**Congressional Budget Submission**

Fiscal Year 2012

****

ATF

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

***At The Frontline - Against Violent Crime***

**February 2011**

**This page intentionally left blankTable of Contents**

Page No.

**I. Overview**  1

**II. Summary of Program Changes**  11

**III.** **Appropriations Language and Analysis of Appropriations Language**  12

**IV. Decision Unit Justification** 14

A. Firearms

1. Program Description 14
2. Performance Tables 24
3. Performance, Resources, and Strategies 27

B. Arson and Explosives

1. Program Description 32
2. Performance Tables 42
3. Performance, Resources, and Strategies 44

C. Alcohol and Tobacco

1. Program Description 46
2. Performance Tables 50
3. Performance, Resources, and Strategies 51

**V. Program Increases by Item**  51

* 1. Electronic Surveillance Capabilities 52

**VI. Program Offsets by Item**  54

1. National Integrated Ballistics Information Network (NIBIN) 54
2. Relocation/Permanent Change of Station 56
3. State and Local Training 58
4. Administrative Efficiencies 60
5. Alcohol and Tobacco 62
6. Extending Technology Refresh 64
7. Reduce Physical Footprint 66
8. Consolidate Task Forces 68

**VII. Exhibits**

1. Organizational Chart
2. Summary of Requirements
3. Program Increases by Decision Unit
4. Resources by DOJ Strategic Goal/Objective
5. Justification for Base Adjustments
6. Crosswalk of 2010 Availability
7. Crosswalk of 2011 Availability
8. Summary of Reimbursable Resources
9. Detail of Permanent Positions by Category
10. Financial Analysis of Program Increases/Offsets
11. Summary of Requirements by Grade
12. Summary of Requirements by Object Class

**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 $1,147,295,000 for FY 2012, including 5,181 positions and 5,147 full time equivalents (FTE). This request includes $58,338,000 in adjustments to base, program improvements of $1,519,000 and program offsets of $27,334,000. The FY 2012 request supports ATF and Department of Justice (DOJ) priorities for reducing violent crime, detecting and preventing terrorism, and enforcing Federal firearms arson, explosives, and contraband tobacco laws. These resources will allow ATF to maintain a focused operational capacity- while recognizing efficiencies and cost reductions.

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

<http://www.justice.gov/02organizations/bpp.htm>

This budget request supports ATF’s capacity to:

* Combat violent firearms crimes and illegal firearms trafficking;
* Reduce the incidence and impact of violent gang activity involving firearms and explosives;
* Stem the flow of illegally trafficked firearms and associated violence along the Southwest Border region and other areas of the U.S.;
* Support Violent Crime Impact Teams (VCIT);
* Interdict the illegal commerce in contraband tobacco and alcohol products;
* Disrupt and prevent the use of firearms and explosives in terrorist acts;
* Disseminate and leverage ATF’s technical expertise in explosives, improvised explosive devices (IEDs), and post-blast investigations by providing advanced training for Federal, State, local, international and U.S. military personnel;
* Use advanced technology to share information and intelligence among law enforcement agencies and the Intelligence Community;
* Improve efficiencies in managing financial capital and human resources; and
* Assist State and local law enforcement agencies in fighting violent crimes involving firearms, explosives, and arson.

**B. Mission and Strategic Goals**

*“[T]he problem of firearms trafficking is more than a Southwest Border issue. It’s a nationwide problem that requires a nationwide commitment. Firearms trafficking going on away from the border supports equally damaging gang violence and drug trafficking.”* – Deputy Attorney General Ogden at Firearms Trafficking Summit June 30, 2009

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

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

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

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

Mission Activities:

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

Management Activities:

* Workforce
* Modernization

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

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

**ATF Strategic Goal**: Make our communities safer by expanding our efforts to identify, target, and dismantle criminal gangs and organized crime enterprises that use firearms, arson, and explosives or are involved in illegal alcohol and tobacco diversion in furtherance of violent criminal activity.

ATF prevents terrorism, reduces violent crime and promotes the nation’s security by regulating the explosives industry and by investigating the criminal use of explosives and the crime of arson. ATF further provides critical support to local communities in their investigations of explosives crimes and arson. Moreover, ATF plays a key role in DOJ’s counterterrorism responsibilitiesas set forth in the National Implementation Plan for the War on Terror (NIP) and in DOJ’s supporting plan for the NIP.

ATF achieves results in addressing violent crime through our authority to enforce Federal firearms laws and regulations. ATF regulates the firearms industry to ensure Federal Firearms Licensees (FFL) comply with all applicable laws and regulations. ATF conducts outreach with the industries to educate and encourage voluntary controls and cooperation with law enforcement officials. ATF’s regulatory function is a key component in the effort to stem the flow of firearms to prohibited persons and criminal organizations.

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

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

**ATF Strategic Goal**: Modernize business processes and systems for improved information sharing, knowledge management, and use of innovative technologies to support ATF’s critical mission. ATF is committed to modernizing those vital and unique systems that support ATF and its counterparts in the law enforcement community and regulated industries. In recent years, ATF has made significant strides in transforming its legacy systems to more modern, open, and efficient architecture; expanding the use of technology to improve and streamline processes; and providing greater capabilities to its constituents.

ATF’s 2010-2016 Strategic Plan can be found at the following link: [www.atf.gov/publications/general/strategic-plan](http://www.atf.gov/publications/general/strategic-plan)/.

C. Executive Perspective

ATF protects our communities from violent crime and terrorism by investigating and preventing the illicit use of firearms and explosives. The combined impact of ATF’s regulatory authorities and investigative expertise makes ATF the preeminent agency for investigating firearms and explosives crimes.

ATF has approximately 640 non-supervisory, field-based industry operations investigators (IOIs) responsible for inspecting approximately 120,000 FFLs and 11,000 FELs and permittees—these inspections help identify possible diversions of firearms and explosives from legal commerce to illicit activities, thereby producing leads for criminal investigations. Explosives licensees and permittees are inspected on a three-year cycle as required by the Safe Explosives Act. ATF’s inspection frequency goals for FFLs are once every three years for source-State FFLs, and once every five years for non-source State FFLs (Source States are the top 15 States in terms of the source of recovered firearms; non-Source States are all others. These numbers are updated annually). The “risk-based” approach results in the inspection of high risk (gun source) and non-compliant FFLs. In response to this approach, ATF has increased the number of IOIs on-board and has been able to conduct three-year inspection cycles in the Southwest Border high priority area.

ATF is a global partner for law enforcement intelligence and information sharing:

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

The complementary nature of ATF’s regulatory and criminal jurisdictions is evident in its history of successes with investigating bombings, including the identification and arrest of a suspect in the 2009 bombing of physician Trent Pierce in West Memphis, Arkansas. Similarly, ATF has a long history of investigating arsons, including recent church arsons in Alabama and Texas.

Equally important, ATF readily shares its explosives expertise with State and local partners, as well as with the Department of Defense, through training at Fort AP Hill, Virginia and the National Center for Explosives Training and Research in Huntsville, Alabama. ATF personnel maintain close working relationships on a local basis with our law enforcement counterparts and the industries we regulate to further our mission.

A core mission of ATF is to deny organized crime its profits by stopping the illegal diversion of tobacco products that deprives States and localities approximately $5 billion per year in tax revenue. For example, in one recent case, ATF and the Fairfax County, Virginia, Police Department dismantled an organization that trafficked more than $2 million worth of contraband cigarettes to New York. This organization was also involved in money laundering and bank fraud and had solicited an undercover agent to murder two of its own members.

* + Between fiscal years 2003 and 2010, across all of ATF’s violent crime programs, ATF has recommended 99,614 cases and 144,273 defendants for prosecution.
  + Nearly 62% of these defendants are previously convicted felons and 84% have prior arrest records.
  + Of those recommended for prosecution, approximately 75,000 of the cases have resulted in the indictment of about 107,000 defendants; of those, almost 60,000 cases have resulted in the conviction of about 82,000 defendants.
  + 66,030 defendants have been sentenced to an average prison term of 168.8 months.

In fiscal year 2010, ATF’s tobacco diversion program seized $72 million in crime proceeds in tobacco diversion. These funds are either available for new cases or are recouped to the Asset Forfeiture Fund.

ATF demonstrates in its firearms cases the expertise and experience to combat the threat to public safety posed by gangs that misuse guns to carry out their illicit activities. ATF has led many successful investigations against well-known street gangs like the Crips, Bloods, and Mara Salvatrucha-13(MS-13), as well as outlaw motorcycle organizations.

ATF has established Violent Crime Impact Teams (VCITs) in some of the nation’s most violent neighborhoods to identify and arrest the “worst of the worst” criminals including gang members. ATF has 31 VCITs, including teams in Richmond, Virginia; Birmingham, Alabama; Camden, New Jersey; and Houston and Laredo, Texas.

* + From FY 2003 through FY 2010, ATF recommended prosecution of 14,089 cases and 26,658 defendants for firearms trafficking- related offenses involving an estimated 441,255 weapons.
  + In FY 2009-10, ATF conducted an integrated training program focusing on firearms tracing, trafficking, and enforcement strategies for 2,892 Federal, State, and local law enforcement personnel.

ATF’s regulatory authority and investigative expertise are also directed at dismantling firearms trafficking networks. Through the use of trafficking schemes, criminals seek to divert firearms from legitimate commerce to illicit activities. Firearms trafficking networks extend throughout the United States and affect communities nationwide. In recent years, ATF has focused attention on those networks that exist principally to supply weapons to Mexican drug cartels.

ATF participates in the Sporting, Hunting and Outdoor Trade (SHOT) Show, the world’s premier firearms industry trade show, every year. ATF meets with the largest firearms retailers in the country, as well as the Firearms and Ammunition Importers Round Table (FAIR) and the National Firearms Act Trade and Collectors Association (NFATCA). These meetings identify common industry issues and concerns and attempt to address these issues.

The following data show ATF’s impact on firearms trafficking in the Southwest Border States of Arizona, California, New Mexico, and Texas between FY 2005 and FY 2010:

* + 1,178 cases involving 2,552 defendants have been recommended for prosecution.
  + To date, 1,800 defendants have been arrested, 1,705 defendants have been indicted, 1,170 defendants have been convicted, and 862 defendants have been sentenced to an average of 102 months incarceration.
  + 363 of the cases and 1,098 of the defendants recommended for prosecution involve gang-related offenses.
  + 604 cases have charged violations related to the trafficking of an estimated 19,260 firearms. A sub-set of 185 of these cases involved gang- related trafficking of over 4,750 firearms.
  + In all investigations, over 8,700 firearms have been seized and are no longer available to violent criminals and gang members and Mexican drug cartels.

As the Attorney General stated in his June 2009 testimony, “[C]onfronting the Mexican cartels, together with our partners in the Mexican government, is a paramount priority for the United States and the Department. The southwest border in particular is a vulnerable area for illegal immigration, drug trafficking, and the smuggling of illegal firearms. Implementing a comprehensive strategy for confronting the cartels and security at the border involves collaboration and coordination at various levels of the government.” ATF’s nine Gunrunner teams and 31 strategically placed VCITs are key frontline elements in the Administration’s National Southwest Border Counternarcotics Strategy Objectives.

D. Adjustments-to-Base (ATB):

ATF requests $58,338,000 in net ATBs to maintain current services levels in firearms, explosives, and arson enforcement activities; regulation of the industries; and in meeting critical Administration priorities. This ATB level supports Administration priorities by annualizing resources in support of Southwest Border enforcement activities and providing explosives expertise support to the Iraq Embassy.

Each of ATF’s programs is essential to reducing violent crime, preventing terrorism, and protecting the Nation. ATF’s unique regulatory authority of the firearms and explosives industries provides strong support to accomplishment of its law enforcement mission. ATF’s mission and its FY 2012 budget request support the priorities of the Attorney General under the Department’s Strategic Goals of promoting the Nation’s security and preventing crime, enforcing federal laws, and representing the rights of the American people.

E. FY 2010 Decision Unit Profile:

In FY 2009 and 2010, ATF reprogrammed funds, in accordance with Section 505 of DOJ’s General Provisions, from Arson & Explosives and Alcohol & Tobacco to Firearms. The reprogrammings were necessary because of ATF’s increasing demands at the Southwest Border and in firearms enforcement activities. In FY 2012, ATF’s budget request realigns resources to reflect a Decision Unit structure as follows: Firearms-75%; Arson & Explosives-23%; and Alcohol & Tobacco Diversion-2%.

