



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Assistant Director*

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Washington, DC 20226

July 19, 2011

126000:JTH

MEMORANDUM TO: Acting Director

FROM: Assistant Director  
Office of Public and Governmental Affairs

SUBJECT: Further Explanation of the Mexico Trace Data

On June 16, 2011, Senator Charles Grassley forwarded a 4-page document to Acting Director Kenneth Melson questioning the accuracy, timeliness and thoroughness of recently released Mexico trace data as well as listing several questions. Senator Grassley referred to a *Wall Street Journal* article as his source of information. ATF provided a response on June 23, 2011. This document will expound upon the material provided in the response. The Senator's Drug Caucus staffer Nick Podsiadly has requested a meeting on July 22, 2011 to clarify some of the answers provided in the June 23, 2011 letter.

Senator Grassley questioned the timing of the release of Mexico trace data that was forwarded to Senator Feinstein. Senator Feinstein made her request on May 27, 2011 and the ATF response was dated June 9, 2011. The information released was based upon a dated, congressional request, not a posting of data to the ATF website. ATF released this information only to the senator's office. Senator Feinstein asked two questions within her letter: 1) the total number of firearms recovered by the Government of Mexico (GOM) and traced through ATF in 2009-2001; and 2) the number of firearms recovered by GOM officials and traced through ATF that were manufactured in, or imported into, the United States prior to being recovered in Mexico.

Senator Grassley then questioned the release of "select information" and not a more detailed analysis that would help Congress and the American people better understand the causes and sources of illegal firearms in Mexico. The ATF release of information to Senator Feinstein addressed only those questions asked in the May 27 request (see above paragraph). The response to the two questions concerning raw numbers of recovered and traced firearms in Mexico was not viewed as the proper platform to provide a detailed analysis of the criminal firearms problem in Mexico.

Acting Deputy Director

Senator Grassley then stated that the “selective release” may not accurately reflect the scope and source of the problem of firearms in Mexico and the drug trafficking organization (DTO) violence. The data released was based upon trace data from the National Tracing Center (NTC) and vetted by the Violent Crime Analysis Branch (VCAB). In ATF’s response to Senator Grassley, it was noted that there are no United States Government sources that maintain any record of the total number of criminal firearms seized in Mexico. Any ATF release of information relative to Mexico trace data relates only to firearms recovered in Mexico and subsequently traced by ATF based upon firearms identifiers supplied by the GOM. Further, these ATF releases of information have centered on United States-sourced firearms and not necessarily those traced back to an initial purchaser. ATF has not asserted that the data would be reflective of the entire scope or source of the firearms problem.

Senator Grassley then stated that the implication of the *Wall Street Journal* article was that the United States-sourced firearms come directly from United States manufacturers or United States Federal Firearms Licensees (FFLs) selling guns to DTO members who smuggle the guns over the Southwest border. ATF cannot be responsible for any implication or conclusion drawn by the *Wall Street Journal* based upon any Mexico trace data they may have received from a third party. It is not, nor ever was, ATF’s position that all United States-sourced firearms recovered in Mexico are sold by United States FFLs directly to DTO members. United States-sourced firearms in Mexico are acquired by DTO members in a number of ways: 1) direct or straw purchase from FFL; 2) direct or straw purchase from United States private citizen (i.e. gun show or other private transaction that does not require a criminal background check or the execution of an ATF Form 4473 – Firearms Transaction Record); 3) stolen from FFL or United States citizen; 4) purchased or otherwise acquired from a trafficker; 5) black market sales.

Senator Grassley noted a 2009 Associated Press article in which claims are made that in excess of 305,000 confiscated firearms are locked in vaults in Mexico. The senator’s conclusion is that only a small percentage of firearms recovered in Mexico are actually traced by ATF and thus no assertion can be made about percentages of United States-sourced firearms. As stated earlier, ATF can only trace those firearms in which the identifying information has been provided. No one outside of GOM officials knows how long these firearms have been in any vault in Mexico or if they were recovered as a result of a DTO criminal action. If these firearms are 5, 10 years old (or older), the value of the investigative lead diminishes. **ATF** firearms that were recovered in Mexico in 2009-2010 and traced by ATF were found to be United States-sourced firearms. Furthermore, under Mexican law, access to weapons in the custody of the Mexican military is generally limited by judicial process. Requests for access to individual firearms generally must be made to prosecuting attorneys in order to observe and record information necessary for tracing.

Acting Deputy Director

Senator Grassley uses news stories and an unclassified Department of State (DOS) cable to highlight the “true problem of weapons smuggling inside of Mexico”, that is, there is a proliferation of weapons in Mexico smuggled out of Central America. The NTC does not have data to substantiate or disprove this claim. Again, there is no United States Government source that maintains any record on the total number of firearms seized in Mexico and ATF can only trace the firearms submitted by the GOM. The DOS cable opens citing a recent news article questioning whether the United States is solely to blame for firearms trafficking concerns in Mexico. For the most part, the cable questions GOM efforts to stem the flow of guns from the United States, not the country of origin of the trafficking problem. The cable was cleared by then attaché, ATF

Senator Grassley then asserts that ATF routinely instructs GOM officials to submit firearms traces that have the likelihood of tracing back to the United States. ATF’s International Affairs Division and the NTC disagree. In the training sessions, the GOM participants are encouraged to trace all firearms. Although the instructors inform the students that eTrace will only be able to provide dispositions on US-sourced firearms, other pertinent investigative information and intelligence can be assembled and examined. eTrace collects possessor and associates identifiers, recovery location, and other information that is often used to develop trafficking cases. Because of comprehensive tracing in Panama, for example, ATF (through eTrace) was able to determine that the major source countries of crime guns were Argentina, Brazil and Spain. The importance of this data better serves to define the trafficking issues in the country and determine what relevance ATF may have in combating the problem.

