

From: Schmalers, Tracy (OPA)
To: Schmalers, Tracy (OPA); **Attorney General**; Cole, James (ODAG); Grindler, Gary (OAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); Goldberg, Stuart (ODAG); Weich, Ron (OLA)
Sent: 10/6/2011 9:15:02 PM
Subject: RE: Clips 2

Updated AP and WSJ

DP

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Parties Trade Blows Attorney General, Gun Probe

By EVAN PEREZ

OCTOBER 6, 2011, 7:48 P.M. ET

WASHINGTON—Republican lawmakers and the Obama administration traded blows Thursday over a botched Arizona gun trafficking probe and whether Attorney General Eric Holder misled Congress about it.

At issue is Operation Fast and Furious, run by agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives in 2009-10. It allowed suspected smugglers to buy about 2,000 firearms, with the aim of bringing a major case against top traffickers. Many of the guns turned up in crime scenes in Mexico and the U.S., and hundreds remain unaccounted for.

Mr. Holder testified at a House hearing in May that he had only learned of Fast and Furious "in recent weeks." Congressional investigators led by Rep. Darrell Issa (R., Calif.) and Sen. Charles Grassley (R., Iowa) say that was misleading because Justice Department briefing documents suggest Mr. Holder knew or should have known about the program last year.

Messrs. Issa and Grassley on Thursday released a series of weekly briefing documents that lower-level officials provided to Mr. Holder's office in July 2010 that described Fast and Furious. Other Justice Department documents turned over to congressional investigators include a March 2010 ATF PowerPoint presentation for the deputy attorney general at the time.

The disputed ATF tactics of watching but not stopping smugglers' weapons purchases aren't mentioned in either set of documents.

At a news conference Thursday, President Barack Obama said he had "complete confidence" in Mr. Holder and believed the attorney general wasn't aware of what was happening in Fast and Furious.

"I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through that could have been prevented," Mr. Obama said.

The lawmakers and Justice Department have also tussled over an earlier operation called Wide Receiver, in 2006-07, run by the same Phoenix ATF office, which involved the smuggling of more than 400 firearms. The revelation of the Wide Receiver operation appears to indicate that the ATF tactics were used during both the Bush and Obama administrations.

Tracy Schmalers, Justice Department spokeswoman, said the Republican congressional leaders were "peddling selectively edited transcripts and distorting questions and answers in some distracting political game of gotcha." She said the "brief entries" in the reports that went to Mr. Holder's office "reveal nothing of the dangerous tactics that were employed in this operation."

A spokesman for Mr. Issa's committee said the lawmakers were still pursuing their investigation into what Justice Department officials knew about the ATF tactics. The spokesman said the Justice Department had assured Congress that ATF "makes every effort to interdict weapons that have been purchased illegally."

Obama: Complete confidence in AG Holder amid Republican criticism of gun-running probe

By Associated Press

WASHINGTON (AP) — President Barack Obama said Thursday he has complete confidence in Attorney General Eric Holder amid Republican accusations that the attorney general was aware months sooner than he's acknowledged about a flawed operation to stem gun-smuggling.

At a White House news conference, the president said Holder has been very aggressive in pursuing gun-running

and cash transactions that support drug cartels in Mexico.

Holder "indicated that he was not aware of what was happening in Fast and Furious," the president said. "Certainly I was not, and I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through" to arms traffickers rather than being seized by agents.

The attorney general says he found out early this year that such an investigative tactic was being used. Newly released Justice Department documents summarizing many different investigations for the attorney general in July 2010 reference the Fast and Furious operation, but not the tactic.

The president noted that Holder has assigned the Justice Department inspector general's office "to look into how exactly this happened.

"I have complete confidence in him, and I've got complete confidence in the process to figure out who, in fact, was responsible for that decision and how it got made," Obama said.

Meanwhile, a first-term Republican congressman, Rep. Raul Labrador of Idaho, called on Holder to resign.

The recently released documents "have convinced me that" the attorney general "is either lying or grossly incompetent," said Labrador.

Sen. John Cornyn, R-Texas, encouraged Holder to "come up to the Hill and clear this up as soon as possible."