# ATF Resource Profile FY 2012

**Resources in Support of DOJ Strategic Goals 1 & 2**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Decision Unit** | **FY 2010 Enacted FTE** | FY 2010 Enacted ($000) | FY 2011 CR FTE | FY 2011 CR ($000) | FY 2012 Request FTE | **FY 2012 Request ($000)** |
| Firearms | 3,614 | $802,636 | 3,614 | $802,636 | 3,816 | $860,471 |
|  |  |  |  |  |  |  |
| Arson and Explosives | 1,321 | $289,841 | 1,321 | $289,841 | 1,241 | $263,878 |
|  |  |  |  |  |  |  |
| Alcohol and Tobacco Diversion | 90 | $22,295 | 90 | $22,295 | 90 | $22,944 |
|  |  |  |  |  |  |  |
| Subtotal ATF S&E | **5,025** | **$1,114,772** | **5,025** | **$1,114,772** | **5,147** | **$1,147,295** |
|  |  |  |  |  |  |  |
| Construction | 0 | 6,000 | 0 | 0 | 0 | 0 |
|  |  |  |  |  |  |  |
| Total ATF S&E and Construction | **5,025** | **$1,120,772** | **5,025** | **$1,114,772** | **5,147** | **$1,147,295** |

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

**By Decision Units and Counterterrorism Crosscut**

**Decision Units**

Arson &

Explosives

23%

Alcohol &

Tobacco

Diversion

2%

Firearms

75%

**ATF Homeland Security Counterterrorism Crosscut**

This graphic portrays ATF's Homeland Security and Counterterrorism resource crosscut.  Approximately 40% of ATF's resources support homeland security and domestic counterterrorism activities.

**Environmental Management**

ATF has fully implemented Environmental Management Systems at its three laboratories.  ATF will develop and implement a Bureau-wide, organizational Environmental Management System by the end of fiscal year 2011 in accordance with the schedule established by the DOJ.  ATF has reviewed its acquisition policy and procedures complying with the Department's Green Purchasing Program. Green purchasing training has been conducted for all Contracting Officers and Purchase Card Holders. The Bureau established and met its training completion goal of June 2010. ATF ensures that all new purchased and leased computers and monitors are EPEAT (Electronic Product Environmental Assessment Tool - [www.epeat.net](http://www.epeat.net)) – Silver rated and registered, and that IT service contracts and leases support EPEAT-registered products, ENERGY STAR features, environmentally sound management techniques, and do extend product lifecycles. ATF is developing policy and procedures to ensure compliance with Executive Order 13423, as it relates to Toxic and Hazardous Chemical reduction, Sustainable Buildings, Energy Management, Transportation, Recycling, Water Management, Environmental Management Systems, and Electronics Stewardship. More information on Federal Environmental Requirements and DOJ’s Environmental Programs can be found at [www.usdoj.gov\jmd\ep](http://www.usdoj.gov\jmd\ep).

**Strategic Management of Human Capital**

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

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

As employee safety and wellness continues to be a high priority for ATF, the Bureau plans to increase its Workforce Wellness Program in 2011.  Some specific targets to help ensure all employees have sufficient information and opportunities to maintain and improve their health and wellness include: a Health Improvement Program participation rate of 75% of our employee population; 50% increase in wellness session participation by increasing publicity about this series at times of the day that may be more conducive to employees’ schedules; expanding the Automated External Defibrillators program to ATF field office locations. These capabilities include new equipment and a cardiopulmonary resuscitation training program.

ATF monitors employee satisfaction and makes improvements based on the Federal Human Capital Survey results, through surveys of workforce engagement and focus groups measuring employee satisfaction. Additional emphasis is being given to succession planning, especially leadership training, employee accountability, ethics and professionalism, and performance management. Such plans identify key training and development initiatives and provide a common understanding of career development activities. ATF has set targets for improvement and has adopted the entire Federal Human Capital Survey as a part of its overall performance management program.

ATF has implemented a Learning Management System (LMS) that allows for streamlined and automated tracking of employee training requests and activities.  The system conforms to the requirements of the Office of Personnel Management Human Resources Line of Business initiative.  It enables more comprehensive tracking of curricula, certifications, and employee learning plans and will allow for a strategic linkage between competencies and training.

ATF also maintains a significant technology-based training capability. In FY 2010, ATF received the Office of Government Ethics Education and Communication award in recognition of our innovative use of technology in support of ethics training. ATF developed and delivered mandatory ethics training to employees throughout the Bureau using our learnATF Live virtual classroom platform. This effort generated efficiencies in time and travel and allowed Bureau employees throughout the nation to receive live ethics training through the web while at their desks.

ATF continues to implement the President’s Hiring Reform memorandum issued on May 11, 2010.  The Hiring Reform memorandum included provisions for eliminating “essay questions” and narrative Knowledge, Skills, and Ability responses, allowing applications to apply with only a resume and increased the hiring manager’s responsibility and accountability for successful recruitment and hiring. ATF continues to leverage technology with the use of an automated hiring system that allows applicants to upload their resumes and notifies them as they progress through the hiring timeline.

ATF determined that improvements in the strategic management of the Bureau’s workforce could be achieved through the integration of the human resources and training functions. This resulted in a consolidation of the training functions in the Office of Training and Professional Development (TPD) and the human resource functions in the Office of Management (OM).  This consolidation established a single focal point for indentifying and addressing workforce issues, achieved a more comprehensive architecture and governance process for talent management, and ensured the alignment of human resource and training business processes to maximize the value of both.  ATF can now establish a fully integrated workforce management strategy, using a competency-based approach to link recruitment, training, skill sets, succession planning, continuous learning, and performance management.

**II. Summary of Program Changes**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Item Name** | **Description** | | | | **Page** |
| **S & E** | **Pos.** | **FTE** | **Dollars ($000)** |
| Electronic Surveillance Capabilities | To establish a Domestic Communications Assistance Center to support law enforcement’s electronic surveillance capabilities. | 8 | 4 | $1,519 | 51 |
| National Integrated Ballistic Information Network (NIBIN) | This request reflects an offset for ATF’s National Integrated Ballistic Information Network (NIBIN). |  |  | ($10,000) | 54 |
| Relocation Program | This request reflects an offset for the ATF Relocation Program and will be realized through efficiencies and cost reduction measures. |  |  | ($8,692) | 56 |
| State and Local Training | ATF is limiting training opportunities to non-Federal partners. |  |  | ($4,000) | 58 |
| Administrative Efficiencies | As part of its efforts to streamline and improve efficiency, the Department has asked components to reduce anticipated administrative costs. |  |  | ($2,841) | 60 |
| Alcohol and Tobacco Program | ATF’s alcohol and tobacco program is approximately $22 million annually, which is 2% of our strategic mission resources. This represents a 5% reduction to the tobacco and alcohol diversion program. |  |  | ($1,000) | 62 |
| Extend Technology Refresh | As part of its efforts to streamline and improve efficiency, the Department’s components will extend their technology refresh cycle by one fiscal year. |  |  | ($373) | 64 |
| Reduce Physical Footprints | As part of its efforts to streamline and improve efficiency, the Department and its components will consolidate their regional and sub-offices as part of a way to better use existing workspace as well as enhance information sharing and the ability of regional offices to avoid duplicative work. |  |  | ($292) | 66 |
| Consolidate Task Forces | The Department of Justice seeks to reduce the overall Federal task force footprint by eliminating 335 task force locations that are in close geographic proximity and target the same crime problem. |  |  | ($136) | 68 |

**III. Appropriations Language and Analysis of Appropriations Language**

**Appropriations Language**

*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, $1,147,295,000, 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 $20,000,000 shall remain available until expended: Provided, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the U.S. to implement an amendment or amendments to 27 CFR 478.118 or to change the definition of ``Curios or relics'' in 27 CFR 478.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, U.S. Code: Provided further, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments in fiscal year 2012: Provided further, That, beginning in fiscal year 2012 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, law enforcement agency, or a Federal, State, or local prosecutor; (2) a foreign law enforcement agency solely in connection with or for use in a criminal investigation or prosecution; or (3) a Federal agency for a national security or intelligence purpose; unless such disclosure of such data to any of the entities described in (1), (2) or (3) of this proviso would compromise the identity of any undercover law enforcement officer or confidential informant, or interfere with any case under investigation; and no person or entity described in (1), (2) or (3) shall knowingly and publicly disclose such data; and all such data shall be immune from legal process, shall not be subject to subpoena or other discovery, shall be inadmissible in evidence, and shall not be used, relied on, or disclosed in any manner, nor shall testimony or other evidence be permitted based on the data, in a civil action in any State (including the District of Columbia) or Federal court or in an administrative proceeding other than a proceeding commenced by the Bureau of Alcohol, Tobacco, Firearms and Explosives to enforce the provisions of chapter 44 of such title, or a review of such an action or proceeding; except that this proviso shall not be construed to prevent: (A) the disclosure of statistical information concerning total production, importation, and exportation by each licensed importer (as defined in section 921(a)(9) of such title) and licensed manufacturer (as defined in section 921(1)(10) of such title); (B) the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or (C) the publication of annual statistical reports on products regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives, including total production, importation, and exportation by each licensed importer (as so defined) and licensed manufacturer (as so defined), or statistical aggregate data regarding firearms traffickers and trafficking channels, or firearms misuse, felons, and trafficking investigations: Provided further, That no funds made available by this or any other Act shall be expended to promulgate or implement any rule requiring a physical inventory of any business licensed under section 923 of title 18, U.S. Code: Provided further, That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code: Provided further, That no funds authorized or made available under this or any other Act may be used to deny any application for a license under section 923 of title 18, U.S. Code, or renewal of such a license due to a lack of business activity, provided that the applicant is otherwise eligible to receive such a license, and is eligible to report business income or to claim an income tax deduction for business expenses under the Internal Revenue Code of 1986.*

Note. - A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

**Recommended change to Department of Justice General Provision for FY 2012**

*The Attorney General is authorized to extend through September 30, 2013, the Personnel Management demonstration project transferred to the Attorney General pursuant to section 1115 of the Homeland Security Act of 2002, Public Law 107-296 (28 U.S.C. 599B) without limitation on the number of employees or the positions covered.*

**Analysis of Appropriations Language**

*Would extend the pay demonstration project for two years through September 30, 2013 without limit on the number of employees or the positions covered*.

**IV. Decision Unit Justification**

**A. Firearms**

|  |  |  |  |
| --- | --- | --- | --- |
| **Firearms TOTAL** | **Perm Pos.** | **FTE** | **Amount ($000)** |
| 2010 Enacted w/Rescissions | 3,687 | 3,614 | 802,636 |
| 2010 Supplemental | 0 | 0 | 37,500 |
| 2010 Enacted w/Rescissions and Supplemental | 3,687 | 3,614 | 840,136 |
| 2011 CR | 3,687 | 3,614 | 802,636 |
| Adjustments to Base and Technical Adjustments | 153 | 199 | 78,947 |
| 2012 Current Services | 3,840 | 3,813 | 881,583 |
| 2012 Program Increases | 6 | 3 | 1,139 |
| 2012 Program Offsets | 0 | 0 | (22,250) |
| 2012 Request | 3,846 | 3,816 | 860,472 |
| **Total Change 2011-2012** | **159** | **202** | **57,836** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Firearms – Information Technology Breakout (of Decision Unit Total)** | **Perm Pos.** | **FTE** | **Amount ($000)** |
| 2010 Enacted w/Rescissions | 65 | 65 | 92,969 |
| 2010 Supplemental | 0 | 0 | 0 |
| 2010 Enacted w/Rescissions and Supplemental | 65 | 65 | 92,969 |
| 2011 CR | 65 | 65 | 93,329 |
| Adjustments to Base and Technical Adjustments | 0 | 0 | 880 |
| 2012 Current Services | 65 | 65 | 94,209 |
| 2012 Program Increases | 0 | 0 | 0 |
| 2012 Program Offsets | 0 | 0 | (10,280) |
| 2012 Request | 65 | 65 | 83,929 |
| **Total Change 2011-2012** | **0** | **0** | **(9,400)** |

**1. Program Description**

ATF addresses firearms-related violent crime by enforcing Federal laws and regulations. We ensure that Federal Firearms Licensees (FFL) comply with applicable laws and regulations, and we educate and motivate industry members to implement voluntary controls and cooperate with law enforcement officials. ATF’s regulatory function is a key component in our effort to stem the flow of firearms to prohibited persons and criminal organizations.