Senator Grassley suggests that questions arise when comparing the data provided to Senator Feinstein and the *Wall Street Journal* to the “more detailed” data provided to Senator Grassley’s office. First, ATF only provided data to Senator Feinstein, not to the newspaper. Second, this issue goes to the heart of Senator Grassley’s assertions: accuracy of the data supplied to Senator Feinstein. ATF pulled trace data from the NTC and then had it vetted by VCAB. Senator Grassley’s source used an eTrace report that contains a code error within the program which causes it to misinterpret the underlying data that can result in a single trace request being counted two or more times, thus erroneously increasing the reported total number of firearms traced. This programming error was identified after the contractors working on eTrace version 4.0 completed their work. The error will be corrected in the new eTrace version 5.0 upgrade. If Senator Grassley had asked ATF Legislative Affairs Division for this information, the data would have been vetted by VCAB and the misinterpretation of the erroneous data would have been avoided.

Acting Deputy Director

Senator Grassley also focused on a claim (from his non-VCAB vetted data) that 78% of firearms recovered in Mexico in 2009 and 2010 and traced by ATF were not traced to FFLs and thus have no nexus to United States commerce. ATF's claim was that of the 29,284 firearms recovered in Mexico in 2009 and 2010 and traced by ATF, **ATF** were United States-sourced firearms. These numbers represent 70% of the recovered/traced firearms over this time frame are United States-sourced. ATF has not officially released data concerning the number of firearms traced back to FFLs or individual purchasers. Over the last four years, the average percentage of firearms traced to this category is 25 – 30%.

Relative to Senator Grassley's formal questions, questions 1 and 2 were posed using the faulty data provided to the senator. ATF's responses used the VCAB-vetted data as a baseline and then ran a query to determine the number of guns traced to a foreign firearm dealer/importer or military sale in the requested countries.

Question 3 presupposed that the trace of a firearm would provide its status as lost or stolen, if applicable. A trace of a firearm will only yield this information if the firearm is reported by an FFL or transit carrier, not a private citizen. Standard operating procedure for United States law enforcement upon recovery of a firearm entails running an NCIC check to ascertain its theft status. If a department were to locate a stolen firearm, the NCIC category would be changed from "stolen" to "recovered" and then the firearm would possibly be traced. With this procedure, even if the NTC ran all guns through NCIC, an accurate determination of the total number of lost or stolen firearms could never be ascertained.

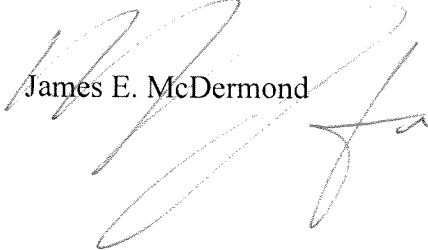
Question 4 dealt with the 305,424 firearm from an Associated Press article said to be located in a GOM vault. This question was dealt with earlier in this memorandum.

Question 5 posed questions about firearms traced to foreign entities. There are no foreign entities that possess an FFL. The "top source dealer" category that Senator Grassley refers to is not foreign FFLs, but foreign entities that received firearms from FFLs. The Firearms Trace System requires an FFL number in order to enter a firearms disposition. However, there are some entities that will not have an FFL but the NTC will obtain a disposition. Thus the NTC simply types in a place holder so the computer is satisfied and allows the tracer to input a disposition. This placeholder is referred to as a "Z-FFL". A Z-FFL is created when a firearm is traced to an entity other than an individual purchaser and that entity does not have a current or existing FFL. This includes sales to federal, state, local and international law enforcement agencies and firearm transfers to foreign entities. A Z-FFL is also created when a firearm is transferred to an entity that is suspected of falsifying an FFL number or an FFL that has gone out of business and their license number no longer exists (and was purged from the Firearms

Acting Deputy Director

Licensing System (FLS)), or where that license number was reissued (to another entity – so if we used the original number it would be erroneously attributed to the most recent holder of the license number). This circumstance occurred if the dealer went out of business prior to the early 1980's where ATF decided to re-use license numbers but failed to record and cross reference in the FLS creating problems for tracing.

Question 6 concerned the decline of trace requests from 2009 to 2010. The GOM requested fewer traces but perhaps due to ATF training initiated after the October 2010 eTrace memorandum of understanding, a greater quantity of better quality of trace requests are being submitted.

  
James E. McDermond

Attachments:

Letter from Senator Charles E. Grassley to Acting Director Melson dated June 16, 2011  
Department of State Cable, dated July 2, 2010  
Letter to Senator Charles E. Grassley from Acting Director Melson dated June 23, 2011  
Letter to Acting Director Melson from Senator Dianne Feinstein dated May 27, 2011  
Letter to Senator Dianne Feinstein from Acting Director Melson dated June 9, 2011  
CY 2009 – Foreign Government and Military Z Dealers  
CY 2010 – Foreign Government and Military Z Dealers

# United States Senate

WASHINGTON, DC 20510

June 16, 2011

## Via Electronic Transmission

Kenneth Melson  
Acting Director  
Bureau of Alcohol, Tobacco, Firearms, & Explosives  
U.S. Department of Justice  
99 New York Avenue, NE  
Washington, DC 20226

Dear Acting Director Melson:

I write today in response to a June 10, 2011, article in *The Wall Street Journal* titled, "Mexican Guns Tied to U.S.", which cites a letter you sent to Senator Diane Feinstein, the Chairman of the Senate Caucus on International Narcotics Control ("Caucus"). As the Co-Chairman of the Caucus, and Ranking Member of the Senate Committee on the Judiciary ("Committee"), I have been investigating serious allegations raised by whistleblowers within the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) that agents knowingly allowed weapons to be sold to straw purchasers who then transferred those weapons to Mexican Drug Trafficking Organizations ("DTOs"). These allegations were the subject of two Congressional hearings this week and the timing of the release of this information raises questions about why the ATF would choose to release this information publicly now. Further, after reviewing the data presented in the article, I have questions about why ATF provided some select information, but not a more detailed analysis that would help Congress, and the American people, better understand the causes and sources of illegal firearms in Mexico.