Justice Department spokeswoman Tracy Schmalzer said the brief entries in the newly released documents "reveal nothing of the dangerous tactics that were employed in this operation, and apparently, another operation during the Bush administration."

Schmalzer's reference was to a Tucson, Ariz.,-based investigation of gun-trafficking in 2006 called Operation Wide Receiver.

Fast and Furious, which focused on some Phoenix-area gun shops, tried to track gun-smuggling beyond straw purchasers to previously unreachable gun-running kingpins. Officials say that agents lost track of about 1,400 of more than 2,000 guns identified in the operation. A number of the guns have been recovered at crime scenes in Mexico.

The operation came to light after two assault rifles purchased by a now-indicted small-time buyer under scrutiny in the operation turned up at the scene of a shootout in Arizona where Customs and Border Protection agent Brian Terry was killed.

From: Schmalzer, Tracy (OPA)

Sent: Thursday, October 06, 2011 7:14 PM

To: **Attorney General**; Cole, James (ODAG); Grindler, Gary (OAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); Goldberg, Stuart (ODAG); Weich, Ron (OLA)

Subject: Clips

first round of clips, still waiting on stories from WSJ and LAT and updated from AP. As expected they're keying off the president's comments at news conference. A few opted not to write -- NYT and Bloomberg -- for lack of interest.

Obama has confidence in Holder

By: Tim Mak

Politico

October 6, 2011 12:08 PM EDT

President Barack Obama said Thursday he had “complete confidence” in Attorney General Eric Holder over his handling of the Fast and Furious gunrunning investigation.

“I think I’ve been very clear that I have complete confidence in Attorney General Holder and how he handles his office,” said Obama in a press conference in the East Room of the White House. “He has been very aggressive in going after gunrunning and cash transactions that are going to these transnational drug cartels in Mexico. ... He’s indicated that he was not aware of what was happening in Fast and Furious. Certainly, I was not.”

Obama suggested if he or Holder had known that Fast and Furious involved guns flowing unimpeded to Mexico, it would have been shut down.

“Both he and I would have been very unhappy if somebody had suggested that guns were allowed to have passed through [to Mexico] that could have been prevented by the United States of America,” Obama said.

The president’s comments came as Republicans made a new push to suggest Holder may have lied to Congress.

Sen. Chuck Grassley (R-Iowa) and Rep. Darrell Issa (R-Calif.) said Thursday that Holder received at least five memos on Fast and Furious beginning in July 2010. In a joint press release, Grassley and Issa point to an Aug. 9, 2010, memo from Michael F. Walther, director of the National Drug Intelligence Center, to Holder that references Operation Fast and Furious and describes it as “firearms trafficking through straw purchases.”

Grassley and Issa also cited four additional memos from Walther to Holder in 2010, dated in four consecutive weeks: July 5, 12, 19 and 26. All of the memos refer to Operation Fast and Furious.

“With the fairly detailed information that the attorney general read, it seems the logical question for the attorney general after reading in the memo would be, ‘why haven’t we stopped them?’” Grassley said.

Grassley also said that he personally handed Holder two letters about Fast and Furious in January of this year.

Based on the memos, Republicans have suggested that Holder may have lied to Congress when in May 2011, the attorney general told the House Judiciary Committee he had only recently learned about Fast and Furious.

“When did you first know about the program, officially known as Fast and Furious?” Issa asked at the time.

“I’m not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks,” Holder replied.

On Thursday, Issa said, “Attorney General Holder has failed to give Congress and the American people an honest account of what he and other senior Justice Department officials knew about gunwalking and Operation Fast and Furious. The lack of candor and honesty from our nation’s chief law enforcement officials in this matter is deeply disturbing.”

The Justice Department has strongly disputed any suggestion that Holder misled Congress.

“The Attorney General’s testimony to both the House and Senate committees has been consistent and truthful,” Department of Justice spokeswoman Tracy Schmalzer told POLITICO on Thursday. “When the Attorney General first learned of these troubling tactics in early 2011, he took swift and substantive action by asking the Inspector General to investigate the matter and making sure agents and prosecutors in field knew that such tactics violated Department policy and would not be tolerated.”

