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**ENFORCEMENT EFFORTS OF THE BUREAU OF  
ALCOHOL, TOBACCO AND FIREARMS**

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON CRIME  
OF THE  
COMMITTEE ON THE JUDICIARY  
HOUSE OF REPRESENTATIVES  
NINETY-SEVENTH CONGRESS  
SECOND SESSION  
ON  
ENFORCEMENT EFFORTS OF THE BUREAU OF ALCOHOL, TOBACCO AND  
FIREARMS.

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(II)

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## ENFORCEMENT EFFORTS OF THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

TUESDAY, MAY 4, 1982

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CRIME  
OF THE COMMITTEE ON THE JUDICIARY,  
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2237, Rayburn House Office Building, the Hon. William J. Hughes (chairman of the subcommittee) presiding.

Present: Representative Hughes.

Staff present: Eric E. Sterling, assistant counsel; Deborah K. Owen, associate counsel.

Mr. HUGHES. The Subcommittee on Crime of the House Judiciary Committee will come to order.

The Chair has received a request to cover this hearing in whole or part by television broadcast, radio broadcast, still photography, or other similar methods.

In accordance with committee rule 5(a), permission will be granted, unless there is objection. Hearing none, we will proceed.

This morning the Subcommittee on Crime is taking testimony on the current status of the criminal enforcement activities of the Bureau of Alcohol, Tobacco and Firearms [BATF]. There have been reports in the news that the administration is planning to furlough 1,600 employees of the BATF.

That such a day of reckoning might be coming has been apparent since September of last year. It was then that the Reagan OMB announced that it could run BATF with \$120 million in fiscal year 1983. This figure was \$30 million less than the previous year, and \$30 million less than the Reagan administration itself asked for BATF in March 1981. This action confused supporters and delighted detractors of BATF, who saw the budget cut as a signal to launch an all-out effort to get rid of BATF and the law enforcement functions it performs.

When the second continuing resolution was being fashioned in December by OMB, OMB insisted on a further cut of 4 percent for BATF, to a level of \$115 million. This was a most perplexing development, since the administration had already admitted its mistake in the previous \$30 million cut, and was in the process of asking for a supplemental appropriation of some \$18 million.

In January, OMB, anxious to delay the public relations disaster of dismantling BATF at that time because of a shortage of funds, authorized deficiency spending, in other words, "spend beyond your



budget and either Congress will bail you out or we'll shut down later."

Imagine the morale at this law enforcement agency, which has been threatened with cutbacks and shutdown, almost from the first days of the administration's development of the budget relative to BATF.

Since this administration took office it has made a number of announcements, starting early last spring, about impending RIF's and reorganization at BATF. The March 1981 RIF was canceled at the last minute. In September, an administration spokesman said BATF was to be abolished. In October, Assistant Secretary Walker told us that no decision had been made. In November, a decision was announced, BATF would be abolished and its functions transferred.

This shoddy treatment of BATF led its enemies to believe that the administration was really out to get rid of BATF and cut back substantially on enforcement of firearms laws. To their credit, law enforcement management officials in the Department of Treasury, such as our witness today, Bob Powis, made it clear that this was not what they had in mind.

Despite their own good intentions, the overall message from the administration was at best inconsistent and confusing, and, at worst, was exactly what the gun lobby took it for: an attack upon BATF and its law enforcement functions. In the confusion, the National Rifle Association, apparently with a straight but somewhat reddened face, has been able to publicly change its position, and is now in the unlikely role of supporting the continuation of BATF, on the grounds that the Secret Service, to which most of BATF's functions were to be transferred, might actually take the functions seriously and not be so easy to intimidate.

The subcommittee is meeting today to take stock of the present situation involving BATF's law enforcement activities.

Half of the fiscal year is over. What does the balance sheet reveal? At what levels is BATF operating? How has the agency responded to the roller coaster ride of the last year? What are the staffing levels of professional personnel and support personnel? What is morale like?

We have chosen today to invite field level managers from BATF to share with us their insights into the current status of BATF. We want to know what kinds of criminal problems they are facing in their district and what BATF is doing about those problems and what it should be doing.

We will also hear from the International Association of Chiefs of Police about the effect of the changes at BATF on our Nation's law enforcement activities.

John Pitta, the national vice president for BATF of the Federal Law Enforcement Officers Association, will share with us the views of the street-level agent on these questions.

And of course we shall hear from Bob Powis, Deputy Assistant Secretary of the Treasury for Enforcement, on the view of the administration concerning these issues.

We hope at the conclusion of this hearing we will have a clearer idea of what has happened to BATF so far this year, and what we can expect in the months ahead.

The subcommittee is very pleased to welcome a panel of distinguished special agents of the Bureau of Alcohol, Tobacco and Firearms. In alphabetical order, they are Chester Bryant, special agent for 17 years, and Nashville special agent-in-charge for more than 2 years. Previously he was assistant special agent-in-charge both in Houston and in Austin, Tex. He also served for 2 years as the special agent-in-charge of the organized crime branch at BATF headquarters.

Dan Conroy has been the special agent-in-charge for the Miami District for 1½ years. Previously he was special agent-in-charge and assistant special agent-in-charge in Cleveland and has served in Chicago and Los Angeles. He was also the BATF representative to the West Coast Organized Crime Strike Force Unit. Mr. Conroy has been a special agent for 15½ years.

Jim Dillon has been the regional director of investigations for the southeast region for 2 years. For 8 years he was the special agent-in-charge of the Los Angeles district and previously served in the Louisville district. He has been a special agent for 10 years.

Norman Kuehni has been the special agent-in-charge of the St. Paul district for 3 years. He served for 9 years in Chicago. For 3 years he was special agent-in-charge of the Falls Church, Va. district and later the regional inspector. In headquarters, he has served as the Deputy Assistant Director for Inspection and as Acting Assistant Director for Inspection for a total of 3 years. He has been a special agent for 19 years. Before joining ATF, he served in the Dane County, Wis., Police Department for 9 years.

Bernard LaForest has just completed his second anniversary as special agent-in-charge for the Kansas City district. He has been stationed in New Orleans, Los Angeles, Phoenix, and Charleston, W. Va., as well as in several positions at headquarters.

Gentlemen, if you will be seated. We welcome you here today. We have your statements which, without objection, will be made a part of the record.

We will ask you, if you will, to summarize where you can.

Why don't we just begin first of all with you, Mr. Dillon.

**TESTIMONY OF CHESTER BRYANT, SPECIAL AGENT-IN-CHARGE, NASHVILLE DISTRICT, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS; DAN CONROY, SPECIAL AGENT-IN-CHARGE, MIAMI DISTRICT, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS; EDGAR E. DILLON, REGIONAL DIRECTOR OF INVESTIGATIONS FOR THE SOUTHEAST REGION, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS; NORMAN KUEHNI, SPECIAL AGENT-IN-CHARGE, ST. PAUL DISTRICT, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS; BERNARD LA FOREST, SPECIAL AGENT-IN-CHARGE, KANSAS CITY DISTRICT, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS**

Mr. DILLON. Mr. Chairman, members of the committee, I greatly appreciate the opportunity to testify concerning the Bureau of Alcohol, Tobacco and Firearms.

I would like to begin by saying that in my nearly 20 years with ATF, I have never seen the many problems that are facing us today. Budget problems, hiring freeze, and each employee, includ-



ing myself, with a copy of a RIF letter in their possession. These people will be furloughed without pay starting June 27, 1982, for over 3 months, should our supplemental appropriation not be approved.

No one in ATF knows what the future holds. Yet in spite of all these uncertainties, the special agents continue to conduct significant criminal investigations in all areas of our jurisdiction. This includes arson, explosives, firearms, tobacco, and organized crime.

I think these agents are to be commended for their dedication and devotion to duty.

Nevertheless, in spite of their dedication to duty, morale is low. In recent months, we have seen record numbers of our younger agents leave ATF for jobs in other more secure law enforcement agencies where they are not faced with the provisionals in ATF and assaults on their character and integrity by certain special interest groups. The clerical staffing is now far below what is needed because they too are going to other agencies.

One good example is our Miami district, where we have one secretary remaining in a clerical staff of five, and she has given us notice that she will be leaving in 3 weeks. This is not unusual, but rather common throughout ATF criminal enforcement today. As a result, special agents are required to do typing and filing at their offices.

Because of lack of funding, we have seen our vehicle fleet deteriorate to a degree that is becoming a safety concern.

Our in-depth undercover operations are suffering due to a lack of travel and operating funds. In essence, the past year has been a shattering experience for our people.

With regard to the possible effect on law enforcement, should the furlough occur, I have these comments. There seems to be no question that bad guys are winning in the war on crime. Criminals are running amok in our society today and the tools of their trade to a large degree are firearms and explosives. It appears that there are not enough law enforcement officials to halt the criminals in today's society. I don't think that furloughing highly skilled and effective agents is going to help.

Without a doubt, ATF has the finest of reputations for cooperation and assistance to State and local law enforcement officers. ATF also has the expertise and jurisdiction in firearms and explosives laws to help them in their time of desperate need. If a furlough of special agents is allowed to happen, only the criminal element will benefit.

I would like to speak just for a moment about the proposed reorganization of ATF. I feel that the vast majority of agents in ATF supported the Secretary of Treasury's proposal to merge ATF criminal enforcement with Secret Service. Secret Service is a law enforcement agency with a good reputation and I think ATF criminal enforcement would gain by being in a strictly law enforcement posture.

During past years, ATF has provided the majority of support to Secret Service during the campaigns and I can see many benefits for ATF and Secret Service if this merger should occur.

In closing, I would like to say that I thank you for your time and consideration, and the sooner a decision can be made as to the

future of ATF the better off the American taxpayers and the law enforcement personnel in this country will be.

Thank you very much for giving me the opportunity to come up here.

[The statement of Mr. Dillon follows:]

BIOGRAPHICAL SKETCH OF EDGAR E. DILLON, REGIONAL DIRECTOR OF INVESTIGATIONS, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, ATLANTA, GA.

Date and place of birth: April 26, 1927, Springfield, Ohio.  
Education: Graduated Enon High School, Enon, Ohio, 1947; graduated Wittenberg University, Springfield, Ohio, 1952.  
Active duty: U.S. Marine Corps—1943-1946; U.S. Marine Corps—1950-1951.

#### ATF ASSIGNMENTS

POD	Job title	Date started	Ended
Somerset, Ky .....	Investigator .....	December 1962 .....	June 1964.
Louisville, Ky .....	Investigator in charge .....	June 1964 .....	November 1967.
Do .....	Area supervisor .....	November 1967 .....	June 1972.
Los Angeles, Ca .....	Asst. special agent in charge .....	June 1972 .....	February 1974.
Do .....	Special agent in charge .....	February 1974 .....	March 1980.
Atlanta, Ga .....	Reg. dir. of investigations .....	March 1980 .....	Present.

PREPARED STATEMENT OF EDGAR E. DILLON, REGIONAL DIRECTOR OF INVESTIGATIONS, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, ATLANTA, GA.

Mr. Chairman, members of the committee, I greatly appreciate the opportunity to testify concerning the Bureau of Alcohol, Tobacco and Firearms.

I would like to begin by saying that in my nearly 20 years with ATF, I have never seen the many problems that are facing us today. Budget problems, hiring freeze, and each employee, including myself, with a copy of a RIF letter in their possession. These people will be furloughed without pay starting June 27, 1982, for over three months, should our supplemental appropriation not be approved.

No one in ATF knows what the future holds. Yet in spite of all these uncertainties, the special agents continue to conduct significant criminal investigations in all areas of our jurisdiction. This includes arson, explosives, firearms, tobacco and organized crime.

I think these agents are to be commended for their dedication and devotion to duty.

Nevertheless, in spite of their dedication to duty, morale is low. In recent months, we have seen record numbers of our younger agents leave ATF for jobs in other more secure law enforcement agencies where they are not faced with the provisionals in ATF and assaults on their character and integrity by certain special interest groups. The clerical staffing is now far below what is needed because they too are going to other agencies. One good example is our Miami district where we have one secretary remaining in a clerical staff of five, and she has given us notice that she will be leaving in three weeks. This is not unusual, but rather common throughout ATF criminal enforcement today. As a result, special agents are required to do typing and filing at their offices.

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diction in firearms and explosives laws to help them in their time of desperate need. If a furlough of special agents is allowed to happen, only the criminal element will benefit.

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During past years, ATF has provided the majority of support to Secret Service during the campaigns and I can see many benefits for ATF and Secret Service if this merger should occur.

In closing, I would like to say that I thank you for your time and consideration and the sooner a decision can be made as to the future of ATF the better off the American taxpayers and the law enforcement personnel in this country will be.

Mr. HUGHES. Thank you very much, Mr. Dillon.

Next we will hear from Mr. Conroy.

Mr. CONROY. Congressman Hughes, distinguished members of the subcommittee, I appreciate this opportunity to discuss with you my perceptions regarding the status of criminal enforcement activities of the Bureau of Alcohol, Tobacco and Firearms.

During the course of the last year, ATF has been beleaguered by RIF and furlough threats, severe budgetary cuts, unfilled job vacancies, and a pending transfer of functions that would ultimately result in the dismantling of ATF.

During the same period of time, our special agents have been the target of escalating attacks by special interest groups and have continuously been berated and maligned.

In its totality, this situation has taken a devastating toll on the morale within ATF criminal enforcement. In particular, the Miami district office, which exercises enforcement responsibility over one of our Nation's most violent crime areas, has been severely affected by the uncertainty and instability surrounding this situation.

Within the last 8 months, the Miami district has suffered crippling personnel losses. The burning desire for job security has prompted the majority of these departures. The losses within our investigative ranks have virtually decimated our vital cadre of Hispanic undercover agents. At the same time, severe cutbacks in operating funds have hampered our ability to pursue complex, wide-ranging investigations of criminal organizations which require substantial investigative funding.

South Florida, during the last 2 years, has become recognized as our country's major port of entry for marihuana, cocaine, and quaaludes. The use of machineguns and silencers by members of the narcotics culture has increased commensurate with this problem. These types of weapons are used by members of the narcotics culture to enforce, silence, collect debts, eliminate competition, guard shipments, protect caches, and, in an ancillary manner, to effect kidnappings, armed robbery, and murder.

The overall narcotics problem has been identified by ATF, as well as the entire law enforcement community, as Florida's single most significant crime. As a result, narcotic related firearms crimes have been designated as the Miami district's No. 1 enforcement priority.

Vice President George Bush echoed a similar analysis in outlining his 16-point program of Federal task force assistance to this area. This included the proposed assignment of some 50 ATF spe-

cial agents and support personnel to enhance our ongoing investigative efforts.

In attempting to pursue these investigations, ATF has fostered a hand in glove working relationship with DEA, the U.S. Customs Service, as well as State and local agencies. The difficult times experienced by our agency during the past year has most assuredly hampered these investigative efforts.

Despite being faced with these adversities, the resourcefulness and ingenuity of our special agents has been inexhaustible. As a result of their professionalism and dedication, we still managed to perfect a significant number of quality cases.

Unfortunately, the severe budgetary cuts, projected furloughs, and manpower losses, have appreciably decreased the probability of having any lasting impact on narcotic related firearms and explosives crimes. In short, we have been unable to keep pace with the sophisticated criminal networks which have us outfinanced, outmannered, and outequipped.

In light of the severity, duration, and extensive press coverage this situation has received, I believe that it would be unrealistic for ATF to be totally effective in its present configuration. Even with a sudden infusion of resources, manpower, equipment, investigative funds, I believe that it would be virtually impossible to reestablish ATF's once proud standing in the forefront of the law enforcement community.

Mr. Chairman, because of this, I support and wholeheartedly endorse the immediate transfer of our firearms and explosives criminal enforcement functions to the U.S. Secret Service. This proposal would provide for the transfer of some 1,200 special agents, along with necessary support personnel.

I feel that I speak for the majority of special agents across the country regarding this recommended course of action.

Mr. Chairman, I further support and urge the rapid appropriation of the necessary funds to expeditiously effect the transfer of functions to the U.S. Secret Service which would also avert any personnel furloughs.

I also strongly recommend the supplemental funding necessary to implement ATF's contribution to the Vice President's task force in south Florida.

Thank you for affording me this opportunity to share my opinions and observations with you and the members of your subcommittee.

[The statement of Mr. Conroy follows:]

#### WITNESS PROFILE

Name: Edward D. Conroy. Age: 39 years.  
 Title: Special Agent in Charge (GS-15), U.S. Treasury, Bureau of Alcohol, Tobacco & Firearms, Miami District Office.  
 Years of Service: 15½ years.  
 Prior to entering the attached testimony into record it might serve well to provide the following profile of my Government service:

Period	Job title	Location
November 1980 to Present	Special Agent in Charge	Miami, Fla.
June 1980 to November 1980	Special Agent in Charge	Cleveland, Ohio.



Period	Job title	Location
March 1979 to June 1980.....	Asst. Special Agent in Charge.....	Do.
September 1977 to March 1979.....	Operations Officer.....	Washington, D.C.
March 1976 to September 1977.....	Concentrated Urban Enforcement (CUE) Coordinator.....	Chicago, Ill.
May 1971 to March 1976.....	Group Supervisor.....	Do.
January 1970 to May 1971.....	Organized Crime Strike Force Representative.....	Los Angeles, Calif.
September 1966 to January 1970.....	Special Agent.....	Chicago, Ill.

Congressman Hughes, distinguished members of the subcommittee, I appreciate this opportunity to discuss with you my perceptions regarding the status of criminal enforcement activities of the Bureau of Alcohol, Tobacco and Firearms. During the course of the last year, ATF has been beleaguered by RIF and furlough threats, severe budgetary cuts, unfilled job vacancies, and a pending transfer of functions that would ultimately result in the dismantling of ATF.

During the same period of time, our special agents have been the target of escalating attacks by special interest groups and have continuously been berated and maligned.

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In attempting to pursue these investigations, ATF has fostered a hand in glove working relationship with DEA, the U.S. Customs Service, as well as State and local agencies. The difficult times experienced by our agency during the past year has most assuredly hampered these investigative efforts. Despite being faced with these adversities, the resourcefulness and ingenuity of our special agents has been inexhaustible. As a result of their professionalism and dedication, we still managed to perfect a significant number of quality cases. Unfortunately, the severe budgetary cuts, projected furloughs and manpower losses, have appreciably decreased the probability of having any lasting impact on narcotic related firearms and explosives crimes. In short, we have been unable to keep pace with the sophisticated criminal networks which have us outfinanced, outmanned, and outequipped. In light of the severity, duration, and extensive press coverage this situation has received, I believe that it would be unrealistic for ATF to be totally effective in its present configuration. Even with a sudden infusion of resources—manpower, equipment, investigative funds—I believe that it would be virtually impossible to reestablish ATF's once proud standing in the forefront of the law enforcement community.

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Service which would also avert any personnel furloughs. I also strongly recommend the supplemental funding necessary to implement ATF's contribution to the Vice President's task force in south Florida.

Thank you for affording me this opportunity to share my opinions and observations with you and the members of your subcommittee.

Mr. HUGHES. Thank you, Mr. Conroy.

Mr. Kuehni.

Mr. KUEHNI. Mr. Chairman, I too am very pleased to have this opportunity to appear before you.

The St. Paul district consists of four States, North and South Dakota, Minnesota, and Wisconsin. Therefore, I will confine my comments to the impact on my district.

When I reported to St. Paul 3 years ago I had 37 special agents and 7 clericals. I now have 29 special agents and 3 secretaries.

We have lost our youngest special agents to other agencies and have not been able to hire replacements for any vacancies.

For varying periods, we have parked official vehicles, stopped official travel, exhausted undercover funds.

Although our production has not suffered noticeably, our continued success is mainly due to the dedication and loyalty of the individual employee and the effectiveness of special enforcement projects. For example, this last week we concluded a 7-month joint undercover investigation with the Ramsey County sheriff in St. Paul. As a result, we recovered over 1.3 million dollars' worth of stolen goods.

There were arrest warrants issued for 150 defendants—40 of those defendants were ATF defendants; 26 of the 40 were felons.

We recovered 179 guns; of the 179 guns, 150 were stolen.

During the first quarter of fiscal year 1982, when our funds were reduced drastically, the St. Paul district recommended 12 criminal cases for prosecution. In the second quarter, when more adequately funded, we recommended 29 cases for prosecution.

As a manager, it is impossible for me to make long- or short-range plans. I cannot fill critical vacancies. Allocations change from quarter to quarter. Career development and opportunities are nonexistent. And since February 1981, RIF's, threats of RIF's, recommended proposals, counterproposals, threats of abolishment, plans for furloughs, and rumors regarding all of these have been a way of life for all ATF employees.

In my position, I am responsible to motivate others. I liken it to those left on the decks of the *Titanic*, and telling them to keep their chins up.

At one point I would have supported all efforts to retain ATF in its present form, to rebuild this agency would now not be impossible, but it would be very difficult. If not allowed to rebuild, I would then support wholeheartedly the transfer of the firearms and explosives functions with personnel to Secret Service.

I respectfully recommend, Mr. Chairman, that ATF receive immediate authorization to fill critical vacancies, and that operational funding be restored.

I again thank you very much for this opportunity and will be happy to respond to any questions.

[The statement of Mr. Kuehni follows:]



## BIOGRAPHICAL SKETCH

Norman A. Kuehni is the Special Agent in Charge at St. Paul, Minnesota. He was born in New Glarus, Wisconsin and educated at Madison, Wisconsin, where he attended the University. He is married, has three married daughters and six grandchildren.

He served in the U.S. Army of Occupation at Tokyo, Japan in General MacArthur's Headquarters.

Kuehni began his law enforcement career February 1, 1954 as a uniformed police officer and deputy sheriff for Dane County at Madison, Wisconsin. He joined the Alcohol and Tobacco Tax Division of IRS at Chicago, Illinois in April 1963, where he held the positions of Criminal Investigator, Area Supervisor and OCD Program Analyst.

He transferred to ATF Headquarters, Washington, D.C. in 1972, where he was an Operations Officer, Special Agent in Charge at Falls Church, Regional Inspector and Deputy Assistant Director of Inspection.

Kuehni transferred to St. Paul in 1979 and now lives at Hudson, Wisconsin.

PREPARED STATEMENT OF NORMAN A. KUEHNI, SPECIAL AGENT IN CHARGE, ST. PAUL DISTRICT, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY

Mr. Chairman and members of the subcommittee, I am pleased to have this opportunity to appear before this committee to explain the current condition of the Bureau of Alcohol, Tobacco and Firearms as I perceive it to be.

My name is Norman A. Kuehni and I am the special agent in charge of the St. Paul ATF(CE) district office. The St. Paul district consists of four States—Minnesota, North Dakota, South Dakota, and Wisconsin; five judicial districts, a territory of 208,000 square miles, and a population of ten million.

I am confident this committee is totally aware of the mission of the Bureau of Alcohol, Tobacco and Firearms, its responsibilities and its positive contributions to law enforcement across this Nation. Therefore, I will confine my comments to effects and impact on my district as a result of the many proposals regarding the future of ATF and the reduced budgeting for the Bureau.

When I reported to St. Paul three years ago, the total staffing consisted of 37 special agents and 7 clericals. Today there are 29 special agents and 3 secretaries. We have lost our younger special agents to other agencies and have not been able to replace retiring agents or departing secretaries. During the first half of fiscal year 1982, we received \$17,950 in travel funds, \$4,200 in agent cashier funds, and \$35,200 for vehicle operations. By comparison, in fiscal year 1981 we were allocated \$53,700 for travel expenses, \$21,700 for agent cashier expenses and \$106,000 for vehicle operations. For varying periods we have parked official vehicles, stopped official travel and exhausted all agent cashier funds.

In spite of these cutbacks, a RIF notice and plans for a furlough, our production has not suffered noticeably. Our continued success, with less resources, is mainly due to the dedication and loyalty of the individual employee and the effectiveness of our crime impact assessment. We identified four areas where we could best focus our resources, specifically: Burglary/fencing, narcotics trafficking, outlaw motorcycle gangs and firearms violence. This has enabled us to maintain previous levels of production. For example, this past week we concluded a seven month joint undercover investigation with the Ramsey County sheriff in St. Paul. This project resulted in the recovery of 1.3 million dollars' worth of stolen goods and arrest warrants were issued for 150 defendants, including 40 ATF defendants. Of these 40 defendants, 26 were felons. 179 guns were recovered, of which 150 were stolen. ATF gave its initial commitment as the lead agency in this project at a time when we were more adequately funded. We then entered our first continuing resolution in fiscal year 1982 which resulted in drastic cuts. Had it not been for financial support by the county and the State, ATF would have been forced to withdraw from its initial commitment. We contributed \$3,000 in agent cashier funds, while the county contributed \$37,000 and the State \$26,000.

During the first quarter of fiscal year 1982, the St. Paul district recommended 12 cases for prosecution. In the second quarter, when more adequately funded, we recommended 29 cases for prosecution. (See attachment.)

Unfortunately, the worst is yet to come. I liken our present situation to being in the eye of a hurricane with the calm before the storm. The Washington Post quoted an official: "A furlough would basically rape the organization." I submit that we have been raped, at a rape victim we feel hurt, anger, shame, frustration,

abandonment and are desperately in need of support, understanding and encouragement.

As a manager, I have lost nearly all credibility with my staff. It is impossible for me to make long range plans and difficult to make short range plans. I cannot fill critical vacancies, allocations change from quarter to quarter, career development and opportunities are non-existent and since February of 1981, RIF's, threats of RIF's, recommended proposals, counter proposals, threats of abolishment, plans for furloughs, and rumors regarding all of these have been a way of life for all ATF employees. Because of these deplorable conditions, there has been a mass exodus of ATF employees. I have attached a list of these casualties from my district since November 1981.

I am proud of the ATF employees who continue to give more than 100 percent effort. Work was hard and hours were long when I grew up on the farm. I worked difficult part-time jobs while a police officer, however, I have never worked as hard as I have for ATF. I am not unique as many others do the same. I feel we deserve some consideration and soon.