Federal law prohibits the ATF from releasing firearm trace data or multiple handgun sales reports, but it does not prohibit the release of aggregate statistical data on illegal gun trafficking. However, I am concerned that the selective release of certain statistical data without further clarification and categorization may inaccurately reflect the scope and source of the problem of firearms in Mexico and the DTO violence. For example, the article states that ATF traced firearms in Mexico that were submitted for tracing by the Government of Mexico ("GOM") 21,313 firearms in 2009 and 7,971 firearms in 2010. The article further adds that of the firearms traced, 14,213 in 2009 were manufactured in the U.S. or imported to the U.S. from other countries. The article adds that 6,291 firearms in 2010 were either manufactured in the U.S. or imported from other countries. Taken together, these numbers provided the basis for the general estimate that 70% of firearms provided to the ATF from the GOM were traced back to the U.S.

The implication the article makes is that these firearms must come directly from U.S. manufacturers or U.S. Federal Firearms Licensees ("FFLs") selling guns to DTO members who smuggle the guns over the Southwest border. Unfortunately, this information paints a grossly inaccurate picture of the situation.

First and foremost, it is worth noting that the firearms data discussed in the article is based upon only the firearms that were submitted by the GOM to ATF for tracing. According to a May 6, 2009, article written by the Associated Press, over 305,424 confiscated weapons are locked in vaults in Mexico.<sup>1</sup> The weapons submitted for tracing represent only a small percentage of the number of weapons found to be part of the DTO related crime in Mexico. Further, there has been significant evidence in the media recently regarding the proliferation of weapons in Mexico smuggled out of Central America. For example, at a recent hearing before the Caucus on Central American security cooperation we heard testimony from witnesses that corrupt officers with access to unsecured arsenals in Guatemala and Honduras were an important source of weapons. In one recent media report, they discussed how over 1,100 fragmentation grenades, M-60 machine guns, and over a dozen grenade launchers were recovered in Guatemala at an alleged safe house of the Zetas DTO. That same article added that the Zetas had stolen over 500 weapons from a Guatemalan military base between 2007 and 2008.

Additional evidence regarding the source of weapons in Mexico is contained in an unclassified cable from the U.S. Department of State (“DOS”) dated July 2, 2010, obtained by my office and attached to this letter. The cable, titled, “Mexico Weapons Trafficking – The Blame Game” seeks to dispel rumors about the source of weapons trafficked to Mexico. The unclassified cable includes sections such as: “Myth: An Iron Highway of Weapons Flows from the U.S.,” “Myth: The DTOs Are Mostly Responsible,” “Myth: Mexico Aggressively Investigating Weapons Confiscated,” “Myth: Mexico Methodically Registers and Tracks Weapons,” and “Myth: The GOM Justice System is Tough on Violators of Gun Laws.” While this cable is very candid about the true problem of weapons smuggling inside Mexico, the cover emails forwarding this cable suggest that the ATF and officials associated with the ATF disagreed.

In fact, one email written by Special Agent in Charge William Newell states, “I could go on and on but once our ‘Fast and Furious’ case breaks it will change this.” Unfortunately, it now appears that Special Agent in Charge Newell’s prediction was correct, but instead of an “Iron Highway” operating on its own, it was ATF who fueled the flow of weapons through its “Fast and Furious” investigation which knowingly sanctioned the sale of nearly 2,000 firearms to straw purchasers.

I understand that agents working on tracing weapons in Mexico back to the U.S. routinely instruct GOM authorities to only submit weapons for tracing that have a likelihood of tracing back to the U.S. The purpose of this policy is to direct resources to tracing firearms that may have a U.S. nexus, instead of simply wasting resources on tracing firearms that will not trigger a U.S. source. So, based upon this background information, it is not surprising that reviewing a sample of weapons that is purposefully directed to increase the likelihood of U.S. generated weapons would in fact skew toward the direction of making it look like U.S. gun dealers provide more weapons than they actually do.. However, further discussion of the data that is presented in the article is warranted.

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<sup>1</sup> E. Eduardo Castillo, *AP Impact: Mexico's Weapons Cache Stymies Tracing*, May 6, 2009, available at <http://www.brownsvilleherald.com/common/printer/view.php?db=brownsville&id=97742> (last visited June 13, 2011).

Looking specifically at the information provided by the ATF to Senator Feinstein and the *The Wall Street Journal* raises some questions when compared more detailed data provided to my office. ATF actually traced 26,813 firearms in 2009 and 9,443 in 2010. Further, that data indicates that of those firearms actually submitted for tracing, a vast majority of those firearms did not come from FFLs (either U.S. based or Mexican based). In fact, of the 26,813 weapons traced in 2009, only 5,800 actually traced back to U.S. or Mexican FFLs. Table 1 illustrates a more detailed breakdown of the firearms data for both 2009 and 2010. The most noteworthy portion of the information is that nearly 78% of firearms traced in 2009 and 66% of firearms traced in 2010 were assigned to a catchall category “No Final Sale Dealer” which means the firearms did not trace back to a United States FFL. This category of firearms includes firearms that have no nexus with U.S. commerce. It also includes firearms where the only nexus to U.S. commerce is that they were manufactured by U.S. companies. This means they are not sold by FFLs in the United States. Instead, they may be sold to foreign countries or militaries requiring approval of the State Department and Homeland Security. Additionally, this category includes firearms in the ATF’s Suspect Gun Database—a category which would include nearly 2,000 firearms as part of ATF’s Fast and Furious Investigation where the ATF knowingly authorized firearm sales to straw purchasers before the weapons were trafficked to Mexican DTOs.

