
From: Schmalzer, Tracy (SMO)
To: Axelrod, Matthew (ODAG); Reich, Steven (ODAG)
Sent: 8/11/2011 10:05:48 AM
Subject: Re: ATF's Gun Surveillance Program Showed Early Signs Of Failure (LAT)

Who are the doj officials ken says he flagged this for?

From: Axelrod, Matthew (ODAG)
Sent: Thursday, August 11, 2011 10:04 AM
To: Reich, Steven (ODAG); Schmalzer, Tracy (SMO)
Subject: Re: ATF's Gun Surveillance Program Showed Early Signs Of Failure (LAT)

No, I believe this did happen in March 2010. That's when Billy got briefed and asked for the 30/60/90 day exit strategy.

From: Reich, Steven (ODAG)
Sent: Thursday, August 11, 2011 09:05 AM
To: Schmalzer, Tracy (SMO); Axelrod, Matthew (ODAG)
Subject: RE: ATF's Gun Surveillance Program Showed Early Signs Of Failure (LAT)

No. Seems impossible that that happened in March 2010. My guess is that they have conflated Ken's apparent contention that he alerted folks in March 2011 back into the March 2010 time period.

From: Schmalzer, Tracy (SMO)
Sent: Thursday, August 11, 2011 8:45 AM
To: Reich, Steven (ODAG); Axelrod, Matthew (ODAG)
Subject: ATF's Gun Surveillance Program Showed Early Signs Of Failure (LAT)

See bold sentence below - do we know who Ken is referring to?

ATF's Gun Surveillance Program Showed Early Signs Of Failure (LAT)

Just a few months into Operation Fast and Furious, an agency official called for a strategy to shut down the program aimed at following guns into the hands of Mexican drug cartels.

By Richard A. Serrano, Washington Bureau, August 11, 2011

Los Angeles Times
<<http://www.latimes.com/news/nationworld/nation/la-na-atf-guns-20110811,0,7349292.story>> , August 11, 2011

In March 2010, the No. 2 man at the ATF was deeply worried. His agents had lost track of hundreds of firearms. Some of the guns, supposed to have been tracked to Mexican drug cartels, were lost right after they cleared the gun stores.

Five months into the surveillance effort - dubbed Operation Fast and Furious - no indictments had been announced and no charges were immediately expected. Worse, the weapons had turned up at crime scenes in Mexico and the ATF official was worried that someone in the United States could be hurt next.

Acting Deputy Director William Hoover called an emergency meeting and said he wanted an "exit strategy" to shut down the program. The Bureau

of Alcohol, Tobacco, Firearms and Explosives for decades had dedicated itself to stopping illegal gun-trafficking of any kind. Now it was allowing illegal gun purchases on the Southwest border and letting weapons "walk" unchecked into Mexico.

But those at the meeting, which included a Justice Department official, did not want to stop the illegal gun sales until they had something to show for their efforts. Hoover suggested a "30-day, 60-day or 90-day" exit plan that would shut Fast and Furious down for good — just as soon as there were some indictments.

But indictments did not come for another 10 months. By then, two semiautomatics had been recovered after a U.S. Border Patrol agent was killed south of Tucson, and nearly 200 had been found at crime scenes in Mexico.

"I probably should have been a lot more strident with that, there's no question," Hoover has since acknowledged. "I probably should have jumped on a plane and flown to Phoenix and gotten the field division team and the U.S. attorney's team together and had a discussion."

Fast and Furious was a highly secret undercover program begun with great ambition. The border was out of control, and the new Obama administration wanted to stop U.S. guns from crossing into Mexico and arming drug cartels.

The Justice Department, which oversees the ATF, was pushing for agents to stop arresting small-time gun smugglers and concentrate instead on the big-name cartels.

Today, the program is the subject of two investigations into why it was approved, why no one put a speedy end to it, and who among top ATF and Justice Department officials should be held responsible. No one in hindsight believes it was a good idea.

"This is not a technique that should ever be used," said Atty. Gen. Eric H. Holder Jr., who ordered an inspector general investigation into Fast and Furious.