ATF regulates the manufacture, importation, and sale of firearms in the United States. ATF investigates FFL applicants to determine their eligibility to engage in a firearms business, and educates licensees on their legal responsibilities. ATF enforces the Brady Law, which requires that all FFL sales to non-licensed individuals include a background check to ensure that the purchaser is not a felon or other prohibited person. ATF requires that FFLs maintain records of their acquisition and disposition of firearms. ATF has the authority to request information from these records to assist with criminal investigations.

Through this regulatory framework, ATF tracks each recovered firearm from its point of manufacture or importation to the point of first retail sale, a process known as “tracing.” By tracing all crime gun recoveries submitted to ATF, investigators are able to discern patterns of persons purchasing firearms, locations of purchase, and weapon types. These patterns provide invaluable leads in identifying persons who divert firearms into illegal commerce. By identifying and targeting these persons, ATF stems the flow of illegal guns and makes it difficult for convicted felons, drug traffickers, or juvenile gang members to obtain firearms for use in violent crimes. Moreover, by connecting a firearm to a gun trafficker, ATF connects firearms sold by that trafficker to those who use firearms in violent crimes.

***ATF’s Integrated Violence Reduction Strategy (IVRS)***

Firearms-related violent crimes, while fueled by various causes, often relate to or stem from unlawful diversion of firearms from legal commerce into the hands of prohibited individuals who then leverage firearms acquisition to fund terrorism or to support drug or organized crime enterprises. In addition, the Uniform Crime Report for 2009 indicates that firearms violence claimed 9,146 lives, which equates to 25 lives a day.

ATF’s Integrated Violence Reduction Strategy (IVRS) breaks this link by enforcing firearms laws to remove violent offenders from our communities, keeping firearms from prohibited possessors, eliminating illegal weapons transfers, halting illegal sources of firearms, and pursuing outreach and prevention efforts. The IVRS builds upon traditional enforcement efforts with state-of-the-art ballistic imaging technology, firearms tracing, and intelligence and 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.
* Collaborating with FFLs to promote the proper recordkeeping and business practices that help prevent the acquisition of firearms by prohibited persons.
* Educating the community and industry through outreach.

## Reducing Violence through the Interdiction and Prevention of Firearms Trafficking

ATF’s statutory authority and long experience regulating the firearms industry, together with its unique technical/forensic capabilities, make ATF the Federal authority on firearms trafficking and investigations. ATF focuses on closing regulated retailers, secondary markets such as gun shows and flea markets, and the Internet to individuals who cannot legally obtain a firearm.

ATF traces the on-going movement of firearms from legal to illegal commerce, from source area to market area, from trafficker to triggerman. ATF agents, IOIs, and Federal prosecutors work together in a source area—thousands of miles from a criminal market area—to deliver a major impact on violent crime and gang violence in a market area. Dismantling a gun trafficking organization wherever it operates impacts the ability of criminals to threaten or harm our communities across the country.

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. Trafficking techniques include straw purchases (where a legal purchaser buys a firearm on behalf of, or at the direction of, a prohibited purchaser), illegal dealing at gun shows and other locations, dishonest FFLs, burglaries of gun stores, the theft of interstate shipments of firearms, and large-scale trafficking organizations.

ATF’s trafficking strategy deploys 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 IVRS component, is a particularly effective example of how focused law enforcement in violence-plagued, gang-infected communities reduces violent crime.

***Reducing Violent Gang Crime***

ATF’s core missions - enforcing laws that prohibit the criminal misuse of firearms and explosives, and investigating acts of arson - have placed it at the center of gang investigations. Since its creation as a bureau in 1972, ATF has established itself as a lead Federal agency in the investigation of violent gang-related crime. ATF has unique statutory authority over the “tools of the trade” that make gangs a threat to public safety. These tools include guns in the hands of felons and prohibited persons, and weapons and explosives used to further criminal activity. ATF targets and dismantles criminal organizations like Mara Salvatrucha (MS-13), Latin Kings, outlaw motorcycle organizations such as the Hells Angels and the Mongols, national gangs like the Crips and Bloods, Asian gangs, white supremacists, and innumerable neighborhood-based gangs that individually and collectively pose a great threat to the public safety. 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.

* Criminal gangs are active within all 50 States, the District of Columbia, and the American Commonwealths.
* Approximately 1 million gang members belong to more than 20,000 gangs.
* Criminal gangs commit as much as 80% of the crime in communities, according to law enforcement sources.
* Criminal gangs sell illicit narcotics supplied by and through Mexican-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

ATF has a powerful IVRS tool in the VCIT. VCITs focus primarily on urban areas and work with local law enforcement partners. VCITs identify hot spots of violent firearms crime and use undercover operations, surveillance, wiretaps, and the controlled purchase of drugs, guns and explosives to identify and attack the gang’s hierarchy. The teams target, investigate, arrest, and recommend for prosecution the “worst of the worst” criminals. A VCIT focuses on a small area and floods it with the integrated resources of the VCIT partners. ATF’s VCIT program is an example of the logical market area complement to its firearms trafficking strategy.

In the 31 VCIT task force cities since 2004:

* The teams have obtained convictions against over 3,100 defendants; over 80% were sentenced to prison, with an average sentence of 17 years.
* In FY 2010, ATF referred 4,913 gang related defendants for prosecution.
* In fiscal years 2003 through 2010, an average of 12% of all ATF cases and 20% of all ATF defendants referred for prosecution (11,968 cases and 28,347 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’s Federal Firearms Licensing Center (FFLC) issues licenses to legitimate firearms manufacturers, importers, and dealers. ATF investigates firearms license applicants for Federal prohibitions such as felony convictions, illicit drug use, illegal alien status, mental illness, or minimum age requirement.

To prevent individuals from buying firearms by falsely claiming to be an FFL, ATF provides licensees with access to the “FFL EZ Check” database, which allows FFLs to verify the legitimacy of the licensee before shipping or disposing of a firearm.

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

Along with conducting face-to-face qualifying inspections of all new license applicants, ATF conducts compliance inspections of current FFLs and collaborates with the industry on voluntary compliance efforts.  ATF employs approximately 640 non-supervisory, field-based IOIs to investigate approximately 120,000 firearms licensees, approximately 56,280 of which are collectors of specialty firearms, *e.g.* curios and relics. In FY 2010, these IOIs inspected more than 11,400 active FFLs.

ATF IOIs inspect FFLs to ensure compliance with the Gun Control Act (GCA). Responses to non-compliance include issuing a “Report of Violations,” sending a “Warning Letter,” or holding a “Warning Conference” with the industry member. On rare occasions, ATF encounters a licensee who fails to comply with laws and regulations or who demonstrates a lack of commitment to improving his or her business practices. In such cases, ATF’s obligation to protect public safety may require revocation of the Federal firearms license.

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

* + In fiscal year 2010, ATF conducted 11,413 compliance inspections.
  + Approximately 47 percent of the licensees inspected were determined to be in full compliance with the law and regulations and no violations were cited.
  + 100 compliance inspections recommended license revocation or denial of an application for renewal of a Federal firearms license due to willful violations of the GCA. An additional 49 license inspections resulted in licenses being surrendered in lieu of administrative action. This figure is less than one percent of the number of licensees inspected.
  + ATF reviewed more than 2 million firearms transfer records for legal sufficiency and validated over 328,000 National Instant Check submissions.
  + During compliance inspections conducted in 2010, ATF investigators identified 122,737 firearms that FFLs could not locate in inventory or account for by disposition or theft.
  + By working with industry members, IOIs reduced this number to approximately 31,198 unaccounted-for firearms. ATF IOIs improved the success rate of potential firearms traces of previously unaccounted firearms by 75 percent.

***Reducing Violence on the Southwest Border – Project Gunrunner***

The violence fueled by firearms trafficking is evident in the crisis on our Southwest Border. Our firearms trafficking strategy complements our continued focus on deploying resources to specific localities where there is a high incidence of gang and gun violence. Recent investigative data have shown an increase in the number of firearms recovered in Mexico, and these firearms fuel the growing violence along the border. In partnership with other U.S. agencies and the Government of Mexico, ATF’s Project Gunrunner investigates the sources of firearms identified from trace data derived from firearm recoveries and subsequent trace requests made by our Mexican counterparts. In the overarching U.S. Government Southwest Border strategy, ATF stems the illegal trafficking of weapons across the border and reduces the firearms-driven violence now occurring on both sides of the border.

* To confront the escalating firearms-violence problem along the Southwest border, in FY 2009-10, ATF provided firearms-trafficking training to approximately 1,100 Mexican police and prosecutors.
* Every year, ATF provides firearms-related training to more than 1,000 police officials served by the International Law Enforcement Academies across the globe.  In Africa, Eastern Europe, Asia, and Latin America, this training focuses on firearms trafficking and other violent-crime problems impacting each region.

Firearms tracing, especially the expansion of the eTrace firearms tracing system into the nine U.S. Consulates in Mexico, is a critical component of Project Gunrunner. Further, ATF extensively trains Mexican law enforcement personnel on firearms tracing and trafficking techniques. ATF and the Government of Mexico continue to enhance the firearms tracing process through deployment of a Spanish-language version of eTrace to designated Mexican law enforcement agencies. ATF has deployed eTrace to Mexico, Guatemala and Costa Rica.

ATF has assigned agents to Las Cruces and Roswell, New Mexico; El Centro, California; McAllen, Houston, and El Paso, Texas; and Phoenix and Tucson, Arizona, in addition to ATF’s resources in other strategic locations along the Southwest Border, to disrupt the firearms trafficking corridors operating along the border. Trends indicate that the firearms illegally crossing the U.S.-Mexico border are extremely lethal because of their increased capabilities and weapon types. ATF analyzed firearms seizures originating from Mexico from FY 2007 to FY 2010 and identified the following calibers that are among those most commonly used by criminals: 7.62mm, .223 caliber, 9mm, 5.7mm, 5.56 mm, .50 BMG, .45 caliber, .40 caliber, .38 caliber, and .308 caliber.

Most of the firearms violence in Mexico is perpetrated by drug trafficking organizations (DTO.) These Mexican DTOs, among the leading gun trafficking organizations operating in the U.S., vie for control of drug trafficking routes. DTOs in Mexico enforce and maintain their narcotics operations by relying on firearms from illicit suppliers. 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.

To disrupt firearms trafficking corridors along the southwest border, ATF has assigned approximately 224 agents, 165 IOIs, and 32 support staff to the four contiguous Border States. These ATF personnel, together with other agents, IOIs, and forensic auditors across the country, pursue firearms trafficking investigations that originate in areas away from the border but that result in the movement of firearms to Mexico.

***Reducing Violent Firearm Crime with National Information Sharing***

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

ATF collects, reports, and shares ballistic intelligence to identify, target, and dismantle violent gangs and criminal organizations engaged in firearms-related violent crimes. ATF administers automated ballistic imaging technology for Federal, State, and local law enforcement, forensic science, and attorney agencies in the United States through ATF’s National Integrated Ballistic Information Network (NIBIN). NIBIN partners use Integrated Ballistic Identification Systems (IBIS) to acquire digital images of markings made on spent ammunition recovered from a crime scene or a crime gun test fire, and then compare those images with earlier NIBIN entries.

Beginning in FY 2012, ATF will reduce the number of supported NIBIN workstations and contractor support by identifying the least productive NIBIN locations.  Specifically, $2 million in field contractor support will be eliminated and a reduction in ongoing operational costs of the NIBIN workstations and network will result in savings of $8 million.  ATF will decommission more than 120 NIBIN workstations or approximately 66% of its sites across the country.  Where feasible, ATF will explore regionalization of NIBIN service to consolidate remaining resources.  Finally, ATF will gauge state and local law enforcement NIBIN needs and explore a cost sharing option via a user fee structure.

ATF’s National Tracing Center (NTC) is another key tool in fighting violent crime. Each year, the NTC traces hundreds of thousands of recovered crime guns. In FY 2010, the NTC traced 343,914 recovered firearms for law enforcement offices in over 60 different countries. The NTC anticipates that it will receive about 343,000 trace requests in FY 2011 and about 354,000 trace requests in FY 2012. The NTC is the only repository of all crime gun trace data, multiple handgun sales information, stolen firearms information, suspect gun information, and over 100 million firearms transaction records from out-of-business FFLs. The data allow ATF to identify recurring patterns and trends indicative of illegal firearms trafficking and pass that information on to law enforcement. Analysis of the collective crime gun trace data helps communities develop focused strategies or programs that address specific factors that contribute to armed crime. The NTC also ensures that ATF agents can access its data through eTrace, a web-based input and query engine available to all law enforcement agencies.

