
From: Schmalzer, Tracy (SMO)
To: **Attorney General** Grindler, Gary (OAG); Richardson, Margaret (OAG)
Sent: 7/26/2011 7:24:32 PM
Subject: RE: WSJ - ATF Chief Says He Didn't Approve Tactics

Yes - there's some of that now but it doesn't get them much to say we should have known considering they started w. the accusations that we did know.

On the message, they continue the shift away from details of operation to the DOJ muzzling/covering up narrative but that loses credibility now that the underlying conspiracy theory is falling short of the expectations they set. They'll probably keep trying though given the witnesses they have yet to trot out at a hearing - including ATF Leadership - Melson and Hoover. Wouldn't surprise me if they also move to USAO and/or Lanny.

From: **Attorney General**
Sent: Tuesday, July 26, 2011 6:29 PM
To: Schmalzer, Tracy (SMO); Grindler, Gary (OAG); Richardson, Margaret (OAG)
Subject: Re: WSJ - ATF Chief Says He Didn't Approve Tactics

Where do they go next. They can't get what they want- people saying it went higher up
So now- highers up should have known

From: Schmalzer, Tracy (SMO)
Sent: Tuesday, July 26, 2011 04:47 PM
To: **Attorney General**; Grindler, Gary (OAG); Richardson, Margaret (OAG)
Subject: WSJ - ATF Chief Says He Didn't Approve Tactics

Most of the stories from hearing today focused on the accusations within ATF about the operation and who knew what at ATF, when they knew it, and what was shared with Mexican counterparts. We were able to get more traction pushing back on the accusations about senior level approval/knowledge. Good WSJ piece below.

ATF Chief Says He Didn't Approve Tactics

By EVAN PEREZ <<http://online.wsj.com/search/term.html?KEYWORDS=EVAN+PEREZ&bylinesearch=true>>

JULY 26, 2011, 4:24 P.M. ET

WASHINGTON—The acting head of the Bureau of Alcohol, Tobacco, Firearms and Explosives told congressional investigators he didn't approve the tactics of a federal operation that lost track of firearms purchased by suspected smugglers.

The testimony by acting ATF chief Kenneth Melson and other top officials, released Tuesday, rebutted suspicions voiced by Republican lawmakers that the tactics used in the ATF's Operation Fast and Furious received high-level approval.

But testimony by lower-level officials at a House hearing Tuesday pointed to mismanagement and lack of oversight in letting Fast and Furious move forward in 2009 and 2010. In some cases, senior officials appear not to have asked questions once signs of trouble emerged.

The operation was aimed at catching top smugglers who funnel weapons from the U.S. to drug-cartel gangs in Mexico. To do so, ATF agents let some gun purchases by suspected smugglers go forward.

GOP lawmakers argue the ATF should have known it couldn't keep track of those firearms. They released a report Monday saying that more than 1,000 of the weapons haven't been recovered or traced.

Democrats on the House Oversight and Government Reform Committee released their own report Tuesday with excerpts from interviews with Mr. Melson, his deputy, William Hoover, and others.

"I don't believe that I knew or that Billy Hoover knew ... that the strategy in the case was to watch people buy the guns and not interdict them at some point," the Democratic report quotes Mr. Melson as saying in a July 4 interview.

The interview with Mr. Melson was conducted without Justice Department lawyers present. The acting ATF chief has split with his bosses after reports in The Wall Street Journal and elsewhere that Justice officials wanted to oust him from his post.

According to the report, a congressional interviewer asked Mr. Melson: "Did anyone at the Department of Justice ever tell you or tell anyone else at headquarters and it got to you that those tactics were authorized as part of a new strategy in order to follow the guns, let the guns go, see where they might end up?"

Mr. Melson answered: "No."

However, Lorren Leadmon, an ATF intelligence agent, testified at Tuesday's House hearing that Mr. Melson and other senior officials received briefings in late 2009 and 2010 indicating trouble with the Fast and Furious operation.

Mr. Leadmon said he and others provided details at these briefings of weapons seizures in the U.S. and Mexico tied to Fast and Furious. In addition to the ATF leaders, an official from the criminal division at Justice Department headquarters received the briefings, Mr. Leadmon said.

Also at the hearing, Darren Gil, the ATF's attache in Mexico City during the operation, compared the Fast and Furious missteps to the ATF's performance in its 1993 raid of a religious sect in Waco, Texas, where a gunbattle left four ATF agents dead.

He said the operation exposed how "poor management, poor judgment and poor leadership resulted in disaster. Operation Fast and Furious, as I have come to understand it, is indeed a disaster."

Another ATF official, William McMahon, who led regional field operations, apologized at Tuesday's hearing for apparently not reading some of the documents that he approved, including wiretaps connected to the operation.

Rep. Darrell Issa, the California Republican who is chairman of the House oversight committee, and Republican Sen. Chuck Grassley of Iowa have led the congressional probe of the operation.

The hearing Tuesday led by Mr. Issa offered an unusual scene, as active ATF agents chastised their bosses, sitting a few seats away, for letting the operation continue.

William Newell, the chief of the ATF Phoenix office during the Fast and Furious operation, defended the way the operation was conceived, saying "it was not the purpose of the investigation to permit the transportation of firearms into Mexico, and to the best of my knowledge none of the suspects in this case was ever witnessed by our agents crossing the border with firearms."

Mr. Hoover told the congressional investigators that he raised concerns and asked in March 2010 that the operation be shut down. It wasn't ended until December 2010, after a border patrol agent was killed in a shootout in Arizona. An assault rifle found at the scene was traced back to a suspect in the Fast and Furious operation.

Mr. Issa scolded Mr. Newell and others who he said were being evasive. He said it remains his

goal to have Mr. Newell or his bosses at the ATF and the Justice Department admit that "you knowingly let guns walk."

Tracy Schmaler, a Justice spokeswoman, said the House committee's report didn't include details and testimony that "makes clear that operational details relating to this investigation were unknown to senior Department of Justice officials." She noted that the department's inspector general is investigating the matter.

Write to Evan Perez at evan.perez@wsj.com <<mailto:evan.perez@wsj.com>>