Law enforcement at all levels have expressed their concern for us. At every law enforcement meeting I attend, I am asked "what is the status of ATF?" Unfortunately I have little to say. Their reply is "I don't understand."

At one point I would have supported all efforts to retain ATF in its present form. To rebuild this agency now would not be impossible, but it would be very difficult. If it cannot be rebuilt, I would then support the transfer of the firearms and explosives functions, with personnel, to Secret Service, and the Alcohol and Tobacco functions to remain as a separate entity or to be transferred to U.S. Customs. I make this recommendation after careful consideration that efficiency would be enhanced through a streamlined administrative function. These would be greater commonality of jurisdiction, improved morale, increased intelligence capability and a more effective deployment of personnel into one agency channeled solely into investigative and law enforcement endeavors. This would also fulfill a Secret Service need for additional resources and jurisdiction.

I do not endorse the proposal merely to reassign the explosive/arson jurisdiction to the Secret Service. This would fracture provisions of the GCA and the commonality with the firearms statutes is too great to warrant a fragmentation.

I respectfully recommend that ATF receive immediate authorization to fill critical vacancies and that operational funding be restored.

I again thank you for this opportunity to appear and would be happy to respond to any questions that you might have.

## ST. PAUL DISTRICT

	Fiscal years—		
	1980	1981	1982 (1st, 2d quarters)
Investigations:			
Investigations opened.....	354	207	81
Cases recommended for prosecution.....	71	86	41
Defendants recommended for prosecution.....	85	98	58
Percentage of felons.....	77	73	71
Allocations:			
Agent cashier funds.....	\$16,000	\$21,700	\$4,200
Travel (per diem).....	59,000	53,700	17,950
Vehicles.....		106,000	35,200
Staffing:			
1811's.....	37	37	29
Clerical.....	7	6	3
Average man/years (1.25/SA).....	46.25	46.25	36.25

## ST. PAUL DISTRICT PERSONNEL IMPACTED

Name and age	ATF experience	Departure date	Reason
Jack Lee 46 (agent).....	12 years.....	November 1981....	Disability, job-related; triple by-pass followed by second by-pass.



## ST. PAUL DISTRICT PERSONNEL IMPACTED—Continued

Name and age	ATF experience	Departure date	Reason
Michael Perbetsky 33 (agent)	6 years	February 1982	Agonizing deliberation and transfer to U.S. Customs.
Terrence Schell 39 (agent)	13 years	March 1982	Anxiety and transfer to U.S. Customs.
John Helton 29 (agent)	6 years	January 1982	Anxiety and transfer to U. S. Secret Service.
John Uzzo 30 (agent)	do	March 1982	Do.
Alex Parker 30 (agent)	3 years	do	Anxiety and transfer to U.S. Secret Service (minority member).
Kris Brink 30 (clerical)	5 years	January 1981	Anxiety and transfer to U.S. Probation.

Note.—Two agents retired in April, 1982 and two clerical positions have been vacated for other reasons since November 1981.

Mr. HUGHES. Thank you, Mr. Kuehni.

Mr. LaForest.

Mr. LAFOREST. Mr. Chairman, since my statement has been entered into the record, I will simply highlight some of my remarks.

During fiscal year 1981 and fiscal year 1982, we have continued to operate with reduced resources in all segments of the Bureau, including criminal enforcement.

I have specific examples and will go into detail later, if you so desire.

Our efforts in the past to recruit minorities, for example, females, blacks and Spanish-speaking personnel, were dealt a serious blow since many of those people were the first to leave.

The Gun Control and Explosives Acts are extremely effective tools in combating violators engaged in criminal activity. I would draw your attention to the application of these statutes in my area of responsibility, Missouri, Kansas, Iowa, and Nebraska, during fiscal year 1981.

[Attached exhibit 1:]

## Exhibit 1

## CRIME IMPACT ASSESSMENT

1. The Assessment Phase requires contact with law enforcement heads within the field office areas for the purpose of determining the most serious crime problems facing that community and the data to back up the conclusion. Individual department crime statistics and the FBI Uniform Crime Report are utilized along with each Chief or Sheriff's personal opinion.
2. The Objective Phase establishes what goal ATF can achieve to impact the problem or at least disrupt the active criminals by applying our individual field office resources and jurisdictional capabilities to each enumerated crime problem targeted for attack.
3. The Planning Phase establishes an individual field office plan tailored to specific crime problems that our agency can impact or disrupt.
4. Each law enforcement agency is notified formally by my office on the crime problem we intend to concentrate our resources. This permits State and local agencies to be aware of our plans and areas of interest rather than continually wondering if priorities will change during the year.

## FISCAL YEAR 1981 RESULTS

1. Approximately 242 investigations were initiated under the crime problems of Arson/Explosives, Narcotics Trafficking, Burglary/Fencing Operations and an additional 85 investigations outside the measured Crime Impact Program area.
2. These investigations were directed toward well over 390 suspected violators and their associates.
3. A total of 73 criminal case reports were forwarded to the United States Attorney's in the Judicial Districts of Kansas, Western Missouri, Nebraska, Northern

Iowa, and Southern Iowa, recommending prosecution against 115 defendants. The following accomplishments are reported under the respective crime problem.

(a) Arson/Explosive.—Investigations of fires or explosions involving \$6,936,560 in damage resulted in \$3,091,000 in savings to insurance companies which were able to avert payment.

(b) Narcotics Trafficking.—Organizations and individuals that we and other agencies estimated handled over \$21,000,000 in various narcotics and controlled substances. Our efforts and assistance resulted in the purchase and seizure of over \$7,295,500 in contraband. We also recovered over 259 weapons of which 148 were purchased in undercover operations or seized at the time of arrest and search warrant action.

(c) Burglary/Fencing.—We and other participating agencies developed information that cleared approximately 484 burglaries and, if the defendants recommended for prosecution were sentenced after conviction, approximately 2,835 burglaries will be thwarted. We recovered 190 firearms of which ATF either seized or purchased 145 in undercover operations.

4. We have not taken credit for the many other cases submitted to local courts by participating agencies because those are their statistics. ATF has always taken credit for only those cases submitted for prosecution by our agency.

5. Lastly, we referred 853 pieces of information to other Federal, State and local agencies.

Mr. LAFOREST. Joint operations of Federal, State, and local agencies were successful in disrupting criminals engaged in arson, burglary, fencing operations, violent crime, and narcotic trafficking.

[Attached exhibit 2:]

## Exhibit 2

## ARSON

1. In Davenport, Iowa, the owner/operator, an associate and a "torch" were arrested, indicted and found guilty of perpetrating a \$170,000 arson for profit scheme after an eight month investigation. The business involved was a local health spa.
2. ATF and the Sioux City Police Department initiated an investigation involving a professional torch and a local realtor. The dollar loss from fraudulent claims on 25 probable arsons exceeded \$500,000. The investigation developed into a task force effort including the South Dakota State Police Postal Inspectors and the FBI. Five of the six suspects were found guilty and an additional \$85,000 in claims were averted when two planned arsons were thwarted.
3. Two organized crime figures were indicted last year and tried during April of this year, for a bombing that occurred in 1978. The long tedious investigation resulted in the conviction of one suspect and the acquittal of the other in separate trials. I have a letter of commendation in my possession from the Chief of the Kansas City Strike Force recognizing the efforts of ATF agents.

## NARCOTICS TRAFFICKING

1. A joint effort in Omaha, Nebraska, between ATF, State and local agencies and DEA resulted in the arrest of ten top members of the Hells Angels Motorcycle Gang. They were charged with monopolizing the narcotics distribution in the Omaha area, along with various charges of the Gun Control Act. Four of the ten were convicted of firearms violations and one is currently an ATF fugitive.
2. A parolee from State Prison in Kansas began dealing in narcotics shortly after his release. An ATF undercover operation in Wichita resulted in the purchase of several stolen firearms, his subsequent arrest, conviction and sentencing. He is still considered a prime suspect in the murder of a motorcycle gang member.
3. While investigating a known narcotics trafficker for possible firearms violations, Kansas City ATF agents purchased several weapons in an attempt to prove a dealing without a license charge. The agents developed information on a large scale narcotics organization. They subsequently executed a Federal search warrant at a large farm sixty miles from Kansas City. We seized 7½ tons of hybrid marijuana, 24 weapons, a silencer, \$8,000 in cash and three vehicles. DEA was introduced into the investigation and has determined the street value to be upward of \$7 million.



## BURGLARY/FENCING

1. In October 1980, we initiated a joint investigation between ATF Criminal Enforcement, United States Agriculture Department and the Topeka, Kansas Police Department which resulted in a six month "Sting" operation. The completion of the project netted the recovery of over \$100,000 in stolen property and the arrest of over fifty individuals who were charged with various Federal firearms violations, burglary, possession of stolen property, and illegal possession of Federal food stamps. A total of fifty-seven firearms were purchased or recovered. During the followup investigations after the arrests, which consisted of interrogations and interviews, over 199 burglaries have been cleared to date.

2. On November 28, 1980, a major residence burglary was reported to police by a resident in Kansas. Numerous valuable items were reported stolen including a large quantity of firearms. The loss amounted to over \$163,000. A subsequent investigation by a member of the Burglary/Fencing Squad and the Leawood, Kansas Police Department has revealed that the burglary was actually a fraud perpetrated by the apparent resident of Kansas and an FFL in Missouri. Information developed by the agent has resulted in identifying and averting a major insurance fraud, and a referral to both the FBI and Postal Inspectors office.

3. An investigation was initiated by the Kansas City Metro Group jointly working with the Missouri Highway Patrol. The subject of this investigation was an FFL. Utilizing an informant, ATF undercover agents and a Missouri Highway Patrol undercover officer, purchased six handguns and one machinegun from this dealer, off the record. The subject licensee was indicted, arrested, and pled guilty to two counts of firearm violations. During the investigation, the violator admitted to fencing a variety of stolen property; and after his conviction, admitted selling 100 to 200 handguns under the counter during a two year period, while cooperating with authorities.

Mr. LaFOREST. All of those investigations and resulting statistics were achieved while under threat of existing abolishment, reduction in force, and limited resources.

We in criminal enforcement have all come to the stark realization that we are witnessing the death throes of a proud agency, charged with enforcement of controversial laws and regulations.

The vast majority of our employees, including myself, support the transfer of the criminal enforcement functions as they pertain to firearms and explosives to the U.S. Secret Service.

The Honorable John M. Walker, Jr., Assistant Secretary for Enforcement Operations, and Robert Powis, his Deputy, have addressed the field SAC's on two occasions. They have pledged to us firearms and explosive enforcement will be a high priority if the transfer of functions is approved.

It would be difficult, but not impossible to rebuild this agency should it remain intact. Many management techniques, internal procedures and program development would have to be changed; and we would require adequate funding in 1983 dollars. Most importantly, we must possess a clear mandate from the Congress and the administration to proceed with our mission and aggressively enforce the laws we are sworn to uphold.

That, Mr. Chairman, has generated the most concern among our employees and myself. We can live with abolishment, overcome the embarrassment and disgrace often associated with such action, but we are unanimous in our determination to keep our commitment to the intent of the statutes, to aid and assist State and local law enforcement in their fight against crime.

Thank you, Mr. Chairman.

[The statement of Mr. LaForest follows:]

## BIOGRAPHICAL INFORMATION

Bernard H. LaForest is 41 years of age, married and the father of five children. He was raised in the City of Detroit where he graduated from high school. He served on active duty in the United States Navy and was assigned to the Mediterranean area with the 6th Fleet. On August 18th of this year, Mr. LaForest will celebrate completion of his 20th year in law enforcement. The following information concerns the various positions he has held during the past 20 years.

## BACKGROUND

1962 through 1969—Patrolman, Detroit, Michigan Police Department. During which time he earned 18 citations and five commendations.

January 5, 1970 to June 10, 1971—Special Agent, Alcohol, Tobacco and Firearms Division, Charleston, West Virginia.

June 10, 1971 to November 2, 1972—Special Agent, Alcohol, Tobacco and Firearms Division, Los Angeles, California.

November 2, 1972 to March 18, 1973—Area Supervisor, Bureau of Alcohol, Tobacco and Firearms, in charge of the Los Angeles District Bomb Squad and enforcement activities for the State of Arizona.

March 18, 1973 to September 1, 1975—Resident Agent in Charge, Phoenix, Arizona Post of duty (POD).

September 1, 1975 to April 1, 1977—Group Supervisor, Los Angeles, California Metro Squad.

April 1, 1977 to December 1, 1977—Operations Officer—Program Development and Planning Division, Headquarters, Washington, D.C.

December 1, 1977 to May 7, 1978—Acting Special Agent in Charge, Procedures Branch, Headquarters, Washington, D.C.

May 7, 1978 to May 1, 1980—Assistant Special Agent in Charge (ASAC), New Orleans, Louisiana.

May 1, 1980 to present—Special Agent in Charge, Kansas City District, which encompasses half the State of Missouri, plus the States of Kansas, Iowa and Nebraska.

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before this subcommittee in response to a request by the chairman, Committee on the Judiciary. I consider it an honor and privilege.

During fiscal year 1981 and especially since September 1981, we have continued to operate with reduced resources in all segments of the Bureau including criminal enforcement. During November and December funds were reduced to the point of causing serious repercussions in ongoing investigative activity. I have specific examples and would go into detail later, if you so desire. As of April 1, 1982, we have lost 132 special agents since September of last year. Experienced agents, who felt continued pressure, e.g. lack of resources, changing priorities, attacks by special interest groups, and loss of job security, accepted positions in U.S. Customs, Secret Service, and other Government agencies. Our efforts in the past to recruit minorities, e.g. females, blacks, and Spanish speaking personnel, were dealt a serious blow since many of these people were the first to leave.

Our enforcement program is subjected to close scrutiny and criticism by firearms interest groups, congressional leaders, and the media. We are censured for not adequately addressing the problem of firearms misuse and, on the other hand, for being too aggressive in our enforcement efforts. Special agents express frustration and disillusionment since they are "damned if you do and damned if you don't."

Since February of 1981, the employees experienced confusing and conflicting statements concerning abolishment, reductions in force, furloughs and outright firing of the total work force. We have had to be extremely innovative and adept to accomplish what we have on the meager budget and subsequent continuing resolutions. Agents have volunteered to use their own funds on many occasions, but this is not permitted by law.

The Gun Control and Explosive Control Acts are extremely effective tools in combating violators engaged in criminal activity. Persons active in burglary, fencing, narcotics violations, and violent crime, e.g. armed robbery, felonious assault, etc. have a propensity to deal in or possess weapons to further their criminal enterprises. Organized crime, by virtue of its continued use of bombs, guns, and arson, is extremely vulnerable to the Gun Control Act. State and local law enforcement agencies are shocked and dismayed at our current position. I have had repeated requests to participate in "Sting" type operations but have had to keep these operations to a minimum because of funding.

I would draw your attention to the application of these statutes in my geographical area of responsibility (Missouri, Kansas, Iowa, and Nebraska), during fiscal year



1981. The Kansas City District Office's staffing averaged 29 field special agents and five first line supervisors. Joint operations with Federal, State and local agencies were successful in disrupting criminals engaged in arson, burglary, fencing, and bombings. I have specific examples of those operations and statistics if you desire to discuss them. All those investigations and resulting statistics were achieved while under threat of extinction, abolishment, reduction in force, and limited resources.

We in criminal enforcement have all come to the stark realization that we are witnessing the death throes of a proud agency, charged with enforcement of controversial laws and regulations. We have strived to do our best, but apparently it wasn't enough. After each person addresses this apparent fact, they try to rationalize what can be salvaged. The vast majority of our employees, including myself, support the transfer of Criminal Enforcement functions, as they pertain to Firearms and Explosives, to the U.S. Secret Service. I reviewed and studied the proposals made by the Treasury Department along with the counter proposals presented to a recent Senate subcommittee. Those proposals that expedite the transfer of the majority of criminal enforcement to the Secret Service, consisting of 1,200 or more special agents and necessary support functions, is totally acceptable when faced with the unpleasant alternatives.

The Honorable John M. Walker, Jr. Assistant Secretary for Enforcement and Operations and Robert Powis, his Deputy, have addressed the field SAC's on two occasions. The majority of ATF field SAC's believe these men to be honest and forthright. They have pledged to us that Firearms and Explosives Enforcement will be a high priority if the transfer of functions is approved. That, Mr. Chairman, has generated the most concern among our employees and myself. We can live with abolishment, overcome the embarrassment and disgrace often associated with such action, but we are unanimous in our determination to keep our commitment to the intent of the statutes; to aid and assist State and local law enforcement in their fight against crime and violence.

It would be difficult but not impossible to rebuild this agency should it remain intact. Many management techniques, internal procedures, and program development would have to be reviewed and changed; and we would require adequate funding in 1983 dollars. Most importantly, we must possess a clear mandate from the Congress and administration to proceed with our mission and aggressively enforce the laws we are sworn to uphold.

Mr. Chairman, I thank you for affording me the opportunity to appear before you and hope that my personal statement has not offended any individual or group. I now welcome the opportunity to respond to any questions you may have.

Mr. HUGHES. Thank you.

Mr. Bryant.

Mr. BRYANT. Yes, Mr. Chairman. In order not to be repetitive, I would like to have my complete statement entered into the record. I would like to say that I concur with what my colleagues have said here today.

I want to talk about two areas, low morale, which Mr. Sterling asked me to talk about. Morale has never been lower in the ATF than it is today. And I urge this committee to use its influence to take care of the situation with ATF, no matter what, but give us the funds to operate.

The second thing, I do support the reorganization of ATF with the U.S. Secret Service as proposed by Treasury.

That is all I have. We are available for any questions you might have.

[The statement of Mr. Bryant follows:]

#### PREPARED STATEMENT OF CHESTER C. BRYANT

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you today. On behalf of my fellow workers in Tennessee, I come today to relate to you a tragedy that exists within the Bureau of Alcohol, Tobacco and Firearms. A tragedy that, if left unattended, will soon result in the internal destruction of a law enforcement agency. An agency that for years has been considered by most to be a leader in the fight against violent crime. The tragedy I refer to is the extremely low morale that has been generated over the past year as a result of

countless rumors of abolishment, talks of mergers, notices of reduction in force, and, most recently, notices of furlough. Our employees are confused, and frustrated. Although deeply disturbed by these situations, ATF special agents have put dedication and hard work in the performance of their duties ahead of their personal feelings.

Mr. Chairman, above all else, these employees are people. They are people who are proud of themselves and the government they serve. They are people with families, financial obligations, and who, as human beings, possess a wide range of emotions. These emotions have been dragged through the entire spectrum this past year, ranging from hope and elation upon hearing of the impending merger with the U.S. Secret Service, to total frustration when notified that as of June 27, 1982, 1,600 employees will be furloughed unless supplemental appropriations are immediately approved by Congress.

The duties of a special agent require him to literally lay his life on the line. The fact that ATF has had the largest number of special agents killed in the line of duty of any federal law enforcement agency clearly illustrates the pressure our special agents endure. To take added burden of wondering if he will be employed after June 27, 1982, into an already stressful situation greatly increases the element of risk.

Adding to these frustrations is the current severe budgetary constraints under which we are working. The budget reduction requires us to retreat from investigations that should be initiated, but are not, due to a lack of funds. ATF has always taken pride in its relationship with State, local and Federal law enforcement agencies. When these agencies have detected a violation of law within ATF jurisdiction, they would immediately notify us and we, in turn, would respond appropriately. Now, however, when receiving a request for assistance or information relative to ATF violations we must, in addition to other considerations, determine if we have adequate funds to conduct the investigation.

Tennessee ranks 5th in the country in criminal bombings. Based on our current budget constraints, it is entirely likely in the near future, we will be unable to investigate all these matters when called upon to do so. During the past year, in the city of Memphis, we have successfully completed thirteen (13) arson investigations involving millions of dollars of property damage. In the city of Nashville, we successfully infiltrated the Ku Klux Klan and Neo-Nazis, who were jointly plotting to bomb a Jewish temple.

Our efforts in this investigation resulted in our apprehending the criminals at the Jewish temple as they were placing the bomb. Cases such as these cannot continue to be made if adequate funds are not made available.

Mr. Chairman, for the benefit of effective law enforcement and the protection of the American public, I urge that decisive measures be taken immediately to reach a viable solution to this situation. I urge you and members of the subcommittee to use your influence to persuade others to approve the transfer of the firearms and explosives laws, along with 1,200 special agents and their support personnel, to the United States Secret Service. Having carefully reviewed this proposed transfer of functions, and having conferred with the Honorable John M. Walker, Jr., Assistant Secretary of Enforcement and Operations, and Mr. Robert Powis, his deputy, for both of whom I have the utmost respect, I am convinced this is the best and most logical alternative available to insuring the continued effective enforcement of the firearms and explosives laws.

Mr. Chairman, I now welcome the opportunity to respond to any questions you may have.

#### PERSONAL INFORMATION

Chester C. Bryant: Currently assigned to the position of Special Agent in Charge (SAC), U.S. Treasury, Bureau of Alcohol, Tobacco and Firearms, State of Tennessee.

#### BACKGROUND

October 21, 1979—Promotion to Special Agent in Charge, State of Tennessee.

April 8, 1979—Temporary promotion to GS-15 for 120 days as Deputy Chief, Investigations Division, Washington, D.C.

May 7, 1978—Promoted to Special Agent in Charge, Organized Crime Branch, Washington, D.C.—Responsible for the following: Cashier for Bureau Headquarters Agent Cashier Fund, Organized Crime Section, Cigarette Smuggling, Firearms Trace Studies, Secret Service Coordination for 1980 Presidential Campaign, (coordinate activity of 420 Special Agents assigned to U.S. Secret Service for 1980 Election).

July 3, 1975—Promoted to Assistant Special Agent in Charge, Houston, TX District Office. GS-14.



July 8, 1974—Promotion and change of duty station—promoted to Assistant Special Agent in Charge, Austin, TX District Office.

April 1, 1973—Promotion to resident agent in charge, Macon, Ga. GS-13.

February 7, 1971—Change in duty station and promotion to Investigator in Charge, Macon, GA. GS-12.

September 6, 1970—Change in duty station and promotion from Atlanta, GA to Moultrie, GA. Promoted to Investigator in Charge. GS-11.

July 30, 1967—Change in duty station from Macon, GA to Atlanta, GA. GS-09.

October 4, 1965—Entered on duty—Bureau of Alcohol, Tobacco and Firearms, in Macon, GA, Special Agent—GS-05.

The Nashville district office staffing consists of 30 field agents and four (4) first line supervisors. During calendar year 1981, 257 investigations were initiated relative to bombings, arsons, burglary/fencing operations, and narcotic trafficking. As a result 71 criminal cases were perfected against 102 defendants.

Thus far in 1982, 130 investigations have been initiated resulting in 33 criminal cases against 59 defendants.

Mr. HUGHES. Thank you, Mr. Bryant.

First, both you, Mr. Dillon, and you, Mr. Conroy, referred to certain special interest groups. Let's be a little more specific. Everybody agrees that these are important missions, firearms, explosives, and arson. Most people that I have talked to, in fact the overwhelming majority of people, believe that we have developed tremendous expertise in these areas, these important categories, within the ATF.

What special interest groups would undercut these missions?

Mr. DILLON. The special interest group I referred to in my statement is the NRA.

Mr. HUGHES. How about you, Mr. Conroy?

Mr. CONROY. I concur with that, Mr. Chairman.

Mr. HUGHES. Now, one complaint that I hear time and again as the basis for dismantling ATF and undercutting the enforcement of these statutes, is the alleged abuses over the years, overzealous law enforcement directed at innocent individuals. And I wondered if you can tell us, just go right down the line, within the last year, what kinds of complaints have you received from citizens insofar as innocent victims in the enforcement of the firearms, explosives, or arson statutes?

Mr. BRYANT. I have had no complaints in the 2½ years I have been the special agent in charge in Tennessee on either one of those areas, explosives or firearms.

Mr. HUGHES. Mr. Conroy.

Mr. CONROY. Mr. Chairman, I have been special agent in charge of the Miami district office for approximately a year and a half. During my tenure there I have received also no complaints. However, I have a file drawer that is filled to capacity with letters of commendations, accolades on the fine job my agents have done throughout the State of Florida.

Mr. DILLON. We have received no complaints in the southeast region, which includes nine Southern States, to my knowledge, none.

Mr. HUGHES. Mr. Kuehni.

Mr. KUEHNI. Mr. Chairman, I have received none in the past 3 years while in St. Paul.

Mr. HUGHES. Mr. LaForest.

Mr. LAFOREST. One complaint has been reported to ATF in my district, and involves an ongoing investigation of a Federal firearms licensee.

Mr. HUGHES. One complaint in how long?

Mr. LAFOREST. The 2 years I have been there.

Mr. HUGHES. So, in essence, in the five districts that you represent, you have one complaint relative to ongoing investigations; that is a firearms related complaint?

Mr. LAFOREST. Yes, sir.

Mr. HUGHES. Mr. Conroy, you referred to the number of accolades, letters of commendation. How about you, Mr. Bryant, and the rest of the panel?

Do you find that you also receive letters of commendation for your work?

Mr. BRYANT. Yes; in my prepared statement, Mr. Chairman, there is an editorial from the Tennessean regarding our apprehending five individuals as they were attempting to bomb a Jewish temple in downtown Nashville last year. We have gotten a tremendous amount of letters regarding that one investigation. Of course, we continuously receive letters of commendation for the outstanding job our special agents are doing.

Mr. HUGHES. Mr. Dillon, Mr. Kuehni, Mr. LaForest, how about yourselves?

Mr. DILLON. Mr. Chairman, I would like to refer to the Bureau of ATF Criminal Enforcement as to my experience in the U.S. Marine Corps. I was very proud to have been a U.S. Marine, and I am very proud to have put 20 years service with criminal enforcement in ATF. And in all my 20 years, we have received many, many commendations, accolades for our criminal enforcement people.