Intelligence gathered from tracing crime guns provides leads on illegal firearms traffickers, straw purchasers, and others involved in violent firearms crime, including criminal gang members. Firearm trace data identifies “hot spots” of criminal activity and locates weapons sources even if they are in other states or across the country. ATF uses this data to target and perfect its own criminal investigations, and transmits information to State and local law enforcement.

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

**eTrace:** This is a web-based firearms tracing system interface that ATF developed to allow law enforcement agencies to securely submit trace requests via the Internet, receive trace results, and perform limited analysis of the data. eTrace is the primary means through which a law enforcement agency interacts with the NTC. To date, approximately 3,380 law enforcement agencies use eTrace to submit their trace requests to the NTC, including law enforcement agencies from 32 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 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, it must send its firearms transactions records to the NTC. The NTC receives an average of 1.2 million out-of-business records per month and is the only repository for these records within the U.S.

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

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

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

**Demand Letter Project:** The NTC sends certified demand letters to non-compliant FFLs who repeatedly fail to respond to firearms trace requests within the required timeframe, and to FFLs who sell numerous firearms with short time-to-crime traces.  (The time-to-crime is the period between the sale of a firearm and law enforcement’s recovery of that firearm in a crime.)  Under the demand letter initiative, ATF requires FFLs, who had been uncooperative with trace requests, to provide copies of their acquisition and disposition records for the prior three (3) years.  This is necessary so that ATF can perform any needed crime gun traces (referred to as “Demand Letter 1” licensees).  Licensees who have 15 or more crime guns traced to them in the previous year are required to send ATF their acquisition records relating to the firearms acquired, including used firearms (referred to as “Demand Letter 2” licensees).  This initiative has been extremely successful in improving FFL compliance with trace requests.  In fact, ATF did not issue any demand letters in the first category (Demand Letter 1) in 2008.

**National Firearms Act (NFA) Enforcement**

***Weapons***

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

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

***Importation of Firearms***

ATF regulates the importation of firearms, ammunition, and other defense-related articles by issuing import permits. ATF also regulates the importation of firearms and ammunition by non-immigrant 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 on statutory, regulatory, and policy changes that affect their day-to-day operations and routinely holds seminars 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 similar 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 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.

***International Policy***

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **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 2010** | | **FY 2010** | | **FY 2011 CR** | | | | **Current Services Adjustments and FY 2012 Program Change** | | | **FY 2012 Request** | |
| **Total Costs and FTE** | | **FTE** | **$000** | **FTE** | **$000** | **FTE** | | **$000** | | **FTE** | **$000** | | **FTE** | **$000** |
| **3,614** | **$802,636** | **3,614** | **$802,636** | **3,614** | | **$802,636** | | **202** | **$57,837** | | **3,816** | **$860,471** |
| **Program Activity** | **Criminal Enforcement** | **FTE** | **$000** | **FTE** | **$000** | | **FTE** | | **$000** | **FTE** | | **$000** | **FTE** | **$000** |
| **2,934** | **$683,578** | **2,934** | **$683,578** | | **2,934** | | **$683,578** | **165** | | **$47,512** | **3,099** | **$731,090** |
| OUTCOME Measure | Reduce the risk to public safety caused by illegal firearms trafficking | N/A | | 100.4 | | | 98 | | | -5 | | | 93 | |
| OUTCOME Measure | Reduce the risk to public safety caused by criminal possession and use of firearms | N/A | | 99.8 | | | 93 | | | -8 | | | 85 | |
| OUTCOME Measure | Reduce the risk to public safety caused by criminal organizations and gangs | N/A | | 95.8 | | | 95 | | | -8 | | | 87 | |

**Footnote:** ATF has established a benchmark for its performance index using FY 2010 actual performance data and resource levels.  The benchmark level is expressed as a performance index target of “100” in the FY 2011 Congressional Budget Request.  From this benchmark, ATF has determined the FY 2012 performance targets by estimating expected performance with the requested level of resources in the FY 2012 Congressional Budget Request.  ATF’s FY 2012 performance targets represent the Bureau’s capability (relative to the FY 2010 benchmark level and within the resources requested) to impact strategic risk areas (Performance Goals/Outcome).  Using the underlying benchmarked proxy index indicators as a starting point, ATF is able to project anticipated mission performance, with results displayed at the performance goal index levels (Actuals).  Please refer to section 3.a. for a discussion of the Performance Plan and Report of Outcomes.

Targets may change based on FY 2011 resource availability but ATF will ensure that performance measures reflect the goals and objectives for FY 2012.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Final Target** | | **Actual** | | **Projected** | | **Changes** | | **Requested (Total)** | |
|  |  | **FY 2010** | | **FY 2010** | | **FY 2011 CR** | | **Current Services Adjustments and FY 2012 Program Change** | | **FY 2012 Request** | |
| **Program Activity** | **Regulatory Compliance** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** |
| **680** | **$119,058** | **680** | **$119,058** | **680** | **$119,058** | **37** | **$10,325** | **717** | **$129,382** |
| OUTCOME Measure | Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members | N/A | | 98.7 | | 94 | | -7 | | 87 | |

| 2. PERFORMANCE MEASURE TABLE | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Decision Unit: Firearms | | | | | | | | | | | |
| **Performance Report and Performance Plan Targets** | | FY 2004 | **FY 2005** | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | | **FY 2011** | FY 2012 |
| **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Target** | **Actual** | Target | Target |
| OUTCOME Measure | Reduce the risk to public safety caused by illegal firearms trafficking | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 100.4 | 98 | 93 |
| OUTCOME Measure | Reduce the risk to public safety caused by criminal possession and use of firearms | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 99.8 | 93 | 85 |
| OUTCOME Measure | Reduce the risk to public safety caused by criminal organizations and gangs | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 95.8 | 95 | 87 |
| OUTCOME Measure | Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 98.7 | 94 | 87 |

**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 stemming firearms trafficking while protecting the public’s legitimate access to firearms. ATF specializes in investigating sources of illegal crime guns; the illegal acquisition of firearms; and the possession, use, and trafficking of firearms at the national and international level. Through its VCITs, ATF dedicates resources to crime gun market areas to further reduce violent crime. ATF aligns assets to maximize performance by leveraging technical, scientific and legal expertise, and sustaining partnerships with other law enforcement agencies.

1. **Performance Plan and Report for Outcomes**

Confirming the integrity of FFL records is another key element of preventing violent firearms crime and ensuring that investigators have the tools needed to do their jobs. To help all FFLs operate in accordancewith the law, ATF focuses on improving compliance procedures so that prohibited individuals do not obtain firearms licenses and so that firearms are not diverted from legal to illegal markets. ATF measures reductions in violations among FFLs to ensure that its regulatory, inspection, and education efforts have the desired impact.

ATF has developed a Performance Index to measure ATF’s 10 core functions as well as the strategic goals and strategic objectives. The Index includes a performance goal statement for each core function to provide comprehensive tracking and measurement of ATF’s performance across the enterprise. ATF’s outcome-based performance goal statements are shown below:

|  |  |
| --- | --- |
| ***Core Function*** | ***Performance Goal Statement*** |
| **Illegal Firearms Trafficking** | Reduce the risk to public safety caused by illegal firearms trafficking |
| **Firearms Criminal Possession and Use** | Reduce the risk to public safety caused by criminal possession and use of firearms |
| **Firearms Industry Operations** | Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members |
| **Criminal Groups and Gangs** | Reduce the risk to public safety caused by criminal organizations and gangs |
| **Explosives, Bombs, and Bombings** | Reduce the risk to public safety caused by bombs and explosives |
| **Explosives Industry Operations** | Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members |
| **Fire and Arson** | Reduce the risk to public safety caused by the criminal use of fire |
| **Alcohol and Tobacco** | Reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking |
| **Modernization** | Modernize business processes and systems for improved mission effectiveness and transparency |
| **Workforce** | Attract, develop, and retain an expert workforce to execute the ATF mission |

In the Index, each performance goal statement aligns with specified strategic objectives and their corresponding performance indicators. This structure allows ATF to evaluate performance at each level: enterprise, budget decision unit, core function/performance goal statement, and strategic objective, and to use performance indicators to track progress against targets.

Applying an index to gauge performance is a widely accepted practice for compiling multiple performance indicators into a single number. Examples of indices used elsewhere in the Federal government include the Environmental Protection Agency’s UV Index and the FBI’s annual calculation of a crime rate that results in the FBI Uniform Crime Report. As used at ATF, the Index number moves up or down and portrays the progress made against pre-established performance goal statements.

The Index measures progress against quantifiable goals or targets. ATF has established a target for each performance indicator included in the Index based on historic performance and ATF’s current or anticipated operating environment. Each piece of the Index (performance indicator, strategic objective, performance goal statement, and budget decision unit) has been assigned a weight to show its strength relative to the overall Index. The weight assigned to each of the performance indicators is based on the indicator’s effectiveness as a measure of its respective performance goal statement. The weight of each strategic objective is the sum of the weights of the performance indicators that comprise it. The performance goal statements were weighted according to two criteria: impact on its respective budget decision unit mission (e.g., the impact of Illegal Firearms Trafficking on ATF’s Firearms mission), and ATF’s current capabilities in the area of the performance goal statement. Weights are assigned to ATF’s budget decision units (firearms, arson and explosives, and alcohol and tobacco) in accordance with established Congressional reprogramming thresholds among these mission areas.

The Index compiles mathematical calculations that combine ATF’s actual progress toward targets, and the weight of the performance indicator, strategic objective, performance goal statement, and budget decision unit. The calculations to determine the value for each level of ATF’s Performance Index is as follows:

|  |  |
| --- | --- |
| Per Performance Indicator: | Actual ÷ Target x Weight of Performance Indicator |
| Per Strategic Objective: | Sum of Performance Indicator Subtotals |
| Per Performance Goal Statement: | Sum of Strategic Objective Totals x Weight of Performance Goal Statement |
| Per Budget Decision Unit: | Sum of Performance Goal Statement Subtotals x Weight of Budget Decision Unit |
| ATF Performance Index: | Sum of All Budget Decision Unit Subtotals |

The calculations at the performance indicator and strategic objective levels are displayed in the example below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Example Strategic Objective Calculation** | | | | | |
| **Performance Indicator** | **Actual** | **Target** | **Score**  **(Actual / Target)** | **Weight**  **(Percent)** | **Subtotal**  **(Score x Weight)** |
| A | 65 | 100 | 0.65 | 0.15 | 0.0975 |
| B | 180 | 200 | 0.90 | 0.75 | 0.675 |
| C | 50 | 250 | 0.20 | 0.10 | 0.02 |
| Sum of Subtotals = | | | | | 0.7925 |
| **Example Strategic Objective Value (Sum x 100) =** | | | | | **79.25 %** |

The sum of the strategic objectives respective to each performance goal statement is then multiplied by the weight assigned to the performance goal statement. The sum of the budget decision unit subtotals establishes the score of the ATF Performance Index. ATF’s application of the performance index is applicable to each of its decision units.

Below are some of the supporting performance indicators for illegal firearms trafficking.



**b. Strategies to Accomplish Outcomes**

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

Through IVRS, ATF addresses firearms violence nationwide. ATF works closely with other Federal, State, and local agencies to prevent armedoffenders from victimizing the American public, to endillegal gun sales, to apprehend illegal possessors, and to confirm industry adherence to applicable laws and regulations.

ATF continuously evaluates the integrity of the licensee populationto ensure they operate within the law and applicable regulations. ATF continually reviews procedures involving the selection of licensees for inspection and license revocation for those who violate the law.

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, and shares this information when appropriate and when authorized by law with the Bureau’s 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 accessed expeditiously through a National Information Exchange Model (NIEM)-compliant data architecture and the ATF Knowledge Online portal. Through NIBIN, ATF also provides automated ballistic comparison capabilities to hundreds of agencies nationwide. ATF is implementing computer applications that will allow field employees greater access to needed data, provide an electronic interface with the FBI for submission of fingerprints and retrieval of results, and facilitate sharing of domestic intelligence information with the Department of Homeland Security (DHS).

