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**From:** Smith, Brad (ODAG)  
**To:** Michalic, Mark (ODAG)  
**Sent:** 2/11/2011 4:07:54 PM  
**Subject:** FW: Grassley draft comments  
**Attachments:** Grassley 020911 SL draft comments 021011.docx

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**From:** ATF (ATF)  
**Sent:** Friday, February 11, 2011 3:35 PM  
**To:** Melson, Kenneth E. (ATF); Smith, Brad (ODAG)  
**Cc:** Hoover, William J. (ATF)  
**Subject:** FW: Grassley draft comments

Sirs –

Forwarded to you per Mr. Hoover.

**ATF**

Chief, Firearms Operations Division  
ATF HQ - Room 6.S.129  
202.648.7212, Cell 202.391.6872

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**From:** Hoover, William J.  
**Sent:** Friday, February 11, 2011 2:59 PM  
**To:** ATF Chait, Mark R.; McMahon, William G.  
**Subject:** Re: Grassley draft comments

Great job Stuart! Would you please forward to the Director and Brad Smith?

Thank you!!

Billy

William J. Hoover  
Deputy Director  
Bureau of Alcohol, Tobacco, Firearms & Explosives  
O) 202-648-8710

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**From:** ATF  
**To:** Chait, Mark R.; McMahon, William G.; Hoover, William J.  
**Sent:** Fri Feb 11 14:23:18 2011  
**Subject:** FW: Grassley draft comments

Sirs-

Attached is a revised version of my comments yesterday to issues raised in the Grassley 2/9/11 letter.

There are a few minor revisions throughout. Mr. Hoover, the top of page 3 includes two new paragraphs regarding the issue of our interactions with FFLs, as you requested last night. These paragraphs are copied below. These paragraphs were written based on information from SA Newell, ASAC Needles and RAC [ATF] yesterday and this morning. I sent this revised document to Newell for review/comment today, his reply is below. Questions? Thank you

Page 1, Para 3 and Page 2, Para 1: "According to the whistleblowers, at least one gun dealer wanted to stop participating in sales like those to [ATF] sometime around October 2009. However, the ATF allegedly encouraged the dealer to continue selling to suspected traffickers and asked the dealer to forward information about the sales to the Bureau."

See the two "releases" generated by the FFL [LES, ATF] (1/26/2011 and 2/1/2011) and USAO document (1/28/2011) of that event. These documents address the nature of such interactions with FFLs, specifically [LES, ATF] as to how ATF communicates with FFLs regarding their regulatory requirements, authority and independence in conducting firearms transactions, including their decision to proceed with or decline sales involving suspected straw purchasers, traffickers and prohibited persons, and their voluntary cooperation with ATF regarding suspicious purchasers.

It was noted that the Grassley letter references October 2009, which predates the purchases by [ATF]. Although the FFL and USAO documents reflect that [LES] had been voluntarily providing ATF with information [LES] [LES] it's possible that the whistleblowers' comments refer to another FFL. When asked, the Phoenix SAC, ASAC and RAC have all indicated that no scenarios as described in Grassley's letter involving [LES, ATF] or other FFLs are known. Again, conversations between FFLs and ATF occur frequently, including discussions initiated by FFLs who voluntarily report information about potential straw purchasing/trafficking activity to ATF. In some occasions, FFLs may ask ATF whether they should proceed with or decline future sales to such persons. In all cases known to us, as was indicated by ATF supervisors in Phoenix, ATF provides FFLs with guidance that appropriately outlines the role, responsibility and authority of FFLs as to the completion or declination of such transactions. We are unaware of any occasions in which ATF personnel have encouraged or coerced an FFL to complete apparently illegal firearms transactions or provide information or assistance to ATF not required by the GCA.

<<Grassley 020911 SL draft comments 021011.docx>>

**ATF**

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**From:** Newell, William D.

**Sent:** Friday, February 11, 2011 1:52 PM

**To:** [ATF]

**Subject:** RE: Grassley draft comments

Great job, no changes. Thanks!

Bill Newell

Special Agent in Charge

Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)

Phoenix Field Division (Arizona and New Mexico)

ODAG0049367

DOJ-FF-06118

Office - (602)776-5400

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**From:** ATF  
**Sent:** Friday, February 11, 2011 11:29 AM  
**To:** Newell, William D.  
**Subject:** Grassley draft comments

<< File: Draft Responses Grassley 020911.docx >>

Please review

**ATF**

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DOJ-FF-06119