I cannot say enough good things about the Criminal Enforcement Division of ATF.

Mr. HUGHES. Mr. Kuehni.

Mr. KUEHNI. Mainly the commendations originate with other law enforcement agencies rather than the citizens, although on occasion there may be one from a citizen. The most recent one that I recall is about 2 or 3 weeks ago from the chief of police of Minneapolis, Tony Bouza, for our help in solving a murder as a result of the firearms investigation as it related to it.

Mr. HUGHES. Mr. LaForest.

Mr. LAFOREST. My district has also received many favorable comments from law enforcement officials and some from citizens which are on file. I have one here from the chief of the Kansas City strike force, dated April 15, 1982, involving our efforts in an organized crime bombing that occurred in 1978.

Mr. HUGHES. Some of you have referred to the staffing levels, which apparently is in jeopardy at the present time because of the cuts and uncertainties, both secretarial as well as professional staffing.

I wonder if some of the rest of the members of the panel can just give us some assessment of the staffing problems that you are also having.

Mr. BRYANT. Mr. Chairman, I am very fortunate in that particular area. I have approximately 30 special agents. I am down to about 5 special agents from my staffing of 35. I am down to one



clerical position at the present time. But, as I say, I am very fortunate. I am one of the few.

Mr. CONROY. Mr. Chairman, I lost 13 special agents during the course of last year. And probably the most significant thing about this is four of these agents were four out of my five Hispanic undercover agents in south Florida. Trying to mount any type of a viable undercover operation in south Florida without having the availability of Hispanic undercover agents is virtually impossible.

As critical as Mr. Dillon mentioned, a year ago I had five clerical people on my district staff. I now have one girl doing the job of five people. And she is doing it, believe it or not. She is working until 6 o'clock every night. She has given notice. She will be leaving within a week. Now I am faced with detailing special agents into the district office to do clerical type work to keep the paperwork moving.

Mr. HUGHES. What is the primary reason for the loss of these ATF agents?

Mr. CONROY. I think, at least speaking for the Miami district, primarily, the majority of the ones, were very young agents that if we would have come to a RIF or furlough situation, because of the seniority situation, they would have been in a very difficult situation. Primarily, they are looking for job security. Other jobs were offered in the law enforcement community, and they seized them.

But to the man in south Florida, after each one of them was offered a job, they came in individually to me and said, "Mr. Conroy, I have a job offered to me; I don't want to leave the agency; tell me something encouraging where I will change my mind and stay."

And this to me was a tribute to their professionalism and dedication to the agency.

Mr. HUGHES. Basically it was the uncertainty of their future that prompted them to leave the agency?

Mr. CONROY. That is right.

Mr. HUGHES. What effect has it had on trying to recruit replacements?

Mr. CONROY. Well, we have been under a hiring freeze, so we are unable to recruit.

Mr. HUGHES. You are unable to replace them.

What about cuts in your staffing, Mr. Dillon?

Mr. DILLON. Our headquarters office puts out, I think, every 2 weeks a status of operations, commencing September 20. The one I have in front of me here is through April 9. Total separations in this period of time from September 30 through April 9 has been 682 people that have left ATF.

The onboard strength as of April 9 was 2,768. So you can see that we have had a mass exodus. This is administration people, regulatory people, and criminal enforcement. So we have had a lot of people leave since September 20.

Mr. HUGHES. What impact has this had on the productivity of the office?

Mr. DILLON. The criminal enforcement productivity I think probably is down about 25 percent. It is because of lack of travel funds, lack of purchase of evidence funds. And these things have all tended to slow us down. The agents, I am very happy to inform you, are still out there working every day.

Mr. HUGHES. What you are saying is that they are doing the best they can given the circumstances?

Mr. DILLON. With what we have.

Mr. HUGHES. If you don't have resources, you don't have resources for travel, you don't have resources for securing evidence, you don't have resources to follow up on leads, if in fact you have to crisis manage the little resources you have, you are not able to do the in-depth investigative work that is required of you.

So, it has had an impact all the way across the board. Is that what you are saying?

Mr. DILLON. Yes, sir.

Mr. HUGHES. What can you tell us about staffing?

Mr. KUEHNI. I have an attachment to my statement which shows I have lost six agents since November.

Mr. HUGHES. Out of how many?

Mr. KUEHNI. We had 35 when we started losing them in November.

I show having lost my TECS operator in January. And as of last Sunday, I lost another secretary in the district. Therefore, I too have one left in the district office where I once had four. I have a major group of special agents stationed in Minneapolis. They have been functioning for a year and a half without a secretary. I have one secretary for the group in St. Paul, and one secretary for the group in Milwaukee.

The reasons for these agents leaving range from the operations officer who suffered a heart attack related with the job and has had two serious bypass operations. The others were younger agents, with the exception of one agent who has 13 years with us, who has also left and gone with U.S. Customs, all because of the anxiety and the uncertainty and the lack of job security.

Mr. HUGHES. Thank you.

Mr. LaForest.

Mr. LAFOREST. In the district office, I only have my secretary now where I used to have four clerks. I do not have a TECS operator, who would operate the Treasury enforcement communications system. Therefore, the agents, lose this valuable tool since inquiries through the intelligence system, cannot be accomplished because there really isn't anyone to run the information. My secretary has to take time away from her increased duties in order to handle emergency inquiries.

I have no secretary for my assistant. I have an acting operations officer, a critical position in the district. I have one acting group supervisor. I have a resident agent in charge position in Des Moines, Iowa, that remains open, and is now serviced by the resident agent in charge in Omaha, Nebr.

In reference to the purchase of evidence funds that Mr. Dillon alluded to previously, at least 30 times since September I have had to reprogram funds from one investigation to another. The agents never know if they are going to have enough money in an undercover situation to purchase stolen weapons, explosives, or other evidence. We have had agents volunteer to put in gas and make minor repairs to the Government cars, out of their own pockets, just to keep them going.



In the first quarter of fiscal year 1981, the budget in my district for supplies, repairs, operation of vehicles, travel funds, and agent cashier funds, was about \$43,000, which I feel is about \$20,000 less than I need. For the same period in fiscal year 1982, it was down \$37,000. I had a total of \$6,000 as opposed to the \$63,000 I needed. We were told between October 1, 1982, and November 20, 1982, expenditures were limited only to maintain operations. Any contracts or operations must be marked, "Subject to availability of funds."

It is very difficult dealing with vendors and gas stations, for repair of cars, when you have to advise the business on the purchase order, "this is subject to availability of funds."

From November 20 to December 15, 1982, we were limited to absolutely essential services. Gas and other services were curtailed and administration travel and overtime were halted. Out-bureau training prohibitions still remain in effect. On November 30, we instituted daily reporting of all expenses to the district office, weekly reporting to the regional office; on December 17, we faced additional expenditure limitations; no vehicle repairs, parked one-half of the vehicle fleet, supplies only to maintain operations, no scheduled overtime, essential use of aircraft only, no per diem—partial or otherwise—all of which restricted the agents who had to respond to outlying areas, for instance in Nebraska, southern Missouri.

Mr. HUGHES. How many years of experience does it take to become a seasoned criminal investigator?

Mr. LAFORREST. I would say the journeyman level can be reached in 3 or 4 years. But I would say 5 or 6 years without previous law enforcement experience.

Mr. HUGHES. It takes 4 or 5 years before they reach that point where they can pursue active investigations?

Mr. LAFORREST. Yes, sir, and the Bureau has invested an awful lot of money in their formative years.

Mr. HUGHES. Are we losing any of the seasoned agents to the private sector, going off in other directions besides law enforcement?

Mr. LAFORREST. I have.

Mr. HUGHES. How about the rest of you?

Mr. CONROY. I have lost one who dropped out of law enforcement.

Mr. BRYANT. I have lost none.

Mr. HUGHES. Some of you have touched upon the morale problem. It must be a tremendous problem, given the change in direction, talk of merger, talk of dismantlement, talk of furloughs and reduction in force. Can you translate that into productivity for me? What impact has it had on the zest to perform these important missions?

Be candid with me.

Mr. BRYANT. In our district, Mr. Chairman, production is down 25 percent. The employees are frustrated. They don't know from one day to the next if they will have the funds to conduct investigations, as Mr. LaForest stated a moment ago. They don't know when they start an undercover purchase if they will have the money to make the second purchase that is required or the third purchase that might be required by the U.S. attorney.

We are talking about buying explosives, machineguns, and those types of items. Many times when we start an investigation, or as we had in Memphis, Tenn., and were working in an undercover capacity, we were attempting to buy some machineguns.

We had been offered the machineguns in an undercover capacity through an informant. We had to turn the buy down. We notified our headquarters we could not make the purchase because we didn't have the money we needed to make the purchase. We referred the information to the FBI.

The informant declined to participate with them and it fell by the wayside.

Mr. HUGHES. How about the rest of the panel?

Mr. CONROY. I think our overall production is down across the board about 35 percent, across the State of Florida. But I think in talking about morale, something even more important comes into play. A good percentage of our investigations throughout the State are undercover type investigations. When an agent is working undercover, he has to be at his total and absolute best. He cannot let anything else enter into his mind, he cannot be worried about anything but the job at hand.

If there are other things entering there, it certainly can and has put his life in danger in undercover type situations. I think that is extremely critical.

Mr. HUGHES. Mr. Dillon.

Mr. DILLON. I think morale is low. The supervisors, the special agents in charge, it is really hard to motivate these people when you don't know tomorrow what is going to happen. You don't know if you are going to be abolished, you don't know if you are going to be merged, there is talk of this, you get a RIF letter.

I am amazed that we are making the number and the quality of cases in ATF today that we are. It is amazing.

Mr. HUGHES. Mr. Kuehni and Mr. LaForest, do either of you have anything else to add to that?

Mr. KUEHNI. I just might say that because our production hasn't shown a decline it is mainly because of the projects that we had entered into prior to the drastic cuts. The employees and the special agents that have left, have left recently, and we have not felt that impact as of yet.

Mr. HUGHES. What would be the effect on morale at BATF if criminal enforcements were transferred to the Secret Service? There seems to be some general consensus, and one of you testified that you would prefer to see it remain in BATF, since you have the resources and support. But if that is not possible, what would be the impact on morale if that were to be effective, that transfer to Secret Service?

Why don't we start with you, Mr. Dillon.

Mr. DILLON. I think indecision is what is hurting us most of all. We were told by John Walker down in New Orleans that the plan was to merge us with Secret Service, and that by April 1 we would be Criminal Enforcement, Firearms, and Explosives, with 1,200 agents and 500 and some-odd clerical support. We would be transferred over intact to Secret Service.

I think all of criminal enforcement, although they hated to say they were in an organization that is going to be abolished, because



I think their abolishment came as a result of the NRA. I feel that they felt it was better to be with the Secret Service in a truly law enforcement posture as opposed to being sitting over here and getting potshot at every time we turned around by the NRA.

So, I think the morale would improve if a decision is made as to what is going to happen to us.

Mr. HUGHES. Basically, from my talks with your agents, and I have talked with a number of them, both on the telephone and people in my own region, their attitude is one of, "Look, we have laws to enforce; we just want to be left alone to do our job, and if the Congress and administration wants to change the law, we will enforce the law that they have changed. But let us do our job." Is that basically the attitude?

Mr. DILLON. Yes, sir. Very well put. And they will do the job.

Mr. HUGHES. A sizable percentage of the agents claim that the killing of ongoing investigations on the basis of certain guidelines limiting the investigation of gun shows, flea markets, and firearms dealers, is one of the chief causes of poor morale. What do you have to say about that?

Mr. DILLON. I think it does hamper the agents. To be an agent in ATF you have to be very aggressive. When they think there is a violation of the gun laws or any other type of law that is within our jurisdiction, they get frustrated in not being able to go out and initiate an investigation without going all the way to headquarters, to the Director, to get approval.

Mr. HUGHES. In your judgment, what percentage of investigations are aborted because of lack of resources?

Mr. DILLON. Lack of resources?

Mr. HUGHES. Lack of resources. I am talking about lack of money. How many leads can't you pursue because you don't have the money or the personnel?

Mr. DILLON. Well, I would think getting back to the 25-percent figure that we go with, it would be over 25 percent.

Mr. HUGHES. It would be hard to measure, I presume.

Mr. DILLON. Yes; it would.

Mr. HUGHES. I gather from your testimony that it does have a pronounced impact on the followup of active leads of criminal wrongdoing in all areas, arson, explosives, and firearms. Am I correct?

Mr. DILLON. Yes, sir. It has a very, very great impact, when you don't have the resources to conduct these investigations, when you have eager agents who really want to do a good job.

Mr. HUGHES. During this fiscal year numerous posts have been closed and many special agents have been transferred, often at great distances. In fiscal year 1980, 92 reassignments and 36 promotions involved geographic relocation. Have these relocations which have been ordered had any impact on agent morale?

Mr. DILLON. I didn't hear your last word?

Mr. HUGHES. Has it had an impact on agent morale, these relocations?

Mr. DILLON. Yes, sir. I think that anytime that an agent is moved it has an effect on his morale, but in our society today these people have to be transferred to places where the crimes are.

Years ago, the southeast region was the moonshine capital of the world, but our problems today are firearms and explosives and it is not alcohol and tobacco.

Mr. HUGHES. One of the problems I would envision would be given the state of uncertainty as to whether the agents are going to have jobs tomorrow, if you close an office and you give them a notice to relocate, I would think the agent would think twice about moving his family with the uncertainty as to whether he is going to have a job for any length of time at the new location.

Mr. DILLON. Yes, sir, I agree with that.

Mr. CONROY. I would like to address that if I might.

Recently, I had five special agents transferred from various posts of duty throughout the country down to south Florida, and I think today's economic hardship as far as real estate, selling property, and that even if you are being transferred to a desirable location, it is very difficult. But to the man everyone of these agents didn't want to come, they knew they would be a long time selling their house, but they came and they went to work immediately and their attitude was outstanding.

Mr. HUGHES. Recent studies have been critical of BATF productivity. In 1980 there were an average of 10 investigations per agent per year, and an average of 1.6 cases per agent per year were recommended for prosecution. What percentage of these cases had to be scuttled because they might have involved firearms dealers, gun shows, or flea markets. Anybody want to take that?

Mr. BRYANT. In my district, Mr. Chairman, we prosecute approximately 95 percent of the cases that we write in the U.S. attorney's office or in a State prosecution.

Mr. HUGHES. Anybody else want to respond to that from their own district's perspective?

Mr. LAFORREST. The type of investigations that ATF engages in are not made overnight. I think that we have suffered unduly from being honest with our statistics, in the way they are captured, and the way they are reported. ATF does not take credit for prosecutions or arrests of individuals that we do not arrest and recommend for prosecution.

You do not conduct an arson investigation or bombing investigation, you do not purchase evidence or infiltrate a narcotics operation or burglary or fencing operation overnight. It takes time, it takes money, and it takes effort. So, I think that probably we are our own worst enemy when it comes to repairing statistical information.

Mr. HUGHES. I think that is to your credit.

Have any of you been in a situation where the U.S. attorney has advised a special agent that he has probable cause to request a search warrant for records of a firearms dealer who is suspected of falsifying records, but the case has to be closed because it failed to get approval of the regional director?

Mr. LAFORREST. I have.

Mr. HUGHES. Can you describe that situation?

Mr. LAFORREST. It was the opinion of the regional director that the investigation had proceeded for too long a period of time and that there was a good chance that we would have subjected ourselves to criticism. He felt it was a harassing investigation, so the



investigation was terminated. But, about 3 months after that, we reopened the investigation and conducted it under another preliminary authorization based on additional information and it is proceeding now. It is still ongoing.

Mr. HUGHES. Is that the basis for the complaint that you received?

Mr. LAFOREST. Yes, sir, it is a good investigation. The thing with licensed dealer investigations in the past was that there were some problems, but I don't believe we have to apologize to anybody. I think we made some good cases. There are some cases that may have been marginal but we have taken steps to correct the causes of those problems.

What has happened now is that we have gotten ourselves back against the wall where we are reacting to all of the outside pressures and there is a tendency for the agent to get this information and then feel the investigation will never be approved. Therefore it doesn't come to our attention. They are leery of doing all the paperwork necessary to open the investigation and to have it closed down. Frankly, the pressure from up above has stifled some initiative in this area.

Mr. HUGHES. Thank you.

Have any of you been aware of cases in which the case could not be investigated fully because there was insufficient money to purchase the contraband, for example, an automatic weapon?

Mr. BRYANT. Yes, sir, I mentioned that a moment ago. In Memphis we had offered to buy machineguns in an undercover capacity and we had to turn it down because we didn't have the undercover funds to make the buy.

Mr. HUGHES. Have any of you been aware of situations in which a U.S. attorney for a district has told a BATF supervisor, special agent in charge, that he has a quota of BATF cases, and will allocate so much assistant U.S. attorney funds to firearms or explosives in a given year?

Mr. BRYANT. No, sir.

Mr. KUEHNI. No, sir.

Mr. HUGHES. BATF has a program of high quality performance for sustained superior output when recommended by a supervisor. Have you found this program contributes to agent productivity?

Mr. BRYANT. Yes, sir.

Mr. HUGHES. How many agents in your district have been recommended for such awards by their supervisor which you or the regional director have approved and how many have you disapproved?

Mr. BRYANT. In the past year I probably had 8 out of my 30 agents who were recommended for awards. The ones that I received, I approved, I thought they were worthy. Some of them are pending now because we don't have the money to pay those awards.

Mr. HUGHES. The program has been suspended because there are inadequate funds.

Mr. BRYANT. That is correct.

Mr. CONROY. I have had approximately a dozen during the last 1½ years, 54 agents.

Mr. HUGHES. You all agree it is a worthwhile program and has produced results?

Mr. BRYANT. Definitely.

Mr. HUGHES. It has been suggested in some quarters that BATF regional management structure should be abolished and control should be centralized in headquarters. Give us some perspective on that.

Mr. LAFOREST. The regional office structure as it pertains to criminal enforcement should be phased out, in my opinion. It simply serves as a junction point for information. For the most part, direct reporting could alleviate the timelag by enabling instant contact with the investigation division.

Regions are usually designed for organizations that have thousands of employees and a multitude of programs to operate and control, for example, the Department of Health and Human Services, Transportation, IRS, and Agriculture. I think direct reporting would really increase the effectiveness of the field operations and also benefit me as a manager.

Mr. HUGHES. Do any other witnesses on the panel disagree with that?

It has been suggested that the criminal enforcement career program has caused BATF to lose some outstanding potential managers. What problems, if any, has the program posed to you, Mr. Dillon?

Mr. DILLON. Well, most people in today's economic situation really resist moves and to come to headquarters, to move here, with the high rate of interest, the price of housing, the career program, I think, has been hampered because of that more than anything else. The people just do not like to move in today's economy, they really don't.

Mr. LAFOREST. The career program is in disarray at this time. Special agents have an opportunity to operate under the program or stay out of the program, and in doing so, we miss the opportunities of selecting special agents who would make excellent supervisors. For midlevel managers we had an assessment center that has also been phased out. People in headquarters feel somewhat trapped in grade 13 and grade 14 operations. There is no place for them to go. You cannot function in headquarters for more than 2 years at the GS-13 or GS-14 level. You either burn out or lose touch with reality in the field.

Mr. HUGHES. When flea markets and antique gun shows were not off limits, what was the preliminary evidence that was necessary for an agent to get approval to conduct an investigation, Mr. Conroy?

Mr. CONROY. We have to have specific information that either an individual or group of individuals engaged in illegal gun transactions at the flea market.

Mr. HUGHES. It has been suggested that one requirement for such approval is to demonstrate that a firearm purchased from a particular gun show or flea market was used in the commission of a crime. Is that true?

Mr. CONROY. That also was part of it.



Mr. HUGHES. How can that requirement be met if the transactions at a gun show or flea market are not recorded and therefore, are untraceable?

Mr. CONROY. It is very difficult. Sometimes you back into it. You might do a trace with a local law enforcement agency and might receive informant information.

Mr. LAFOREST. In defense of the Bureau, I know that they are now preparing instructions that will put preliminary investigations of a flea market and gun show at the level of the special agent in charge.

Mr. HUGHES. I see.

Finally, what would be the short-term effect on the crime level in your district if the proposed furlough of some 1,600 ATF agents takes effect on June 27—agents and other employees?

Mr. DILLON. It would be devastating. It would be devastating. That is the word I would really like to emphasize here. I think it would be terrible.

Mr. KUEHNI. I believe that we would lose additional employees. Any morale that is left or optimism, would be totally lost. Also, the nature of our work is more proactive rather than reactive. When there are bombings or investigations, we respond but, generally speaking, the majority of the investigations result from a proactive position.

Mr. HUGHES. Well, I thank you. I regret that we don't have more members of the subcommittee present today. There are many who have other commitments or committees that are meeting and some are just coming back to Washington today. But I don't think there is any subject any more important than what happened to BATF and its missions, and let me just tell you so that you can pass this on to agents in the field and other employees, that I share your concern. I think it is absolutely irresponsible. I think that what happened to ATF is something that the public would be outraged about, if in fact they knew the full import of what was happening.

It has been almost a vindictive manner in which we have seen a dismantling of some of the most important missions that we perform at the Federal level and it is something that just defies logic. I frankly am not an idealist on where the mission should go. I don't care if they end up in the Secret Service. Secret Service has an excellent reputation and they have developed their own expertise. I don't care whether we transfer it to Justice, and I really don't care where we retain it as BATF, as long as the mission is performed and you are provided resources.

I am a realist, however, and I recognize at this point that we probably have to make a transfer that it is in the public interest at this point that we settle once and for all where you are going to be and how you are going to be funded, so that you can get on with the job.

I would venture to say that most of the law enforcement community has a deep involvement with the National Rifle Association. Many members of local departments, many of your own members are members of the NRA. They perform very legitimate functions. NRA has done an outstanding job in many areas in advancing what I think are the interests of the gun enthusiasts, the sportsmen around the country. But on this particular issue, they are ab-

solutely wrong and we are going to have to do a little more than what we have done today, because the law enforcement agencies that are writing to you, that are in here testifying about the great work you do, and how much they need you, are going to have to begin mobilizing their forces behind your effort to put this issue to rest and until we do that, why we are going to see the continued uncertainty.

I frankly think that ATF has an outstanding record. I have within my own area of jurisdiction a number of law enforcement agencies and they all make mistakes. I served for 10 years as a prosecutor. I prosecuted a number of law enforcement officers because they were overzealous and they made serious mistakes. Sometimes they reached into the criminal aspect of wrongdoing. That is the case with any agency, you are going to have those that abuse the process.

But it seems to me that ATF's record is no worse, in fact appears to be much better, than many other agencies, and you have done an outstanding job in the area that you are charged with and I think at this point, it is in the public interest that we settle this issue once and for all so that you can get on with your work.

We thank you for your testimony, you have been most helpful. We have developed a good record. When I think of what is happening in the field, I just hope that you carry back to your agents some hope that we will get on with the business of settling this issue.

Thank you.

Mr. LAFOREST. Thank you.

Mr. KUEHNI. Thank you.

Mr. CONROY. Thank you.

Mr. BRYANT. Thank you.

Mr. HUGHES. Our next witness is Robert Powis, Deputy Assistant Secretary of the Treasury for Enforcement.

Mr. Powis, welcome. We have your statement, which will be made a part of the record, if you will, and we hope that you can summarize it for us.

#### TESTIMONY OF ROBERT E. POWIS, DEPUTY ASSISTANT SECRETARY OF THE TREASURY FOR ENFORCEMENT

Mr. Powis. I will attempt to summarize it, Mr. Chairman.

It is my pleasure to appear before you here today to discuss the current status of the criminal enforcement activities of the Bureau of Alcohol, Tobacco and Firearms.

Viewed from any perspective, it is submitted that any discussion of the current status of the criminal enforcement activities of BATF must deal with morale. The morale of the criminal enforcement personnel of BATF is very low. They have been through a period of great uncertainty ranging from rumors of RIF's and furloughs to newspaper accounts of the abolishment of the Bureau. The uncertainty continues. The Treasury Department proposed a plan last November to reassign all of the BATF functions to the U.S. Secret Service and U.S. Customs Service. Under this plan the functions of alcohol and tobacco are to go to the Customs Service and the functions of firearms and explosives are to go to the Secret



Service. As criminal enforcement personnel became aware of the details of this plan, most of them came to realize that it was good for Federal law enforcement and that it was good for them. Indeed, it is my reading that the vast majority of the criminal enforcement personnel of BATF enthusiastically supported the reassignment of functions to the Secret Service and looked forward to the merger. Unfortunately, the plan has not been approved by Congress and they now face a new period of uncertainty.

Moreover, there is an imminent financial crisis facing the Bureau. Unless supplemental funding is approved by Congress in the current fiscal year, approximately 1,600 employees will have to be furloughed for more than 90 days commencing on about June 27, 1982. Under these circumstances, it is easy to understand why morale is low and why criminal enforcement personnel feel upset and confused.

Despite all of these problems, criminal enforcement personnel have continued to make excellent criminal cases. My statement that has been submitted for the record contains a summary of a number of these cases. I would just like to cite one of them, which I think is a special situation.

Earlier this month, BATF and Customs agents arrested two persons as they attempted to enter Mexico with 60 firearms. This arrest was the result of a lengthy BATF investigation in Florida. The suspects are known to have purchased 300 handguns in the last year.

I think it is a tribute to the dedication of all the men and women of the Bureau that they have been able to continue their normal duties during a period of great stress and uncertainty.

The impact of these furloughs would be devastating both on the concerned BATF employees and on the ability of the Bureau to maintain even minimum law enforcement functions. If the furloughs take place there will be no effective enforcement of the arson, explosives and firearms laws for the last 3 months of this fiscal year and probably well beyond that time. It is anticipated that a large number of employees who are faced with no income for more than 90 days will probably seek and obtain employment elsewhere.