The Gang Targeting, Enforcement, and Coordination Center (GangTECC) is an example of technology and information sharing that is critical to successful law enforcement operations. This task force develops strategies and facilitates operations across agency lines to dismantle national and transnational violent gangs. For the past four years, an ATF special agent served as the Deputy Director of the Gang TECC, which coordinates overlapping investigations conducted by different agencies, encourages sharing of tactical and strategic intelligence among law enforcement agencies, and serves as a coordinating center for multi-jurisdictional gang investigations involving Federal law enforcement agencies. In October 2010, DOJ restructured its GangTECC components to operate within the DEA Special Operations Division. ATF continues its participation with three collocated special agents. ATF also participates at the National Gang Intelligence Center (NGIC) through the support of two intelligence research specialists.

Significant outreach measures complement ATF’s enforcement and industry operations strategies. For example, ATF presentations to schoolchildren and the general public promote public safety and prevent violence. Further, ATF offers training and other services to employees of Federal, State, and local agencies to improve their professional capabilities.

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

ATF partners with various law enforcement and prosecutorial entities in conducting innovative regional firearms enforcement cross-training of agents, officers, and attorneys, and also delivers firearms trafficking and tracing training to enforcement agencies through offices in Mexico, Canada, Colombia, and El Salvador. ATF assigns liaison officers to INTERPOL in Lyon, France, and to EUROPOL at The Hague, The Netherlands. These officers facilitate the efficient exchange of information and expertise within the international law enforcement community.

**Crosscutting Activities**

ATF plays a major role in the prevention and investigation of violent crimes involving firearms, gangs, and organized criminal enterprises. ATF participates in multi-agency efforts such as the Organized Crime Drug Enforcement Task Force (OCDETF) and High Intensity Drug Trafficking Area (HIDTA) task forces and provides direct investigative expertise in partnership with State and local public safety agencies. International organized crime poses unprecedented threats to U.S. national and economic security through attempts to exploit the Nation’s strategic sectors and by supporting terrorists and hostile governments, and even manipulating financial markets.

**B. Arson and Explosives**

|  |  |  |  |
| --- | --- | --- | --- |
| **Arson and Explosives TOTAL** | **Perm Pos.** | **FTE** | **Amount ($000)** |
| 2010 Enacted w/Rescissions | 1,321 | 1,321 | 289,841 |
| 2010 Supplementals | 0 | 0 | 0 |
| 2010 Enacted w/Rescissions and Supplementals | 1,321 | 1,321 | 289,841 |
| 2011 CR | 1,321 | 1,321 | 289,841 |
| Adjustments to Base and Technical Adjustments | (81) | (81) | (22,555) |
| 2012 Current Services | 1,240 | 1,240 | 267,286 |
| 2012 Program Increases | 2 | 1 | 349 |
| 2012 Program Offsets | 0 | 0 | (3,757) |
| 2012 Request | 1,242 | 1,241 | 263,878 |
| **Total Change 2011-2012** | **(79)** | **(80)** | **(25,963)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Arson & Explosives – Information Technology Breakout (of Decision Unit Total)** | **Perm Pos.** | **FTE** | **Amount ($000)** |
| 2010 Enacted w/Rescissions | 24 | 24 | 28,114 |
| 2010 Supplemental | 0 | 0 | 0 |
| 2010 Enacted w/Rescissions and Supplemental | 24 | 24 | 28,114 |
| 2011 CR | 24 | 24 | 27,744 |
| Adjustments to Base and Technical Adjustments | 0 | 0 | 270 |
| 2012 Current Services | 24 | 24 | 28,014 |
| 2012 Program Increases | 0 | 0 | 0 |
| 2012 Program Offsets | 0 | 0 | (86) |
| 2012 Request | 24 | 24 | 27,928 |
| **Total Change 2011-2012** | **0** | **0** | **184** |

**1. Program Description**

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

ATF guides and instructs public safety officials, explosives industry members, and State governments on all aspects of explosives law, including the Safe Explosives Act (SEA), to make regulation less burdensome and to promote compliance with Federal law. ATF’s mission extends to ensuring that only qualified and legitimate applicants enter the explosives industry and that licensees keep proper records and use sound business practices to help prevent theft, explosives incidents, or the diversion of explosives to criminal or terrorist purposes.

With its long history of investigating fires and criminal bombings, ATF has the training, experience, and ability to detect, prevent, protect against, and respond to such incidents.

* Since 1978, ATF has investigated more than 25,000 bombings and attempted bombings, more than 1,000 accidental explosions, and more than 21,000 incidents involving recovered explosives or explosive devices. The majority of these criminal bombings involved the use of improvised explosives devices.
* Between 1992 and 2008, 98.5 percent of the 26,919 bombing incidents in the U.S. were determined to be criminal acts.
* Using a broad definition of terrorism (to include hate groups, animal rights, and reproductive rights motivations), 405 incidents or 1.5% of the total, were identified as terrorist related.
* Since 1978, ATF’s National Response Team (NRT) has responded to more than 700 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.

Whether investigating fires at houses of worship, large fires in commercial facilities, a fire involving multiple fatalities, serial arsons, or fire incidental to acts of terrorism, ATF provides one of the most highly proficient and respected response capabilities in the world.

### *Participation in Joint Terrorism Task Forces (JTTFs)*

ATF fully supports Government anti-terrorism efforts, especially the FBI-led JTTFs. Currently, ATF participates in 95 of the 106 JTTFs, and assigns one ATF agent to the National JTTF at the National Counter-Terrorism Center. In working with the JTTF, ATF plays an important part in terrorism cases that involve firearms smuggling, bombs, illegal explosive possession, and tobacco diversion.

### *Combined Explosives Exploitation Cells (CEXC)*

Since 2005, ATF has deployed personnel to Iraq to support CEXC, a DOD program that provides immediate, in-theater technical and operational analysis of **Improvised Explosive Devices (IEDs)** used by insurgents. ATF explosives experts provide onsite investigative assistance to process post-blast incidents directed at U.S. and allied forces.

* ATF has provided pre- and post-blast investigative training to more than 3,000 military and Department of Defense civilian personnel, 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 at Crystal City, Virginia, to support the training of military personnel prior to their deploying to a combat zone.
* At the request of the Department of Defense and State/local law-enforcement agencies, ATF has developed the only comprehensive “Homemade Explosives” training course, covering the identification, processing, and disposal of the dangerous chemicals used to manufacture IEDs.

### *Terrorist Explosive Device Analytical Center (TEDAC)*

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

### *Arson Task Forces*

In January 1977, ATF formed its first arson task force in the Philadelphia metropolitan area. Since then, ATF has led or participated in formal and informal task forces in major cities that have significant arson problems. Each task force is configured based on the available resources and specific needs of the particular city. In addition to ATF special agents, including certified fire investigators and ATF auditors, task forces typically include local fire officials, arson investigators, and police.

### *Fires and Bombings at Houses of Worship*

ATF was designated to investigate the origins and causes of all fire and/or bombing incidents at houses of worship. Although the National Church Arson Task Force (NCATF) ceased to meet as a functioning body after the fourth year report to the President in Fiscal Year 2000, ATF is accountable to the Department of Justice and Congress for tracking and reporting all church fire or bombing investigations relative to any Federal or State civil rights violations (hate crimes) against any of these institutions, and continues to monitor and assist in investigations of house of worship incidents. For example, ATF’s arson and explosives National Response Team was requested to assist in the investigation of 16 fires that occurred in Texas churches in January and February of 2010. ATF led a multi-agency task force to investigate the fires, which quickly led to the identification and arrests of two suspects.

### *National and International Response Teams*

As an integral part of ATF’s overall violent crime reduction strategy, ATF provides vital resources to local communities to investigate explosives and fire incidents. ATF’s arson and explosives National Response Team (NRT) was formed in 1978 to help meet the needs of those who are responding to and investigating complex incidents. The NRT was designed to bring together all of ATF’s expertise and experience to work alongside State and local officials in reconstructing the scene, identifying the seat of the blast or origin of the fire, conducting interviews, sifting through debris to obtain evidence related to the explosion and/or fire, participating in the ensuing investigation, and providing expert court testimony.

The NRT consists of three regional response units. Each unit is comprised of veteran special agents having postblast and fire origin and cause expertise, including certified explosives,, specialists, certified fire investigators, forensic chemists, explosives enforcement officers, fire protection engineers, and accelerant–and explosives-detection canines. Further complementing the team’s efforts are intelligence, forensic audit, technical, and legal support. NRT members are trained in all levels of personal protective equipment, up to and including Level A protection, and HAZMAT certified. A fleet of fully equipped response vehicles provides logistical support.

Since its inception, NRT has responded to more than 700 fire and explosion incidents, including incidents such as 1993 World Trade Center (in which an EEO found and identified the critical evidence critical to solving the case), the Oklahoma City Federal Building bombing, and the September 11, 2001, attack on the Pentagon.

Because evidence in fire scenes can deteriorate quickly, a rapid response and investigation often means the difference between identifying and prosecuting suspects and leaving violent offenders on the streets. A recently completed Office of Inspector General (OIG) audit of the NRT found that 46 of 49 State and local agencies interviewed said that they either could not have completed their investigations without the NRT, or that without NRT assistance it would have taken more time and strained the agencies’ resources. For example, in 2009, a fire destroyed the Gallery Furniture Store and Warehouse in Houston, Texas. The NRT investigated over 120 leads and conducted over 50 interviews before arresting a former employee who had lost his job several years previous for loan-sharking and destruction of employees’ property.

### *Explosives Industry Regulation*

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

ATF’s IOIs conduct compliance inspections of the nearly 11,000 explosives licensees and permittees nationwide to detect, investigate and prevent diversion, and promote the safe and secure storage of explosives. The 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 applicable to all licensees and permittees for the storage of explosives materials and related record keeping requirements, which helps to ensure that explosives are properly accounted for and tracked.

* In FY 2010, ATF:
* Conducted 4,317 explosives licensee and permittee compliance inspections that identified and corrected 1,620 public safety violations.
* Completed 1,176 FEL applicant inspections
* Processed 2,711 FEL applications (New & Renewal)
* Completed 56,113 Explosives Employee/Possessor Background Checks
* Completed 9,197 Explosives Responsible Persons Background Checks

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

## U.S. Bomb Data Center (USBDC)

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

The USBDC collects, analyzes, and disseminates timely information and relevant tactical and statistical intelligence within ATF, and to external Federal, State, local, tribal, military, and international partners. The USBDC provides statistical analyses of current trends and patterns to help prevent criminal misuse of explosives.

* The U.S. produces or imports approximately five 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.

The USBDC is the sole repository for arson and explosives related incident data, and contains information on more than 210,000 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 therein. Investigators 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 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 functions as a case management system, allowing investigators to build cases in the BATS application 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 tracing 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.

ATF serves as the Secretary for the International Bomb Data Center Working Group (IBDCWG) and the co-representative for the Americas. ATF also serves as the Administrator for the IBDCWG Portal (developed and maintained by the USBDC). Significant ATF partners at the USBDC include the U.S. Secret Service, the U.S. Capitol Police and the DoD NAVEOD Tech staff.

## ATF National Center for Explosives Training and Research (NCETR)

Established as a result of the 2002 Homeland Security Act, NCETR delivers basic and advanced courses on various explosives topics to ATF personnel, law enforcement partners, the U.S. military, and other Federal agencies. In 2010, the NCETR moved from its original site at Ft. A.P. Hill in Bowling Green, Virginia, to a permanent location at the Redstone Arsenal in Huntsville, Alabama. The NCETR consolidates ATF explosives expertise and research, thereby developing and enhancing technical knowledge and building partnerships for the dissemination of this knowledge across Federal, State, and local law enforcement agencies.

Congress appropriated funds to construct the permanent NCETR facility consisting of 81,000 square feet of space at Redstone Arsenal in Huntsville, Alabama. This facility, completed in 2011, will consist of eight classrooms; three 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 range sites (consisting of two ranges) is available for training/research activity. The facility provides explosives training for ATF personnel and for law enforcement and other first responders throughout the explosives community.

NCETR will be a center for managing ATF’s explosives training and information sharing programs and initiatives. The demand for explosives investigation training and other support from ATF explosives experts continues to increase. The Advanced Explosives Destruction Techniques (AEDT) course currently has a backlog of over 900 State and local law enforcement personnel seeking this training.

* ATF played a lead role in developing an explosives range for use by the students attending the International Law Enforcement Academy in Gaborone, Botswana. This enabled ATF to provide essential explosives training prior to the 2010 World Cup in South Africa.

