



Department of Justice

STATEMENT OF

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DIRECTOR

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

DEPARTMENT OF JUSTICE

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

FOR A HEARING ON

STOREFRONT OPERATIONS AND IMPLEMENTING INSPECTOR GENERAL

RECOMMENDATIONS

PRESENTED ON

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Bureau of Alcohol, Tobacco, Firearms and Explosives
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Chairman Issa, Ranking Member Cummings, and Members of the Committee, thank you for the opportunity to appear today. I am pleased to be here to discuss progress the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has made in implementing reform and to discuss our undercover storefront operations.

ATF's principal mission is to protect our communities from violent criminals who engage in acts of arson, criminally misuse explosives, and illegally possess and use firearms. We accomplish our mission through both the enforcement of criminal law and the regulation of the firearms and explosives industries. ATF is unique among U.S. law enforcement; no other agency possesses our specialized capabilities and expertise. As a result, ATF has a long history of providing our Federal, state, and local partners with critical resources and support in the fight against violent crime. We highly value our partnerships and strong working relationships with local law enforcement, public safety agencies, industry groups, and community organizations. When violent crime shakes our Nation, ATF is there to work side-by-side with these partners, providing our specialized skills, tools, and experience. In the past two years alone, ATF has provided crucial support to our partners in the investigation of the Boston Marathon Bombing, and the horrific mass shootings in Aurora, Colorado, Newtown, Connecticut, and the Washington Navy Yard.

Equally important, we work with these partners to address the less visible, but no less devastating, daily violence that plagues our cities and towns, large and small. Across the country, ATF pursues the most violent criminals, particularly those who engage in organized gang violence or illegally supply those gangs with firearms.

Some recent examples of successful investigative partnerships include prosecutions in Lexington, Kentucky, where ATF helped secure the convictions of 33 defendant gang members, who aligned themselves with the Black P. Stone Nation. This gang was allegedly associated with 15 shooting incidents over nine days resulting in one death and 14 wounded. These defendants had 67 previous felony convictions. Many of those convicted were responsible for armed drug trafficking and numerous other crimes. In Raleigh, North Carolina, ATF aided in the conviction of 24 members of the Money Gang Mob, a sect of the Bloods.

ATF's investigation exposed the fact that the gang acquired guns in North Carolina and trafficked them to New Jersey in exchange for heroin. They have been associated with considerable violence

in the community including the use of firearms during drug robberies, murder, kidnapping, rape, and the drive-by killing of a 16-year-old boy. In Howard County, Maryland, the Bloods criminal street gang was alleged to be involved on a daily basis in violent criminal activity, such as armed robberies, aggravated assaults, firearms trafficking, prostitution, and trafficking of controlled substances. On May 7, 2013, as a result of ATF's work with our partners, twenty one individuals were federally indicted for violations of the RICO and drug conspiracy laws.

As a complement to these productive and sustained local partnerships, ATF also has the capacity to engage in targeted, time-limited, strategic operations. ATF's new leadership team implemented this strategy when they recognized we needed to be more agile and focused in the deployment of our agents and assets. To achieve that agility, ATF has in the last several years developed a mobility model that allows us temporarily to bring additional resources to communities with high rates of firearms violence and other violent crime. These concentrated operations focus on investigating and prosecuting the worst offenders and criminal organizations in a community, creating the space and time needed to allow local law enforcement and community groups to accomplish sustainable change. For example, a recent ATF-led concentrated operation in St. Louis, Missouri and East St. Louis, Illinois, resulted in the seizure of more than 260 firearms and charges against approximately 150 defendants, nearly 80 percent of whom are previously convicted felons. Other ATF-led concentrated operations in Flint, Michigan, Stockton and Oakland, California, New Orleans, and Philadelphia have yielded similar results.\

While highly effective and noteworthy, these operations, like all law enforcement operations involving violent criminals, also involve considerable risk. Our agents put their lives on the line on a daily basis. As our agents investigate our Nation's most violent criminals, they must make difficult and often instantaneous decisions every day, constantly balancing public safety, their own safety, and the integrity of the operation.

Of all of the activities undertaken by ATF agents in the field, none is more risk-laden – or potentially more valuable – than undercover work. ATF agents working undercover have infiltrated and brought down notorious motorcycle and street gangs, thwarted murder-for-hire plots, and removed thousands of guns from the hands of criminals.

The Committee has asked that I address one undercover tactic in particular: the use of storefront operations. A storefront operation is a valuable investigative technique in which undercover law enforcement officers or Agents operate a business that is calculated to identify and proactively intervene with criminals and criminal activity in high crime areas or hotspots. They are often conducted as joint operations with other federal, state, and local law enforcement agencies and prosecutors. ATF conducted 37 storefronts from 2009-2013. ATF had one storefront active in 2013, and currently, ATF has no active storefront operations.