An urgent supplemental is presently under consideration for BATF in both the House and the Senate. This supplemental requests funding in two areas for the remainder of this fiscal year:

One, \$22.3 million for salaries and expenditures; and

Two, \$1.479 million for travel and per diem for 45 agents and support personnel for the Vice President's South Florida Task Force.

Approval of this urgent supplemental request is critical if there is to be any kind of enforcement of the arson, explosives and firearms statutes or if there is to be proper regulation of the alcohol and tobacco industries.

Mr. Chairman, the plan which the Treasury Department devised for the reassignment of BATF functions to the U.S. Secret Service and the U.S. Customs Service was, and is, a sound plan which contains numerous law enforcement and cost benefits. It was good for the Secret Service.

As you know, the plan for the reassignment of functions has not been approved by either the House or Senate Subcommittees on Appropriations. On March 24, 1982, the House Appropriations Subcommittee deferred a decision on the administration's plan and extended the freeze on implementation of the plan until June 30, 1982. On March 25, 1982, the Senate Subcommittee on Treasury, Postal Service and General Government voted to approve an alternative to the administration's reorganization plan.

The reorganization plan approved by the subcommittee would direct the following:

Arson and explosives jurisdiction would be transferred to the Secret Service, together with 317 special agents. An additional 400 special agents would be transferred to the Secret Service for protective use.

All alcohol, tobacco and firearms functions, both regulatory and criminal, would remain at BATF and the Bureau would be renamed as the Treasury Compliance Agency.

This plan was approved by the subcommittee.

The administration is not able to support the Senate subcommittee's alternative plan because it would reduce the number of special agents presently engaged in the criminal enforcement of the firearms statutes by almost 50 percent. This would seriously undermine the Federal effort to enforce those statutes which deal with title II weapons, automatic weapons, silencers and other destructive devices; felons in possession of firearms, titles I and VII of the Gun Control Act; and illegal diversion of firearms from legitimate channels to violent criminals who use weapons in carrying out murders, robberies, rapes, burglaries, and narcotic violations, title I. The Senate subcommittee proposal would also create practical problems of trying to determine which agents would go to the Secret Service and which agents would remain behind in the Treasury Compliance Agency. RIF registers would have to be set up to make this determination. It is possible that the Secret Service would end up with a disproportionate number of the more senior agents presently assigned to the Bureau of Alcohol, Tobacco and Firearms, at a time when the Service is in need of younger agents.

Senator Laxalt offered an alternative plan which would create a Treasury Compliance Agency for the regulatory aspects of alcohol, tobacco and firearms. Senator Laxalt's plan would transfer approximately 1,200 agents to the Secret Service with appropriate support personnel for the criminal enforcement of the firearms, arson, and explosives statutes. This plan is acceptable to the administration because it provides adequate resources for the criminal enforcement of the firearms, explosives and arson statutes by the Secret Service.

In conclusion, Mr. Chairman, let me again state that the most important and vital need for the BATF at this time is to obtain funding contained in the urgent supplemental request. This funding will allow BATF to carry out its criminal enforcement responsibilities with some degree of effectiveness. I do not know what the future holds for the BATF beyond the funding level contained in the urgent supplemental.

I must point out that it will be very difficult to rebuild the Bureau to its prior level of criminal enforcement effectiveness if it



is maintained as it presently exists. The Department believes that the best resolution of BATF's dilemma would be that the criminal enforcement functions of firearms, explosives and arson be reassigned to the Secret Service, together with sufficient personnel.

At this time, I would be pleased to attempt to answer any questions which you might have, sir.

Mr. HUGHES. Thank you, Mr. Powis.

Last October, you submitted a management review study to Assistant Secretary Walker. There were nine recommendations, as I recall.

Mr. POWIS. In our management review?

Mr. HUGHES. Yes.

Mr. POWIS. I don't recall the exact number.

Mr. HUGHES. How many of those recommendations have you been able to put into effect and how many are now underway?

Mr. POWIS. Well, do you have a copy of the recommendations, sir? I would have to look them over. I know the prime recommendation, for instance, was that we proceed with efforts to reassign functions, and we certainly have that underway and have had it underway for sometime.

Mr. HUGHES. The next one is a study of alcohol and tobacco.

Mr. POWIS. That was done and the recommendation was made that those functions go to the Customs Service.

Mr. HUGHES. I see you plan to adopt a criminal enforcement strategy program that would have effectiveness and stability incorporated in it?

Mr. POWIS. Our feeling was that the reassignment of functions if planned properly and carried out, would establish that kind of situation.

Mr. HUGHES. Did management recommend that the regulation of firearms and explosives be placed under criminal enforcement?

Mr. POWIS. That was placed on hold until such time as we could effect the reorganization or the reassignment of functions.

Mr. HUGHES. Would abolishment of regional management fall in the same category?

Mr. POWIS. That is on hold also until we can effect the reassignment.

Mr. HUGHES. What about revamping the support operations?

Mr. POWIS. There are some ongoing measures in that area right now. Primarily, once again, this is on hold until the reassignments of functions.

Mr. HUGHES. Is it your intention to abolish 60 positions of duty?

Mr. POWIS. I think in the present year, there have been approximately 11 closed and I think at the time when we came to realize that the reassignment of functions may not get congressional approval, we have not closed any offices since that time.

Mr. HUGHES. What of aid for a new career criminal program that is less disruptive, less costly and less parochial?

Mr. POWIS. This also is on hold until we can get the funding and carry out the reassignment of functions.

Mr. HUGHES. I won't ask you the last one which is to decide all these things quickly.

Mr. POWIS. Well, within the Department, I think it was decided quickly and the planning that was done over a period of 5 months

was excellent. It involved planning by the Bureaus, by ATF, by Customs and Secret Service, and we had a plan that was ready to be implemented and carried out on April 1.

Mr. HUGHES. Basically, the lack of resources is just undercutting your ability to do much of anything, I would presume.

Mr. POWIS. It certainly has not helped.

Mr. HUGHES. What, in your judgment, would be the impact, aside from the morale that you have touched upon, of a reduction in force of some 1,600 agents and employees?

Mr. POWIS. The furlough possibility.

Mr. HUGHES. The furlough.

Mr. POWIS. I think Mr. Dillon used the term before, devastating is probably the most accurate term. As I indicated, it would not only wipe out enforcement for 3 months, it would take it well beyond that, because I don't know how anybody could keep going without seeking and getting other employment who is faced with a prospect of losing salary for 90 days. I think people would leave in droves and I think there would be little left to pick up after that.

Mr. HUGHES. What has been the net impact on the effort to try to identify the criminal elements and to suppress the criminal wrongdoing in the country?

Mr. POWIS. In terms of violations like arson, explosives and firearms, there basically would be no enforcement. There would be at the best only an ability to respond to the most urgent cases that were brought to the attention of the few remaining enforcement personnel who would be left. There would basically be no enforcement.

Mr. HUGHES. In essence, at the time when the economy is still moving downward, unemployment still on the rise, idleness creating problems, bankruptcy filings and other economic problems on the part of businesses giving rise to bankruptcies in record numbers, we can expect an increase in the incidence of arson and explosives and firearms related offenses, at the time when we are cutting back on enforcement efforts?

Mr. POWIS. If the urgent supplemental funding is not voted in both the House and Senate for BATF, this is the situation we will be facing.

Mr. HUGHES. Mr. Powis, you realize that the rule that was granted does not protect the BATF in the urgent supplemental?

Mr. POWIS. That is my understanding.

Mr. HUGHES. That means that anybody can object.

Mr. POWIS. That is my understanding, Mr. Chairman.

Mr. HUGHES. So, that doesn't paint a very bright, promising picture at this point, does it?

As you well know, a proposal has been advanced within the Senate Appropriations Committee, which you have described, to reject your plan for transfer of BATF enforcement functions to Secret Service. I have a few questions about that.

First, it calls for separating explosives and arson jurisdictions from BATF and sending those to Secret Service and leaving firearms in BATF. Is such a separation a good idea? Is there a great deal of overlap between these offenses?

Mr. POWIS. We don't believe the separation is a good idea. There is an overlap. I think that one has to realize that there is a staff-



year concept which is much more important than actual numbers. For instance, you may look at numbers and see a figure of 317 agents dedicated to firearms and explosives. That doesn't mean that there are 317 agents who do nothing else. Only a relatively small number of those may be dedicated exclusively to firearms and explosives.

You are talking about staff-years and you are talking about situations in a vast majority of the areas in the country where an ATF agent works firearms in one situation, arson in another, explosives in another. His time is divided up between the functions.

Mr. HUGHES. The net effect of the proposed change seems to me to shortchange, and I might even use the word punish BATF, at the same time giving a kind of boost to what the Secret Service-Treasury plan promises to do. Do you agree with that?

Mr. POWIS. I think the biggest impact of that particular plan would be that it would be very damaging to firearms enforcement. I think that is our view. It would take a large number of staff-years particularly away from firearms enforcement.

Mr. HUGHES. Well, in addition to cutting the number of firearms enforcement agents in half the proposal advanced would tend to further isolate the firearms function, thus making it an even more identifiable and convenient target for enemies of effective law enforcement firearms laws. Isn't that going in the wrong direction? Shouldn't we bring these law enforcement functions under a larger umbrella, as your Secret Service transfer plan and the Department of Justice transfer plan would do?

Mr. POWIS. I think that it would be beneficial for the firearms function to be under a large umbrella. I also think that it is important to realize that there are firearms violations out there that need to be addressed and there is no situation in the country where this is more graphically highlighted than in Florida. The illegal firearms situation in Florida is probably worse than any other area of the country.

There is a lot of talk about the fact that you have so-called law-abiding citizens getting charged with technical violations, and I think that has been a problem in the past. And I think that that is potentially a problem. But I think the important thing is that there are areas in the country—Miami, Fla., which is one of the them, Los Angeles another—where the volume of firearms violations involving criminals using firearms outside of legitimate channels is very great, and there is a shortage of agents in these areas, and I think that this has to be addressed. I think that any effort at this point in time to reduce the number of agents involved in firearms enforcement would hurt these kinds of programs. It would hurt our ability to respond to these kinds of situations.

Mr. HUGHES. Well, I think that the panel very clearly in their testimony indicated that in the period of about 1 to 2 years, none of those district offices received complaints from innocent people that their rights had been violated, with one exception. There is an ongoing violation in Mr. LaForest's district, where some dealer complained that he is being harassed. That is a pretty darn good record for any law enforcement agency.

Mr. POWIS. My impression is generally that in the last couple of years there have not been many complaints of harassment. That is my general impression.

Mr. HUGHES. But the problem is that it seems to me that now that we have the tail wagging the dog, we are so apprehensive and so concerned about stepping on toes, that we are permitting criminals to go free who have committed serious violations.

Mr. POWIS. Well, I think if we face a substantial cutback in agents who would be working firearms cases, we would end up with that kind of result.

Mr. HUGHES. I gather the administration is comfortable with Senator Laxalt's proposal to separate firearms regulations from firearms enforcement?

Mr. POWIS. We think that that proposal has merit. It would provide 1,200 agents coming to the Secret Service together with the firearms enforcement functions. The other portion of that involving alcohol and tobacco enforcement and regulation would remain as an independent agency. We felt that the Treasury plan was initially the best plan. I happen to think it still is, but we don't have all the wisdom within the Department and there are a number of people who have expressed concern about the alcohol and tobacco going to Customs.

There are people who expressed concern on both sides of the aisle about the regulation of the firearms business being tightly entwined with enforcement. We think that that proposal has merit and we see a number of people both on the Hill and outside who feel it was a workable arrangement.

Mr. HUGHES. But you do acknowledge that it is inconsistent with your third recommendation?

Mr. POWIS. That is right. We acknowledge that it was different and we think that it is something that we can live with. I think the main point about it is that it does enable us to do the enforcement job we think is important.

Mr. HUGHES. Well, Mr. Powis, you have acknowledged that the furlough of 1,600 people from ATF would be a disaster?

Mr. POWIS. Yes, sir.

Mr. HUGHES. And we are in trouble right now in the Congress, as you well know.

Mr. POWIS. Yes, sir.

Mr. HUGHES. You are a realist.

Mr. POWIS. Yes, sir.

Mr. HUGHES. Every Member of Congress wants to step up our effort against crime, particularly violent crime. This administration is deeply committed to directing our efforts against violent crime in particular. Firearms is one of those areas that naturally is involved in violent crime?

Mr. POWIS. That is correct.

Mr. HUGHES. So, most people acknowledge that the missions of BATF in firearms, explosives, and arson, are important law enforcement missions and, if anything, we should strengthen them. Most people agree that ATF has developed an expertise that is second to none in these areas.

Mr. POWIS. I agree with that.

Mr. HUGHES. What seems to be the problem then?



Mr. Powis. I think the problem right now is getting the Congress to vote the necessary funds and if we get that, we can proceed at some level of effectiveness.

Mr. HUGHES. Unfortunately, I think the problem lies in the fact that there is a great deal of pressure on Members of Congress from the gun lobby, to basically dismantle the efforts of BATF to enforce the gun laws? Isn't that the basic problem?

Mr. Powis. I don't know whether that is a correct statement or not. I am under the impression that, for now, the NRA is looking to keep ATF intact.

Mr. HUGHES. Why? That is a 180-degree turn.

Mr. Powis. I wouldn't want to speculate on what the motivation is.

Mr. HUGHES. Well, it seems to me that the administration has got to start speculating because we are in trouble. We have an agency that is dying on the vine and we have important law enforcement functions that are not being discharged in the best interest of the public. We have got to start putting blame where it should be. We can't dance around the Maypole.

Mr. Powis. The administration is urging members of the subcommittees of both Houses to grant the urgent supplemental. The administration has been urging the reassignment of functions program.

Mr. HUGHES. Well, I look forward to working with the administration to see that the transfer is effective and we can put the issue to rest so that these agents can get about doing their job.

Thank you.

Mr. Powis. Thank you, Mr. Chairman. I appreciate your efforts and we look forward to working with you on it. Thank you.  
[Statement of Mr. Powis follows:]

PREPARED STATEMENT OF ROBERT E. POWIS, DEPUTY ASSISTANT SECRETARY FOR ENFORCEMENT, DEPARTMENT OF THE TREASURY

Mr. Chairman and members of the subcommittee, it is my pleasure to appear before you here today to discuss the current status of the criminal enforcement activities of the Bureau of Alcohol, Tobacco and Firearms (BATF).

Viewed from any perspective, it is submitted that any discussion of the current status of the criminal enforcement activities of BATF must deal with morale. The morale of the criminal enforcement personnel of BATF is very low. They have been through a period of great uncertainty ranging from rumors of RIFs and furloughs to newspaper accounts of the abolishment of the Bureau. The uncertainty continues. The Treasury Department proposed a plan last November to reassign all of the BATF functions to the U.S. Secret Service and U.S. Customs Service. Under this plan the functions of alcohol and tobacco are to go to the Customs Service and the functions of firearms and explosives are to go to the Secret Service. As criminal enforcement personnel became aware of the details of this plan, most of them came to realize that it was good for Federal law enforcement and that it was good for them. Indeed, it is my reading that the vast majority of the criminal enforcement personnel of BATF enthusiastically supported the reassignment of functions to the Secret Service and looked forward to the merger. Unfortunately, the plan has not been approved by Congress and they now face a new period of uncertainty.

Moreover, there is an imminent financial crisis facing the Bureau. Unless supplemental funding is approved by Congress in the current fiscal year, over 1,600 employees will have to be furloughed for more than 90 days commencing on about June 27, 1982. Under these circumstances, it is easy to understand why morale is low and why criminal enforcement personnel feel upset and confused.

Despite all of these problems, criminal enforcement personnel have continued to make excellent criminal cases. Some examples of cases made despite these adverse conditions are set forth as follows:

In February 1982, BATF agents working on a task force with members of the Des Moines, Iowa, Police Department arrested a convicted felon and seized a number of sawed-off shotguns and stolen firearms. The arrest was the result of BATF undercover operations wherein a considerable amount of stolen property, including firearms and title II weapons, was purchased from six different suspects.

In late February, BATF agents arrested two individuals in Newark, New Jersey, when they delivered 200 silencers to an undercover agent. Twenty-five additional silencers were seized from another suspect in Colorado.

In late February, BATF agents worked with local officials in Bergen County, New Jersey, in an investigation which led to an arrest, after a woman had been killed with a pipe bomb in Fairlawn, N.J.

In January 1982, BATF agents arrested an individual in Indiana who is a top firearms trafficker. He was involved with two other defendants who were responsible for a number of burglaries of gun stores in central and southern Indiana involving the theft of over 100 firearms.

Earlier this month BATF and Customs agents arrested two persons as they attempted to enter Mexico with 60 firearms. This arrest was the result of a lengthy BATF investigation in Florida. The suspects are known to have purchased 300 handguns in the last year.

Three weeks ago a man was arrested in St. Louis on two counts of murder arising out of a pipe bomb explosion. The arrest was the result of a joint ATF, St. Louis Police Department Bomb Squad investigation arising from an explosion which killed two people.

During the first week of April, BATF agents in Minnesota worked with state and local authorities in the execution of 10 Federal and 70 State arrest warrants in connection with a sting operation wherein approximately 100 firearms were purchased along with a large quantity of stolen merchandise.

These cases are but a few of the many firearms, explosives and arson cases which continue to be investigated by BATF agents on a daily basis. It is a tribute to the dedication of all the men and women of the Bureau of Alcohol, Tobacco and Firearms that they are able to continue their normal duties during a period of great stress and uncertainty.

The most immediate problem facing BATF today is the need for additional funding in the present fiscal year. The present continuing resolution allocates \$115.7 million for the Bureau. This figure, as mentioned previously, will necessitate furloughs of approximately 1,600 BATF employees commencing on about June 27 and lasting through the end of fiscal year 1982. The impact of these furloughs would be devastating both on the concerned BATF employees and on the ability of the Bureau to maintain even minimum law enforcement functions. If the furloughs take place there will be no effective enforcement of the arson, explosives, and firearms laws for the last three months of this fiscal year and probably well beyond that time. It is anticipated that a large number of employees who are faced with no income for more than 90 days will probably seek and obtain employment elsewhere.

An "urgent supplemental" is presently under consideration for BATF in both the House and the Senate. This supplemental requests funding in two areas for the remainder of this fiscal year: (1) \$22.3 million for salaries and expenditures; and (2) \$1.479 million for travel and per diem for 45 agents and support personnel for the Vice President's South Florida Task Force. Approval of this "urgent supplemental" request is critical if there is to be any kind of enforcement of the arson, explosives, and firearms statutes or if there is to be proper regulation of the alcohol and tobacco industries.

Mr. Chairman, the plan which the Treasury Department devised for the reassignment of BATF functions to the U.S. Secret Service and the U.S. Customs Service was, and is, a sound plan which contains numerous law enforcement and cost benefits. This administration plan would, if adopted, provide for a more effective and efficient enforcement of the criminal statutes dealing with arson, explosives and firearms. It would provide adequate resources for these functions both in terms of budget and personnel. It would also provide vitally needed additional resources for the protective mission of the Secret Service. Implementation plans were developed as the result of cooperative work between the Department, the Secret Service, the Customs Service and the Bureau of Alcohol, Tobacco and Firearms. These plans would have enabled us to carry out the reassignment of functions and personnel on April 1, 1982. Had this occurred, I firmly believe that the operating effectiveness of ATF employees who would have been reassigned to the Secret Service would have shown marked immediate improvement because uncertainty and job insecurity would have disappeared. I believe that both morale and productivity would have improved both quickly and significantly. As you know, the plan for the reassignment



of functions has not been approved by either the House or Senate Subcommittees on Appropriations. On March 24, 1982, the House Appropriations Subcommittee deferred a decision on the administration's plan and extended the "freeze" on implementation of the plan until June 30, 1982. On March 25, 1982, the Senate Subcommittee on Treasury, Postal Service, and General Government voted to approve an alternative to the administration's reorganization plan.

The reorganization plan approved by the subcommittee would direct the following: Arson and explosives jurisdiction would be transferred to the Secret Service together with 317 special agents. An additional 400 special agents would be transferred to the Secret Service for protective use. All alcohol, tobacco and firearms functions, both regulatory and criminal, would remain at BATF and the Bureau would be renamed as the Treasury Compliance Agency (TCA). This plan was approved by the Subcommittee.

The administration is not able to support the Senate subcommittee's alternative plan because it would reduce the number of special agents presently engaged in the criminal enforcement of the firearms statutes by almost 50 percent. This would seriously undermine the Federal effort to enforce those statutes which deal with title II weapons (automatic weapons, silencers and other destructive devices); felons in possession of firearms (titles I and VII of the Gun Control Act); and the illegal diversion of firearms from legitimate channels to violent criminals who use weapons in carrying out murders, robberies, rapes, burglaries, and narcotic violations (title I). The Senate subcommittee proposal would also create practical problems of trying to determine which agents would go to the Secret Service and which agents would remain behind in the Treasury Compliance Agency. RIF registers would have to be set up to make this determination. It is possible that the Secret Service would end up with a disproportionate number of the more senior agents presently assigned to the Bureau of Alcohol, Tobacco and Firearms, at a time when the Service is in need of younger agents.

Senator Laxalt offered an alternative plan which would create a Treasury Compliance Agency for the regulatory aspects of alcohol, tobacco and firearms. Senator Laxalt's plan would transfer approximately 1,200 agents to the Secret Service with appropriate support personnel for the criminal enforcement of the firearms, arson and explosives statutes. This plan is acceptable to the administration because it provides adequate resources for the criminal enforcement of the firearms, explosives, and arson statutes by the Secret Service.

In conclusion Mr. Chairman, let me again state that the most important and vital need for the BATF at this time is to obtain funding contained in the "urgent supplemental" request. This funding will allow BATF to carry out its criminal enforcement responsibilities with some degree of effectiveness. I do not know what the future holds for the BATF beyond the funding level contained in the "urgent supplemental." I must point out that it will be very difficult to rebuild the Bureau to its prior level of criminal enforcement effectiveness if it is maintained as it presently exists. The Department believes that the best resolution of BATF's dilemma would be that the criminal enforcement functions of firearms, explosives, and arson be reassigned to the Secret Service, together with sufficient personnel.

At this time I would be pleased to attempt to answer any questions which you or members of the subcommittee might have.

Mr. HUGHES. Our next witness is Norman Darwick, executive director of the International Association of Chiefs of Police. Mr. Darwick has been actively involved in law enforcement since 1955 and has served in various positions with the International Association of Chiefs of Police since 1966. He has had a distinguished career and we welcome him to the subcommittee today.

Mr. Darwick, we do have your statement, which without objection, will be made part of the record and we hope you can summarize it for us.

**TESTIMONY OF NORMAN DARWICK, EXECUTIVE DIRECTOR,  
INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE**

Mr. DARWICK. Thank you, Mr. Chairman. I will do my best to summarize.

I certainly appreciate the opportunity to appear before the House Subcommittee on Crime to express the views of the International Association of Chiefs of Police regarding the reduction in funding and the proposed furloughs of the Bureau of Alcohol, Tobacco and Firearms.

The IACP is a professional organization established in 1893 and it is comprised of chiefs of police and other law enforcement personnel from all sections of the United States and from 75 nations.

I am not expressing the views of myself, or a narrow segment of the police, but rather the thinking of the vast majority of the association membership as well as the vast majority of the law enforcement community.

We have appeared before the U.S. Congress on several prior occasions concerning the Bureau of Alcohol, Tobacco and Firearms and, as in the past, we must urge for the continuation and the retention of the vital functions that BATF performs.

The current situation, wherein there will be massive furloughs of BATF agents as well as staff, cannot be tolerated. Continued debate, showmanship, and indecision can only serve to emasculate BATF's gain and the critical law enforcement functions that it serves.

The world's law enforcement community cannot afford continued delays and indecision concerning BATF's role in law enforcement funding over this most important agency. We express our concern here today because of reports of cases of automatic weapons and cases of explosives going uninvestigated. At one point, BATF had no money to buy gas for investigative vehicles, they had no money for investigative cases. Alarming information has reached us as to the concerns of the stockpiling of automatic weapons and explosives.

The work of BATF has been extremely effective on not only the national front but the international level as well. This subcommittee is well aware of the loopholes in the Gun Control Act of 1968 which regulates the importation of some guns but failed to address control of their various component parts. This oversight quickly became the object of a large-scale, black-market operation which had the illegal gunrunners effectively circumventing the intent of the act. Illegal shippers and transshippers soon became organized within some outlaw motorcycle gangs.

BATF has been the lead agency of enforcement for these offenses and you can recognize quickly the need for the regulatory and enforcement actions at the Federal level with regard to the proper and effective responses to this type of criminal activity.

These offenses are often manifestations of criminal conspiracies which take place in a time and location far removed from the actual site of the incident. State and local law enforcement agencies cannot adequately respond. State, county, and municipal agencies do not have funding, personnel, nor technology, and authority to properly investigate this category of criminal activity.

In another area, arson for profit grew to such an enormous problem that our Federal Government found it necessary to include arson as a crime index offense under the uniform criminal reporting program which reflects the Nation's crime picture.



The most effective program aimed at cracking down on those who put the torch to property is the antiarson program of BATF. BATF's arson program has been a model of Federal, State, and local cooperation. Through this program, the Federal Government has provided vital assistance to States and localities which bear the major law enforcement responsibilities in this area.

The Bureau's record of making successful cases, particularly in such hard to investigate fields as arson for hire has been outstanding. BATF arson task forces have achieved conviction rates of 40 percent in Philadelphia, 60 percent in Chicago, 81 percent in Houston, and 90 percent in Los Angeles. All this, compared with an overall national rate of 22 percent in arson cases.

The members of the IACP believe this to be such an important function that the resolution in support of continuation of BATF's antiarson was passed at the 88th annual conference. This resolution is attached for your review.