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 improves efficiencies within ATF and enhances its efforts in each explosives discipline. 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 assist law enforcement and fire investigators worldwide. The Accelerant Detection Canine Program places accelerant detection canines with State and local agencies to support their arson investigation activities. The Explosives Detection Canine Program (EDCP) incorporates research and development of ATF’s Laboratory Services and trains explosives detection canines for use overseas and domestically in the war against terrorism. ATF works with agencies that have received ATF-certified explosives detection and accelerant detection canines and supports those who are without canine services in their communities. Congress has recognized the odor recognition proficiency standard used by ATF as a benchmark for effective canine explosives detection.

* ATF has trained approximately 400 explosive detection canines for foreign partners.
* ATF is working with the Department of Defense to train more than 300 military working canines to detect odors associated with “homemade explosives.” This effort is of critical importance to combating the IED threat in Iraq and Afghanistan.
* ATF has trained/tested 691 canine teams in the National Odor Recognition Test nationwide.

There are 35 ATF-trained explosives detection canine teams with ATF special agent canine handlers. In addition, there are currently 115 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 72 ATF-trained accelerant detection canine teams currently active in the U.S. and one in Canada. Since 1991, ATF has trained 909 explosives detection canines and 127 accelerant detection canines. ATF is also at the forefront of combating terrorism through such innovative programs as training other Federal, State, local, and international law enforcement explosives detection canines in peroxide explosives.

***Arson and Explosives Enforcement Programs***

ATF specialists are trained in investigating post-blast scenes in response to criminal and terrorist explosives incidents.  Theseagents 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 andsolve such crimes.  ATF is recognized for its expertise in fire and explosives investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial investigations to identify illegal arson for profit schemes. ATF also investigates incidents of explosives stolen from licensees, a particular concern considering the threats of terrorism against U.S. citizens.

***Certified Fire Investigators (CFI)***

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

***Certified Explosives Specialists (CES)***

ATF’s CESs conduct expert explosives crime scene examinations; lend expertise in support of security measures at special events; and assist ATF’s law enforcement counterparts at the Federal, State, local, and international levels in investigations of 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 includes a two-year candidacy, ensuring 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 IEDs.

***Explosives Enforcement Officers (EEO)***

EEOs are ATF’s explosives technology experts. They have extensive knowledge of explosives and 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 where explosions of an undetermined nature have occurred. Determining what constitutes an explosive, incendiary, or destructive device under Federal explosives laws and the NFA 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 include analytical examination of evidence and scientific validation for many ATF programs. Our examiners support the NRT, facilitate training exercises in all mission related functions, and provide expert witness testimony. ATF’s Laboratory Services personnel collectively average over 1,000 days out of the laboratory providing these services. Laboratory Services has four organizational groups: the Forensic Science Laboratory (FSL) in the Atlanta, San Francisco, and Washington metropolitan areas 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 biologists, chemists, scientists, engineers, fingerprint specialists, firearm and tool mark examiners, document examiners, and administrative support personnel. These examiners have hundreds of years of combined experience in the examination of fire, explosive, tobacco, and firearms cases. ATF Laboratory personnel hold leadership positions in numerous professional scientific organizations and are considered among the most highly qualified specialists in their individual fields.

All of the ATF Laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB), a voluntary program in which crime laboratories 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. In 1984, ATF became the first Federal agency to be accredited by ASCLD-LAB. The ATF Laboratories recently added DNA and tobacco analysis in support of ATF investigations. DNA analysis has added significant capability for linking a suspect to a crime. Tobacco analysis was developed to support Bureau needs for analysis of counterfeit and contraband tobacco products and tax stamps.

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

***Financial Investigations***

ATF’s auditors are certified by the National Association of States Board of Accountancy and provide financial investigative, forensic accounting, and financial expert witness support of criminal and regulatory investigations into 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 full range of ATF programs. ATF forensic auditors hold advanced licenses and certifications in accounting, auditing, and fraud detection. Forensic auditors support counter-terrorism, alcohol and tobacco diversion, firearms, and narcotics trafficking cases, as well as investigations into gang and other organized criminal enterprises. Regardless of the type of case, at the conclusion of the financial investigation, the forensic auditor provides a written report and, if needed, expert testimony. 

***Outreach Activities***

ATF provides services such as NRT responses, guidance, and advice to arson and explosives programs customers and to explosives industry members.

Since its first pilot delivery in July 2007, the ATF Arson Training Branch has delivered the R-206 Fire/Arson Origin and Cause offering to more than 1,000 State and local fire investigators representing both fire service and law enforcement organizations at the U.S. Fire Administration’s (USFA) National Fire Academy (NFA). The effect of this offering on the fire investigations community has been profound, as evidenced by the student evaluations, student comments, and the reputation this program has earned within the fire and law enforcement communities.

The ATF partnership with the USFA is like no other within the Bureau. Through this partnership, ATF has developed a cutting-edge program that offers the best science-based technical fire investigation training available to State and local fire investigators. ATF has recently entered into the fourth year of the cooperative effort with the United States Fire Administration.

* 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 communicates with the fire and explosives investigation community through arson and explosives advisory groups, the National Bomb Squad Commander Advisory Board (NBSCAB) and the International Bomb Data Center Working Group (IBDCWG) 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.

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.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2. PERFORMANCE AND RESOURCES TABLE** | | | | | | | | | | |
| **Decision Unit: Arson & Explosives** | | | | | | | | | | |
| **DOJ Strategic Goal/Objective: Goal 1, Objective 1.2; Goal 2, Objective 2.2** | | | | | | | | | | |
| **RESOURCES** | **Final Target** | | **Actual** | | **Projected** | | **Changes** | | **Requested (Total)** | |
|  | **FY 2010** | | **FY 2010** | | **FY 2011 CR** | | **Current Services Adjustments and FY 2012 Program Change** | | **FY 2012 Request** | |
| **Total Costs and FTE** | FTE | **$000** | FTE | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** |
| **1,321** | **$289,841** | **1,321** | **$289,841** | **1,321** | **$289,842** | **(80)** | **($22,962)** | **1,241** | **$263,878** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Program Activity** | **Criminal investigations** | FTE | **$000** | | FTE | **$000** | | **FTE** | **$000** | | **FTE** | **$000** | | **FTE** | **$000** | |
| **938** | **$219,426** | | **938** | **$219,426** | | **938** | **$219,426** | | **(57)** | **($20,058)** | | **881** | **$199,368** | |
| OUTCOME Measure | Reduce the risk to public safety caused by bomb and explosives | N/A | | | 92.8 | | | 88 | | | -12 | | | 76 | | |
| OUTCOME Measure | Reduce the risk to public safety caused by criminal use of fire | N/A | | | 99.9 | | | 92 | | | -9 | | | 83 | | |
| **Program Activity** | **Regulatory compliance** | FTE | | **$000** | FTE | | **$000** | **FTE** | | **$000** | **FTE** | | **$000** | **FTE** | | **$000** |
| **383** | | **$70,415** | **383** | | **$70,415** | **383** | | **$70,415** | **(23)** | | **($5,904)** | **360** | | **$64,510** |
| OUTCOME Measure | Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members | N/A | | | 93.5 | | | 97 | | | -6 | | | 91 | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | **Performance Measure Table** | | | | | | | | | |
| **Decision Unit: Arson & Explosives** | | | | | | | | | | | | |
| Performance Report and Performance Plan Targets | | | **FY 2004** | **FY 2005** | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | | **FY 2011** | **FY 2012** |
| **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Target** | **Actual** | **Target** | **Target** |
| OUTCOME Measure | Reduce the risk to public safety caused by bomb and explosives | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 92.8 | 88 | 76 |
| OUTCOME Measure | Reduce the risk to public safety caused by criminal use of fire | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 99.9 | 92 | 83 |
| OUTCOME Measure | Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 93.5 | 97 | 91 |

**Footnote:**  ATF has established a benchmark for its performance index using FY 2010 actual performance data and resource levels.  The benchmark level is expressed as a performance index target of “100” in the FY 2011 Congressional Budget Request.  From this benchmark, ATF has determined the FY 2012 performance targets by estimating expected performance with the requested level of resources in the FY 2012 Congressional Budget Request.  ATF’s FY 2012 performance targets represent the Bureau’s capability (relative to the FY 2010 benchmark level and within the resources requested) to impact strategic risk areas (Performance Goals/Outcome).  Using the underlying benchmarked proxy index indicators as a starting point, ATF is able to project anticipated mission performance, with results displayed at the performance goal index levels (Actuals).  Please refer to section 3.a. for a discussion of the Performance Plan and Report of Outcomes.

Targets may change based on FY 2011 resource availability but ATF will ensure that performance measures reflect the goals and objectives for FY 2012.

**3. Performance, Resources, and Strategies**

1. **Performance Plan and Report for Outcomes**

The arson and explosives decision unit contributes to DOJ’s Strategic Goal 1 - Preventing Terrorism and Promoting the Nation’s Security and Strategic Goal 2 - Preventing Crime, Enforcing Federal Laws, and Representing the Rights and Interests of the American People.

This unit complements ATF’s firearms decision unit by effectively applying advanced investigative techniques, vigorous prosecuting criminals, and consistently training and promulgating prevention strategies through law enforcement, industry regulation, industry outreach, technology, and mitigation of public safetyrisks relative to regulated commodities.

ATF uses its investigative jurisdiction, skills, and assets to combat explosives and arson-relatedviolence and terrorist acts. The explosives regulatory enforcement program safeguards the Americanpublic from explosives incidents caused by improperly stored materials. The program also minimizes criminals’ access to and use of explosive materials by heightening accountability for and increasing the traceability of materials 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 internationally by actively fostering working partnerships with friendly nations and U.S. allies. ATF shares intelligence and other assets in the war against global terrorism throughout the DOJ and other Federal agencies.

**b. Strategies to Accomplish Outcomes**

ATF concentrates resources and specialized expertise to achieve effective post-incident response and prevent the criminal use of explosives. ATF commits to an effective explosives inspection program that provides for public safety and security from the unauthorized use of explosive materials.

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

In response to long-term national counterterrorism strategies, ATF has set up a strategic global presence to safeguard and support U.S. interests and policies internationally. In addition, through its presence at the U.S. Embassy in Iraq and in foreign offices throughout the Western Hemisphere, ATF participates in an early warning system and shares intelligence with INTERPOL and EUROPOL regarding terrorist organizations that may seek to use or to traffic in firearms, other conventional weapons, or explosives.

# Crosscutting Activities

ATF not only participates in multi-agency efforts such as the JTTF, High Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA), the Organized Crime Drug Enforcement Task Force (OCDETF), Combined Explosives Exploitation Cells (CEXC), and the Terrorist Explosives Devices Analytical Center (TEDAC), but it also 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) Coordination Center, and the OCDETF Fusion Center. Further, ATF assigns representatives to various law enforcement and intelligence agencies such as the Defense Intelligence Agency (DIA), FBI, Department of Homeland Security (DHS), the Department of State and other government agencies (OGAs).

ATF amplifies interdepartmental initiatives to combat terrorism by fulfilling its responsibilities under the National Implementation Plan for the War on Terror, by supporting 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. Alcohol and Tobacco**

|  |  |  |  |
| --- | --- | --- | --- |
| **Alcohol and Tobacco TOTAL** | **Perm Pos.** | **FTE** | **Amount** |
| 2010 Enacted w/Rescissions | 93 | 90 | 22,295 |
| 2010 Supplementals | 0 | 0 | 0 |
| 2010 Enacted w/Rescissions and Supplementals | 93 | 90 | 22,295 |
| 2011 CR | 93 | 90 | 22,295 |
| Adjustments to Base and Technical Adjustments | 0 | 0 | 1,946 |
| 2012 Current Services | 93 | 90 | 24,241 |
| 2012 Program Increases | 0 | 0 | 31 |
| 2012 Program Offsets | 0 | 0 | (1,327) |
| 2012 Request | 93 | 90 | 22,945 |
| **Total Change 2011-2012** | **0** | **0** | **649** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Alcohol & Tobacco – Information Technology Breakout (of Decision Unit Total)** | **Perm Pos.** | **FTE** | **Amount ($000)** |
| 2010 Enacted w/Rescissions | 1 | 1 | 2,080 |
| 2010 Supplemental | 0 | 0 | 0 |
| 2010 Enacted w/Rescissions and Supplemental | 1 | 1 | 2,080 |
| 2011 CR | 1 | 1 | 2,090 |
| Adjustments to Base and Technical Adjustments | 0 | 0 | 23 |
| 2012 Current Services | 1 | 1 | 2,113 |
| 2012 Program Increases | 0 | 0 | 0 |
| 2012 Program Offsets | 0 | 0 | (7) |
| 2012 Request | 1 | 1 | 2,106 |
| **Total Change 2011-2012** | **0** | **0** | **16** |

1. **Program Description**

Illegal diversion of tobacco products deprives governments of due revenue (tax losses are estimated in the billions of dollars) and enables organized criminal enterprises (including terrorist organizations) to gain substantial profits. Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attracts less scrutiny and has a reduced risk of apprehension while still offering high potential profits. In addition, immense profits and relatively low penalties attract organized crime and fundraisers for terrorist groups.