Moments before Issa asked the question quoted above, he had discussed the controversial aspects of the Fast and Furious program — that guns were allowed to “walk out of gun shops.” The Justice Department says Issa’s question referred to when Holder became aware of these controversial tactics of Fast and Furious, and not the overall

operation itself.

Schmalzer said that references to the Fast and Furious program were brief entries in much longer memos, and did not refer to the controversial tactics now under fire by Republicans.

“These brief entries buried in a few written reports reveal nothing of the dangerous tactics that were employed in this operation... Instead of peddling selectively-edited transcripts and distorting questions and answers in some distracting political game of gotcha, these congressional leaders should be focusing their attention on the underlying public safety problem we confront as a Nation - that too many guns are being illegally trafficked to Mexico,” said Schmalzer.

Earlier this week, Rep. Lamar Smith (R-Texas) wrote a letter to President Barack Obama, asking that the White House appoint a special counsel to determine whether Holder lied to Congress.

“President Obama appears to be the only person left with any confidence in Attorney General Holder,” said Senator John Cornyn (R-Texas) on Thursday. “It is difficult to believe that after memos were sent to his office, ATF officials briefed Congress on Fast and Furious and it was reported in the media, Mr. Holder still didn't have knowledge of it, as he claims, for several months.”

Under the Fast and Furious program, thousands of weapons were allowed to be illegally purchased in the Phoenix area so that they could be tracked to gun traffickers and drug cartel leaders. But the Bureau of Alcohol, Tobacco, Firearms and Explosives lost track of these firearms, and many were allowed to cross into Mexico.

Weapons linked to the program were later linked to the December 2010 shooting death of U.S. Border Patrol Agent Brian Terry. Two undercover police officers in Arizona were later allegedly assaulted by men with firearms tied to the program back in March 2010.

AG Under Fire Over ‘Fast and Furious’: When Did He Know About Program?

By Pierre Thomas

ABCNews.com

Oct 6, 2011 4:58pm

Congressional Republicans today released additional Justice Department memos to the Attorney General Eric Holder about a controversial gun trafficking investigation which they say are evidence Holder misled them. The Justice Department rejected the claims, suggesting Congressional Republicans are playing traditional Washington gotcha politics, without the gotcha.

In September 2009, the Bureau of Alcohol, Tobacco and Firearms launched an investigation targeting some Phoenix area suspected gun runners who had been supplying weapons to a Mexican cartel. But ATF decide to employ what would turn out to be a very controversial strategy: federal agents would allow guns to “walk”— or flow into Mexico - while ATF tried to identify and charge upper level cartel members who were buying the guns. The huge problem: the guns turned up in numerous crime scenes in Mexico, including murders. And at least one of the weapons was recovered at the scene where a U.S. Border Patrol agent was gunned down.

Attorney General Holder maintained he did not know the specifics of the strategy when pressed at a Congressional hearing last spring.

Rep. Dorell Issa, R-Calif., who is spearheading the Congressional investigation, asked Holder, “When did you first know about the program officially, I believe, called Fast and Furious? To the best of your knowledge, what date?”

Holder answered: “I'm not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks.”

But today, Issa and Sen. Chuck Grassley, R-Iowa, released at least five weekly memos to Holder beginning in July 2010, that provide updates on Operation Fast and Furious. The memos lay out that ATF and a number of other agencies were investigating Phoenix area straw buyers who were “responsible for the purchase of 1500 firearms that were then supplied to Mexican drug trafficking cartels.”

“With the fairly detailed information that the Attorney General read, it seems the logical question for the Attorney General after reading in the memo would be ‘why haven't we stopped them?’” Grassley said. “And if he didn't ask the questions, why didn't he or somebody in his office?”

“Attorney General Holder has failed to give Congress and the American people an honest account of what he and other senior Justice Department officials knew about gunwalking and Operation Fast and Furious,” Issa said. “The lack of candor and honesty from our nation's chief law enforcement officials in this matter is deeply disturbing.”