Table 1: Firearms Tracing Information for 2009 and 2010

Year	Number of Firearms Submitted for Tracing by Government of Mexico	Number of Firearms Traced to Federal Firearm Licensees (FFLs)	Number of Firearms Assigned to “No Final Sale Dealer”
2009	26,813	5,800 (22%)	21,013 (78%)
2010	9,443	3,176 (34%)	6,267 (66%)

Because the numbers provided to my office indicate that the data provided to Senator Feinstein and *The Wall Street Journal* may not be entirely accurate and because further questions and breakdowns of that data are necessary for Congress to make an informed decision about the sources of weapons that are fueling the DTO related violence in Mexico, I ask that you provide responses to the following questions:

- (1) Of the 21,013 firearms in the “No Final Sale Dealer” category for 2009, how many of those firearms can be traced back to military sales to the GOM? How many can be traced to the military of Guatemala? How many can be traced to the military of Honduras? How many can be traced to the military of El Salvador? How many can be traced to other Central American and South American militaries? How many can be traced to other foreign militaries? How many are in that category because they were in the Suspect Gun Database?
- (2) Of the 6,267 firearms in the “No Final Sale Dealer” category for 2010, how many of those firearms can be traced back to military sale to the GOM? How many can be traced to the military of Guatemala? How many can be traced to the military of Honduras? How many can be traced to the military of El Salvador? How many can

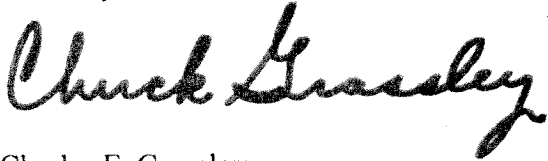


be traced to other Central American and South American militaries? How many can be traced to other foreign militaries? How many are in that category because they were in the Suspect Gun Database?

- (3) How many of those weapons in the "No Final Sale Dealer" category for 2009 and 2010 were previously reported lost or stolen?
- (4) Has the ATF requested access to the 305,424 firearms held by the GOM military vault? How many of those firearms have been traced? How many of those firearms would trace back to the GOM and the Mexican military?
- (5) Data indicates that the top source dealer for illegal firearms traced in Mexico for 2009 was "Direccion General De Industria Milita" or the Directorate General of Military Industry in Mexico. They provided 120 firearms that were later traced back, likely after a crime. Why does this entity have a U.S. Federal Firearms License? Are sales to this and other foreign entities with U.S. FFL's included in the numbers the ATF provided as being a gun from a "U.S. Source". If so, why?
- (6) Why did the number of trace requests drop significantly from 2009 to 2010, but the percentage trace to U.S. FFLs go up? What is behind this trend?

Accordingly, as Co-Chairman of the Caucus and Ranking Member of the Committee, I request your prompt response to these important questions no later than June 23, 2011.

Sincerely,



Charles E. Grassley  
Co-Chairman, Senate Caucus on International Narcotics Control  
Ranking Member, Senate Committee on the Judiciary

Attachment

[REDACTED]

Cc:

Subject: Mexico Weapons Trafficking - The Blame Game

UNCLASSIFIED



Action Office: LEGAT, POL, ORA  
Info Office: RSO, DAO, ATF, DOJ, USSS, ODC

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MRN: 10 MEXICO 365  
Date/DTG: Jul 02, 2010 / 021531Z JUL 10  
From: AMEMBASSY MEXICO  
Action: WASHDC, SECSTATE ROUTINE  
E.O.: [REDACTED]  
TAGS: PGOV, PINR, MR, PREL  
Captions: SENSITIVE, SIPDIS  
Reference: [REDACTED]  
Pass Line: WHA  
Subject: Mexico Weapons Trafficking - The Blame Game

**State**

# State

ATF

**State**

# State

Signature: [REDACTED]

Drafted By:

MEXICO [REDACTED]

Cleared By:

EXEC [REDACTED]

POL [REDACTED]

ATF **ATF**

CBP [REDACTED]

ICE [REDACTED]

Approved By:

[REDACTED]

Released By:

MEXICO [REDACTED]

Info:

MEXICO, AMEMBASSY *ROUTINE*; NATIONAL SECURITY COUNCIL WASHINGTON DC *ROUTINE*; DEPT OF HOMELAND SECURITY WASHINGTON DC *ROUTINE*; DEPT OF JUSTICE WASHINGTON DC *ROUTINE*; CDR USNORTHCOM PETERSON AFB CO *ROUTINE*; CDR USSOUTHCOM MIAMI FL *ROUTINE*; ALL US CONSULATES IN MEXICO *COLLECTIVE ROUTINE*

Action Post:

Dissemination Rule

LEGAT\_Action, RSO\_Info, POL\_Action, DAO\_INFO, ATF\_Info, DOJ\_Info, ORA\_Info, USSS\_Info, ODC\_Info

[REDACTED]

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**From:** Newell, William D  
**Sent:** Wednesday, July 07, 2010 8:46 PM  
**To:** [REDACTED]  
**Subject:** Re: Mexico Weapons Trafficking - The Blame Game

"ends" up Typing and eating dinner, shame on me.

Bill Newell  
Special Agent in Charge  
ATF Phoenix Field Division (AZ and NM)  
Cell 602 [REDACTED]

...

