse certain excess costs and to compensate the employee for serving at a post where the cost of living, excluding the cost of quarters and the cost of education for eligible family members, is substantially higher than in the Washington, D.C. area. \$0.003 million reflects the increase in cost to support existing staffing levels.

Decreases

Non-Recurring Decreases. This request includes a decrease of \$0.3 million for one-time items associated with the increase positions related to FY 2009.

Employees Compensation Fund. The \$0.077 million decrease reflects payments to the Department of Labor for injury benefits paid in the past year under the Federal Employee Compensation Act. This estimate is based on the first quarter of prior year billing and current year estimates.

Government Leased Quarters (GLQ) Requirement. GLQ is a mandatory program managed by the Department of State (DOS) and provides government employees stationed overseas with housing and utilities. DOS exercises authority for leases and control of the GLQs and negotiates the lease for components. \$0.012 million decrease reflects the change in cost to support existing staffing levels.

Education Allowance. For employees stationed abroad, components are obligated to meet the educational expenses incurred by an employee in providing adequate elementary (grades K-8) and secondary (grades 9-12) education for dependent children at post. \$0.006 million decrease reflects the change in cost to support existing staffing levels.

F: Crosswalk of 2008 Availability

Crosswalk of 2008 Availability
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

Decision Unit	FY 2008 Enacted Without Rescissions			Rescissions			Supplementals			Reprogrammings / Transfers			Carryover/ Recoveries			2008 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Firearms	3,546	3,474	708,550					1,000			13,618			35,005	3,546	3,474	758,173	
Arson & Explosives	1,317	1,316	279,365					3,000			4,407			18,229	1,317	1,316	305,001	
Alcohol & Tobacco	93	90	19,682								339			920	93	90	20,941	
TOTAL	4,956	4,880	\$1,007,597	0	0	\$0	0	0	\$4,000	0	0	\$18,364	0	0	\$54,154	4,956	4,880	\$1,084,115
Reimbursable FTE		55															55	
Total FTE		4,935			0			0			0			0			4,935	
Other FTE																		
LEAP		621															621	
Overtime		35															35	
Total Compensable FTE		5,591			0			0			0			0			5,591	

Enacted Rescissions. Funds rescinded as required by the Consolidated Appropriations Act, 2008 (P.L. 110-161).

Reprogrammings. Not Applicable

Transfers. The amount reflects the transfer of \$1.028 M Microstamping fund to ATF 15X8526 Account from the Department of Justice, transfer of \$0.430M funds from the Office of National Drug Control Policy to ATF 15 8/9 0700 for approved High Intensity Drug Trafficking Areas (HIDTA) programs within ATF Field Divisions, \$17.312M transfer in for Radio Spectrum Relocation, transfer out of \$.360M from ATF to DOJ for the Radio Program and transfer out of HIDTA of \$.046M, returning expired HIDTA funds provided to support approved HIDTA program in ATF Field Offices.

Unobligated Balances. Funds were carried over from FY 2007 from the 15X0700, 15X8526 and 15 7/8/0700 accounts. ATF brought forward \$4.250M from funds provided in FY 2007 for the no-year portion of the S&E Appropriations, with year-to-date recoveries of \$2.154M from funds provided in FY 2007 for the no-year portion of the S&E Appropriations; \$0.011M from funds provided in FY 2007 for GREAT/VCIT and the construction and establishment of the National Center for Explosives Training and Research with year-to-date recoveries of \$.074M; \$0.011 from funds provided in the Crime Bill (GREAT). \$4.322M from FY2007 funds provided for HIDTA and the Iraq Supplemental; and \$43.252M from funds provided for the Radio Spectrum Relocation with Year-to-date recoveries of \$.070M.

G: Crosswalk of 2009 Availability

Crosswalk of 2009 Availability
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

Decision Unit	FY 2009 Enacted			Rescissions			Supplementals			Reprogrammings / Transfers			Carryover/ Recoveries			2009 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Firearms	3,594	3,547	759,035								9,149			27,999	3,594	3,547	796,183	
Arson & Explosives	1,321	1,320	274,096											10,878	1,321	1,320	284,974	
Alcohol & Tobacco	93	90	21,084											737	93	90	21,821	
TOTAL	5,008	4,957	1,054,215	0	0	0	0	0	0	0	9,149	0	0	39,614	5,008	4,957	\$1,102,978	
Reimbursable FTE		55															55	
Total FTE		5,012			0			0			0			0			5,012	
Other FTE																		
LEAP		633															633	
Overtime		22															22	
Total Compensable FTE		5,667			0			0			0			0			5,667	

Reprogrammings. Not Applicable

Transfers. The amount reflects the transfer of funds from ATF 15X8526 Account to the Department of Justice to support to return \$1.028M Microstamping funds received in FY08, transfer of \$.178M funds from ONDCP to ATF 15 8/9 0700 (\$.005M) and ATF 15 9/10 0700 (\$.173M) for approved HIDTA programs within ATF Field Divisions and anticipated transfer of \$10M from OJP to ATF for Southwest Border Stimulus.