The illegal use of explosives by terrorists and organized crime figures has been targeted as a major enforcement function of a BATF.

There is no need for me to tell you about the critical nature of this activity. All one has to do is look at the number of innocent individuals who have been killed or seriously injured due to the detonation of explosive devices.

I think that nothing speaks more eloquently for the vital role of the BATF than does the tragic incident of March 30, 1981. BATF traced a handgun used by John Hinckley, Jr., in his attempt to assassinate President Reagan, within 30 minutes of receiving the report. BATF was also instrumental in tracing the firearms used in the assassination attempt of Pope John Paul II in Rome.

Since BATF's inception, the Bureau has processed more than 100 applications for gun dealer licenses, spot checked their recordkeeping practices, maintained their records of manufacturer sales, which provide the basis for tracing weapons used in crimes, has investigated sales and presented evidence in those cases to grand juries.

BATF has also assisted local law enforcement agencies by making approximately 60,000 traces of firearms a year.

In conclusion, it is our view that the United States cannot afford to reduce funding levels or the reported furloughs of BATF personnel. Ironically, the reductions in funding and proposed furloughs will affect those BATF programs having the greatest impact on street crime, because it is these areas that invite the nefarious involvement of organized crime, career criminals, and terrorists. All areas directly responsible for multimillion dollar losses through economic, violent, and deadly crimes.

These programs serve a proper Federal role in its relationship to State and local law enforcement. No single municipal county or State police agency can devote sufficient funds to personnel and the technology to a program of national responsibility. In fact, with few exceptions, State and local agencies are operating with diminished resources as well.

Attorney General William French Smith stated recently that it was his view that the Federal role should be involved in the investigation and prosecution of major cases. We are frustrated and we

offer you, Mr. Chairman, the resources of the IACP in accomplishing your objective, in seeing that this vital function continues.

Thank you for this opportunity.

[The statement follows:]

PREPARED STATEMENT OF NORMAN DARWICK, EXECUTIVE DIRECTOR, INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

Thank you, Mr. Chairman and members of the committee. I appreciate this opportunity to appear before the House Subcommittee on Crime to express the views of the International Association of Chiefs of Police (IACP) regarding the reduction in funding and proposed furloughs of the Bureau of Alcohol, Tobacco and Firearms.

The International Association of Chiefs of Police is a voluntary professional organization, established in 1893. It is comprised of chiefs of police and other law enforcement personnel from all sections of the United States and more than 75 nations. Command personnel within the United States constitute more than 70 percent of the more than 13,500 members. Throughout its existence, the IACP has strived to achieve proper, conscientious and resolute law enforcement. This it has done in the interest of community betterment, conservation of the public peace and maintenance of good order. The IACP has always sought to achieve these objectives in full accord with the Constitution, and the IACP has been constantly devoted in all its activities to the steady advancement of this Nation's best welfare and well-being.

I would stress at this juncture that I am not expressing here the views of myself or a narrow segment of police, but rather the thinking of the vast majority of the association membership, as well as the vast majority of the law enforcement community.

We have appeared before the U.S. Congress on two prior occasions concerning the Bureau of Alcohol, Tobacco and Firearms. As in the past, we must urge for the continuation and retention of the vital functions BATF performs. The current situation wherein there will be massive furloughs of BATF agents as well as support staff cannot be tolerated. Continued debate, showmanship, and indecision can only serve to emasculate BATF's gain and the critical law enforcement functions served. The world's law enforcement community cannot afford continued delays and indecision concerning BATF's role in law enforcement and the funding of this most important agency.

The work of BATF has been extremely effective, not only on the national front, but at the international level as well. This subcommittee is well aware of the loophole in the "Gun Control Act of 1968" which regulated the importation of some guns, but failed to address control of their various component parts. This oversight quickly became the object of a large scale black market operation which has the illegal gunrunners effectively circumventing the intent of the act. Illegal shippers and transshippers soon became organized within some outlaw motorcycle gangs.

BATF has been the lead agency of enforcement for these offenses, and you can quickly recognize the need for the regulatory and enforcement actions at the Federal level with regard to the proper and effective response to this type of criminal activity. Further, these offenses are often manifestations of criminal conspiracies which take place in time and location far removed from the actual site of the end incident. Thus, they are extremely difficult for State and local law enforcement agencies to adequately respond to. State, county, and municipal agencies do not have the funding, personnel, technology, and authority to properly investigate this category of criminal activity. In another area, arson-for-profit grew to such an enormous problem that our Federal Government found it necessary to include arson as a crime index offense under the uniform crime reporting program, which reflects the Nation's annual crime picture.

The most effective Federal program aimed at cracking down on those who put the torch to property is the anti-arson program of the BATF. The BATF arson program has been a model of Federal, State and local cooperation. Through this program the Federal Government has provided vital assistance to States and localities which bear the major law enforcement responsibility in this area.

The Bureau's record of making successful cases, particularly in such hard-to-investigate fields as arson-for-hire, has been outstanding. BATF arson task forces have achieved conviction rates of 40 percent in Philadelphia, 60 percent in Chicago, 81 percent in Houston and 90 percent in Los Angeles, compared with an overall national rate of 22 percent in arson cases.



The members of the IACP believe this to be such an important function that the following resolution in support of the continuation of BATF's anti-arson activity was passed at the 88th annual conference of the IACP in New Orleans on October 1, 1981:

"Whereas, the International Association of Chiefs of Police is a professional law enforcement association comprised of chief law enforcement administrators from the United States and 66 nations; and

"Whereas, arson and arson-related crimes represent a significant and growing law enforcement problem in the United States; and

"Whereas, the widespread and indiscriminate character of arson crimes result in death and injury to targeted and innocent victims alike, thereby creating a serious hazard to public safety, causing billions of dollars in property loss yearly; and

"Whereas, arson schemes are often complex, multijurisdictional and geographically unconfined in nature, with the presence of organized crime and white collar criminals further compounding the problem for State/local agencies acting alone; and

"Whereas, the Bureau of Alcohol, Tobacco and Firearms active role through the application of arson task force units, national response teams, training, laboratory and technical expertise has provided in concert with other Federal agencies, invaluable assistance to State/local agencies in addressing violent arson crimes on a national basis: Now, therefore be it

"Resolved, That the International Association of Chiefs of Police opposes any curtailment to Federal anti-arson activity and support; and be it further

"Resolved, That the International Association of Chiefs of Police support and endorses the continued efforts of the Bureau of Alcohol, Tobacco and Firearms to address those elements of arson-related criminal activity that warrants Federal emphasis; and be it further

"Resolved, That copies of this resolution be forwarded to the President of the United States, the Attorney General of the United States, the Director of the Office of Management and Budget and to other appropriate parties interested in the prevention and control of arson."

The illegal use of explosives by terrorists and organized crime figures has been targeted as a major enforcement function of the BATF. I need not expand on the critical nature of this activity. All one has to do is look at the number of innocent individuals who have been killed or seriously injured due to the detonation of explosive devices.

I believe nothing speaks more eloquently for the vital role of the BATF than does the tragic incident of March 30, 1981. BATF traced the handgun used by John Hinckley, Jr. in his attempt to assassinate President Reagan within 30 minutes of receiving the report. BATF was also instrumental in tracing the firearms used in the assassination attempt of Pope John Paul II in Rome.

Further, since BATF's inception in 1972, the Bureau has processed more than 100,000 applications for gun dealer licenses, spot-checked their record-keeping practices, maintained the records of manufacturer sales which provide the basis for tracing weapons used in crimes, investigated sales and presented evidence in those cases to grand juries. BATF has also assisted local law enforcement agencies by making 60,000 traces of firearms a year.

In conclusion, the United States cannot afford the reduced funding levels or the reported furloughs of BATF personnel. Ironically, the reductions in funding and proposed furloughs will affect those BATF programs having the greatest impact on street crime, because it is these areas that invite the nefarious involvement of organized crime, career criminals, and terrorists. All areas are directly responsible for multi-million dollar losses through economic, violent and deadly crimes. These programs serve a proper Federal role in its relationship to State and local law enforcement. No single municipal, county, or State police agency can devote sufficient funds, personnel, and/or technology to a program of national responsibility.

In a statement before the Senate Judiciary Committee's Subcommittee on Criminal Law last year, Attorney General William French Smith stated:

"The Federal Government should not and cannot usurp the primary criminal justice authority of the States. But that does not mean each must go its separate way, paying no heed to how it might assist the other in such a matter of common concern. The Federal Government has a fundamental responsibility to investigate and prosecute . . . complex white collar crimes that defy the ability of State and local governments operating under more limited jurisdictional constraints to deal with effectively."

Thank you. I would be happy to answer any questions you may have.

Mr. HUGHES. In January of this year, IACP endorsed the Treasury plan for transfer of law enforcement to the Secret Service. I assume you still support that?

Mr. DARWICK. Yes, sir.

Mr. HUGHES. I assume that IACP has heard from its member agencies and personnel from around the country, as I have, expressing concern over what is happening to BATF? Aside from the resolution that you have introduced, which was adopted by your IACP, has your organization endeavored to precipitate perhaps some efforts directed to key Members of Congress to assist this agency?

Mr. DARWICK. Yes, sir, we have sent numerous telegrams, we have met with the staff people of the various subcommittees in both the House and the Senate, and we have regular contact with your staff, which has been helpful in directing us to the other staff people who are appropriate.

Mr. HUGHES. We have already seen a reduction in activities. In fact we have had a lot of testimony today on that. I know you have been present during that testimony.

Have your members also communicated to you the impact that they felt because of the cutbacks in these three areas—arson, explosives, and firearms?

Mr. DARWICK. Yes, sir, as I pointed out, there are hundreds of automatic weapons cases and explosive cases going uninvestigated. The local-level people depend to a greater extent on BATF than do the State-level people, but even the State-level people have a great relationship with the Bureau of Alcohol, Tobacco and Firearms.

Mr. HUGHES. Has the IACP endeavored to talk with some of the groups, such as NRA and other groups that have opposed the transfer?

Mr. DARWICK. Yes; we have, without much success with NRA, in particular.

Mr. HUGHES. Well, many of your members are members of NRA?

Mr. DARWICK. That is right, and some of those members have expressed their concern to the governing body of NRA strongly suggesting that they support the continuation of BATF.

Mr. HUGHES. Do you have any idea how many police officials are members of NRA?

Mr. DARWICK. No; I don't. Quite a few I suspect.

Mr. HUGHES. Is there any way you can find out?

Mr. DARWICK. Only if NRA keeps that record and determines occupation. I will make an attempt to do that and I will respond to Mr. Gregory.

Mr. HUGHES. I can probably do a pretty good job of giving you a record of members of NRA in my district. They do a good job of plastering me with communications from time to time. I think it is important, as I indicated earlier, that NRA and the other special interest groups that are interested in firearms have done a good job overall, over the years, in advancing the rights of those that are interested in firearms. They have advanced the interests of the sportsmen extremely well, and for the life of me, I don't understand their position in an area that is so vital to law enforcement, because what is happening equates very directly into fewer prosecutions of the people that are trafficking in these hideous crimes.



So, I would encourage you to continue with your efforts to put an end to what has been a time of uncertainty for these important functions.

Mr. DARWICK. Yes.

Mr. HUGHES. Thank you. I have no further questions.

Mr. DARWICK. Thank you, sir.

Mr. HUGHES. Our final witness today is Special Agent John J. Pitta, national vice president, [BATF], Federal Law Enforcement Officers Association. Mr. Pitta has been special agent for BATF for 13 years. Previously he served with the Federal Bureau of Narcotics and the Bureau of Narcotics and Dangerous Drugs.

We welcome you, Mr. Pitta, to the subcommittee today. We have your statement, which will be inserted in the record in full, and we hope you will summarize it for us.

**TESTIMONY OF SPECIAL AGENT JOHN J. PITTA, NATIONAL VICE PRESIDENT, FEDERAL LAW ENFORCEMENT OFFICERS ASSOCIATION**

Mr. PITTA. Thank you, Mr. Chairman.

The Federal Law Enforcement Officers Association welcomes the opportunity to address this subcommittee on the reorganization of BATF enforcement duties. My name is John J. Pitta, FLEOA national vice president—BATF.

The past year of turmoil has been hard for BATF special agents, but it may have been deadly for the American public. Activities in BATF districts are down 25 percent and this downturn affects the investigation of firearms, explosives, and arson violations. It also affects the level of support BATF can offer State, county, and local law enforcement.

Basically, my position is a field agent in the New York district office. One of my duties is liaison with State and local offices and I have seen over this period lab services going down. Officers call me, can we lift prints, can we do this. I have to call to find out what our budgetary restraints are. Do we have the ability to do it for these people.

**TRACING**

Tracing is another area where we find problems. I mean our records, we go in tracing from Washington to a manufacturer, and then we go down the line until we get to the end user, the dealer who sold the gun. We find out many times the dealer's records are not available, they are lost, or he doesn't have any. This affects directly your local constraints and the police that I service.

**TRAINING**

For years we have trained State and local officers in firearms, arson, explosives. The washout of LEAA has completely or almost stopped this program and officers constantly ask you, because basically lots of departments don't have the money, and they depend on us for our expertise.

From a consumer's perspective, Americans have been ill served by delays in reorganizing. Powerful special interests have blocked a sound reorganization plan ready to be put into effect as early as

September 1981. This plan was a sound merger of the Secret Service and the BATF. It protects civil liberties while improving enforcement efficiency and strengthens the enforcement of the Gun Control Act of 1968. No other alternative plan could touch that proposal being sound government and sound law enforcement.

As for the impact of furloughs and reduction in force, it has left the BATF agent cynical and embittered. In dollars and cents, it just means declining morale, initiatives, and productivity. Think what it must be like to investigate firearms, explosives, and arson cases while worrying whether you will have a job next week or next month.

Again, let me give you something personal. My wife is a retired member of the New York City Police Department. She went through the layoff periods. Luckily for us she wasn't laid off because of her seniority, but I saw in friends and acquaintances what it did to their family life. I have a very strong marriage. I am very lucky, but what about what it did to the weak marriage, what it did to the children. It is not fair to the man who dedicates himself to a profession, whether it is a special interest that causes it, to have things like the flip-flopping we see in the last few months.

I have been an ATF agent for 13 years. I have lived with that special interest who now all of a sudden likes me, wants to put his hand around me and tell me you might as well stay around. This is wrong.

Moreover, there would be little cost savings realized in reduction in force or furloughs. Furloughs for more than 30 days and RIF's are costly and disruptive. Correctly figuring, bumping, and retreating rights alone, are a nightmare. The exit of experienced law enforcement officers would mortgage the future capabilities of ATF or any other agency that would take over that responsibility.

In the New York office alone, we have no secretaries, not one. A major law enforcement office in this country does not have a secretary, does not have a text operator. We answer the phone in embarrassment. These are hard times. There is no doubt about it, but in thinking about furloughs, Congress is sending a clear message to the American people. You are saying that in exchange for a balanced budget, you are willing to accept trafficking in guns, bombs, and torching of property and the death and misery that goes along with that act.

Again, maybe I can give you a little personal insight as to what I mean by this. Just Friday in the district office we had an arrest. We brought the defendant in for processing. We had no film to take a picture of this defendant. That is grassroots. That is there.

I have a RIF memo in front of me that was sent from the Acting Director to the Assistant Secretary. In here it gives a breakdown of who, where and what. Let me give you that breakdown: 400 agents will be left out of approximately 1,200 right now; 6,500 inspectors, and 200 support personnel. I will give you what that percentage means.

The total Bureau will lose approximately 59 percent of their personnel; 71 percent come from criminal enforcement. For a Bureau that is dedicated to criminal enforcement, that is an atrocity, where we ever come to those figures. I am led to believe that those figures come from the Government's concern for collective revenue.



They tell me that this is the breakdown you get because you have to collect revenue, and law enforcement takes a back seat to the collection of revenue.

I heard you mention the complaint of abuse. I guess I have been an agent for 15 years and I have gone through with myself and my wife the attacks on law enforcement by many groups. Well, I guess in the last 2 or 3 years, as you talked about before, I really cannot remember a problem in the New York district office with the abuse of power. But I am sure there were one or two.

But when you look at that in the full field of law enforcement, that is negligible. I remember my wife on the city streets; there wasn't a day in her precinct that there wasn't some problem with a complaint or an accusation of abuse or corruption. So, when we look at the total picture, that is not too bad at all.

Joint operations are I guess a good thing to look at. Many times the Bureau will engage in a joint operation with Customs or whoever, NYPD. It is very embarrassing to tell another law enforcement group or another law enforcement jurisdiction that you don't have the money. How could you not have the money when gun control in this country is one of the most important things?

We have violent crime every day. We saw just yesterday an unfortunate accident between two officers, one killing the other in a fit of rage or whatever, a firearm being used. It is important to know what is happening.

We talk about licensing. Right now firearms licensing is issued for \$10 and a 45-day wait. There is no background check. It might be legislated or prescribed that you must do them. But because of budgetary constraints we are not doing them. We are issuing licenses indiscriminately. In 45 working days they must be back to the consumer.

I guess when I first started with ATF, the agent was the one who went out to the dealer, reviewed his records, reviewed his application to be a dealer. I think the dealer saw who I was, realized where I was coming from, and what he had to do. I took the time to tell him how to keep records. If he ran into a pitfall or problem, he called me directly. Many instances I have had that. He wants to know, John, am I doing the right thing, how do I enter this, or how do I do that.

It was a good situation. The man didn't feel intimidated by my looking at his records. He knew I was doing my job.

Well, Mr. Chairman, I think I have sort of testified a little differently. I have given you some of my own personal experiences and a little bit of the prepared text.

I thank you, and I offer our assistance in your campaign for an effective law enforcement outfit.

[The statement of Mr. Pitta follows:]

PREPARED STATEMENT OF SPECIAL AGENT JOHN J. PITTA, FLEOA NATIONAL VICE PRESIDENT—BATF

The Federal Law Enforcement Officers Association appreciates the opportunity to testify before this subcommittee, today. We, in FLEOA, feel that the best interests of the public, this subcommittee, the Treasury Department, our members and special agents of the Bureau of Alcohol, Tobacco and Firearms are served by permitting us—an organization representing working field agents—to share our observations, opinions, knowledge and experience with you.

My name is John J. Pitta. I am a special agent with the Bureau of Alcohol, Tobacco and Firearms in the New York District Office. I am also the National Vice President—BATF for the Federal Law Enforcement Officers Association. I have been a federal agent since 1967. My first two years in law enforcement were spent with the Federal Bureau of Narcotics. In 1969 I transferred to BATF where I have served ever since. I have a BS Degree from the State University of New York, at Albany, and I am working toward a Master in Public Administration at John Jay College of Criminal Justice, in New York.

Before I begin my discussion of the impact this year's turmoil has had on our special agents I would like to tell you something about the Federal Law Enforcement Officers Association. This is a professional association established to provide legal protection to federal law enforcement officers and criminal investigators. It conducts policy analyses in areas of federal law enforcement. It attempts to build public appreciation for the problems and accomplishments of federal law enforcement. It seeks to improve working conditions and job performance through better communications between field agents and their agencies. And, it provides the agents perspective on policies, procedures, management, budgets, priorities and programs to both executive agencies and legislative staffs and committees. This last item is undertaken through seeking consultation rights, informal dialogues, and opportunities to testify.

In all, the Federal Law Enforcement Officers Association represents over 5,000 federal law enforcement officers and criminal investigators including those in BATF. That equals fully 25 percent of the some 19,600 law enforcement officers and criminal investigators in federal service. Our members—men and women—are drawn from 29 federal agencies working in the United States and overseas. Since the Federal Law Enforcement Officers Association was founded in 1978, it has grown at a rate which at times exceeded 100 new members per month. This rapid growth, at least in part, reflects the tremendous pressures with which federal law enforcement officers and criminal investigators must deal. It reflects the working agents need for a professional association which understands the pressures at his or her level.

Gentlemen, I can assure you it has been a rough year for the BATF special agent. I would guess it has been a costly one for the American people also. Nationwide the activities of BATF districts are down 25 percent. If you consider that 1,200 agents working at full capacity are strained by rising case loads, then the downturn in enforcement activity must be affecting the public. Cuts in manpower and money, declining morale and other factors must have an impact in terms of violent crime. It must result in undetected firearms, explosives and arson violations. This is the direct cost. But there are indirect costs, too. When BATF cannot provide the level of support which is needed by their colleagues at the state, county, and local levels, the taxpaying public pays indirectly a second time.

Look at this from the consumers perspective. The American public is just not getting the level of service it should be receiving for the tax dollars it is paying. After a year of plans and counterplans the enforcement duties of the Bureau of Alcohol, Tobacco and Firearms still have not been reorganized. Powerful special interests have blocked the thoughtful reorganization plan which was ready to go as early as September, 1981. Under the pull and tear of these special interests, this plan, one put forth by enforcement professionals, was stymied. Then alternate plans began to appear. Other forces came into play and little was accomplished. No individual legislator or coalition of legislators, as far as I know, ever made it clear that enough was enough. No one stood up and stated unequivocally that firearms, arson and explosives represented problem areas too deadly to be treated as a political football. The year of inaction on plans to reorganize BATF's enforcement duties continues to hurt the special agent, but it may well be killing the public.

So what were the various plans for reorganization? Which made the most sense to the working criminal investigator, at least to criminal investigators in our organization?

Let me begin in the past. Prior to any efforts to reorganize enforcement duties of BATF, firearms licensing was undertaken without the involvement of criminal enforcement units of BATF. This unhealthy division of regulatory and investigative function was eliminated in the reorganization plan announced in September, 1981. The Treasury Department's plan held that enforcement and licensing was to go under the United States Secret Service along with special agents, technical personnel, and a percentage of those involved with licensing.

Most of our special agents enthusiastically supported this plan. Its benefits were patently obvious. It consolidated firearms licensing and enforcement. And then, by merging it with the general area of Secret Service enforcement, it married the



duties of protection, threat assessment, and technical support with the control of firearms, the control of explosives, and the investigation and control of arson. It was a logical, prudent wedding of functions. It was good government.

Why? Because the BATF special agents regularly supplemented Secret Service details during periods of manpower need. BATF special agents and U.S. Secret Service special agents worked together on stationary and travelling details. Today, they are working together on such details.

The Treasury Department's reorganization plan also provided for the protection of civil liberties while improving delivery of enforcement services. Although it consolidated enforcement functions, thereby improving efficiency, it did so strictly within the Treasury Department and not by proposing further mergers outside the Treasury family.

As you may know a great deal of the work of the U.S. Secret Service special agent goes toward risk assessment. Quite often the risks are posed by firearms and explosives. These assessment duties would almost assuredly be improved by having BATF licensing, investigations and technical services merged with the U.S. Secret Service.

There were intangible benefits to be realized also. The Bureau of Alcohol, Tobacco and Firearms has been and continues to be very popular with state, county and local law enforcement who depend upon it for assistance. The U.S. Secret Service enjoys tremendous stature as an enforcement organization. Together this would have been a winning combination for the law enforcement community and the American public in general.

Now let's examine the Treasury Department's reorganization proposal from a political perspective. Would the merger of U.S. Secret Service and BATF criminal enforcement have opened Secret Service to political sniping by special interest groups? Would the U.S. Secret Service have become the target of lobbyists opposed to enforcement of firearms laws?

My belief is that they might have, but I also believe the U.S. Secret Service and the Treasury Department would have prevailed over that vocal minority and those special interest groups. The authority of the U.S. Secret Service, the importance of its mission and the status of its special agents would have been more than a match for those who took continuing umbrage with the Gun Control Act of 1968. Placed under the authority of the United States Secret Service, enforcement of the Gun Control Act, and the Gun Control Act, itself, would have been strengthened. Special interests understood this, I believe, and wanted a weak and divided, not a strong and cohesive organization with which to deal. They wanted their old whipping boy, or something like it. They did not want to tangle with the Secret Service. Faced with the latter, eleventh hour opposition to the Treasury Department's plan developed.

This brings me to the next reorganization proposal. An alternate proposal suggested that 370 special agents from BATF go to U.S. Secret Service for explosives and arson enforcement, 400 special agents go to Secret Service for general duties, and 500 stay behind in a new Treasury Office of Compliance to handle firearms duties. This proposal I will call the "Divide and Conquer Plan." It illogically cleaves the function of explosive investigations from firearms investigations. It overloads an insufficient number of special agents to such a degree that firearms control would virtually come to a standstill. It causes all personnel, including special agents, to deal with all the problems attendant with the formation of any new government agency. And, it would wipe out the Gun Control Act of 1968 as an effective law of the land without Congress ever rescinding it. As a special agent of BATF, as a National Officer in FLEOA and as a citizen I hardly believe this reflects the will of the American people I know.

Let me give you some more reasons why this second plan lacks merit. The technical identification of firearms, the investigation of explosions and explosives, and the determination of causes and the control of arson has developed as a uniform body of technical and enforcement skill within BATF and its technical services. Threatening to break up this body of technical and investigative expertise is like King Solomon actually cutting the baby in half. My feeling is that it is better to leave the baby in one piece in anyone's domain than to divide it. I should hasten to add that dividing these services will make it all the more difficult to maintain liaisons with, and provide technical assistance to state, county and local law enforcement. I hardly feel this to be a good idea when more and more enforcement responsibilities will be devolving back on those levels—your constituencies—in the years ahead. Finally, if 1,200 special agents are having trouble keeping up with the enforcement of arson, explosives and firearms now, how will dividing them up make the load any lighter?

It cannot; and that is why the third plan, while not as good as the original Treasury proposal, offers many more advantages than the second. The third plan calls for

all special agents from BATF to go the U.S. Secret Service. It leaves the existing Bureau of Alcohol, Tobacco and Firearms with only compliance duties. This compromise makes some sense. It allocates enough people with expertise to one agency so that something positive can be done. What it does not offer is the clear advantage of having licensing fused with investigation.