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**From:** Newell, William D.  
**To:** [REDACTED]  
**Sent:** Wed Jul 07 23:44:18 2010  
**Subject:** Re: Mexico Weapons Trafficking - The Blame Game

As for "large seizures" and "DTO related" [REDACTED] **ATF** could go on and on but once our "Fast and Furious" case breaks it will change this. [REDACTED] and crew know better and we (ATF) needs to be careful about feeding Dept of State with opinion instead of fact. It appears to me that this cable, "authored" by the Ambassador, was based largely on opinion and not fact. It may be the easy road but unfortunately always up being a dead end

Bill Newell  
Special Agent in Charge  
ATF Phoenix Field Division (AZ and NM)  
Cell 602: [REDACTED]

...

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**From:** [REDACTED]  
**To:** Newell, William D.  
**Sent:** Wed Jul 07 20:21:43 2010  
**Subject:** Fw: Mexico Weapons Trafficking - The Blame Game

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**From:** [REDACTED]  
**To:** [REDACTED]  
**Sent:** Wed Jul 07 20:19:05 2010  
**Subject:** FW: Mexico Weapons Trafficking - The Blame Game

**From:** ATF  
**Sent:** Tuesday, July 06, 2010 10:56 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** FW: Mexico Weapons Trafficking - The Blame Game  
**Importance:** High

All

This is the cable that went to Main State. Quite extraordinary in its honest language of the situation here in Mexico

Although not classified, this cable is sensitive and should not be distributed outside of our offices here in Mexico.

[REDACTED] Leadership should be advised, as I sent an earlier version up already

I would like to commend the Ambassador's comments which refer to your hard work and commitment here in Mexico, you all are to be commended

BT

From: [REDACTED]  
To: [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

**From:** ATF [REDACTED]  
**Sent:** Tuesday, July 06, 2010 9:51 AM  
**To:** ATF  
**Subject:** FW: Mexico Weapons Trafficking - The Blame Game

SBU  
This email is UNCLASSIFIED

**From:** [REDACTED]  
**Sent:** Friday, July 02, 2010 10:32:43  
**To:** [REDACTED]



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Office of the Director*

Washington, DC 20226

**JUN 23 2011**

The Honorable Charles E. Grassley  
Co-Chairman, Senate Caucus on International Narcotics Control  
Ranking Member, Senate Committee on the Judiciary  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

This is in response to your inquiry dated June 16, 2011, to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) relative to Mexico trace data. As you may be aware, this information was requested by Senator Dianne Feinstein and provided by ATF. The information was based on a query of ATF's Firearms Tracing System and was vetted by ATF's Violent Crime Analysis Branch (VCAB).

There are no United States Government sources that maintain any record of the total number of criminal firearms seized in Mexico. Any ATF release of information relative to Mexico trace data relates only to firearms recovered in Mexico and subsequently traced by ATF based upon firearms identifiers supplied by the Government of Mexico (GOM). Further, these ATF releases of information have centered on United States-sourced firearms and not necessarily those traced back to an initial purchaser.

In your letter, a number of assertions are made that challenge the accuracy of the ATF trace data provided to Senator Feinstein. The assertions appear to be based upon trace data provided to your office by an unknown source. The discrepancies in the vetted VCAB release and unknown sourced data with respect to the total number of firearms recovered and traced in Mexico in calendar years 2009 and 2010 can be explained. The data you reference in your letter appears to be an ATF eTrace-generated data report that is not designed to provide the actual number of firearms submitted for tracing by the Government of Mexico, but is intended to identify the retail Federal Firearms Licensees (FFL) that sold a firearm to an unlicensed purchaser. This report entitled "Top Source Dealers of Firearms Traced," has a documented issue wherein the sub-category for "No Final Sale Dealer" is displaying an inaccurate count, which subsequently impacts the overall total trace count. This discrepancy can result in a single trace request being counted two or more times, thus erroneously increasing the reported total number of firearms traced. Therefore, this report is not intended to provide an accurate portrayal of aggregate trace results or the number of United States-sourced firearms.



The Honorable Charles E. Grassley

A June 2011 release of ATF Mexico trace data, vetted by VCAB, indicated a total of 21,313 firearms recovered in Mexico in 2009 and traced by ATF. Of these, 10,945 were manufactured in the United States; 3,268 were imported into the United States; and 7,100 were of undetermined origin due to insufficient information provided. In addition a total of 7,971 firearms recovered in Mexico in 2010 were traced by ATF. Of these firearms, 4,186 were manufactured in the United States; 2,105 were imported into the United States; and 1,680 were of undetermined origin due to insufficient information provided. So, in aggregate, of the 29,284 firearms recovered in Mexico in 2009 and 2010 that were subsequently submitted to ATF's National Tracing Center for tracing, 20,504 are United States-sourced firearms. A country or origin for the remaining firearms could not be determined because of a lack of information supplied on the trace request.

In order to accurately respond to your inquiries, we will apply the June 2011 release of ATF Mexico trace data in response to your submitted questions.

**Question 1:** Of the 21,013 firearms in the "No Final Sale Dealer" category for 2009, how many of those firearms can be traced back to military sales to the GOM? How many can be traced to the military of Guatemala? How many can be traced to the military of Honduras? How many can be traced to the military of El Salvador? How many can be traced to other Central American and South American militaries? How many can be traced to other foreign militaries? How many are in that category because they were in the Suspect Gun Database?

Of the 21,313 firearms recovered in Mexico in 2009 and submitted to ATF for tracing, 204 traced to either foreign firearm dealer/importer or military sale in Mexico; 9 traced to either foreign firearm dealer/importer or military sale in Guatemala; 1 traced to either foreign firearm dealer/importer or military sale in Honduras; 0 traced to either foreign firearm dealer/importer or military sale in El Salvador; 12 traced to either foreign firearm dealer/importer or military sale in other Central American and South American countries; 18 traced to either foreign firearm dealer/importer or military sale in Africa, Asia, Europe and North America; and 2 traced to either foreign firearm dealer/importer or military sale in unknown countries.