Unobligated Balances. Funds were carried over from FY 2008 from the 15x0700, 15x8526 and 15 8/9 0700 accounts. ATF brought forward \$2.206M from funds provided in FY2008 for the no-year portion of the S&E Appropriations, with year-to-date recoveries of \$5.066M; \$1.028M from funds provided in FY2008 for GREAT/VCIT, \$3.83M from funds provided in FY2008 for HIDTA & IRAQ Supplemental, \$17.335M from funds provided in FY2008 for Radio Spectrum Relocation with year-to-date recoveries of \$10.145M.

H: Summary of Reimbursable Resources

Summary of Reimbursable Resources
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

Collections by Source	2008 Enacted			2009 Planned			2010 Request			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
OCDETF	54	54	11,151	54	54	11,436	54	54	11,810	0	0	374
OJP (GREAT)	1	1	225	1	1	225	1	1	231	0	0	6
Other			49,882			53,339			47,959	0	0	(5,380)
Budgetary Resources:	55	55	\$61,258	55	55	\$65,000	55	55	\$60,000	0	0	(\$5,000)

I: Detail of Permanent Positions by Category

Detail of Permanent Positions by Category
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction

Category	2008 Enacted w/Rescissions and Supplementals		2009 Enacted		2010 Request					
	Total Authorized	Total Reimbursable	Total Authorized	Total Reimbursable	ATBs	Program Increases	Program Decreases	Total Pr. Changes	Total Authorized	Total Reimbursable
Criminal Investigative Series (1811)	2,428	54	2,450	54	1	34		34	2,485	54
Industry Operations Investigators (1801 & 1854)	773		789			45		45	834	
Other	1,755	1	1,769	1		13		13	1,782	1
Total	4,956	55	5,008	55	1	92	0	92	5,101	55
Headquarters (Washington, D.C.)	752	1	764	1				0	764	1
U.S. Field	4,189	54	4,229	54	1	92		92	4,322	54
Foreign Field	15		15					0	15	
Total	4,956	55	5,008	55	1	92		92	5,101	55

J: Financial Analysis of Program Changes

Financial Analysis of Program Changes
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

Grades:	Firearms		Arson & Explosives				Program Changes	
	Southwest Border		NCETR S&E		NCETR Construction		Program Changes	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
SES							0	0
GS-15							0	0
GS-14							0	0
GS-13							0	0
GS-12							0	0
GS-11							0	0
GS-10							0	0
GS-9	92	5,466					92	5,466
GS-8							0	0
GS-7							0	0
GS-5							0	0
Total positions & annual amount	92	5,466	0	0	0	0	92	5,466
Lapse (-)	(46)	(2,733)	0	0	0	0	(46)	(2,733)
Other personnel compensation							0	0
Total FTE & personnel compensation	46	2,733	0	0	0	0	46	2,733
Personnel benefits		1,969					0	1,969
Travel and transportation of persons		309		725			0	1,034
Transportation of things		12					0	12
GSA rent							0	0
Communication, rents, and utilities		665					0	665
Printing		19					0	19
Advisory and assistance services		868		1,127			0	1,995
Other services		2,965		3,773			0	6,738
Purchases of goods & services from Government accounts		690					0	690
Operation and maintenance of facilities		1,754						1,754
Research and development contracts							0	0
Operation and maintenance of equipment		25					0	25
Supplies and materials		549					0	549
Equipment		5,431		13,375			0	18,806
Land and Structures		0				6,000	0	6,000
Total, 2010 program changes requested	46	\$17,989	0	\$19,000	0	\$6,000	46	\$42,989

Exhibit J - Financial Analysis of Program Changes

K: Summary of Requirements by Grade

Summary of Requirements by Grade
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction

Grades and Salary Ranges	w/Rescissions and Supplementals		2009 Enacted		2010 Request		Increase/Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
SES, \$111,676 - \$168,000	48		50		50		0	
GS-15, \$110,363 - 143,471	161		159		159		0	
GS-14, \$93,822 - 121,967	544		544		544		0	
GS-13, \$79,397 - 103,220	2,116		2,116		2,116		0	
GS-12, \$66,767 - 86,801	455		455		455		0	
GS-11, \$55,706 - 72,421	291		301		301		0	
GS-10, 50,703 - 65,912	3		3		3		0	
GS-9, \$46,041 - 59,852	727		769		862		93	
GS-8, 41,686 - 54,194	88		88		88		0	
GS-7, \$37,640 - 48,933	136		136		136		0	
GS-6, \$33,872 - 44,032	39		39		39		0	
GS-5, \$30,386 - 39,501	26		26		26		0	
GS-4, \$27,159 - 35,303	11		11		11		0	
GS-3, \$24,194 - 31,451	7		7		7		0	
GS-2, \$22,174 - 27,901	3		3		3		0	
GS-1, \$19,722 - 24,664	0		0		0		0	
Ungraded Positions	301		301		301		0	
Total, appropriated positions	4,956		5,008		5,101		93	
Average SES Salary		157,765		\$162,656		\$166,234		
Average GS Salary		84,349		\$86,964		\$88,877		
Average GS Grade		12.55		12.51		12.45		