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

Alcohol diversion raises images of prohibition-era moonshiners and bootleggers. While moonshiners still exist, more recent and complex alcohol diversion includes 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), which 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). The CCTA was enacted to support State and local law enforcement agencies in efforts to stop structured and organized criminal groups that derive significant financial gain through the transportation of contraband tobacco from no- or low-tax locales to high-tax locales. This is accomplished by working with other Federal law enforcement and revenue agencies, State and local law enforcement and revenue agencies, and international law enforcement and revenue agencies. Because of the diversity of the individuals and crimes involved in the tobacco black market, ATF often charges defendants with violations other than CCTA violations, ranging from conspiracy to Federal charges of murder-for-hire. Through the successful prosecution and plea agreements in these complex cases involving interstate commerce, States have recovered millions of dollars in excise tax revenues.

Organized criminal groups, including those with ties to terrorist organizations, have increasingly engaged in the illegal trafficking in tobacco products, particularly counterfeit and lawfully manufactured cigarettes. The proliferation of large volume trafficking across international borders and interstate commerce, without payment of tax, provides funding and material support to terrorist organizations and other organized criminal enterprises. ATF has conducted two tobacco diversion investigations, that resulted in convictions for Material Support to a Terrorist Organization. The first, and most significant, was an investigation conducted in Charlotte, North Carolina, called Operation Smoke Screen. ATF partnered with the FBI and a number of other agencies in this investigation, where 20 individuals were convicted of Racketeering, and two of the 20 were convicted of Material Support. This was the first time in the U.S. anyone had been tried and convicted of the Material Support charge. Mohammed Hammoud was sentenced to 150 years in the summer of 2002. The organization that Hammoud was tied to laundered millions of dollars through their operation.

Recently, ATF has seen a sharp increase in the involvement of organized criminal groups in the diversion of tobacco products. These groups are increasing their involvement due to the huge profits tobacco diversion generates for their criminal organizations. The profits gained through tobacco diversion are then filtered back into their criminal organizations to fund other criminal activities, including other types of fraud and violent crime. These criminal organizations affect the core of national and financial security and the quality of life of the nation’s citizens. The following are examples of the type of investigations that ATF is conducting:

* As a result of a nine-month investigation involving the illegal trafficking of cigarettes from Virginia to New York, ATF charged 11 individuals with violations of Federal law, including contraband cigarette trafficking, narcotics trafficking, and murder-for-hire. During this investigation, these individuals illegally trafficked more than $2million worth of contraband cigarettes into the state of New York. Undercover agents purchased 1 kilogram of cocaine and placed an order for several more. The investigation revealed an extensive network of people working in this illegal tobacco trafficking scheme on Long Island, New York. It was determined that this organization was also involved in money laundering and bank fraud. As a result of the intense competition involved in this illegal activity, some members of this organization solicited the undercover agents to kill or severely beat a rival tobacco trafficker in order to send a message to other illegal tobacco traffickers in the Long Island area. ATF conducted this investigation in partnership with the Fairfax County Police Department.
* In culmination of a 14-month investigation, ATF, working with the Stafford County Sheriff’s Office and the Fairfax County Police Department, charged 22 individuals with contraband cigarette trafficking, murder for hire, narcotics trafficking, and firearms violations. These individuals trafficked more than $8 million worth of contraband cigarettes purchased in Virginia to New York. During the investigation, undercover agents traded contraband cigarettes for 39 firearms, 6 ounces of crack cocaine, more than 32,000 ecstasy pills, ketamine (animal tranquilizer), and more than 275,000 counterfeit State tax stamps. In addition, the undercover agents were solicited to murder two individuals who were suspected by the organization of informing on and stealing from the organization.
* As a result of the investigation, information was developed that a Central American import/export owner was diverted tobacco products through his business and ultimately smuggling them into the United States and avoiding paying Federal and State taxes. The information was provided to foreign customs officials, who then executed search warrants on three different warehouses. The custom officials discovered over $17 million worth of contraband cigarettes that were bond for the United States. Had these cigarettes been smuggled into the United States it would have resulted in a $9.5 million Federal exercise tax loss. ATF is currently investigating an illegal internet cigarette trafficker who in the past five years has gained over $100 million of profit through his illegal diversion scheme. The investigation produced information that led to the serving of search warrants at the sixth largest tobacco manufacturer in the United States for being complicit in the illegal scheme.
* During FY 2010, ATF opened approximately 1,117 investigations into the diversion of alcohol and tobacco products, recommending the prosecution of approximately 250 defendants and seizing approximately $72 million in valued assets.

In addition to investigations related to the CCTA, ATF plays a vital role in implementing and overseeing the Prevent All Cigarette Trafficking Act of 2009 (PACT Act), signed by President Obama in March 2010. At its core, the new law provides investigative tools to Federal and State law enforcement agencies to identify and investigate individuals who engage in the sale and shipment of contraband tobacco products directly to the consumer in non–face-to-face transactions. One of ATF’s roles in overseeing and implementing the PACT Act is the development of the Delivery Seller Noncompliant List. The continually updated list consists of individuals who engaging in non-face-to-face tobacco transactions and have been found to be in violation of the PACT Act. The list is distributed to the State governments and to common carriers. The PACT Act prohibits common carriers from delivering packages from the individuals on the list. Creation and maintenance of the Delivery Seller Noncompliant List by ATF is critical in the enforcement of the PACT Act.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2. PERFORMANCE AND RESOURCES TABLE** | | | | | | | | | | | |
| **Decision Unit: Alcohol and Tobacco** | | | | | | | | | | | |
| **DOJ Strategic Goal/Objective: Goal 2, Objective 2.2** | | | | | | | | | | | |
| **RESOURCES** | | **Final Target** | | **Actual** | | **Projected** | | **Changes** | | **Requested (Total)** | |
|  | | **FY 2010** | | **FY 2010** | | **FY 2011 CR** | | **Current Services Adj and FY 2012 Program Change** | | **FY 2012 Request** | |
| **Total Costs and FTE** | | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** |
| **90** | **$22,295** | **90** | **$22,295** | **90** | **$22,295** | **0** | **$649** | **90** | **$22,944** |
| **Program Activity** | **Criminal investigations** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** |
| **90** | **$22,295** | **90** | **$22,295** | **90** | **$22,295** | **0** | **$649** | **90** | **$22,944** |
| OUTCOME Measure | Reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking | N/A | | 98.6 | | 96 | | -10 | | 86 | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Performance Measure Table** | | | | | | | | | | | |
| **Decision Unit: Alcohol and Tobacco** | | | | | | | | | | | |
| **Performance Report and Performance Plan Targets** | | **FY 2004** | **FY 2005** | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | | **FY 2011** | **FY 2012** |
| **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Target** | **Actual** | **Target** | **Target** |
| OUTCOME Measure | Reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 98.6 | 96 | 86 |

**Footnote:** ATF has established a benchmark for its performance index using FY 2010 actual performance data and resource levels.  The benchmark level is expressed as a performance index target of “100” in the FY 2011 Congressional Budget Request.  From this benchmark, ATF has determined the FY 2012 performance targets by estimating expected performance with the requested level of resources in the FY 2012 Congressional Budget Request.  ATF’s FY 2012 performance targets represent the Bureau’s capability (relative to the FY 2010 benchmark level and within the resources requested) to impact strategic risk areas (Performance Goals/Outcome).  Using the underlying benchmarked proxy index indicators as a starting point, ATF is able to project anticipated mission performance, with results displayed at the performance goal index levels (Actuals).  Please refer to section 3.a. for a discussion of the Performance Plan and Report of Outcomes.

Targets may change based on FY 2011 resource availability but ATF will ensure that performance measures reflect the goals and objectives for FY 2012.

**3. Performance, Resources, and Strategies**

**a. Performance Plan and Report for Outcomes**

ATF maintains a high satisfaction rate among State and local jurisdictions, as well as international law enforcement agencies, by preventing interstate commerce violations that result in tax revenue losses and by stopping illicit product trafficking from one State to another or across international borders. ATF’s alcohol and tobacco diversion program curtails criminal activities that produce revenues for funding violent criminal and terroristactivities.

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 authority as well as technical and scientific expertise, ATF investigates and dismantles schemes that divert alcohol and tobacco products from low tax jurisdictions to high tax jurisdictions and removes the proceeds of such activity from the hands of organized crime enterprises.

ATF partners with Federal, State, local, tribal and international law enforcement agencies to combat the illegal diversion of alcohol and contraband cigarette trafficking. ATF achieves its objective 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-provided training empowers enforcement partners to apply Federal forfeiture statutes to divest criminal groups of assets derived from diversion and trafficking activities.

Crosscutting Activities

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

Alcohol and Tobacco Information Technology

ATF pursues Information Technology projects that advance the investigation of alcohol and tobacco diversion. For example, the Law Enforcement Information Sharing Program (LEISP) project reduces redundancy, makes information in disparate systems accessible, and creates an infrastructure to share information efficiently and seamlessly among 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.

**V. Program Increases by Item:**

**Item Name: ATF’s Electronic Surveillance Capabilities Program**

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

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 1 of 1

Program Increase: Positions 8 FTE 4 Dollars $1,519,000

Description of Item

The ability of federal, state, and local law enforcement authorities to successfully conduct lawfully-authorized electronic surveillance, in a manner that preserves both a secure, robust, and innovative communications infrastructure and protects privacy and civil liberties, is essential to combating crime and protecting public safety. Electronic surveillance not only provides otherwise unobtainable evidence of criminal activity, but also helps law enforcement authorities to prevent crimes and save lives. However, due to changes in the volume and complexity of today’s communications services and technologies, law enforcement agencies face growing challenges to their ability to access, intercept, collect and process wire or electronic communications to which they are lawfully authorized.

The Department has been working to identify the challenges and propose solutions related to law enforcement’s electronic surveillance capabilities. One way to help address some of these challenges is to establish a Domestic Communications Assistance Center (DCAC). The DCAC would leverage the research and development efforts of federal law enforcement, facilitate the sharing of technology between agencies, strengthen compliance with the Communications Assistance for Law Enforcement Act (CALEA); and seek to build more effective relations with the communications industry.

Within the total Department initiative, $1,519,000 and 8 positions (6 agents), to be located at the Department’s Domestic Communications Assistance Center, is proposed for ATF.

Justification

The Domestic Communications Assistance Center would strengthen and centralize Law Enforcement Coordination, Technology Sharing, CALEA Implementation, and Industry Relations. The DCAC will serve as a hub for the management of knowledge and technical expertise regarding lawful electronic surveillance, facilitate the sharing of solutions and know-how among federal, state and local law enforcement agencies, and improve relations with industry. The four operational units are:

Law Enforcement Coordination – This unit would identify law enforcement needs related to a specific communications service or provider and direct DCAC resources to address those needs. With input from federal, state, and local law enforcement, the DCAC would be directed toward addressing the more pressing needs for all of law enforcement.

Technology Sharing – This unit would serve as a resource center that can identify technical capabilities for use by federal, state and local law enforcement. In addition, the unit would assist the customer agency by making referrals to agencies with the requisite technical tools or expertise.

CALEA Implementation – This unit would be detailed from the FBI, which is currently responsible for implementing CALEA, to the DCAC. The unit would be expanded to more effectively test and evaluate CALEA-mandated solutions and identify deficiencies in industry-developed technical standards.

Industry Relations – Through this unit, the DCAC would be capable of representing consensus law enforcement positions and would focus and prioritize requests made to industry by law enforcement.