ATF's National Tracing Center is notified only of the name of the foreign entity, not its status as foreign government or private entity, therefore the designation "foreign firearm dealer/importer or military sale". There is no Federal law requiring a report to ATF of any firearms sales to foreign countries. There is no "suspect gun" data included in any eTrace statistical report or in a trace result. None of the trace results relating to the above foreign firearm dealer/importer or military sale traces were listed as "suspect guns."

**Question 2:** Of the 6,267 firearms in the "No Final Sale Dealer" category for 2010, how many of those firearms can be traced back to military sale to the GOM? How many can be traced to the military of Guatemala? How many can be traced to the military of Honduras? How many can be traced to the military of El Salvador? How many can be traced to other Central American and South American militaries? How many can be traced to other foreign militaries? How many are in that category because they were in the Suspect Gun Database?

The Honorable Charles E. Grassley

Of the 7,971 firearms recovered in Mexico in 2010 and submitted to ATF for tracing, 89 traced to either foreign firearm dealer/importer or military sale in Mexico; 1 traced to either foreign firearm dealer/importer or military sale in Guatemala; 3 traced to either foreign firearm dealer/importer or military sale in Honduras; 1 traced to either foreign firearm dealer/importer or military sale in El Salvador; 4 traced to either foreign firearm dealer/importer or military sale in other Central American and South American countries; and 5 traced to either foreign firearm dealer/importer or military sale in Australia, Europe and North America.

ATF's National Tracing Center is notified only of the name of the foreign entity, not its status as foreign government or private entity, therefore the designation "foreign firearm dealer/importer or military sale." There is no Federal law requiring a report to ATF of any firearms sales to foreign countries. There is no suspect gun data included in any eTrace statistical report. None of the trace results relating to the above foreign firearm dealer/importer or military sale traces were listed as "suspect guns."

**Question 3:** How many of those weapons in the "No Final Sale Dealer" category for 2009 and 2010 were previously reported lost or stolen?

A trace of the firearm will only yield information regarding the status of a firearm as lost or stolen if reported by an FFL or transit carrier, not a private citizen. For the firearms recovered in Mexico in calendar year 2009 and traced by ATF, 41 can be categorized as lost/stolen; for calendar year 2010, 14 can be categorized as lost/stolen.

**Question 4:** Has the ATF requested access to the 305,424 firearms held by the GOM military vault? How many of those firearms have been traced? How many of those firearms would trace back to the GOM and the Mexican military?

ATF personnel in Mexico continue to encourage comprehensive tracing for all criminal firearms recovered in Mexico. For calendar years 2009 and 2010, Mexico recovered 29,284 firearms and subsequently submitted them to ATF for tracing. ATF cannot comment or speculate on any possible other recoveries or sources of those possible recoveries.

**Question 5:** Data indicates that the top source dealer for illegal firearms traced in Mexico for 2009 was "Direccion General De Industria Milita" or the Directorate General of Military Industry in Mexico. They provided 120 firearms that were later traced back, likely after a crime. Why does this entity have a U.S. Federal Firearms License? Are sales to this and other foreign entities with U.S. FFLs included in the numbers the ATF provided as being a gun from a "U.S. Source". If so, why?

There are no foreign entities that possess an FFL. The firearms attributed to Directorate General of Military Industry were sold by United States FFLs to the Directorate. There is a default within the "Top Source Dealers of Firearms Traced" report in ATF eTrace, for record keeping purposes only, that merely lists the foreign entities as "Z-FFLs". All firearms that are sold by an FFL or imported by an FFL (and thereby bear the U.S. importer stamp on the firearm) are said to

The Honorable Charles E. Grassley

be U.S.-sourced firearms. As recorded in our responses to questions 1 and 2 above, 349 firearms (of the 29,284 recovered in Mexico in calendar years 2009 and 2010 and traced by ATF) fit into this category.

**Question 6:** Why did the number of trace requests drop significantly from 2009 to 2010, but the percentage trace to U.S. FFLs go up? What is behind this trend?

In September 2009, the government of Mexico provided ATF with electronic files containing firearms identifiers and recovery data. The electronic files contained information that initiated over 43,000 firearms traces with most having recovery years ranging from calendar year 2007 to 2009. Once each trace was initiated, it was organized by year of recovery. With this influx of traces from the electronic files, the number of firearms listed as recovered in 2009 and traced increased from earlier releases of information. Many of the initiated trace requests contained incomplete data thereby reducing the number of traces linked to an FFL.

We hope this information is responsive to your inquiry. Please let me know if we can be of further assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'K. Melson', written in a cursive style.

Kenneth E. Melson  
Acting Director



## United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

May 27, 2011

Mr. Kenneth E. Melson  
Acting Director  
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)  
99 New York Avenue, NE  
Washington, D.C. 20226

Dear Acting Director Melson,

I write to request data from 2009, 2010 and 2011 on the number of firearms recovered by the Government of Mexico and traced through ATF that were manufactured in, or imported into, the United States prior to being recovered in Mexico. In addition, I would like to know the total number of firearms recovered by the Government of Mexico and traced through ATF in 2009, 2010 and 2011. As you know, ATF has not released this information for these years. The latest data publicly available is from 2008.

Military-style weapons are arming Mexico's brutal drug trafficking organizations at an alarming rate. These weapons have contributed to Mexico's dangerous levels of violence. Since December 2006, according to Mexican government estimates, 34,612 people have died in organized crime-related killings in Mexico. The killings reached their highest level in 2010, jumping by almost 60 percent to 15,273 deaths from 9,616 the previous year.