L: Summary of Requirements by Object Class

Summary of Requirements by Object Class
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Salaries and Expenses, Construction
 (Dollars in Thousands)

Object Classes	2008 Actuals		2009 Enacted		2010 Request		Increase/Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11.1 Direct FTE & personnel compensation	4,815	413,648	4,957	438,039	5,025	451,898	68	13,859
11.3 Other than full-time permanent		1,081		1,400	0	1,435	0	35
11.5 Total, Other personnel compensation	636	61,498	655	70,539	662	72,243	7	1,704
<i>Overtime</i>	28	1,984	22	2,079	22	2,138	0	59
<i>Other Compensation</i>	608	59,514	633	68,460	640	70,105	7	1,645
11.8 Special personal services payments		132		131		131	0	0
Total	5,451	476,359	5,612	510,109	5,687	525,707	75	15,598
Other Object Classes:								
12.0 Personnel benefits		191,310		199,418		206,791		7,373
13.0 Benefits to former personnel		1		125		125		0
21.0 Travel and transportation of persons		23,339		20,418		21,612		1,194
22.0 Transportation of things		2,988		2,228		2,265		37
23.1 GSA rent		70,360		69,774		73,439		3,665
23.2 Moving/Lease Expirations/Contract Parking		826		1,202		1,717		515
23.3 Comm., util., & other misc. charges		25,740		21,466		22,012		546
24.0 Printing and reproduction		1,328		1,408		1,458		50
25.1 Advisory and assistance services		4,746		5,500		7,544		2,044
25.2 Other services		138,776		153,286		160,510		7,224
25.3 Purchases of goods & services from Government accounts (Antennas, DHS Sec. Etc..)		4,501		6,265		7,359		1,094
25.4 Operation and maintenance of facilities		11,646		24,120		25,781		1,661
25.5 Research and development contracts		0		0		0		0
25.7 Operation and maintenance of equipment		1,373		1,008		1,049		41
26.0 Supplies and materials		16,039		18,618		19,159		541
31.0 Equipment		11,048		18,537		37,512		18,975
32.0 Land and Structures		28,699		0		6,000		6,000
42.0 Insurance Claims & Indemnity		1,193		578		578		0
43.0 Interest & Dividends		291		154		154		0
Total obligations		\$1,010,563		\$1,054,214		\$1,120,772		\$66,558
Unobligated balance, start of year				(23)		0		
Unobligated balance, end of year		23						
Recoveries of prior year obligations								
Total DIRECT requirements		1,010,586		1,054,237		1,120,772		
Reimbursable FTE:								
Full-time permanent	55		55		55		0	0
23.1 GSA rent (Reimbursable)								0
25.3 DHS Security (Reimbursable)								0

M. Status of Congressionally Requested Studies, Reports, and Evaluations

Bureau of Alcohol, Tobacco, Firearms and Explosives

Salaries and Expenses

(Dollars in Thousands)

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Historical Documents

In accordance with Conference Report, Division B, Commerce, Justice, Science and Related Agencies Appropriations Act, 2009, ATF is currently in possession of a letter signed by Alexander Hamilton on December 18, 1790. This letter reflects Hamilton's efforts to pay down Revolutionary War debt through the imposition of duties on distilled liquor. ATF is directed to provide immediately this letter to the National Archives and Records Administration for historical preservation and study.

2. Canine Transport Conditions

In accordance with Conference Report, Division B, Commerce, Justice, Science and Related Agencies Appropriations Act, 2009, ATF headquarters' recent decision to shrink the size of the vehicles used by the 34 ATF explosive detection canine teams as a cost-savings mechanism is both disappointing and shortsighted. DOJ spends, at a minimum, \$20,000 to train these assets, which are housed in agent vehicles while on deployment and while working to ensure public safety. The canines require reasonable comfortable space to not only work, but also to rest if they are to be effective when called upon to perform. ATF shall only purchase vehicles for explosive detection canine teams that provide no less usable space for the dog than the vehicles they are meant to replace. ATF shall submit a report to the House and Senate Committees on Appropriations 30 days after enactment of this Act certifying that this directive is being met.

3. Congressional Relocation Report (CRR)

The CRR reports notification of any ATF relocations, office closings or new additions. The Department of Justice submitted the CRR to Congress on June 30, 2008, and Congress approved it on February 3, 2009.