# Funding

Electronic Surveillance Capabilities Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 President’s Budget | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost per Position ($000) | Number of Positions Requested | FY 2012 Request ($000) | FY 2013 Net Annualization (change from 2012) | FY 2014 Net Annualization (change from 2013) |
| Agent | 225 | 6 | 1,351 | 173 | 403 |
| Technical Support Specialists | 84 | 2 | 168 | 165 | 98 |
| **Total Personnel** |  | **8** | **1,519** | **338** | **501** |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Costs | Quantity | Non-Personnel Request ($000) | FY 2013 Net Annualization (change from 2012) | FY 2014 Net Annualization (change from 2013) |
|  |  |  |  |  |  |
| **Total, Non-Personnel** |  |  |  |  |  |

Total Request for Electronic Surveillance Capabilities Resources

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel | Non-Personnel ($000) | Total ($000) | FY 2013 Net Annualization (change from 2012) | FY 2014 Net Annualization (change from 2013) |
| Current Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Increases | 8 | 6 | 4 | 1,519 | 0 | 1,519 | 338 | 501 |
| Grand Total | 8 | 6 | 4 | 1,519 | 0 | 1,519 | 338 | 501 |

**VI.** **Program Offsets by Item**

**Item Name: National Integrated Ballistic Information Network (NIBIN) Reduction**

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, 2.2

Organizational Program: Bureau-wide

Component Ranking of Item: Item 1 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($10,000,000)

Description of Item

This request reflects an offset program reduction for ATF’s National Integrated Ballistic Information Network (NIBIN).

Justification

To fund higher priorities and achieve cost savings, the Administration proposes to offset the NIBIN program whose participants and customers are primarily non-Federal government law enforcement entities.

Impact on Performance (Relationship of Increase to Strategic Goals)

By identifying the least productive NIBIN locations, ATF will reduce the number of supported NIBIN workstations and contractor support.  Specifically, $2 million in field contractor support will be eliminated and a reduction in ongoing operational costs of the NIBIN workstations and network will result in savings of $8 million.  ATF will decommission more than 120 NIBIN workstations or approximately 66% of its sites across the country.  Where feasible, ATF will explore regionalization of NIBIN service to consolidate remaining resources.  Finally, ATF will gauge state and local law enforcement NIBIN needs and explore a cost sharing option via a user fee structure.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 19 | 7 | 19 | $22,100 | 19 | 7 | 19 | $22,100 | 19 | 7 | 19 | 22,100 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012  Request ($000) | FY 2013 Net Annualization  (change from 2012)  ($000) | FY 2014 Net Annualization  (change from 2013)  ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| IT Contractual Services |  |  | (10,000) | 0 | 0 |
| **Total Non-Personnel** |  |  | **(10,000)** | **0** | **0** |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Current Services | 19 | 7 | 19 | 3,010 | 19,090 | 22,100 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 | (10,000) | (10,000) | 0 | 0 |
| Grand Total | 19 | 7 | 19 | 3,010 | 9,090 | 12,100 | 0 | 0 |

**Item Name: Relocation Program Reduction**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 2 of 8

Program Increase: Positions: 0 Agent: 0 FTE: 0 Dollars ($8,692,000)

Description of Item

The budget reflects an offset for a reduction in expenses for the Relocation Program Reduction Permanent Change of Station (PCS) moves. PCS is the official move of an individual to fill agent and IOI vacancies.

Justification

The Department has identified efficiencies and cost savings associated with ATF’s Relocation Program (PCS moves).

Impact on Performance (Relationship of Increase to Strategic Goals)

A more constrained budget for PCS moves will require a more limited and more focused use of this authority.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 0 | 0 | 0 | $14,965 | 0 | 0 | 0 | 14,965 | 0 | 0 | 0 | 14,965 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012 Request ($000) | FY 2013 Net Annualization  (change from 2012) | FY 2014 Net Annualization  (change from 2013) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2012) | FY 2014 Net  Annualization  (Change from 2013) |
| Home Incentive Awards |  |  | ($435) |  |  |
| PCS Relocation Benefits |  |  | (6,432) |  |  |
| PCS Transp of Persons |  |  | (261) |  |  |
| PCS Transp of Things |  |  | (956) |  |  |
| PCS Storage |  |  | (608) |  |  |
| **Total Non-Personnel** |  |  | **($8,692)** |  |  |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization (Change from 2012) | FY 2014 Net  Annualization (Change from 2013) |
| Current Services | 0 | 0 | 0 | 0 | 14,965 | 14,965 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 | (8,692) | (8,692) | 0 | 0 |
| Grand Total | 0 | 0 | 0 | 0 | 6,273 | 6,273 | 0 | 0 |

**Item Name: State and Local Training Reduction**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 3 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($4,000,000)

Description of Item

This request reflects an offset to ATF’s State and Local Training Program.

Justification

ATF will reduce the availability of some types of training to its non-Federal State and local law enforcement partners.

Impact on Performance (Relationship of Increase to Strategic Goals)

Training opportunities provided to non-Federal partners will become more limited, although ATF will explore options for continuing the most critical training.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 10 | 3 | 10 | 3,750 | 10 | 3 | 10 | 3,750 | 10 | 3 | 10 | 3,750 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012  Request ($000) | FY 2013 Net Annualization  (change from 2012) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost  ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Training Travel |  |  | (1,640) | 0 | 0 |
| Training Services |  |  | (1,240) | 0 | 0 |
| Training Supplies |  |  | (760) | 0 | 0 |
| Training Equipment |  |  | (360) | 0 | 0 |
| **Total Non-Personnel** |  |  | **(4,000)** | **0** | **0** |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net Annualization  (Change from 2012) ($000) | FY 2014 Net Annualization  (Change from 2013) ($000) |
| Current Services | 0 | 0 | 0 | 0 | 3,750 | 3,750 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 | (4,000) | (4,000) | 0 | 0 |
| Grand Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**Item Name: Adjustment for Administrative Efficiencies**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 4 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($2,841,000)

Description of Item

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

Justification

As part of its efforts to streamline and improve efficiency, the Department has asked components to lower anticipated administrative costs.

Impact on Performance (Relationship of Increase to Strategic Goals)

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, the Department is focusing on areas in which savings can be achieved, which include: printing, publications, travel, conferences, supplies, and general equipment. For ATF, these administrative efficiencies will result in offsets of $2,841,000. This reduction to administrative items will demonstrate that the Department plans to institute substantive efficiencies without unduly taxing either the people or the missions of DOJ.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012  Request ($000) | FY 2013 Net Annualization  (change from 2012) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Travel |  |  | (1,591) |  |  |
| Supplies and Materials |  |  | (1,250) |  |  |
| **Total Non-Personnel** |  |  | **(2,841)** |  |  |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Current Services | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Decreases | 0 | 0 | 0 | 0 | (2,841) | (2,841) |  |  |
| Grand Total | 0 | 0 | 0 | 0 | (2,841) | (2,841) |  |  |

**Item Name: Alcohol and Tobacco Program Reduction**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 5 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($1,000,000)

Description of Item

Reduces ATF appropriation for this Decision Unit.

Justification

ATF will reduce the resources provided by the Bureau’s support organizations to meet the $1 million target.

Impact on Performance (Relationship of Increase to Strategic Goals)

ATF will streamline and prioritize its criminal alcohol and tobacco diversion investigations to achieve savings of approximately 5%.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 93 | 50 | 90 | 22,295 | 93 | 50 | 90 | 22,295 | 93 | 50 | 90 | 24,241 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012  Request ($000) | FY 2013 Net Annualization  (change from 2012) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization (Change from 2012) ($000) | FY 2014 Net  Annualization (Change from 2013) ($000) |
| Contracts and Services |  |  | (1,000) | 0 | 0 |
| **Total Non-Personnel** |  |  | **(1,000)** | **0** | **0** |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization (Change from 2012) ($000) | FY 2014 Net  Annualization (Change from 2013) ($000) |
| Current Services | 93 | 50 | 90 | 16,200 | 8,041 | 24,241 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 | (1,000) | (1,000) | 0 | 0 |
| Grand Total | 93 | 50 | 90 | 16,200 | 7,041 | 23,241 | 0 | 0 |

**Item Name: Adjustment for Technology Refresh**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 6 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($373,000)

Description of Item

This budget reflects a Department of Justice-wide offset for DOJ components by extending the refresh rate of desktops and laptops by one year.

Justification

As part of ongoing efforts to streamline and improve efficiency, components will extend their technology refresh cycle by one fiscal year.

Impact on Performance (Relationship of Increase to Strategic Goals)

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, DOJ is focusing on extend the technical refresh cycle by one fiscal year as an area in which savings can be achieved.  For ATF, extending the technical refresh by one fiscal year will result in offsets of $373,000. This offset will be applied in a manner that will allow the continuation of effective law enforcement program efforts.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost per Position ($000) | Number of Positions Requested | FY 2012 Request ($000) | FY 2013 Net Annualization  (change from 2012) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2013) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
| Supplies and Materials |  |  | (373) | 0 |  |
| **Total Non-Personnel** |  |  | **(373)** | **0** |  |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization  (Change from 2013) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
| Current Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 | (373) | (373) | 0 | 0 |
| Grand Total | 0 | 0 | 0 | 0 | (373) | (373) | 0 | 0 |

**Item Name: Adjustment for Reduce Physical Footprint**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 7 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($292,000)

Description of Item

This budget reflects a Department of Justice-wide offset for streamlining and consolidating regional offices.

Justification

As part of its efforts to streamline and improve efficiency, the Department has asked components to consolidate their regional and sub-offices as part of a way to better utilize existing workspace, as well as enhance information sharing and the ability of regional offices to avoid duplicative work.

Impact on Performance (Relationship of Increase to Strategic Goals)

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, DOJ is focusing on reducing duplicative work by consolidating regional and sub-offices as an area in which savings can be achieved.  For ATF, reducing its physical footprint will result in offsets of $292,000. This offset will be applied in a manner that will allow the continuation of effective law enforcement program efforts.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012 Request ($000) | FY 2013 Net Annualization  (change from 2012) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost  ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2012)  ($000) | FY 2014 Net  Annualization  (Change from 2013)  ($000) |
| Rent |  |  | (292) | 0 |  |
| **Total Non-Personnel** |  |  | **(292)** | **0** |  |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Current Services | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Decreases | 0 | 0 | 0 | 0 | (292) | (292) |  |  |
| Grand Total | 0 | 0 | 0 | 0 | (292) | (292) |  |  |

**Item Name: Adjustment to Consolidate Task Forces**

Budget Decision Unit(s): Bureau-wide

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

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

Organizational Program: Bureau-wide

Component Ranking of Item: Item 8 of 8

Program Offset: Positions: 0 Agent: 0 FTE: 0 Dollars ($136,000)

Description of Item

This budget reflects a Department of Justice-wide offset to consolidate and eliminate duplication in the number of Department of Justice funded task forces throughout the country.

Justification

The Department of Justice seeks to reduce the overall Federal task force footprint by eliminating 335 task force locations that are in close geographic proximity and target the same crime problem. This offset will consolidate resources to increase efficiency within the overall task force structure.

Impact on Performance (Relationship of Increase to Strategic Goals)

The Department is responding to a 2007 OIG report that found duplication and inadequate coordination among the Department’s task forces. As a result, the Department examined the spending associated with task forces and believes a reduction could be taken that increases efficiency without sacrificing investigative capacity. Therefore, task forces will be consolidated to increase efficiency within the overall task force structure. This reduction will continue to target federal crimes in each jurisdiction, while retaining all federal agent and support positions. For ATF, task force reductions will result in offsets of $136,000. This offset will be applied in a manner that will allow the continuation of effective law enforcement program efforts.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2010 Enacted | | | | FY 2011 Enacted | | | | FY 2012 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2012  Request ($000) | FY 2013 Net Annualization  (change from 2012) ($000) | FY 2014 Net Annualization  (change from 2013) ($000) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Personnel** |  |  |  |  |  |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost  ($000) | Quantity | FY 2012 Request ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Postage |  |  | (8) | 0 | 0 |
| Utilities |  |  | (99) | 0 | 0 |
| ADP Services |  |  | (6) | 0 | 0 |
| Supplies and Materials |  |  | (18) | 0 | 0 |
| Equipment |  |  | (5) | 0 | 0 |
| **Total Non-Personnel** |  |  | **(136)** | **0** | **0** |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel ($000) | Non-Personnel ($000) | Total ($000) | FY 2013 Net  Annualization  (Change from 2012) ($000) | FY 2014 Net  Annualization  (Change from 2013) ($000) |
| Current Services | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Decreases | 0 | 0 | 0 | 0 | (136) | (136) |  |  |
| Grand Total | 0 | 0 | 0 | 0 | (136) | (136) |  |  |