Releasing data on firearms recovered in Mexico that originate in the United States will ensure that the American public and policymakers are aware of the severity of this problem. Please provide this information to me by June 10, 2011. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Dianne Feinstein". The signature is written in dark ink and is positioned above the printed name.

Dianne Feinstein



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Office of the Director*

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Washington, DC 20226

JUN - 9 2011

The Honorable Dianne Feinstein  
United States Senate  
Washington, DC 20510

Dear Senator Feinstein:

This is in response to your letter of May 27, 2011, to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Thank you for your interest in the firearms trace information produced by ATF.

The ATF National Tracing Center (NTC), located in Martinsburg, West Virginia, is the country's only crime gun tracing facility. As such, the NTC provides critical information that helps domestic and international law enforcement agencies solve firearms crimes, detect firearms trafficking and track the intrastate, interstate and international movement of crime guns. The NTC traced over 354,000 firearms in calendar year 2009 for the United States and 55 foreign countries, including Mexico.<sup>1</sup> In calendar year 2010, the NTC traced over 285,000 firearms for the United States and 57 foreign countries, including Mexico.

There are no United States Government sources that maintain any record of the total number of criminal firearms seized in Mexico. ATF reports relate only to firearms recovered in Mexico that were subsequently traced by ATF based upon firearms identifiers submitted to ATF by the Mexican government. The Mexican government does not submit every recovered firearm to ATF for tracing, so the numbers below are less than the total number of firearms recovered in Mexico in a given year. Please also note that the numbers provided below are accurate as of April 28, 2011, but will likely change in the future. If a trace is submitted in the future for a firearm recovered in a past year, the trace will be associated with the year the firearm was originally recovered, not the year it was subsequently traced.

As of April 28, 2011, a total of 21,313 firearms recovered in Mexico in 2009 were traced by ATF. Of these, 10,945 were manufactured in the United States; 3,268 were imported into the United States; and 7,100 were of undetermined origin due to insufficient information provided.

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<sup>1</sup> In September 2009, the government of Mexico provided ATF with electronic files containing firearms identifiers and recovery data. The electronic files contained information that was used to initiate over 43,000 firearm traces, most of which involved firearms recovered between 2007 and 2009. ATF tracks traces by the year the firearm is recovered, not the year the trace is initiated. As a result, the influx of trace data received in September 2009 concerning firearms recovered in prior years has resulted in a change to the numbers previously released by ATF concerning the total number of firearms recovered for years 2007 to 2009.

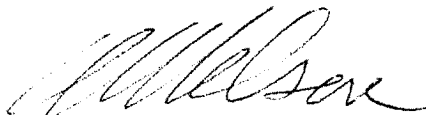
The Honorable Dianne Feinstein

In addition, as of April 28, 2011, a total of 7,971 firearms recovered in Mexico in 2010 were traced by ATF. Of these firearms, 4,186 were manufactured in the United States; 2,105 were imported into the United States; and 1,680 were of undetermined origin due to insufficient information provided. So, in aggregate, of the 29,284 firearms recovered in Mexico in 2009 and 2010 that were subsequently submitted to the NTC for tracing, 20,504 are United States-sourced firearms. A country of origin for the remaining firearms could not be determined because of a lack of information supplied on the trace request.

You requested trace information for 2011 as well. Unfortunately, we are unable to produce 2011 information at this time because the year has not yet ended.

We hope this is responsive to your request. If we may be of further service, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "K. Melson". The signature is fluid and cursive, written in a professional style.

Kenneth E. Melson  
Acting Director

Firearms Recovered and Traced in Mexico - CY 2010  
 Foreign Government and Military - Z Dealers  
 Firearms Tracing System - April 28, 2011

Z Dealer Name	Z Dealer Country	# of Traces
FIREARMS DISTRIBUTORS	AUSTRALIA	1
GRYCOL INTERNATIONAL PTY. LTD.	AUSTRALIA	1
SANTIAGO CASTILLO, LTD	BELIZE	2
ALL SPORTS DISTRIBUTION	CANADA	1
INDUSTRIA MILITAR MINISTERIO DE DEFENSA	COLOMBIA	1
RIVERA HOOVER Y ASOCIADOS	EL SALVADOR	1
EUROP ARMS	FRANCE	1
CORPO Q	GUATEMALA	1
GOVERNMENT OF HONDURAS	HONDURAS	2
LA ARMERIA - BO. LA GRANJA	HONDURAS	1
GUGLIELMO DEMARCHI AND C DIST.	ITALY	1
BANCO NACIONAL DEL EJERCITO / FIDEICOMISO DE ARMAS	MEXICO	10
DEPARTAMENTO DEL DISTRITO FEDERAL	MEXICO	2
DIRECCION GENERAL DE POLICIA Y TRANSITO DEL D.F.	MEXICO	4
DIRECTOR OF FIREARMS MEXICAN ARMED FORCES	MEXICO	1
EST.DE GUANAJUATO PROGRAMA NACIONAL DE SEGURIDAD P	MEXICO	1
ESTADO DE JALISCO	MEXICO	1
ESTADO MAYOR PRESIDENCIAL	MEXICO	1
GENERAL SERVICES ADMIN	MEXICO	1
GOBIERNO DEL ESTADO DE MICHOACAN	MEXICO	1
MEXICAN MILITARY	MEXICO	2
MUNICIONES DE CAZA	MEXICO	2
PROCURADURIA GENERAL DE LA REPUBLICA	MEXICO	1
S.N.C.	MEXICO	3
SECRETARIA DE HACIENDA	MEXICO	6
SECRETARIA DE LA DEFENSA	MEXICO	1
SECRETARIA DE LA DEFENSA NACIONAL - SEDENA	MEXICO	1
SMITH & WESSON CORP	MEXICO	51
GOVERNMENT OF NICARAGUA	MEXICO	1
	NICARAGUA	1
	<b>Total</b>	<b>103</b>