House and Senate Republicans are also investigating, with their sights set on Holder and other political appointees. "The Justice Department is not our partner in this effort," said Rep. Darrell Issa (R-Vista), chairman of the House Oversight and Government Reform Committee. "They are the subject of this investigation."

Indeed, according to memos, emails and other material obtained by The Times, along with transcripts of sworn depositions and Capitol Hill testimony, the Justice Department provided the initial impetus for what became Fast and Furious.

In October 2009, officials in the office of then-Deputy Atty. Gen. David W. Ogden, the No. 2 slot under Holder, sent a nine-page memo to supervisors on the border. Called the "Department of Justice Strategy for Combating the Mexican Cartels," it specifically instructed the ATF to broaden its scope to "identify, investigate and eliminate" the cartels. This approach, the memo added, "ensures that scarce ATF resources are directed at the most important targets."

The memo did not suggest agents purposely allow illegal purchasers to walk away with guns, and Justice Department officials insist they never approved the "operational" concept for Fast and Furious. Nevertheless, the ATF viewed the memo as marching orders.

Kenneth E. Melson, the ATF acting director, told investigators that his subordinates took the memo and came up with "tactical strategies" that created Fast and Furious. "We have to go after the cartels to stop the flow of guns," he said.

William D. Newell, then the special agent in charge of the ATF field office for Arizona and New Mexico, said "the memo fitted into how we were going to address this" problem. Fast and Furious was launched the following month, November 2009, and was run out of Newell's field office.

Under the program, agents were to watch – in some cases record on video – illegal sales and then use surveillance teams and electronic eavesdropping to follow the guns and learn how the weapons were moved. The goal was to arrest cartel leaders overseeing gun smuggling on the U.S. side of the border.

By January 2010, agents with the Organized Crime Drug Enforcement Task Force run by the Justice Department were brought in to help. The manpower included investigators from the Homeland Security Department, the Internal Revenue Service and the Drug Enforcement Administration.

An assistant U.S. attorney in Phoenix was charged with handling future prosecutions. Soon the operation was christened Fast and Furious after the popular Hollywood action film series on street racing.

But the chase for guns and cartel leaders soon hit a dead end. The ATF was attempting to follow each of the weapons as they were moved from the straw men who bought them illegally at gun shops to what they expected would be cartel higher-ups in the U.S. who would move them to Mexico.

But the ATF, which didn't have the resources to follow so many weapons, soon lost track of many of them. And when they did follow them to the next level, the buyers of the guns often turned out to be Mexicans living legally in the U.S. and not cartel honchos.

By March 2010, Hoover convened his ATF meeting. He described it as a "pretty detailed briefing," with participants fearful that some of the lost guns were going to turn up at crimes scenes not only in Mexico, but also in the United States.

Lorren D. Leadmon, an ATF intelligence specialist, and Joseph Cooley, a trial attorney in the Justice Department's gang unit, sat in. They were apprised that guns had been lost and most likely were circulating in Mexico. At that early stage of the program, Acting Director Melson said he warned top officials at the Justice Department that weapons had gotten away. "I wanted to alert my staff as well as the [deputy attorney general's] office that there were instances in which guns were not stopped," he said.

Months passed and the guns kept running. ATF officials said they pressured prosecutors for indictments. But the U.S. attorney's office was waiting for more evidence. At one time, ATF officials thought they would have charges filed by October.

That was the month when the brother of a state attorney general in Mexico was killed and the ATF learned that Fast and Furious weapons were found at the scene. Still, nothing changed. Then came the night of Dec. 14 when U.S. Border Patrol Agent Brian Terry was killed.

The FBI had jurisdiction over the investigation of his killing. But the next morning, Newell, the ATF field supervisor, ordered ATF agents and supervisors to go to the scene to determine whether any Fast and Furious weapons had been used. "Send every available body and provide as much assistance as possible," he emailed his staff.

Three guns were recovered. Two of them came from Fast and Furious. And still the operation went on another six weeks.

Finally, near the end of January officials announced with some fanfare that 20 individuals had been indicted for illegal gun-trafficking. What they did not say was that two of the smuggled weapons had ended up at the scene of Terry's slaying.

That was left to a small group of unhappy former ATF agents. They called Congress.

richard.serrano@latimes.com