Justice Department officials say the memos are only generic updates and offer no detail or specifics of ATF strategy's to allow the guns to pass in large numbers. Justice Department spokeswoman Tracy Schmalzer offered an aggressive rebuttal.

“Here they go again. Chairman Issa and Senator Grassley can re-package and re-release the same documents every other day and it won't change the facts: the Attorney General's testimony to both the House and Senate committees has been consistent and truthful,” Schmalzer said.

“These brief entries buried in a few written reports reveal nothing of the dangerous tactics that were employed in this operation, and apparently, another operation during the Bush Administration. Instead of peddling selectively-edited transcripts and distorting questions and answers in some distracting political game of gotcha, these congressional leaders should be focusing their attention on the underlying public safety problem we confront as a Nation - that too many guns are being illegally trafficked to Mexico.

“There are thousands of these types of investigations going on at any given time across this country and rather than focusing on whether the Attorney General read about or could recall the name of one of those district operations mentioned a few times in 100-plus page report sent to his staff over a year ago, Chairman Issa and Senator Grassley would do better to conduct legitimate oversight.”

“When the Attorney General first learned of these troubling tactics in early 2011, he took swift and substantive action by asking the Inspector General to investigate the matter and making sure agents and prosecutors in field knew that such tactics violated Department policy and would not be tolerated. If Congress wants to conduct real oversight on behalf of the American people, they should follow the Attorney General's lead and treat this problem with the seriousness and substance it deserves.”

Today President Obama defended Holder after a question from ABC's Jake Tapper.

“- I have complete confidence in Attorney General Holder in how he handles his office,” the president said. “He has been very aggressive in going after gun-running and cash transactions that are going to these transnational drug cartels in Mexico... I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through that could have been prevented by the United States of America.”

Expect the jousting to continue.

Obama backs attorney general amid gun scandal

4:35pm EDT

WASHINGTON (Reuters) - President Barack Obama said on Thursday he fully supported Attorney General Eric Holder, who has come under scrutiny after a botched operation to track guns smuggled to Mexican drug cartels.

"I have complete confidence in Attorney General Holder," Obama said at a news conference. "He has been very aggressive in going after gun running and cash transactions that are going to these transnational drug cartels in Mexico."

The backing by Obama, who appointed Holder, comes as the attorney general has been under fire for the bungled operation, known as "Fast and Furious," that was aimed at tracking guns from the United States to violent Mexican drug cartels.

However, the weapons were not fully tracked after their purchase and some have been found at crime scenes in the

United States and Mexico.

Holder has "indicated that he was not aware of what was happening in Fast and Furious. Certainly I was not," Obama said.

"And I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through that could have been prevented by the United States of America," he said.

The operation, run from late 2009 through 2010, has become a headache for the Obama administration and complicated diplomatic ties with Mexico, particularly because some of the guns sold have ended up at crime scenes.

In addition to a Justice Department inspector general probe, congressional Republicans have been investigating the matter, focusing on who approved the operation and who in the administration knew as well as when.

The chairman of the House of Representatives Oversight Committee, Darrell Issa, and the senior Republican on the Senate Judiciary Committee, Chuck Grassley, on Thursday referred to memos they say show Holder was given details about it in 2010.

The memos to Holder and his deputy said "straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to the Mexican drug trafficking cartels."

Holder's spokeswoman Tracy Schmalzer said those memos did not reveal that U.S. authorities specifically allowed guns to be walked across the border and that brief entries were part of 100-plus page regular reports sent to Holder's staff.

"These brief entries buried in a few written reports reveal nothing of the dangerous tactics that were employed in this operation," she said, adding that Holder did not know about the tactics until early this year.

Issa and Grassley questioned whether Holder was accurate when he told lawmakers in May that he was only recently aware of the operation, which Schmalzer said referred to the specific tactics at issue.

(Reporting by Jeremy Pelofsky and Jason Lange in Washington, editing by Xavier Briand)

Obama: Complete confidence in AG Holder amid Republican criticism of gun-running probe

By Associated Press

WASHINGTON — President Barack Obama said Thursday he has complete confidence in Attorney General Eric Holder amid Republican accusations that the attorney general was aware months sooner than he's acknowledged about a flawed operation to stem gun-smuggling.