Department of Justice  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Office of Strategic Intelligence and Information  
 Violent Crime Analysis Branch  
 VCAB #116432

Firearms Recovered and Traced in Mexico - CY 2009  
 Foreign Government and Military - Z Dealers  
 Firearms Tracing System - April 28, 2011

Z Dealer Name	Z Dealer Country	# of Traces
MARKELL #2	UNKNOWN	1
MONTGOMERY WARD & CO STORE #8760	UNKNOWN	1
ARGENTINE ARMY-MINISTERIO DE DEFENSA	ARGENTINA	1
GONZALO QUINTO & SONS	BELIZE	2
JAMES BRODIE & COMPANY LTD	BELIZE	1
SANTIAGO CASTILLO, LTD	BELIZE	2
HARKLEY & SONS, LTD	CANADA	1
JOHN W. ROSE IMPORTING	CANADA	1
PETERBOROUGH GUNS	CANADA	1
WINCHESTER WESTERN LTD	CANADA	1
EL HISPANO, S.A.	COSTA RICA	1
ELECTROMECHANICA PABLO MURILLO	COSTA RICA	1
MINISTRY OF INTERIOR	EGYPT	1
ALBRECHT KIND	GERMANY	1
CENTRAL BANK OF HAMBURG	GERMANY	1
HELMUT HOFMANN	GERMANY	1
P N SESELES	GREECE	1
AIRE LIBRE S.A.	GUATEMALA	1
ALMACEN EL BISONTE	GUATEMALA	1
CONFORT ELECTRICO-MECANICO/CEMSA RUTA 3 2-16	GUATEMALA	2
CORPO Q	GUATEMALA	1
GUATEMALAN GOVERNMENT	GUATEMALA	2
MUNICIONES - IMP CENTROAMERICANA DE MUNICIONES	GUATEMALA	1
POLIGONOS DE GUATEMALA S.A.	GUATEMALA	1
FUERZAS ARMADAS DE HONDURAS	HONDURAS	1
WINCHESTER S.P.A.	ITALY	1
MINISTRY OF INTERIOR	KUWAIT	1
GEORGE JUREIDINI	LEBANON	2
ARMERIA EL AGUILA S.A.	MEXICO	2
ARMERIA EL CAZADOR	MEXICO	1
ARMERIA LA EXPLOSION - PAULINO PRIETO S.A.	MEXICO	1
BANCO NACIONAL DEL EJERCITO / FIDEICOMISO DE ARMAS	MEXICO	16
CUIDAD JUAREZ POLICE DEPARTMENT	MEXICO	1
DEPARTMENT OF STATE	MEXICO	2
DEPARTAMENTO DEL DISTRITO FEDERAL	MEXICO	2
ESTADO DE BAJA CALIFORNIA NORTE	MEXICO	1
ESTADO DE JALISCO	MEXICO	1
ESTADO DE NUEVO LEON	MEXICO	1
ESTADO MAYOR PRESIDENCIAL	MEXICO	2
ESTADO UNIDOS MEX - PROGRAM NACIONAL DE SEGURIDAD	MEXICO	7
GOBIERNO DEL ESTADO DE DURANGO	MEXICO	1
MEXICAN MILITARY	MEXICO	2
MUNICIONES DE CAZA	MEXICO	1
PROCURADURIA GENERAL DE LA REPUBLICA	MEXICO	3

Department of Justice  
 Bureau of Alcohol, Tobacco, Firearms and Explosives  
 Office of Strategic Intelligence and Information  
 Violent Crime Analysis Branch  
 VCAB #116431



Firearms Recovered and Traced in Mexico - CY 2009  
 Foreign Government and Military - Z Dealers  
 Firearms Tracing System - April 28, 2011

Z Dealer Name	Z Dealer Country	# of Traces
PROGRAM NACIONAL DE SEGURIDAD PUBLICA	MEXICO	2
PROGRAMA NACIONAL DE SEGURIDAD PUBLICA S.N.C.	MEXICO	1
SECRETARIA DE GOBERNACION ESTADO DE GUERRERO	MEXICO	8
SECRETARIA DE GOBERNACION/PROG NAC DE SEG PUBLICA	MEXICO	1
SECRETARIA DE GOBERNACION/PROGRAMA NACIONAL	MEXICO	1
SECRETARIA DE LA DEFENSA	MEXICO	6
SECRETARIA DE LA DEFENSA NACIONAL - SEDENA	MEXICO	121
SECRETARIA DE LA GOBERNACION	MEXICO	4
SECRETARIA DEFENSA NACIONAL	MEXICO	2
SECRETARIA GOBIERNO DEL ESTADO SONORA	MEXICO	1
SECRETARIA GENERAL DE GOBIERNO DE OAXACA	MEXICO	2
STATE OF MEXICO ,PER MIGUEL OLGUIN	MEXICO	4
STATE OF VERACRUZ	MEXICO	2
SYSPRO INTERNACIONAL, S.A.DE	MEXICO	4
PERFECTA S.A.M.I.	PARAGUAY	1
AMPAK PERU S.A.	PERU	1
P B DIONISIO	PHILIPPINES	1
SCHLDFIEZBINDEN HANELS	SWITZERLAND	1
SIG - SWITZERLAND	SWITZERLAND	1
SIPHYA ARMS LTD. PART	THAILAND	1
SUTHAVUT FIREARMS LP	THAILAND	1
ERIKOTA IMPORT + EXPORT	VENEZUELA	1
MINISTERIO DE DEFENSA- CAVIM	VENEZUELA	1
	<b>Total</b>	<b>246</b>

Department of Justice  
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