Now let me move on to the impact furloughs and reductions-in-force have on working special agents of BATF. Try to imagine what it must be like to choose a career which you perceive as special, one that may call upon you to risk your life, only to find out that your job is easily expendable.

Try to imagine what it must be like for someone like me with a wife and five children. I have a mortgage. I have bills. I have to worry whether my family will have health benefits in a few months. Try to think what it must be like trying to manage a family while worrying everyday whether I will have my job next week or next month. Try to imagine how frustrating it must be to go through this anguish when the suffering may be caused by the whim of special interests or the quibbling of committees. Try and imagine what it is like attempting to investigate the criminal cases which affect your voters with this preying on your mind. Just try and think of the impact this has. Think what it must be like to worry whether I should stay with BATF, try and continue my commitment to law enforcement elsewhere, or begin to rethink my entire professional life in a depressed marketplace.

I can assure you that the threat, or reality of reductions-in-force or furloughs has left the enforcement agent cynical and embittered. In dollars and cents terms this means declining morale, declining initiatives, declining productivity.

One need not be an expert in personnel management to know that when an employer is perceived to have broken faith with an employee the working relationship is damaged. In any service business this means productivity is likely to decline. The longer this goes on with BATF, the greater the strains and the greater the harm done to BATF enforcement and all federal law enforcement.

Let me be more concrete. As of April 13, 1982, the BATF was funded at a level of \$115,654,000 through the end of fiscal year 1982. There were no guarantees that supplemental appropriations would be approved. This meant that as early as July, 1982, BATF would have to furlough as many as 1,600 employees for the rest of the fiscal year. Already in the New York District there is not one secretary to be found. They have all left. So as far as we—the special agents—are concerned, these furloughs would leave approximately 400 special agents doing the work normally undertaken by 1,200 or more, for a period of three months. Moreover, the complicated and cumbersome procedures that must be followed to furlough employees for more than 30 days are about the same as those required for a reduction-in-force.

But will the cost savings derived from furloughing BATF personnel, especially agents and those involved with enforcement support, make it worthwhile? The answer in my opinion is a resounding, no!

First, in a furlough situation, as I understand it, benefits continue for up to a year. Correctly figuring "Bumping" and "Retreating" rights is an administrative nightmare, costly, time consuming, and totally disruptive to the normal functioning of any agency. During periods of furlough skilled law enforcement officers will leave service never to return. This exodus of experienced officers is likely to place a heavy mortgage on future enforcement capabilities of BATF or that organization which assumes BATF's criminal enforcement duties. The cost of furloughs or RIF's on the control of violent crime is beyond calculation.

To sum up, I believe that of all the reorganization plans proposed, the Treasury Department's possesses the most merit. It is managerially sound, financially well designed, solid from an enforcement position and in the best interests of our nation and our members. The compromise version I spoke of third, is workable. The second reorganization plan which sends special agents hither, thither and yon is absolutely unacceptable from the enforcement perspectives I have and from those expressed to me by BATF members of FLEOA.

We in FLEOA recognize these are hard times. The entire government is caught between inflation and austerity. But in thinking about furloughs or RIF's for federal law enforcement personnel and firstline support people you are trading lives for dollars. You are sending a message to Americans which says that for a balanced budget we in Congress are willing to accept trafficking in guns, bombs, torching of properties and all the misery, death and destruction that must accompany it.

Mr. HUGHES. Thank you, Mr. Pitta. We are grateful to you, because you really have given us some personal insight. You have done well representing your organization here today, because it is personal insight that we wanted to hear.



I hope you will communicate to your members what I indicated to the previous panel, my own personal concern and the concern of this subcommittee, and it is our hope that we can put to rest the issues that have developed over BATF. We think also that you and your agents do an outstanding job. We probably receive more praise directed to your agency from local law enforcement agencies than any other Federal agency, because you have developed a good working rapport with the local and State law enforcement officials.

We are grateful for your testimony; we are grateful for your work, and we wish you well.

We understand you have your daughter with you today.

Mr. PITTA. Yes, that is Mary Beth Pitta, our mainstay.

Mr. HUGHES. Mary Beth, you are a pretty young lady; you must be very proud of your dad. You should be.

Thank you very much.

That concludes our testimony for today.

The subcommittee stands adjourned.

[Whereupon, at 12:05 p.m. the Subcommittee on Crime of the Committee on the Judiciary adjourned.]

## ADDITIONAL MATERIAL

DEPARTMENT OF THE TREASURY,  
Washington, D.C., February 19, 1982.

Re 81-11-25A.

Ms. JUNE D. W. KALJARVI,  
KALJARVI & DELATE,  
Washington, D.C.

DEAR Ms. KALJARVI: This is in response to your letter of January 5, 1982, requesting a copy of the Bureau of Alcohol, Tobacco and Firearms Management Review Report. In your letter you appealed the decision of the Assistant to the Director (Legislative Programs), who in a letter dated December 2, 1981, denied your request for the report.

After careful consideration of this matter, I have decided to release portions of the report to you. I have determined that the remainder of the report, however, contains advice, opinions and recommendations given in the course of Government decisionmaking and that release of the remainder of the report would be injurious to the consultative functions of Government. I believe, therefore, that the remainder of the report is exempt from disclosure pursuant to 5 USC 552(b)(5), which permits an agency to exempt from disclosure inter-agency or intra-agency memoranda or letters which would not be available by law to a party other than an agency in litigation with the agency.

A copy of the report, with the deletions noted above, is enclosed. A bill for the photocopies will be sent to you under separate cover.

You may seek judicial review of this decision in the district court of the United States in the district in which you reside, or have your principal place of business or in the District of Columbia.

Sincerely yours,

JOHN M. WALKER, Jr.,  
Assistant Secretary (Enforcement and Operations).

DEPARTMENT OF THE TREASURY,  
Washington, D.C., October 22, 1981.

Memorandum for: John M. Walker, Jr., Assistant Secretary (Enforcement and Operations).

From: Robert E. Powis, Deputy Assistant Secretary (Enforcement).  
Subject: Executive Summary—ATF Management Review.

Pursuant to your direction on July 9, 1981, a Management Review Team was formed by me consisting of nine people from the Office of Enforcement and Operations, senior staff people with personnel and management backgrounds from the Office of Administration and legal advisers from the Office of General Counsel. This group has conducted a management review of the criminal enforcement functions of ATF from July 17 until the present.

In the course of this review approximately 150 ATF employees and an additional 30 external contacts were interviewed. The review included a study of the following functions and policies of ATF: authority, mission, organizational structure, personnel policies, public and Congressional relations, financial management, productivity and management effectiveness.

The conclusions and recommendations of the Management Review Team appear in Tabs XIII and XIV of the attached report.



## ATF MANAGEMENT REVIEW REPORT

## I. INTRODUCTION

Discussion with staff members led Assistant Secretary John M. Walker, Jr., to direct that a management review be conducted of the criminal enforcement activities of ATF to determine if in fact there was a basis for the information being received and to determine the overall effectiveness of ATF's criminal enforcement program. Assistant Secretary Walker directed Deputy Assistant Secretary for Enforcement, Robert E. Powis to conduct the management review and to select a team composed of staff members from the Office of Enforcement and Operations, senior staff people with personnel and management backgrounds from the Office of Administration, and legal advisers from the Office of General Counsel. The group was to conduct the study and make recommendations based on their findings. Mr. Walker ordered the formation of this group on July 9, 1981.

The members of the team selected by Mr. Powis and approved by Mr. Walker are as follows:

Seymour Bolten, Senior Adviser to the Assistant Secretary (Enforcement & Operations).

Stephen Bashein, Management Analyst, Office of Management and Organization.

John Mangels, Director, Office of Operations (Enforcement & Operations).

Barbara Coughlan, Personnel Management Specialist, Office of Personnel.

Charles J. Sorrentino, Enforcement Policy Adviser (Enforcement & Operations).

Joan M. Sinnar, Assistant to the Director (Policy Analysis), Office of Operations (Enforcement & Operations).

Jordan Luke, Assistant General Counsel (Enforcement & Operations), Office of General Counsel.

Terry Thiele, Attorney Adviser, Office of General Counsel (Enforcement & Operations).

Mr. Thiele joined the Management Review Team in August 1981.

The Management Review Team held its first meeting on July 17, 1981.

## II. METHODOLOGY

Steps by the Management Review Team to determine if in fact there were problems at ATF as reported and to assess the effectiveness of ATF are listed as follows:

1. The collection and review of background materials such as briefing papers, budget papers, directives, bureau memoranda and other documents which would give information on the decision-making structure, management planning system, bureau programs and policy, and resource allocation.

2. A review of relevant management inspection reports and available GAO reports.

3. A collection and review of performance statistics and an analysis of agency accomplishments.

4. The most important information gathering process involved extensive interviews with a wide variety of ATF personnel. A number of managers and staff at the headquarters level were interviewed as well as a number of enforcement managers, supervisors and working agents at a variety of locations throughout the country. Interviews were conducted with criminal enforcement personnel in New York, Chicago, Los Angeles, San Francisco, Miami, Atlanta, Detroit, Cleveland, Houston, New Orleans, Tulsa, San Diego, Long Beach, Falls Church, Virginia, and Washington, D.C.

5. Interviews were also conducted with external contacts. These interviews included Justice Department officials, Congressional sources, state and local police officials, and local prosecutors. Interviews of the above officials were conducted in Washington, Los Angeles, Miami, New York, Chicago, Cleveland, Detroit and San Francisco.

## III. STATUTORY AND DELEGATED AUTHORITY

*Establishment of the Bureau*

The Secretary of the Treasury is statutorily empowered to enforce those provisions of the United States Code dealing with firearms, explosives, alcohol and tobacco. He delegated such authority to the Director of the Bureau of Alcohol, Tobacco and Firearms pursuant to Treasury Department Order No. 221 (June 6, 1972).

"By virtue of the authority vested in me as Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950, it is ordered that:

"1. The purpose of this Order is to transfer, as specified herein, the functions, powers and duties of the Internal Revenue Service arising under laws relating to alcohol, tobacco, firearms, and explosives (including the Alcohol, Tobacco and Firearms Division of the Internal Revenue Service), to the Bureau of Alcohol, Tobacco and Firearms (hereinafter referred to as the Bureau) which is hereby established. The Bureau shall be headed by the Director, Bureau of Alcohol, Tobacco and Firearms (hereinafter referred to as the Director). The Director shall perform his duties under the general direction of the Secretary of the Treasury (hereinafter referred to as the Secretary) and under the supervision of the Assistant Secretary (Enforcement, Tariff and Trade Affairs, and Operations) (hereinafter referred to as the Assistant Secretary).

"2. The Director shall perform the functions, exercise the powers, and carry out the duties of the Secretary in the administration and enforcement of the following provisions of law:"

*Firearms*

The Bureau's Firearms Enforcement Program is responsible for enforcing the following laws:

(1) 18 U.S.C. Chapter 44 (Title I of the Gun Control Act of 1968) [commerce in firearms and ammunition];

(2) 26 U.S.C. Chapter 53 (National Firearms Act), as amended by Title II of the Gun Control Act [machinesguns, destructive devices and certain other firearms];

(3) 18 U.S.C. Appendix §§ 1201-03 (Title VII of the Omnibus Crime Control and Safe Streets Act of 1968), as amended by Title III of the Gun Control Act [unlawful possession or receipt of firearms];

(4) 22 U.S.C. § 2778 (Arms Export Control Act).

Title I of the GCA of 1968 (18 U.S.C. Chapter 44) is entitled "State Firearms Control Assistance" and supplants the Federal Firearms Act of 1938. The purpose of this title is explicitly stated in section 101:

The Congress hereby declares that the purpose of this title is to provide support to Federal, State, and local law enforcement officials in their fight against crime and violence, and it is not the purpose of this title to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms appropriate to the purpose of hunting, trapshooting, target shooting, personal protection, or any other lawful activity, and that this title is not intended to discourage or eliminate the private ownership or use of firearms by law-abiding citizens for lawful purposes, or provide for the imposition by Federal regulations or any procedures or requirements other than those reasonably necessary to implement and effectuate the provisions of the title.

Title I, in general terms, requires that: all importers, manufacturers and dealers be licensed; all firearms transactions passing through interstate or foreign commerce be between GCA licensees only; all GCA licensees keep records of all firearms transactions, regardless of whether they involve interstate commerce; and all GCA licensees not convey firearms to minors, residents of other states, felons, fugitives, narcotic addicts, mental incompetents, or in violation of State law.

In many ways, the heart of the Gun Control Act is Title I, the licensing mechanism. As the declaration of purpose points out, licensee recordkeeping is primarily intended to provide support to Federal, State and local law enforcement officials. The utility of an interstate recordkeeping system should be obvious for cost-effective support of State and local firearms enforcement programs as well as criminal law enforcement in general.

The penalties provision of Title I (18 U.S.C. § 924) only offers a felony indictment as a penalty for lax recordkeeping. While § 923 allows the Secretary to revoke a firearms license, neither of these penalties can be effectively used to encourage future compliance; rather, they completely terminate a licensee's activities. The net effect is that a single compliance violation can legally result in the loss of the licensee's livelihood or a felony conviction or both. The Bureau has no statutory discretion to mitigate these penalties. This problem is exacerbated by the Act's silence as to the meaning of the phrase "engaged in the business" which is crucial to defining the affected activities.

The National Firearms Act of 1934, as amended by Title II of the GCA (26 U.S.C. Chapter 53) has no statement of purpose, and the legislative history of the GCA gives no explanation of Title II. The legislative history of the 1934 Act is, however, straightforward. House Report No. 1780, (May 28, 1934), 73d Cong. 2d session, p. 1, states that: "(t)he gangster as a law violator must be deprived of his most dangerous weapon, the machine gun. Your committee is of the opinion that limiting the bill to the taxing of sawed-off guns and machine guns is sufficient at this time. It is not



thought necessary to go so far as to include pistols and revolvers and sporting arms. But while there is justification for permitting the citizen to keep a pistol or revolver for his own protection without any restriction, there is no reason why anyone except a law officer should have a machine gun or a sawed-off shotgun." [Italic added.]

Whether this intention was carried over to the GCA is open to interpretation. On one hand, the occupational and transfer taxes were retained. On the other hand, the tax amounts were not increased to reflect a financial disincentive commensurate to that created by the initial Act in 1934.

Title II, in general terms, requires that: "All NFA weapons, which includes just about everything other than handguns and full-length shotguns and rifles, must be registered; all importers, dealers and manufacturers of NFA weapons must be licensed and pay an occupational tax; and NFA weapons cannot be imported, transferred or manufactured unless they are registered and unless a tax is paid."

Title III of the GCA (18 U.S.C. App. §§ 1201-03) amends Title VII of the Omnibus Crime Control & Safe Streets Act of 1968. The cumulative effect of the two titles is to prohibit certain persons from possessing firearms. The disenfranchised class is comprised of felons, persons under indictment, dishonorable discharges, mental incompetents, illegal aliens, and individuals who have renounced their citizenship.

The Bureau also enforces other laws which augment the aforementioned statutory scheme.

(1) 18 U.S.C. § 1001 [penalizing willful falsification of statements or writings];  
(2) 18 U.S.C. § 3611 (firearms possessed by convicted felons) [seizure and forfeiture];

(3) 26 U.S.C. § 5685 [penalizing the use of certain devices, explosives, and firearms by a liquor law violator to avoid capture];

(4) 26 U.S.C. §§ 7652-53 [concerning shipments to and from the United States involving violations of the National Firearms Act];

(5) 49 U.S.C. Chapter II [seizure and forfeiture of carriers transporting, etc., contraband articles as defined by the National Firearms Act];

The Arms Export Control Act (22 U.S.C. § 2778) regulates the importation and exportation of most firearms, ammunition and implements of war. The primary enforcement agency is the United States Customs Service. Bureau investigations suggesting export violations are referred to the Customs Service for coordination.

#### Explosives

The Bureau's Explosives Enforcement Program is responsible for enforcing 18 U.S.C. Chapter 40 (Title XI of the Organized Crime Control Act of 1970) and 26 U.S.C. Chapter 53 (Title II of the Gun Control Act) [insofar as it concerns "destructive devices"].

Congress stated the purpose of the Organized Crime Control Act to be: " \* \* \* to seek the eradication of organized crime in the United States by strengthening the legal tools in the evidence-gathering process, by establishing new penal prohibitions, and by providing enhanced sanctions and new remedies to deal with the unlawful activities of those engaged in organized crime."

Title XI of the Act is entitled "Regulation of Explosives" and its specific purpose is described in section 1101:

"The Congress hereby declares that the purpose of this title is to protect interstate and foreign commerce against interference and interruption by reducing the hazard to persons and property arising from misuse and unsafe or insecure storage of explosive materials. It is not the purpose of this title to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, storage, or use of explosive materials for industrial, mining, agricultural, or other lawful purposes, or to provide for the imposition by Federal regulations of any procedures or requirements other than those reasonably necessary to implement and effectuate the provisions of this title."

Title XI, in general terms, requires that: All importers, manufacturers and dealers in explosive materials be licensed; all users of explosive materials obtain a permit; all licensees keep records of explosive material transactions; all licensees not convey explosive materials to minors, felons, fugitives, drug users, mental defectives, or in violation of state law; all explosive materials be stored in accordance with regulations promulgated by the Secretary.

Title XI also provides criminal sanctions for the destruction of property with an interstate commerce nexus by the use of explosives (as broadly defined).

Finally, Title XI authorizes the Secretary to inspect sites where explosive materials are believed to have been detonated or stored in an illegal manner.

Title II of the Gun Control Act (26 U.S.C. Chapter 53) has already been described in the preceding section. It applies to the explosives program insofar as it penalizes

possession, use or transfer of an unregistered destructive, explosive or incendiary device.

Other statutes enforced by the Bureau which augment the explosives program are as follows:

(1) 18 U.S.C. § 1952 (interstate travel to aid racketeering enterprises) [interstate arson];

(2) 18 U.S.C. § 1961 (racketeer influenced and corrupt organizations) [arson as racketeering activity];

(3) 26 U.S.C. § 5685 [penalizing the use of certain devices, explosives and firearms by a liquor law violator to avoid capture];

(4) 26 U.S.C. §§ 7652-53 [concerning shipments to and from the United States involving violations of Title II of the Gun Control Act].

#### Alcohol

The Bureau's Illicit Alcohol Enforcement Program is responsible for enforcing 26 U.S.C. Chapter 51 (distilled spirits, wine and beer). The program is intended to suppress the manufacture and distribution of nontaxpaid distilled spirits in order to protect the revenue as well as public health.

Chapter 51 contains thorough controls on the distilled spirits, wine and beer industries. Penalty, seizure and forfeiture provisions applicable to Chapter 51 are in Part I.

Additional statutory provisions concerning alcohol that are enforced by the Bureau are: (1) 18 U.S.C. Chapter 59 (liquor traffic); (2) 18 U.S.C. § 1952 and 1961 (relating to liquor) [See explosives section above]; (3) 18 U.S.C. § 3615 (liquor and related property) [fines, penalties and forfeitures]; (4) 27 U.S.C. Chapter 8 (Federal Alcohol Administration Act).

#### Tobacco

The Bureau's Tobacco Enforcement Program is responsible for enforcing 18 U.S.C. Chapter 114 (trafficking in contraband cigarettes) and 26 U.S.C. Chapter 52 (tobacco, cigars, cigarettes, etc.).

Chapter 114 codifies a law passed in 1978 which penalizes interstate trafficking in cigarettes on which the appropriate state taxes have not been paid.

Chapter 52, on the other hand, generally regulates the tobacco industry in order to protect the revenue. The Bureau also enforces 26 U.S.C. §§ 7652-53 in relation to shipments to and from the United States involving violations of Chapter 52.

#### Wagering

Pursuant to Treasury Department Order 221-3 (Revision 1) (February 21, 1976) the Bureau was delegated the authority formerly exercised by the Internal Revenue Service to enforce the wagering provisions of the Internal Revenue Code, 26 U.S.C. Chapter 35. The Bureau initiated a Wagering Enforcement program to protect the revenue and to suppress organized crime. The program was directed at significant violators involving widespread tax evasion, and wagering investigations we carried out in cooperation with the IRS and the organized crime strike forces.

The program was transferred back to IRS within the year.

#### IV. MISSION

##### A. Historical development

The Bureau of Alcohol, Tobacco and Firearms was created in June, 1972, out of the Alcohol, Tobacco and Firearms Division of the Internal Revenue Service. With the exception of wagering and cigarette trafficking, the Bureau's law enforcement responsibilities have never changed from those exercised by its predecessor division. Over the years the Bureau has initiated numerous programs in response to changes in law enforcement priorities by the various administrations, the Department of Justice, or within the Bureau itself. A roughly chronological description of the Bureau's evolving programs and priorities follows.

##### Omega

Project OMEGA (Outlaw Motorcycle Gangs) was developed in early 1973 as the first coordinated nationwide effort to disrupt organized criminal activity by motorcycle gangs. The project was primarily focused on the West Coast where motorcycle gangs were most active. By utilizing undercover penetration, the project sought to target motorcycle gang members engaged in criminal activity who were vulnerable to firearms or explosives prosecution; remove them from circulation; and thereby disrupt the gang organizations.



### *Interstate firearms theft*

This program commenced in mid-1973 in response to the flow of crime guns resulting from interstate firearms shipment thefts. The programs sought to target individuals who received, concealed, stored, sold or disposed of stolen firearms moving in interstate commerce.

### *Project "I"*

Project Identification (I) was a cooperative study begun in 1973 with selected police departments. The project's goals were to determine the types of guns used in criminal activity and their sources.

In 1976 Project I was revamped to trace types, sources, purchasers and second owners of firearms in connection with the CUE program, described below.

### *SCAD/SCEP*

The Significant Criminal Enforcement Program—Armed and Dangerous, known first as SCAD and later as SCEP, was initiated in 1974 for two major reasons: to investigate those significant violations in which there was a paramount federal prosecutive interest; and to assist state and local enforcement officials in enforcing state and local firearms and explosives laws. The program was originally designed to identify and monitor significant criminals within each locality and to pursue firearms or explosives prosecutions against those who were vulnerable.

Significant criminals were defined as individuals who were either (1) felons who had committed violent crimes; (2) felons who had committed crimes with a high potential for violence; or (3) explosives or firearms licensees who were committing willful violations.

### *ITAR*

ITAR (International Trafficking in Arms) grew out of a 1974 project called "Guns to Mexico" which was initiated to combat the illegal exportation of firearms. The program provides intelligence and support to Customs and the State Department in their efforts to interdict international gun trafficking. The program is still functioning and has been expanded to include trafficking to Europe, Africa, the Middle East, Central and South America.

### *NIS*

Between 1976 and 1979 the Department of Justice emphasized enforcement of white collar, organized crime, and multiple defendant cases. Cases which paralleled state and local jurisdiction were deferred. This policy shift resulted in the Bureau's National Investigative Strategy (NIS). The strategy sought to concentrate Bureau resources upon those areas of primary Federal interest to increase the complexity and impact of prosecutions; resulting in the apprehension of major illegal users and traffickers, interdiction of sources, and increased action against licensed and nonlicensed GCA violators. A major element to this strategy was an ill-fated proposal to computerize the case tracking system. The strategy took form in the following three programs: CUE, Interdiction, and the OC program.

### *CUE*

Project CUE (Concentrated Urban Enforcement) arose from a June, 1975 address by President Ford to Congress wherein he pledged to decrease the misuse and illegal traffic in firearms and explosives by urban area criminals. The program relocated law enforcement personnel from rural to certain selected urban areas with significant criminal problems to effect a concentrated campaign against urban street crime. The project had four major components: perfection of criminal cases against individuals using firearms in the commission of crimes; tracing crime-related firearms in CUE cities to identify type, source, and flow of these weapons (see Project I above); identification and interdiction of flow of firearms from these sources; and intensified inspection of firearms dealers for educational and recordkeeping verification purposes.

### *Interdiction*

Interdiction grew out of a shift in Department of Justice enforcement priorities in 1976 away from street crime toward white collar and organized crime. Interdiction (see CUE above) sought to identify the major sources of crime guns located outside of targeted urban areas and interdict the flow of such guns before they reached the street criminals. The program was largely unsuccessful because the traffic in crime guns was not a nationwide problem of significant proportions.

### *OC program*

The OC (Organized Crime) program primarily consisted of the Bureau's benign participation since 1976 in Justice Department strike forces. In order to increase the quality and quantity of ATF strike force participation, uniform case investigation guidelines were developed in 1978.

### *Arson program*

The arson program was developed prior to 1977 to deal with arson-for-profit. The Bureau argued that complex arson-for-profit schemes and the violent, explosive nature of arson related crimes constitutes a significant threat to public safety, which state and local law enforcement are ill equipped to combat.

Together with the involvement of organized crime and white collar criminals, arson-for-profit schemes demand Federal intervention. Arson incidents involving destructive devices, incendiary devices, explosives, or accelerants with explosive potential generally result in violations of Title II or Title XI, as described in the preceding chapter. The Bureau consequently prioritized arson investigations of industrial or commercial incidents involving suspects associated with organized crime, white collar crime or arson rings. This program is perhaps the most successful and widely acclaimed of any of the programs which the bureau currently has in operation. It is seen in a favorable light by the Congress, the media, state and local police and by Federal, state and local prosecutors.

Attendant to the arson program, the Bureau has assembled four 10-man National Response Teams (NRT) of special agents to investigate major bombings or explosions throughout the country. The main objectives of the NRT are: (1) to concentrate ATF resources and expertise on those investigations clearly beyond the capacity of State and local law enforcement agencies, and; (2) to provide immediate nationwide response with the best personnel and equipment available.