At a White House news conference, the president said Holder has been very aggressive in pursuing gun-running and cash transactions that support drug cartels in Mexico.

Holder "indicated that he was not aware of what was happening in Fast and Furious," the president said. "Certainly I was not, and I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through" to arms traffickers rather than being seized by agents.

The attorney general says he found out early this year that such an investigative tactic was being used. Newly released Justice Department documents summarizing many different investigations for the attorney general in July 2010 reference the Fast and Furious operation, but not the tactic.

The president noted that Holder has assigned the Justice Department inspector general's office "to look into how exactly this happened.

"I have complete confidence in him, and I've got complete confidence in the process to figure out who, in fact, was responsible for that decision and how it got made," Obama said.

Meanwhile, a first-term Republican congressman, Rep. Raul Labrador of Idaho, called on Holder to resign.

The recently released documents “have convinced me that” the attorney general “is either lying or grossly incompetent,” said Labrador.

Sen. John Cornyn, R-Texas, encouraged Holder to “come up to the Hill and clear this up as soon as possible.”

Fast and Furious, which focused on some Phoenix-area gun shops, tried to track gun-smuggling beyond straw purchasers to previously unreachable gun-running kingpins. Officials say that agents lost track of about 1,400 of more than 2,000 guns identified in the operation. A number of the guns have been recovered at crime scenes in Mexico.

The operation came to light after two assault rifles purchased by a now-indicted small-time buyer under scrutiny in the operation turned up at the scene of a shootout in Arizona where Customs and Border Protection agent Brian Terry was killed.

Justice Department Accuses GOP of Playing 'Gotcha' With Fast and Furious Memos

Published October 06, 2011 | FoxNews.com

The Justice Department accused Republicans of playing a "political game of gotcha," after lawmakers investigating Operation Fast and Furious said Attorney General Eric Holder received at least five memos on the gunrunning probe starting in July 2010 in spite of testimony claiming he learned of the program this year.

Sen. Chuck Grassley, R-Iowa, and Rep. Darrell Issa, R-Calif., released a series of heavily redacted memos apparently sent to.

Holder from Michael Walther, the director of the National Drug Intelligence Center. They appear to describe an operation involving the straw purchase of hundreds of firearms that went to Mexican drug cartels

But as President Obama voiced "complete confidence" in Holder, the Justice Department put out a scathing statement Thursday afternoon suggesting the memos do not contradict Holder's claims that he was in the dark on the program last year.

Here they go again. Chairman Issa and Senator Grassley can re-package and re-release the same documents every other day and it won't change the facts: the attorney general's testimony to both the House and Senate committees has been consistent and truthful," the department said.

The department said the "brief" passages were "buried in a few written reports" and did not detail the full extent of the operation.

"Instead of peddling selectively-edited transcripts and distorting questions and answers in some distracting political game of gotcha, these congressional leaders should be focusing their attention on the underlying public safety problem we confront as a nation -- that too many guns are being illegally trafficked to Mexico," the statement said.

The release of the documents comes as House Judiciary Committee Chairman Lamar Smith, R-Texas, requests Obama instruct the Department of Justice to appoint a special counsel.

In a statement Thursday, Issa claimed Holder "has failed to give Congress and the American people an honest account of what he and other."

"With the fairly detailed information that the attorney general read, it seems the logical question for the attorney general after reading in the memo would be 'why haven't we stopped them?'" Grassley said.

Through Fast and Furious, hundreds of firearms were allowed to walk across the U.S.-Mexico border, some later turning up at bloody crime scenes. The focus has turned lately to what Holder knew and when he knew it.

He said under oath in May: "I'm not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

But documents that started to surface earlier in the week suggested Justice officials at least tried to inform Holder. The latest memos show he was notified of the program repeatedly, though it's not clear to what degree Holder paid attention to the memos.

Issa spokesman Frederick Hill said "some" at the Justice Department are treating Holder as "above the law."

