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**From:** Schmalers, Tracy (SMO)  
**To:** Schmalers, Tracy (SMO); **Attorney General** Cole, James (ODAG); Perrelli, Thomas J. (OAAG); Grindler, Gary (OAG); Delery, Stuart F. (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Reich, Steven (ODAG); Weich, Ron (SMO)  
**Sent:** 8/30/2011 4:40:30 PM  
**Subject:** Clips - Round 2  
**Attachments:** Picture (Device Independent Bitmap); Picture (Device Independent Bitmap)1; Picture (Device Independent Bitmap)2; Picture (Device Independent Bitmap)3; Picture (Device Independent Bitmap)4; Picture (Device Independent Bitmap)5; Picture (Device Independent Bitmap)6; Picture (Device Independent Bitmap)7; Picture (Device Independent Bitmap); Picture (Device Independent Bitmap)1; Picture (Device Independent Bitmap)2; Picture (Device Independent Bitmap)3; Picture (Device Independent Bitmap)4; Picture (Device Independent Bitmap)5; Picture (Device Independent Bitmap)6; Picture (Device Independent Bitmap)7

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***USA Today: ATF Chief, Arizona prosecutor resign amid gun inquiries (August 30, 2011; 3:12 PM)***

The acting director of the Bureau of Alcohol, Tobacco, Firearms and Explosives and Arizona's top federal prosecutor resigned Tuesday in the midst of congressional and Justice Department inquiries into a controversial gun trafficking investigation that allowed hundreds of firearms to fall into the hands of Mexican drug cartel enforcers and criminals in the USA.

Attorney General Eric Holder said B. Todd Jones, the chief federal prosecutor in Minnesota, would replace Kenneth Melson as acting director of the ATF. Holder said Melson will become senior adviser on forensic science in the Justice Department's Office of Legal Policy.

Arizona U.S. Attorney Dennis Burke, whose office is overseeing pending prosecutions in the gun investigation known as "Operation Fast and Furious," also resigned, and Emory Hurley, an assistant federal prosecutor directly assigned to the gun prosecutions, was reassigned within the Phoenix office.

The shake-up represents the Obama administration's first major response to allegations that the flawed gun investigation, aimed at tracking guns to drug cartel leaders, may have been responsible for arming drug organization enforcers in deadly encounters with Mexican and U.S. officials.

The operation was shut down last December after the murder of Border Patrol Agent Brian Terry in Arizona. Two weapons recovered at the scene of Terry's murder were purchased as part of the federal sting operation.

It has not been determined whether either of the weapons were used to kill Terry.

Holder, who offered no criticism of the departing leaders, said Jones would bring a "wealth of experience" to the top job at ATF.

"I have great confidence that he will be a strong and steady influence guiding ATF in fulfilling its mission of combating violent crime by enforcing federal criminal laws and regulations in the firearms and explosives industries," Holder said.

Rep. Darrell Issa, R-Calif., who leads the congressional investigation into the matter, said, "The reckless disregard for safety that took place in Operation Fast and Furious certainly merits changes." He said the House Committee on

Oversight and Government Reform inquiry would continue "to ensure that blame isn't offloaded on just a few individuals."

"There are still many questions to be answered about what happened in Operation Fast and Furious and who else bears responsibility," Issa said, "but these changes are warranted and offer an opportunity for the Justice Department to explain the role other officials and offices played in the infamous efforts to allow weapons to flow to Mexican drug cartels."

<http://www.usatoday.com/news/washington/story/2011-08-30/ATF-chief-Arizona-prosecutor-resign-amid-gun-inquiries/50192398/1>

***NYT: Firearms Bureau Chief is Out After Disputed Inquiry (August 30, 2011)***

The Obama administration on Tuesday replaced two top Justice Department officials associated with Operation Fast and Furious, an ill-fated investigation into a gun-trafficking ring in Arizona, reassigning the acting director of the Bureau of Alcohol, Tobacco, Firearms and Explosives and announcing the resignation of the United States attorney in Phoenix.

Attorney General Eric H. Holder Jr. said that he was replacing Kenneth Melson, the acting A.T.F. chief, with B. Todd Jones, the United States attorney in Minnesota. He also announced that Dennis Burke, the top federal prosecutor in Arizona, was stepping down, making them the highest-profile casualties yet in the disputed effort to dismantle a gun-trafficking network that was funneling assault weapons to a Mexican drug cartel.

Mr. Holder did not directly address Operation Fast and Furious, but a Justice Department official said that he made the moves — which had been developing for weeks — for management reasons. Mr. Holder indirectly referred to the distraction of the controversy in his statement thanking Mr. Burke, commending “his decision to place the interests of the U.S. Attorney's office above all else.”

The changes were part of a larger set of moves that have swept away officials associated with the star-crossed operation in recent weeks. In addition, two former top A.T.F. officials in Phoenix, William Newell and William McMahon, received lateral transfers to positions at the Justice Department in Washington. In addition, last week, Emory Hurley, an assistant United States attorney in Phoenix who worked closely on the operation, was transferred from the office's criminal division to its civil division.

But Representative Darrell Issa, a California Republican who is chairman of the House Oversight Committee, vowed to continue his investigation of the program, which he has said was seriously flawed. Mr. Issa has held a series of hearings on the program over the past year, and has repeatedly sought to link high-level Obama administration officials to the operation, although no evidence has yet emerged that they knew about its details.

“While the reckless disregard for safety that took place in Operation Fast and Furious certainly merits changes within the Department of Justice, the Oversight and Government Reform Committee will continue its investigation to ensure that blame isn't offloaded on just a few individuals for a matter that involved much higher levels of the Justice Department,” Mr. Issa said.

Operation Fast and Furious, which ran from late 2009 to early 2011, was part of a still-open larger investigation into a large gun-trafficking ring in Arizona linked to drug cartels in Mexico, where consumers are not allowed to buy military-style assault weapons like a variant of the AK-47.