

MEMORANDUM TO: Assistant Director
(Field Operations)

FROM: Chief, Firearms Operations Division

SUBJECT: Southwest Border Supplemental – New Offices Status Update

As part of the 2010 Southwest Border Emergency Supplemental, ATF received \$37,500,000 to create seven investigative teams to target identified high priority firearms trafficking routes and focus on additional areas that are sources of firearms being trafficking to Mexico. When fully implemented it was anticipated that each of the new Gunrunner Teams would be staffed by a group supervisor, ATF special agents, ATF industry operations investigators, ATF intelligence research specialist, and ATF investigative analyst. In addition, funds would be utilized to enhance ATF's National Tracing Center capabilities through staffing increases (additional contractors) and technology updates. The funding also included an additional Gunrunner Impact Team (GRIT) deployment in support of Project Gunrunner on the Southwest Border.

Project Gunrunner, implemented in 2006 as ATF's Southwest Border strategy, works in conjunction with its domestic and international law enforcement partners to identify, disrupt, and dismantle the firearms trafficking infrastructure of criminal organizations operating in Mexico, along the border, and other areas in the U.S. As of August 2010, ATF has ATF special agents, ATF OIs and ATF support staff assigned to Project Gunrunner in the four contiguous Southwest Border States.

Since its inception in 2006, ATF's Project Gunrunner has recommended 1,112 cases and 2,451 defendants for prosecution, including 584 firearms trafficking cases and 1,573 firearms trafficking defendants. In addition, ATF's Project Gunrunner investigations have seized over 10,000 firearms and over one million rounds of ammunition. Today there are over 4,500 active Gunrunner investigations throughout the United States.

ATF PLANS

Since the approval of the President's Emergency Supplemental Budget for the Southwest Border in August of 2010, ATF created a detailed spend plan to allocate funding for seven new Gunrunner cities that ATF analysis found would most benefit in efforts to stem the flow of

weapons to Mexico. The seven Gunrunner cities were identified as being Miami, FL; Atlanta, GA; **Unrelated**; Oklahoma City, OK; Dallas, TX; Brownsville, TX; and Sierra Vista, AZ. Four classes at the Federal Law Enforcement Training Center (FLETC) were scheduled for Special Agents and Investigators that were to be hired to staff these new offices.

ATF has identified space and conducted site surveys in all seven cities for the new Gunrunner office's, leases have not been signed. Efforts are being made to co-locate one of the Gunrunner office's with OCADETF Strike Forces in Atlanta.

A breakdown of new Agents and Investigators that are being deployed to the seven new Gunrunner cities are as follows: Atlanta: **ATF** new Agents and **ATF** new Investigators; Brownsville, TX: **ATF** new Agents and **ATF** new Investigators; Dallas, TX: **ATF** new Agents and **ATF** new Investigators; **Unrelated** **ATF** new Agents and **ATF** new Investigators; Miami, FL **ATF** new Agents and **ATF** new Investigators; Oklahoma City, OK: **ATF** new Agents and **ATF** new Investigators; Sierra Vista, AZ: **ATF** new Agents and **ATF** new Investigators. All have been recently hired and are currently in training or have recently graduated from FLETC and will be deployed no later than June of 2011.

BUDGET ALLOCATIONS

In FY 2009, after submission of the President's FY 10 budget request, ATF received \$10 million as part of the American Recovery and Reinvestment Act. This allowed for the establishment of three Gunrunner offices in El Centro, CA; Las Cruces, NM; and McAllen, TX, along with a satellite office in Roswell, NM. In addition, **ATF** agents were positioned in Tijuana and **ATF** in Ciudad Juarez, Mexico. Since these funds were appropriated after submission of the President's FY 2010 request, the first opportunity to annualize these offices and positions was in the President's FY 2011 budget. To date, because the Congress has not acted on the President's FY 2011 request, none of this funding has been annualized.

Also in 2009, ATF received \$5,948,000 as a part of our congressionally enacted appropriation. These funds provided for (2) Gunrunner offices to be opened in Houston, TX and Phoenix, AZ and the hiring of 12 IOIs. Only the funding for the 12 IOIs that were included in the President's Budget request (\$948,000) has been annualized in 2010. The remaining \$5 million were directed by Congress after submission of the President's FY 2010 request, and the first opportunity to annualize these offices and positions was in the President's FY 2011 budget. To date, because the Congress has not acted on the President's FY 2011 request, none of this funding has been annualized.

As part of the FY 2009/2010 Global War on Terror Supplemental, ATF received an additional \$6 million that was dedicated to Project Gunrunner. These funds were utilized to support existing

Gunrunner costs as well as provide for additional support at the National Tracing Center. Since these funds were appropriated after submission of the President's FY 2010 request, the first opportunity to annualize these offices and positions was in the President's FY 2011 budget. To date, because the Congress has not acted on the President's FY 2011 request, none of this funding has been annualized

ATF received as a part of the President's FY 2010 Budget Request, \$17,989,000 which allowed for the opening of two Gunrunner groups in Tucson, AZ and El Paso, TX as well as assigning (2) agents in each of the cities of Guadalajara, Merida, Hermosillo and Mexico City and the hiring of ATF IOIs for deployment to our southwest border field divisions. Annualization of these offices and positions is pending in the President's FY 2011 request. The Tucson Gunrunner office is co-located in OCDETF Strike Force space and co-location of the El Paso office into OCDETF Strike Force space is being considered.

In total, after negotiations with OMB through the FY 2011 process, ATF has requested in the President's 2011 budget to have \$21,617,000 annualized to support Gunrunner functions.

In August of 2010, ATF received \$37,500,000 from the Emergency Border Supplemental. See details above. The annualization of these funds (\$30,511,000) has been requested in the President's FY 2012 Budget Request and is currently pending at OMB.

CURRENT STATUS

To date, ATF has received the annualization for the 12 IOIs recommended by the Administration to Congress in FY 2009. Of the nearly \$78 million appropriated from various direct and supplemental appropriations since 2009 only these IOI positions were annualized for Project Gunrunner implementation. ATF is and has been funding the current day to day functions of five of the seven current Gunrunner cities as well as four of the agents deployed in Mexico from its existing budget. This has contributed to the ATF Congressional reprogramming requests for firearms programs fiscal years 2009 and 2010 from other core mission areas

ATF has suspended the further execution of the FY 2010/2011 Emergency Border Supplemental funds pending congressional action on the President's FY 2011 Budget Request and settlement of the FY 2012 OMB Passback. The initial 2012 budget Passback from OMB did not annualize any non pay costs associated with the FY 2010/2011 Emergency Border Supplemental for Gunrunner. We believe it is not fiscally responsible to commit to multi-year funding of leases, operating expenses, and personnel in the absence of out-year funding for these purposes. As indicated above, we began the hiring and training process for the needed personnel and we have located but not yet leased space. ATF cannot sustain the funding of the current seven cities and Mexico and implement the planned seven additional cities without having the Gunrunner budget

annualized. Without any dedicated recurring budget for Gunrunner, ATF will request Congressional reprogramming of the remaining FY 10/11 Supplemental Border funding to sustain the existing operations of the Gunrunner program from fiscal years 2009 and 2010 through the end of FY 2011. In the absence of permanent appropriations for this purpose, all of the 14 offices opened and personnel hired under the auspices of Project Gunrunner may need to be eliminated in the future.