"His answer was untruthful and hid what he and other top Justice Department officials knew about gun walking and Operation Fast and Furious," he said in a statement.

Obama on Thursday voiced confidence in Holder and his handling of the Justice Department.

"He has been very aggressive in going after gunrunning and cash transactions that have been going to these transnational drug cartels," Obama told reporters at a White House press conference.

"He's indicated that he was not aware of what was happening in Fast and Furious and certainly I was not, and I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through that could have been prevented by the United States of America."

Takes Heat Over 'Fast And Furious' Scandal

by *Carrie Johnson*

NPR

October 6, 2011

Old hands in Washington know it's never a good sign when the president of the United States has to make a statement like this one.

"I have complete confidence in Attorney General Holder, in how he handles his office," President Obama told reporters at a news conference Thursday. "He has been very aggressive in going after gunrunning and cash transactions that are going to these transnational drug cartels."

Obama spoke as a scandal over a botched gun-trafficking operation known as Fast and Furious intensified on Capitol Hill this week. Rep. Lamar Smith of Texas, the Republican chairman of the House Judiciary Committee, called for an independent counsel to investigate whether Eric Holder misled Congress about the operation. Shortly after the presidential news conference, Rep. Raul Labrador, R-Idaho, called on Holder to resign.

Holder is in the spotlight because of emails and other documents the administration released to Republicans in Congress that show the attorney general seems to have known about the gun-trafficking operation much earlier than he said.

At a hearing in March, California Republican Rep. Darrell Issa asked: "When did you first know about the program officially, I believe, called Fast and Furious? To the best of your knowledge, what date?"

Holder replied: "I'm not sure the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

The newly released documents show Holder received five weekly updates on the operation starting in July 2010. But the Justice Department chalks up the dispute to semantics. They say Holder meant he learned about federal agents' failure to monitor the weapons only earlier this year.

Issa, talking with MSNBC this week, says he isn't buying it.

"There may be an explanation that partially vindicates him — in other words, he may not have committed perjury — but he certainly failed in his duty of candor because he did know the name a year before that," Issa said.

On Thursday, the Justice Department released a statement defending Holder, saying "the Attorney General's testimony to both the House and Senate committees has been consistent and truthful.

"These brief entries buried in a few written reports reveal nothing of the dangerous tactics that were employed in this operation," it said.

The goals behind Fast and Furious may be the only thing not in dispute. Law enforcement officials wanted to target big Mexican drug cartels that use U.S. weapons to fuel violence along the Southwest border. Agents at the Bureau of Alcohol, Tobacco, Firearms and Explosives conducted surveillance at gun dealerships in Arizona, watching as suspicious people purchased large numbers of firearms. They intended to follow those weapons south, but agents in some cases lost track of the firearms. Some of the weapons later turned up near the body of U.S. Border Patrol Agent Brian Terry, killed in a gunfight last December in Arizona.

Two people have already lost their jobs over the scandal: Kenneth Melson, the acting head of the ATF, whose agents led the operation; and Dennis Burke, the U.S. attorney in Arizona, where the Fast and Furious operation played out.

This week, the new chief of the ATF, B. Todd Jones, followed through on a promise and overhauled his management team.

Sen. Charles Grassley, R-Iowa, said the shake-up is a good thing, but "rearranging the chairs on the deck," he said, won't make this scandal go away.

The Justice Department's inspector general is investigating the Fast and Furious operation; the office is also looking into who at the Justice Department knew about the questionable tactics that agents were using.

Holder told reporters last month that senior Justice Department officials didn't know ATF had lost track of guns until whistle-blower complaints became public in early 2011.

"The notion that somehow or other that this thing reaches into the upper levels of the Justice Department is something that at this point I don't think is supported by the facts, and I think as we examine and also as all the facts are in fact revealed, we'll see that that is not the case," Holder said.

The Obama administration is continuing to turn over documents to Republicans in Congress, including emails that suggest the ATF may have used similar strategies during the last Bush administration. But Republicans leading the investigation say the "Bush did it, too" defense doesn't fix the problem of what this attorney general knew, and when.

The House Judiciary Committee expects to hear from Holder as early as next month.