### *SEAR*

Project SEAR (Stolen Explosives and Recoveries), initiated prior to 1977, is a Bureau-wide effort to combat the problem of explosives thefts and losses; to aid in the recovery of such materials; to assist investigations of criminal bombings or accidental explosions; to determine trends and patterns of such thefts, and to assist State, local, foreign and other Federal agencies in related investigations. The project requires licensees, permittees or any person with knowledge to report such thefts or losses to the Bureau. SEAR incidents are immediately entered on TECS and the nearest field office is notified to investigate.

### *Narcotics support program*

This program, initiated in 1979, sought to target DEA Class I violators for possible firearms prosecutions. DEA provided target lists which the Bureau examined for potential investigations.

This program was modified in August 1981 to include DEA Class II narcotics traffickers for targeting purposes. The program name has been changed to the Narcotics Impact Program.

### *Outlaw motorcycle gangs*

This program is a rejuvenation of the OMEGA program, instigated by a very successful 1979 investigation of the Hells Angels in California. This program is both important and successful. A measure of its success may be seen by the fact that the FBI as of April, 1981 has entered on a nationwide program of targeting and infiltrating outlaw motorcycle gangs with a view toward RICO prosecutions.

### *Extremist/terrorist groups*

The Bureau has attempted to target extremist and terrorist groups since 1979. The reemergence of such groups prone to violence and their probable vulnerability to firearms and explosives laws justified encouraging investigations in this area.

### *Criminal firearms traffickers program*

The "Top Traffickers" project was started in 1980 to target major sources of firearms for criminal gun users. Once a top trafficker is identified, he is monitored constantly until an investigation can develop a successful prosecution against him. Top traffickers are identified through the following indicia: (1) Maintains recurring illegal firearms dealings within the scope of ATF jurisdiction; (2) effects 2 plus police jurisdictions or a national border; (3) deals in 25 plus firearms per incident or has an equivalent reputation; (4) avoids GCA trace provisions by illegal means.



## CIP

Two years ago the Director created an Office of Planning and Evaluation to assist Criminal and Regulatory Enforcement supervisors in developing well reasoned harmonious programs and policies. Planning and Evaluation has been working on generating a strategic mission statement for the Bureau. One of the initial products of this new look to bureau program and policy making has been the Crime Impact Program (CIP).

The CIP has evolved into the Bureau's primary criminal enforcement strategy. It has four interrelated phases: (1) assessing the significant crime problems within a locality; (2) establishing local enforcement objectives to counter each of those problems; (3) developing "impact plans" to coordinate law enforcement resources and efforts; and (4) evaluating the results.

## B. Current programs and policies

The Bureau's primary criminal enforcement strategy is the CIP, described above. This program represents a major shift in emphasis from nationwide, headquarters-directed efforts to a law enforcement function, which is headquarters-monitored, but which identifies local law enforcement needs and targets limited ATF resources accordingly. In many ways, CIP represents the maturation of the Bureau's criminal enforcement efforts; it tailors the Bureau's strength to the varying needs of the localities while monitoring the resulting local autonomy to make certain that the local needs are properly identified and met. The former, local autonomy, was the strength of the Regional system in place prior to the 1976 reorganization. The latter, headquarters involvement, characterized the system since 1976.

The first plan (ZBBO FY-81-5) for development of this program was adopted some seven months after the program became operational.

The first joint regional/HQ working group came into existence seven months after implementation of CIP. Also, the AD/Planning and Evaluation was not involved in CE/Program Planning and Development's work on CIP until seven months after implementation.

## Other programs

In addition to CIP, a number of programs discussed above are still considered as current enforcement programs. ITAR, the international trafficking program, is still active, as is Project SEAR (stolen explosives and recoveries).

Congress passed the Gun Control Act in 1968, the Organized Crime Control Act of 1970 and authorized manpower increases for ATF back at that time. In recent years, however, there have been a series of budgetary cuts.

## V. ORGANIZATION

## A. Introduction

## Interrelationships of ATF activities

The Criminal Enforcement (CE) activity of ATF utilizes approximately 50 percent of the bureau's personnel. Moreover, an additional 5 percent of ATF personnel are employed in the Regulatory Enforcement (RE) activity in work relating to CE top priority programs, firearms and explosives. Both CE and RE rely upon other offices for related support services (e.g., technical, scientific, legal, internal affairs, ADP), and administrative support (financial management, personnel, training, and office services).

Because of the interrelationships among ATF's activities, the management review team was faced with several CE management issues which related to the RE activity and the support and administrative services. Accordingly, this section of the report discusses CE in the context of the entire Bureau. A description of ATF's overall organization and functions is provided for the reader's convenience.

## Coverage of this section

This section describes ATF's current organization, provides a chronology of major organizational changes which affect ATF's current state, and describes findings which affect the management of the CE activity. These findings raise issues about: accountability for programs; accountability for support services; field structure; headquarters structure; the organization for managing information systems.

## Sources

Information for this section came from ATF directives and memoranda, previous studies, interviews, and the report of a "Functional and Organizational Analysis of

Support Services of BATF" prepared by the Office of Personnel Management's General Consulting Division, June 1981.

## B. ATF's current organization

## 1. A conglomerate of responsibilities

ATF is a diversified organization which is responsible for five programs:

**Alcohol.**—to assure and protect the collection of alcohol excise taxes; to regulate the alcoholic beverage industry to prevent criminal activities, or illegal commercial activities that restrain trade or markets; and to protect consumers by enforcing product quality standards.

**Tobacco.**—to assure and protect the collection of tobacco excise taxes.

**Firearms.**—to reduce the criminal use of firearms; to regulate commerce in firearms.

**Explosives.**—to reduce the criminal use of explosives; to regulate commerce in explosives.

**State and local assistance.**—to assist law enforcement agencies: fight crime and violence; protect tobacco excise tax revenues; and regulate alcoholic beverages, firearms, and explosives.

ATF's responsibilities are founded on separate and distinct statutory authorities. Moreover, the industries, business people, and individuals regulated share no common interests across the industries regulated. Diverse groups of ATF employees, each with distinct types of skills, knowledges, and procedures, and working in distinctly different environments, carry out ATF activities. Technical and scientific personnel, inspectors, and law enforcement personnel, staff the primary activities. There is no compelling reason for the current mix of programs assigned to ATF other than historic evolution.

## 2. History of ATF

ATF reflects a long history of alcohol taxation, to which programs relating to firearms and explosives were eventually added. In recent times the enforcement of Federal firearms and explosives statutes became ATF's primary role.

## Alcohol and tobacco tax role

The Federal Government enacted a distilled spirits tax in 1791. These taxes were difficult to enforce from the beginning. In 1794 President George Washington called out militia to put down the Whiskey Rebellion, an organized resistance of western Pennsylvania farmers to paying taxes on whiskey.

Tobacco taxes also go back to the earliest days of the Republic. Alcohol and tobacco tax collectors predate the establishment of the Office of the Commissioner of Internal Revenue in 1862. The primary revenue source of the government until World War I was alcohol and tobacco taxes and customs duties.

The alcohol tax statutes were originally primarily for revenue purposes. However, the prohibition era and its repeal brought additional regulatory functions. Following prohibition the IRS was charged with all the responsibility for tax collection, industry regulation, consumer protection, and law enforcement relating to alcohol.

The 1952 reorganization of IRS resulted in the alcohol and tobacco organizations being merged. Field operations were placed under line supervision of IRS Regional Commissioners. The Regional Commissioners were under the supervision of the Commissioner of Internal Revenue. On matters relating to alcohol and tobacco taxes, direction from Washington was provided through this line by a Division of Alcohol and Tobacco Tax in the IRS National Office. But alcohol and tobacco tax matters were accorded low priority relative to income tax administration which involved more than 90% of IRS' resources.

## Firearms role and new priorities

The firearms jurisdiction started modestly. The National Firearms Act of 1934 levied a transfer tax aimed at restricting the flow of "gangster-type" weapons. Enforcement of this statute was assigned to the Alcohol Tax unit because of the availability of investigators. The Federal Firearms Act of 1938 regulated certain types of interstate traffic in firearms and ammunition by convicted felons. Neither of the statutes required the diversion of any significant portion of Alcohol and Tobacco Tax investigator staff.

Priorities changed dramatically following the passage of the Gun Control Act of 1968 and Title XI (Explosives) of the Organized Crime Control Act of 1970. The Alcohol and Tobacco Tax Division was renamed the Alcohol, Tobacco and Firearms Division. To strengthen enforcement leadership IRS established two Assistant Directors



under the Director of the ATF Division in the National Office. One was for enforcement and the other for revenue control.

#### *ATF established in 1972*

However, the organizational placement of the ATF Division within the multi-program IRS structure was no longer adequate. The law enforcement programs were found to require "a single-minded, authoritative leadership which was not available in IRS due to its overriding (tax) revenue mission," (from an October 1971 report of the Treasury Office of Management and Organization on the "Organizational Placement of the Alcohol, Tobacco and Firearms Functions of the IRS"). ATF enforcement police-type activities were incompatible with IRS' tax administration approach and IRS needs for a decentralized organization.

The October 1971 Treasury report recommended reassigning the ATF criminal enforcement functions out of IRS to a new bureau in Treasury under the supervision of the Assistant Secretary (Enforcement, Tariff and Trade Affairs, and Operations) [ETTAO]. The report recommended leaving the revenue control functions (for alcohol and tobacco taxes) in IRS. Due largely to the concerns of the distilled spirits industry about separating the alcohol tax enforcement function from the revenue control function, Treasury leadership decided to remove all ATF functions (criminal enforcement and revenue control) from IRS.

The ATF was established on July 1, 1972 (Treasury Department Order 221, June 6, 1972), under the supervision of the Assistant Secretary (ETTAO). The Director ATF supervised operations through an Assistant Director for Criminal Enforcement and an Assistant Director for Regulatory Enforcement.

#### *Regionalized field organization*

ATF's field organization structure has undergone dramatic changes since 1972. Initially, field operations were under the line supervision of seven Regional Directors, who were located in New York, Philadelphia, Atlanta, Cincinnati, Chicago, Dallas, and San Francisco. Regional Directors reported to the Assistant Director for Criminal Enforcement on CE matters and to the Assistant Director for Regulation Enforcement on RE matters. Regional Directors in turn supervised Special Agents in Charge (heads of criminal enforcement districts) and Area Supervisors (heads of regulatory enforcement areas).

#### *Criminal enforcement supervision centralized*

The organizational structure for supervising criminal enforcement field operations was dramatically changed on December 1, 1976. The seven Regional Directors and their Assistant Regional Directors (Criminal Enforcement) were eliminated. Special Agent in Charge Districts were placed under the direct supervision of the Assistant Director for Criminal Enforcement in ATF Headquarters. The purpose of the reorganization was to promote greater responsiveness, bring about standardization of operating procedures and training, and permit greater flexibility in using criminal enforcement personnel.

The Headquarters Office of Criminal Enforcement was expanded to perform functions formerly vested in Regional Directors. Operational coordination and guidance was provided by the Investigations Division. Operations reviews of district offices were conducted by the Program Review Division. Planning and development of new programs, procedures, and regulations were conducted by the Program Development and Planning Division.

#### *A separate regulatory organization structure*

Regulatory enforcement field operations were put under the supervision of the Assistant Regional Directors (Regulatory Enforcement), who were in turn supervised by the Assistant Director (Regulatory Enforcement) in Headquarters. Likewise the regional officials responsible for Administration, Technical and Scientific Services, and legal services were placed under the direct supervision of their respective Assistant Directors in Headquarters.

The public affairs staffs in four regions were abolished. Policy guidance on public affairs activities was centralized to the Headquarters Public Affairs staff.

#### *Regional supervision reestablished*

Four Regional Directors of Investigations (RDI) were established in July 1979 to expand the policy influence of the Assistant Director (Criminal Enforcement) to field level, and to alleviate the coordination and communication problems that had developed between the District level and Headquarters. This was also the result of a decision to decrease the size of Headquarters. RDIs were established in New York City, Atlanta, Chicago, and San Francisco.

The Headquarters role was to originate policy, give directions, and monitor programs. The RDIs were to provide for compliance and evaluate attainment of program goals and objectives. RDIs were also responsible for assuring efficient and effective utilization of resources and were given authority to redistribute resources under their control.

#### *Headquarters coordination difficulties addressed*

An Office of Assistant Director (Planning and Evaluation) was established in January 1980 in order to provide a central focus to planning, policy making, program development, and program measurement. The office was to serve the Director's need for a coordinative mechanism.

#### *Regional structures refined*

A regional realignment was proposed by the Director of ATF in Fall 1980 that would provide common boundaries for all regional functions. At the time the Regional Directors for Investigations were in a four region structure and the functions were in a seven region structure. A five region structure was proposed in order to improve inter-functional coordination and cooperation, and to streamline regional staffing by eliminating 53 positions.

### *3. Basis of ATF's Organization*

The organizational principle upon which ATF is organized is to group similar skills. Law enforcement investigative skills are organized in a criminal enforcement activity. Rulemaking and rule-enforcing skills are organized in a criminal enforcement activity. Skills for various support activities are similarly grouped, i.e. administrative, laboratory, legal.

ATF is a divisional-type organization in which the homogenous skill groups are structured vertically into functional organizations. Assistant directors in Washington direct their respective functional organizations in the field through subordinate managers. Each functional organization is responsible for a part of each of ATF's five programs.

Program coordination, horizontally across the functions, is organizationally provided for at only the Director/Deputy Director Level. In addition, an Office of Planning and Evaluation assists the Director in this integrative role, in a staff capacity. This office supports the development and maintenance of plans, policies, programs, and performance measurement systems with which the Director manages the divisions. ATF's organization chart is at Figure 1.

#### *Program accountability and problem resolution function is highly centralized*

As a result of organizing functions vertically and program coordination horizontally, the only officials in BATF who are responsible and accountable for a complete program are the Director and Deputy Director. They are the only officials with authority to integrate the efforts of the divisions toward achieving BATF's program goals.

Any interdivisional conflicts in the headquarters or field which cannot be negotiated by subordinate functional managers, must be arbitrated by the Director or Deputy Director. It is common in other diversified organizations with dispersed field operations to provide organizationally for the arbitration of "localized" conflicts at lower levels.

In order to force the problem resolution function down to lower levels, the Director BATF, ordered regional activity managers to hold monthly "regional management team meetings" for the purpose of identifying issues and problems and resolving them (Order ATF 0 1000.1 12/29/80).

### *4. Organizational location*

BATF is a bureau of the Department of the Treasury with its own appropriation authority. The Secretary of the Treasury assigned BATF to the Assistant Secretary (Enforcement and Operations) for supervision (Treasury Department Order No. 101-5).

The ASEO's office is looked to by BATF: to approve program goals, priorities and budget proposals, and to evaluate performance; propose legislation and approve regulations; to coordinate interagency issues; and to advocate ATF's goals outside Treasury where appropriate. The ASEO's office coordinates budget oversight with the Assistant Secretary (Administration). The ASA in turn assists the Secretary and the Director, ATF, in presenting the budget to the Office of Management and Budget and to the Congress.



### 5. Headquarters

The Director (and Deputy Director who is assigned "alter ego" responsibilities) is in the Senior Executive Service, appointed by the Secretary. He administers ATF through six functional Assistant Directors and a Chief Counsel. Within the Director's immediate office are three Assistants for Congressional Affairs, Public Affairs and Disclosure, and Equal Employment Opportunity. The Assistant for EEO supervises an EEO officer in seven regional offices. The other two Assistants supervise Headquarters Staffs.

a. *Major activities (functions).*—Assistant Directors supervise the following functions (staffing figures are based on employees on board as of September 18, 1981).

(1) *Administration.*—There is a headquarters staff of 205 and seven regional staffs supervised through Regional Administrative officers. Regional staffing is 148.

(2) *Criminal enforcement.*—Headquarters staff is 97 (about 6 percent of total CE staff). There are four regional staffs supervised through Regional Directors of Investigations with a combined staff of 21 employees. There are 22 district staffs supervised through Special Agents in Charge, with a combined staff of about 1,580. The average size district is 75 authorized positions.

(3) *Internal affairs.*—There is a headquarters staff of 31 and five regional staffs supervised through Regional Directors of Internal Affairs with a combined staff of 32.

(4) *Planning and evaluation.*—There is a headquarters staff of 12. There is no field staff.

(5) *Regulatory enforcement.*—Headquarters staff is 109 (about 10 percent of total RE staff). The seven regional staffs, supervised through Regulatory Administrators, have a combined staff of 356 (34 percent of total RE staff). There are 37 area offices supervised through Regional Chiefs of Field Operations and Area Supervisors with a combined staff of 590.

(6) *Technical and scientific services.*—There is a headquarters staff of 137, and three laboratories located in Washington, D.C., Atlanta, Georgia and San Francisco, California.

#### B. Programs

Three of the major activities (Criminal, Regulatory, and Technical and Scientific Services) are responsible for performing the specific component tasks of ATF's programs. For example, the firearms program tasks are distributed among these organizations as follows:

Task	Organization
Establish policies and programs for criminal firearms enforcement.....	Criminal enforcement.
Assign Special Agents.....	Do.
Conduct criminal investigations, recommend prosecution and arrest when appropriate.....	Criminal enforcement (in the field).
Establish policies and programs for legitimate firearms industry regulation.....	Regulatory enforcement.
Conduct on-site review of firearms manufacturers' and dealers' compliance with law and regulations.....	Do.
Provide forensic examination of evidence to be used in criminal prosecutions.....	Technical and scientific services.
Classify firearms.....	Do.
Trace firearms ownership.....	Do.
Provide expert court testimony, and other technical expert support.....	Do.
Process license and permit applications to engage in commerce in firearms.....	Do.

Likewise tasks associated with the explosives, alcohol, tobacco, and state and local assistance programs are distributed among the Criminal, Regulatory and Technical and Scientific Service organizations.

### 6. Field organization

ATF regional management is a loose knit team of functional managers who are answerable to their respective Assistant Directors in Headquarters. The regional managers are: Regional Counsel, Regional Administrative Officer, Regional Equal Opportunity Officer, Regional Internal Auditor, and Regional Regulatory Administrator (regulatory enforcement) located in seven regions with headquarters in New York, Philadelphia, Atlanta, Cincinnati, Chicago, Dallas, and San Francisco; and the Regional Director of Investigations (criminal enforcement) located in four regions with headquarters in New York, Atlanta, Chicago, and San Francisco.

In the fall 1980 the Director of ATF submitted a proposal to redraw regional boundaries establishing a five region structure in which each function would have a regional manager. However, there would still be no general ATF program manager at regional level to coordinate interfunctional issues, nor would any of the functional regional managers have primacy over the others. The leaderless team concept would continue. The headquarters would be in New York, Atlanta, Chicago, Dallas, and San Francisco.

### 7. Criminal enforcement organization

a. The Headquarters Office of CE includes a Liaison Staff, and Investigative Division and a Program Development and Planning Division.

(1) *Liaison staff.*—This staff represents BATF/CE outside of Treasury. It: Maintains liaison with other law enforcement and government agencies on matters of mutual concern. Manages CE training programs for bureau employees and other law enforcement agencies.

(2) *Investigations division.*—This is CE's operations command and control center. It: Monitors programs and active investigations to assure uniformly correct policy understanding and compliance. Provides support (technical information, advice, intelligence, undercover support, airborne operations, technical equipment, radio communications, polygraph, etc.) to RDIs and SACs. Evaluates operations to identify trends. Evaluates and makes recommendations about program and policy matters. Provides technical information to Program Development and Planning Division. Keeps CE management informed of significant items. Coordinates and monitors firearms traces. Coordinates with other agencies.

The Division is organized in five branches: Explosives Enforcement, Firearms Enforcement, Intelligence, Organized Crime, and Tactical Support.

(3) *Program development and planning division.*—This is CE's "think tank" where plans are developed, programs and management systems are designed, management information systems are controlled and policies and procedures are codified. Programs and procedures are developed as required. Performance systems are controlled, i.e.: plans are developed; resource requirements are identified; performance standards are developed; accomplishments are analyzed. CARS, which is CE's MIS for identifying investigations and Special Agent time application is controlled. Directives, manuals, handbooks and forms are developed.

b. *Regional director of investigations.*—These offices play a limited management role over their respective jurisdictions. They assure that national policies are complied with, coordinate planning and evaluation activities, manage funds, review recommendations for prosecution. The RDI has authority to approve opening certain types of investigations, e.g. firearms dealers. RDIs have a staff of 4-5, an Assistant RDI, operations officer, and clerical.

#### C. Findings and conclusions

a. *Liaison and outside coordination activities.*—The Liaison Staff and the Investigations Division have liaison responsibility. The Liaison Staff's responsibilities are general. Investigations Division's liaison responsibilities are within specific subprogram areas, e.g. firearms, explosives, organized crime, and in support areas like intelligence.

b. *Inside coordination.*—Several responsibilities now assigned to the Office of Technical and Scientific Services require the Office of CE to spend time on coordination between that Office and the field. The responsibilities are assigned to OTSS/ Technical Services Division and include: explosives technology support; firearms technology support; firearms tracing.

The Office of CE's professional positions are almost entirely staffed by Special Agents, GS-1811's. Yet some significant responsibilities require the application of very specialized skills such as systems analysis, and ADP skills, and the use of specialized disciplines like planning, program analysis, and budgeteering.

The Planning and Program Development Branch (PPD) is responsible for tasks requiring specialized skills. These skills are available elsewhere in BATF, e.g. the Office of Technical and Scientific Services, the Office of Planning and Evaluation, and the Office of Administration.

The primary management information system for CE is CARS, designed and maintained in PPD. The system and its data outputs are said to have been designed to meet OMB's needs regarding Operation CUE a 1976 enforcement initiative. CARS replaced CE's MIS of the early 1970's which never really got going.

There are three major management levels in field operations, four RDIs, 22 SAICs, and Group Supervisors. RDIs have Assistant RDIs and SAICs, have assistant SACs.



Regions were reestablished to resolve a span of control problem. At the time they were reestablished there were 28 SACs. While regions restored a structure by which ATF functions had been traditionally organized, the rationale for restoring the regions in 1979 was the same as the rationale for disestablishing regions in 1976.

Some large organization units have been established with no apparent adverse affects. Three districts exceed 100 in staffing. Groups in the Chicago District have 13 agents; one specialized group has 17.

#### Conclusion

While this study was focused on the effectiveness of criminal enforcement, other matters came to the attention of the study group. One of these involved the regional structure of administration. In each of the four regions for criminal enforcement there was a regional structure for administration.

ATF is organized by function rather than program. Traditionally, ATF has had separate criminal enforcement and regulatory enforcement organizations. As the new programs were assigned to ATF, subelements of the program were distributed between CE and RE.

#### 4. Stresses and strains

ATF was born of a painful labor, has had adaptation problems and difficulties in setting its internal gyroscope, has too frequently been unsure of what its parent agency wanted of it, and has had the unique distinction of being the target of one of the most influential lobby groups in the country. The following findings provide the basis for this conclusion.

BATF was established at a time of terrible unrest in the country. In the nine years prior to 1972, the two Kennedy and the King assassinations had convulsed the country. The late 1960's were marked by these convulsions and the Vietnam War protest movement, crystallization of racial tensions, and the coming of age of the post World War II baby boom. The country experienced major challenges to traditional institutions, civil disobedience leading to violent acts, the growth of hate groups and violent protest groups, and an increase in the rate of violent crimes.

The Nixon Administration established BATF in order to underwrite the high priority it has assigned to dealing with the high crime situation and high rate of violence, by enforcing the Gun Control Act of 1968 and Title XI (explosives) of the Safe Street Act of 1970.

However, BATF had a limited law enforcement jurisdiction. Related jurisdictions, such as narcotics, were centralized into the Justice Department. Moreover BATF was inadequately financed when established according to a 1974 Treasury Report "Assessing the Implementation of the BATF." Particular deficiencies existed because: enforcement staff was not geographically located where the workload was; automatic data processing activities and management information support were understaffed to non-existent; there was a clerical staff shortage; training was in its embryonic development stage; public affairs functions was understaffed.

The 1974 study also showed that BATF's managerial structure was vulnerable to high turnover. Over 50% of criminal enforcement managers were eligible to retire. But, a strong management structure was vital because BATF's criminal enforcement staff was significantly expanded in the early to mid 1970's.

Management of BATF was complicated by assigning diverse responsibilities to the Bureau. A 1971 Treasury "Report of the Organizational Placement of the Alcohol, Tobacco and Firearms Functions of IRS" recommended removing only the criminal enforcement functions from IRS and assigning them to a new bureau. The distilled spirits industry's influence resulted in the decision to remove both CE and RE from IRS. Thus the objective of establishing a single focus law enforcement agency was compromised at the beginning.

ATF has been plagued during its existence with intramural rivalries among the CE, RE, and Administration organizations. The Director's goal of establishing a one bureau team work philosophy has remained an unfulfilled goal.

The current Director's efforts toward integrating bureau components are noteworthy and have a good chance of succeeding, given time and a team effort by the functional managers. The more significant are: establishing an Office of Planning and Evaluation to give leadership to the coordination and integration of planning, resource allocating and evaluating; establishing a framework for regular management meetings; initiating an executive development program; developing systems of establishing accountability for resources and results; reorganizing the Office of Internal Affairs to centralize operational reviews and internal audits and to ensure employee

integrity; emphasizing the need for revising mission statements, renewing the organization, and setting goals; and establishing a planning system (which includes the Crime Impact Program, CIP) that would eliminate the historic ATF experience of frequently changing priorities.