Storefronts are staff, equipment, and resource intensive, and require significant planning and coordination. The success of a storefront is also dependent upon a strong partnership and on-going collaboration with our law enforcement partners. In storefront operations, ATF is focused on targeting illegal traffickers of firearms, violent offenders, and the criminal possession and use of firearms; our state and local partners are frequently involved and may focus on narcotics and other crimes. Some of ATF's storefront operations were undertaken after local law enforcement partners requested our assistance with violent crime activity in target areas. We recently implemented a requirement for written concurrence with storefront plans from the Chief Law Enforcement Officer of the jurisdiction of the operation. In addition, from planning to execution to prosecution, we partner with the relevant U.S. Attorney's Office.

The storefronts to be discussed here today identified and built cases against criminals and would-be criminals in each and every location. As a result of our storefront operations in Albuquerque, Atlanta, Milwaukee, Pensacola, Portland, and Wichita, 259 defendants have been convicted, and over 1,300 firearms recovered. These defendants have over 350 previous felony convictions. These convictions and firearms recoveries undoubtedly made the communities and the people who live there safer.

As noted above, like any undercover operation, a storefront carries risks. A properly managed operation minimizes those risks through planning, coordination, and oversight. ATF recognizes our responsibility to the public to ensure sound management and professional execution of these efforts. I acknowledge, Mr. Chairman and Members of the Committee, that there were deficiencies in our execution and management of some past activities in certain storefronts. We have since implemented new policies and procedures to minimize the chance of such deficiencies occurring in the future.

I want to assure you that public safety is of the utmost importance to me and our current executive leadership team at ATF. We recognize that storefronts and other undercover operations require stringent oversight in all facets of planning and execution. Under our leadership, ATF has put in place several policy and operational changes that create a tighter process for the authorization, management, oversight, and review of undercover operations, including storefronts.

Perhaps most importantly, I have assembled a leadership team that fully understands and appreciates that constant vigilance and accountability is required to minimize the risks inherent in law enforcement operations involving violent criminals. As an organization, we are committed to learning from the past, and using some of those hard-learned lessons to improve, adapt, and ensure that we do not repeat the mistakes of our predecessors.

It bears noting that my confirmation followed a 7-year period in which the Bureau had five acting Directors. Not surprisingly, this lack of continuity in leadership and management significantly impacted our internal oversight of agency operations, our long term planning ability, and our performance. Many issues identified by the Inspector General, which I and my leadership team continue to tackle, originated during this succession of acting Directors.

Mr. Chairman, our new leadership team has conducted a top-to-bottom review of all ATF policies and procedures, which has led to many changes. We have taken steps to strengthen our oversight, supervision, case management, strategic use of resources, and accountability. We are working hard to change ATF, implementing policies and overhauling antiquated doctrine to better manage our operational risks, providing for close managerial oversight of operations, and improving our mission performance. In addition to our own efforts, ATF has and will continue to cooperate with all Inspector General Reviews and investigations.

Some of the specific reforms we have instituted pursuant to our own initiative and in response to Inspector General recommendations include:

- A complete overhaul of our executive staff, including 23 out of 25 field Special Agents in Charge and 38 headquarters senior executives, affecting nine out of ten directorates;
- The development of Frontline, a business model that serves as a blueprint to guide strategically ATF's operations;
- The standardization and updating of ATF's policy regarding the transfer of firearms in criminal investigations;
- The development of the Monitored Case Program to ensure better coordination and oversight in our most significant investigations;
- The revision of our policy on the use of confidential informants;
- An improved case deconfliction process;
- Establishment of a robust Self-Inspection Program;
- Reorganization of the Office of Chief Counsel and the International Affairs Division;
- An improved coordination between enforcement and intelligence functions; and
- Refinement of our disciplinary process and improvements to our training functions.

All ATF employees, myself included, are accountable for their actions and must act at all times with professionalism, integrity, and commitment to the agency's vital public safety mission. While I firmly believe we are on the right path, I am realistic Mr. Chairman, and recognize that meaningful change takes time. Having been confirmed as the ATF Director for seven months now, I look forward to continuing to expeditiously press forward on these improvements.

Mr. Chairman and members of the Committee, I want to conclude by saying that ATF is proud to be at the frontline against violent crime. We are recognized across the country for our expertise and take great pride in our successes that reduce gun violence and remove violent offenders from

the streets. I am humbled by the exceptional work done every day by ATF Special Agents, Investigators, and support staff combating violent crime. In the face of sustained criticism over the last several years the dedicated men and women of ATF have continued, day in and day out, working tirelessly to enhance the safety of all Americans. They and their families have my deepest gratitude for the sacrifices this often-thankless work requires and I am honored to be here today to represent ATF.