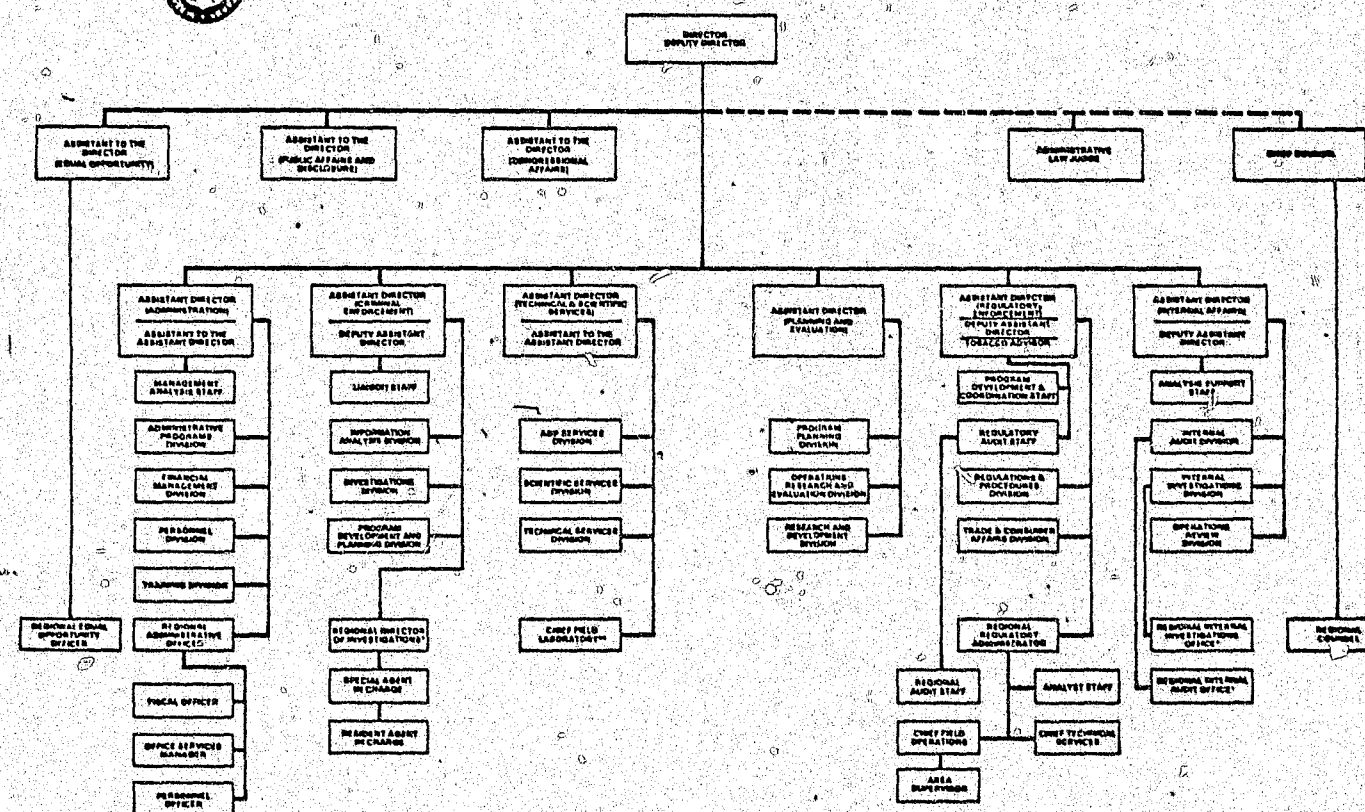
A 1981 Office of Personnel Management "Report of a Functional and Organizational Analysis of Support Services of ATF" found that the organizational split between CE and RE aspects of BATF programs is accompanied by corresponding suborganizational loyalties and competition for primacy. This creates a difficult position for support units some of which are held in low esteem by the program managers. Management systems and information technologies which should be integrated operate independently and ineffectually. Field managers are unaware of the resource acquisition process and do not participate in budget formation. Administrative staffs come off as seeming unresponsive.

The position of Assistant Director (CE) was vacant for ten months. Group supervisor and SAIC or ASAIC positions in the CE field organization have been vacant for 8-12 months. Field personnel do not know the reason for the vacancies. Reasons given the review team included: (a) difficulty in getting Treasury approval to fill the AD(CE) SES position; (b) inadequate funds to finance moves, and (c) insufficient interest by employees in accepting the high cost of moves.

ATF has been targeted for budget cuts this year and next, and will likely be subject to cuts in future years as the Administration focuses on its goal of balancing the Federal budget.

While ATF has strong advocates among local police department managers and Federal and local prosecutors, the Bureau has been subject to an intense lobbying efforts by the National Rifle Association which urges the repeal of the Gun Control Act and/or the abolition of ATF.





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*Personnel relocation**Findings*

The bureau has two documents dealing with relocation: ATF Order 0 3100.2A, Office of Preference Option, and ATF Order 0 3000.6, Hardship Transfers.

The Office of Preference Option allows employees to express their preference by division, branch, region, district, or specific post of duty; the Hardship Transfer provides the criteria and procedures for applying for a hardship. Each of these documents appears to be an effort to document the bases for relocations and to address the needs of the employees.

Records in Criminal Enforcement for fiscal year 1980 reflect the following statistics: 92 reassignments were effected which involved geographic relocations; 8 were hardship cases; 10 were the result of POD closings; 12 reassignments were made into Headquarters; 4 reassignments were made out of Headquarters; 26 reassignments involved changes in SACs, ASACs & RACs; 36 promotions were effected which involved geographic moves; 9 promotions were made out of Headquarters; 4 promotions were made into Headquarters.

*Criminal enforcement career plan**Background*

When ATF was separated from IRS, it generally followed IRS's promotion policies until 1973, when the first ATF promotion plan was provided to the Department of the Treasury for approval. At that time, the plan was all-inclusive. In April 1977, the first formal Criminal Enforcement Career Plan was issued which attempted to capture memos, chapter changes, etc. which had been issued by ATF in the time intervening between 1973 and 1977. This plan underwent major revisions in June 1979. In January, 1980 the Management Assessment Center (MAC) was introduced; the plan was again modified in March 1980, and was revised and retitled the Criminal Enforcement Merit Promotion Plan in November 1980. The purpose of the Plan is to "establish areas of consideration, basic eligibility requirements and rating, ranking, and selection requirements for GS-1811 positions. . ."

*Findings*

There have been numerous changes in the Career Plan since its introduction in 1977.

In a report prepared by the General Consulting Division, WED, Office of Personnel Management, in June of 1981, it was found:

"Employees felt that they are required to forego advancement opportunities beyond the GS-13 level unless they voluntarily enter the career program, which would measurably increase the likelihood that they would be required to relocate. In the current economy, this usually results in a financial loss due to real estate costs. In some cases, employees felt forced to choose between their families and possible career advancement \* \* \* employees felt that such a requirement not only deprived them unfairly of advancement opportunities but also may deprive the bureau of assembling the most qualified corps of experienced employees, from which senior managers are selected."

This finding was borne out in interviews conducted by this management review team.

The importance of mobility is heightened by the requirement for headquarters experience. (The most recent announcement for ARDI, GM-15, allows 18 points for 1 year of headquarters experience and equates to the number of points allowed for one year at the SAC or ASAC level.)

It should be noted here that an agent is expected to accept a headquarters assignment without any increase in compensation, with the potential of sitting here for two or three years waiting for an appropriate vacancy, and with the possibility of getting an even more undesirable geographic assignment once he/she leaves.

The new Criminal Enforcement Merit Promotion Plan allows an individual on the best qualified list to express his/her degree of interest in the vacancy(ies) being filled and the selecting official is supposed to make his/her selection from those who indicate a preference for their location or those who indicate no preference at all. Should no one be interested, then the selecting official may select any of the candidates.



### Reduction in force

#### Background

Early after the change in the Administration, the Office of Management and Budget recommended to Treasury that the Bureau of ATF be reorganized/dismantled. The Secretary of the Treasury took the position that it was the Department Head's prerogative to determine internal reorganization plans. In the meantime, the bureau and the Office of the Assistant Secretary (E&O) continued to prepare impact statements and reassessments of budget cuts, etc. On February 18, 1981, the Director issued a TECs message to all stations advising them that "no decision has been made regarding any reorganization of ATF \* \* \* Every effort will be made to keep you apprised of any changes, but at this time projections would be premature \* \* \* We have avoided RIF actions in the past through careful planning and see no reason to expect this time to be any different."

Subsequently, the following series of TECs messages were furnished the field:

1. March 23, 1981—to all stations—Advance notice of reduction in force. This notice called for a cutback of approximately 150 employees by June 1. The advance notice carried an expiration date of May 1, 1981.
2. March 26, 1981—to RDIs and SACs—Notice that the proposed RIF will affect 75 GS-1811 personnel.
3. April 22, 1981—to RDIs and SACs—Notice that specific RIF notices would be mailed to supervisors on or before April 28, 1981. On this same date a letter was sent from the Acting Assistant Director, CE, to Supervisors stating: "It is imperative that this notice be given to the employees on April 28, 1981."
4. April 23, 1981—to all stations—Notice from the Director which indicates a RIF would be necessary but that management was conducting its mid year review to determine if any savings could be reprogrammed to minimize the RIF.
5. April 24, 1981—to regional personnel officers—Information on out-placement assistance programs for agents.
6. April 27, 1981—to all stations—RIF in criminal enforcement was cancelled.
7. May 14, 1981—to all ADs, RADs, RRAs, RDIs, SACs, and Area Supervisors—Advised managers that no GS-1811 or technical and scientific service RIFs would be necessary due to the results of the mid year review.

#### Findings

According to the Office of Personnel, approximately 80 persons were lost to the bureau due to the RIF (55 separations/25 transfers). None of these were agents. Although no agents were RIFed, the series of events surrounding the on-again, off-again RIF in criminal enforcement can be described as the catalyst for an entire spectrum of management/employee related morale problems in CE in ATF.

In every interview conducted with CE field personnel and with many CE headquarters representatives, the RIF was a constant issue. The following situations related to the RIF warrant special attention: (a) the absence of a permanent Assistant Director for Criminal Enforcement; (b) the lack of communication agents felt they suffered from at this time; (c) the lack of understanding about Schedule A appointments.

The Assistant Director Criminal Enforcement position was filled on an acting basis from September, 1976 to August, 1978. In August 1978, a permanent appointment was made which lasted until September, 1980, when the incumbent retired. From September 1980 until August 1981, the position was filled by three separate individuals in an acting capacity. In addition, the Deputy Assistant Director (DAD) position was vacated in September, 1979, and filled on an acting basis by three separate individuals until February 1980, when it was filled permanently but only for two months! Since April 1980, the DAD has been filled only in an acting capacity by a series of individuals.

In a RIF situation, it is particularly important that affected employees feel that they have someone to whom they can go to get information and who is interested in their concerns and their welfare.

The budget process, which does not allow for an advance appropriation to cover federal pay raises is not understood at the local level. It was incomprehensible to agents that Washington could not schedule for salary increases nor predict what kinds of cutbacks may be necessary to avoid a RIF. The fact that the new Administration had a different perspective on the necessity for BATF and a different perspective of the budget was not clearly understood by the field. Several management conferences were held to explain what was going on but the word was frequently not passed on to those individuals most likely to be affected. The bureau received numerous congressionals suggesting that the budget personnel should be fired.

ATF has a Schedule A, excepted service appointing authority, whereby they may hire agents to do particular kinds of undercover work. Although not specifically intended as an affirmative action tool, it does permit ATF to employ individuals with certain ethnic backgrounds or language skills without using the civil service employment register process. However, employees hired on a Schedule A cannot acquire competitive status unless they can at some time be reached on the civil service Treasury Enforcement Agent roster. If they are not "reachable" they remain in an excepted service status indefinitely. During a RIF, excepted and competitive employees are placed on separate rosters. An agency may determine that it wishes to RIF only at certain grade levels or that it wishes to RIF all excepted service employees before competitive service employees. ATF decided to RIF at the GS-9 and below level in CE without affecting excepted service employees above the GS-9 level.

#### Grade Structure

##### Background

At the time of the creation of BATF, in the summer of 1972, the IRS was completing a grade restructuring effort that had been taking place for approximately two years. Spurred in part by the passage of the Gun Control Act, the IRS worked out a new set of standard position descriptions with the approval of the Civil Service Commission, which for the first time placed substantial numbers of field investigators in GS-12 positions. When BATF assumed personnel authority, they also accepted the new position description. IRS had estimated that approximately 200 agents would qualify for such a grade (although the Civil Service Commission never got involved in the total number of positions which might warrant such classification). An ATF review of a random sample of 200 criminal cases revealed that 25 percent of the cases involved work classifiable at the GS-12 level. Although the 25 percent varied by region the bureau used the 25 percent as the basis for establishing its GS-12 staffing ceiling at 25 percent at the regional level.

In 1975, a group of agents filed a class suit against ATF with OPM citing that they too were doing GS-12 work although they were only GS-11s. The fact that agents make their own cases in ATF makes it nearly impossible to assign a particular grade to a particular position since the man or woman can make of a position what he or she wishes. For an extended period of time ATF grappled with this situation until 1977, when they initiated the Investigative Analysis System (IAS). IAS attempted to base grade on the amount of time spent on GS-12 versus GS-11 cases (as determined by a complex series of grade controlling factors). The system was very complex, time consuming, and paper producing. It resulted in a tremendous backlog at the Headquarters level (since Headquarters was ultimately responsible for upgradings above the GS-11 journeyman level). The system was phased out and a new system has been initiated in ATF.

##### Findings

Although there have been numerous classification appeals and complaints from ATF agents, the Office of Personnel Management has consistently upheld the ATF in its classification decisions. While the journeyman level for agents has never been formally raised from the GS-11 to the GS-12, the IAS more than adequately handled agent concerns in this area.

The grade breakdown of agents as of 8/11/81 was as follows:

	Field	Headquarters
GS-7.....	19	.....
GS-9.....	46	.....
GS-11.....	228	.....
GS-12.....	789	.....
GS-13.....	250	31
GS-14.....	24	11
GS-15.....	24	4

As can be seen, the journeyman level has in effect become the GS-12



## VII. PUBLIC AND CONGRESSIONAL RELATIONS

*Public relations*

Over the past few years, ATF public affairs has maintained a low profile. It has been both reactive and passive in its approach to external criticism and charges of misconduct. While the office has responded to letters, queries, and editorials, it has avoided public enlightenment campaigns on ATF programs so as not to engage in high visibility public controversy.

*Congressional relations*

The handling of ATF Congressional relations (correspondence, testimony and lobbying) has paralleled that of the public relations section. Congressional relations have tended to be low profile, passive and defensive so as to avoid confrontation with the gun lobby while waiting for the administration to establish a firearms policy based on the proposed revision of the Gun Control Act of 1968.

The most important of these bills now under consideration is the McClure/Volkmer bill. The McClure/Volkmer bill is still under review and discussion with appropriate Congressional staffers and sponsors of the bill.

## VIII. FINANCIAL MANAGEMENT

*Background*

Over the last few years, ATF has been experiencing reductions in their personnel ceiling. In particular, over 200 special agent positions have been reduced. As a result, ATF has had to be particularly conscious of its finances and to closely manage its shrinking resources.

The Bureau's financial management system functions largely independent of ATF's other major management systems (i.e., planning and evaluation). At present, there is no linkage between these systems.

Budget formulation includes little or no planning or analysis but is based on the previous year's budget. The Bureau is in the initial stages of implementing a strategic planning process which may be used in the formulation of the FY 1984 budget.

The program offices have been allowed to establish their own methodology for formulating budget submissions.

*Findings*

An OPM report on ATF support services dated June 19, 1981, documents many of the same issues discussed above.

Criminal Enforcement's budget is developed by agents in the Program Development and Planning Division at CE headquarters with input from operations officers (also agents) at the regions. It is unclear whether the regional fiscal office plays a part in formulating the budget. Field supervisors are minimally involved in the budget process.

Once budgets have been approved, regional offices are allocated funds for some categories as one unit as if there were a regional manager where in fact there is none. Criminal Enforcement and Regulatory Enforcement regional staffs must compete for these certain resources (all those except salary and expense, and travel). The Regional Administrative Officer (RAO) controls these common funds and based on CE or RE requests for these funds the RAO makes decisions regarding distribution of funds to the regional programs which sometimes affects program success.

CE regional operations officers maintain their own records on obligations and expenditures because of the lack of timely and accurate accounting data from the regional administrative office who in turn relies upon Headquarters for the data.



Fun. Levels

Program	FY 1977 (Actual) Av. Pos.	(\$000)	FY 1978 (Actual) Av. Pos.	(\$000)	FY 1979 (Actual) Av. Pos.	(\$000)	FY 1980 (Actual) Av. Pos.	(\$000)
Regulatory Enforcement	1646	43,479	1609	45,895	1523	46,206	1460	47,381
Criminal Enforcement	2485	75,160	2426	81,729	2401	89,317	2349	94,851
Total	4131	118,639	4035	127,624	3924	135,523	3809	142,232

Program	FY 1981 est. Av. Pos.	(\$000)	FY 1982 est. Av. Pos.	(\$000)
Regulatory Enforcement	1462	51,286	1374	51,440
Criminal Enforcement	2200	98,564	2059	99,151
Total	3662	149,850	3433	150,591



## IX. SUMMARY OF PERSONNEL INTERVIEWS

This section is a synthesis of interview results coming from approximately 150 interviews in a dozen cities conducted by all members of the study team. The interviews were conducted in an informal manner usually on a one-on-one basis. The interview format was standardized only to the extent that the team agreed to nine topical areas to be covered in all the interviews. The method was to stimulate discussion on each topical area and allow the interviewee make whatever statements he or she desired relating to that topic. The interviewer was then allowed to record the interview in whatever manner he or she chose. The record, therefore, ranges from verbatim statements to generalizations. Names were generally not recorded during the interviews and statements are not attributable to individuals. All levels of management and supervision were interviewed as well as street agents including field and headquarters personnel.

Although comments made by interviewees number well in excess of 1,000, they tend to group under a small number of well defined categories. Under this format each category is briefly described with a synopsis of the apparent message derived from the interviews. Additionally, individual comments are provided which tend to support the synopsis. It should be noted that comments relating to these categories occur in roughly 80-90% of the interviewer notes. The categories which appear most frequently are: Programs; Personnel Policy and Practices; Public and Congressional Relations; Organizational Structure; Positive Factors About ATF; Organizational Location; What is Needed by ATF and Management.

## X. EXTERNAL CONTACTS

During the field study, interviews were held with the following types of people from the Federal, state and local law enforcement community, U.S. Attorneys, Assistant U.S. Attorneys, Chief, Criminal Division, U.S. Attorney's Office, State Prosecutors, Representatives of the National District Attorneys Association, a State Attorney General, Representatives of the State Attorneys General Association, Police Chiefs, Other Police Command Officials, Organized Crime Strike Force Attorneys, Secret Service Personnel, U.S. Customs Service Personnel, DEA Personnel, FBI Personnel, Justice Department Officials, Representatives of the International Association of Chiefs of Police.

## XI. MANAGEMENT EFFECTIVENESS

An attempt to objectively evaluate management effectiveness in any organization is a difficult task.

## XII. PRODUCTIVITY

It appears, for example, that ATF agents handled 13,262 unique identifiers in fiscal year 1980. These are investigations during which at least four hours of investigative time was expended. There were approximately 1,307 field agents in ATF during this year. This works out to a total of slightly over ten investigations handled for each agent per year.

During fiscal year 1980 and the first six months of fiscal year 1981, a total of 3,213 defendants were recommended for prosecution in firearms cases by ATF agents. Based on 1,307 field agents this breaks down to approximately 1.6 cases per agent per year recommended for prosecution.

ATF has a large number of offices referred to as posts of duty in small cities throughout the country. A review of firearms cases recommended for prosecution in some of these offices during the 18-month period running from October 1, 1979 to March 31, 1981, is very interesting.

Posts of duty	Number of agents assigned	Firearms cases recommended for prosecution
Augusta, Ga.....	3	0
Columbus, Ga.....	4	2
Valdosta, Ga.....	2	2
Meridian, Miss.....	3	3
Oxford, Miss.....	4	4
Concord, N.H.....	2	0
Charleston, S.C.....	5	4

Posts of duty	Number of agents assigned	Firearms cases recommended for prosecution
Asheville, N.C.....	6	6
Florence, S.C.....	4	5
Peoria, Ill.....	1	0
Rock Island, Ill.....	2	3
Ft. Wayne, Ind.....	3	6
Valparaiso, Ind.....	5	12
Dayton, Ohio.....	6	6
Youngstown, Ohio.....	7	11
Tyler, Tex.....	3	3
Muskogee, Okla.....	5	10
Flint, Mich.....	8	8
Des Moines, Iowa.....	4	5
Bolling Green, Ky.....	3	5
London, Ky.....	5	6
Ft. Smith, Ark.....	2	3
Plattsburg, N.Y.....	2	0
Syracuse, N.Y.....	6	2
White Plains, N.Y.....	5	1
Cape Girardeau, Mo.....	6	10
Danville, Va.....	3	0

These figures must be considered in light of other factors. Each post of duty listed above has also been doing work on explosives incidents, firearms cases which qualify as unique identifiers and collateral investigations.

## BATF FURLOUGH: "It Would Blow Us Away"

(By Mary Thornton)

The Treasury Department's Bureau of Alcohol, Tobacco and Firearms—enforcer of the nation's firearms, explosives and arson laws—may be forced to furlough nearly two-thirds of its employees without pay for three months because of budget problems.

The agency has long been a target of the powerful National Rifle Association and other champions of the right to freely carry firearms. It has been operating under a cloud of uncertainty since President Reagan announced last year that he planned to carry out his campaign pledge to abolish BATF.

The administration has announced plans to transfer BATF's personnel functions to the Secret Service and the U.S. Customs Service, other agencies within the Treasury Department. But the NRA has strenuously opposed that plan, fearing that the Secret Service might be even more vigorous in its enforcement of the gun laws. Congress is still arguing with the administration over exactly what will happen to the agency.

As the controversy has continued, the BATF budget has been severely reduced—from \$150 million last year to \$112 million this year. The agency had asked Congress for a supplemental appropriation of \$26 million to finish out the year, but that amount already has been cut by the House Appropriations Committee to about \$15 million and could be eliminated when it comes up on the House floor, probably next week.

BATF agents say that because of the money shortage, the agency has already cut back to about half its regular level of investigations and has severely reduced funding for travel, paying informers and making undercover street buys.

In Florida, for example, agents say that in the first 12 days of this month, they used up their per diem travel money for the next three months. That means that through the end of June there will be no out-of-town criminal surveillance by BATF in a part of the country noted for its shipments of explosives and silencer-equipped machineguns.

If the furlough goes through, one BATF official said, "it would basically rape the organization. It would wipe us out. It would blow us away. We'd be a skeleton crew with no resources."

Two internal memoranda written last week by BATF Director G. R. Dickerson indicated that if the supplemental appropriation is not approved, 1,600 of the agency's



2,700 employees will have to be furloughed without pay from June 27 until the new fiscal year begins on Oct. 1. Dickerson refused to comment on the memos, which were obtained by The Washington Post.

BATF, which also enforces regulations and collects taxes involving the alcohol and tobacco industries, is already operating at well below its authorized staffing level.

Because of the confusion and uncertainty about the future of the agency, the number of personnel has dropped sharply. More than 1,000 employees have left in the past year, including more than 700 since the start of the fiscal year last October. In fact, even Dickerson has resigned—effective last Friday—to go to Customs as deputy commissioner for international affairs.

Dickerson's memo, addressed to John M. Walker Jr., assistant secretary of treasury for enforcement and operations, warned that if the supplemental appropriation is not approved, "most furloughed employees may never return to the bureau given the length of the furlough period."

In the memo Dickerson said that to operate even at the sharply reduced levels, the agency has been spending more than its allotted budget amount for the past six months. "Our only really viable plan of action at this time is to shut the bureau down, except the essential functions [tax collections and emergency law enforcement] when the money runs out," the memo said.

Meanwhile, agents say they're having a hard time concentrating on their work as they wait for the ax to fall.

"It's as if we're dead already," said one agent. "Gun dealers are calling up all the time asking when they're going to be able to stop keeping their [gun sales] records. \* \* \* It's hard to get out there and do anything when you don't know for sure whether you'll be fired by the time you get back to the office."

Many employees are frantically searching for new jobs. One BATF employee who recently left said he felt "guilty" leaving the organization when it is in such bad shape. But he said, "I just couldn't stand it any more. It made me sick to watch it dying."

U.S. SENATE,  
COMMITTEE ON APPROPRIATIONS,  
Washington, D.C., March 29, 1982.

Hon. DONALD REGAN,  
Secretary of Treasury,  
Washington, D.C.

DEAR MR. SECRETARY: Pursuant to section 109 of Public Law 97-92, the Senate Appropriations Subcommittee on Treasury, Postal Service, and General Government has disapproved the Administration's proposed reorganization plan of the Bureau of Alcohol, Tobacco, and Firearms. Under Section 109 of that Act, specific disapproval of the reorganization plan by both the House and Senate Committees on Appropriations is required by March 30th or else the reorganization plan may go into effect. The House Appropriation's Committee disapproved the Administration's reorganization plan and extended the limitations contained in Section 109 until June 30, 1982. The Committee prefers not to take a formal position, prior to the April recess, on either the Administration's reorganization plan or the alternative reorganization plan approved by the Treasury, Postal Service Subcommittee on March 25th. It is the intent of the Committee to address the reorganization plan and the Bureau's related fiscal year 1982 urgent supplemental request of \$22,346,000 during full Committee mark-up of the Urgent Supplemental Appropriation Bill (H.R. 5922) upon Congress' return. The Committee therefore respectfully requests that the Department not attempt any reorganization of the Bureau of Alcohol, Tobacco, and Firearms, including any transfer of personnel out of the Bureau into other Treasury agencies, until after completion of Congressional action on the Urgent Supplemental Appropriations Bill.

Sincerely,

MARK O. HATFIELD,  
Chairman,  
WILLIAM PROXMIRE,  
Ranking Minority Member,  
JAMES ABDNOR,  
Chairman, Subcommittee on Treasury,  
Postal Service, and General Government.

DENNIS DeCONCINI,  
Ranking Minority, Subcommittee on Treasury,  
Postal Service, and General Government.

U.S. SENATE,  
COMMITTEE ON APPROPRIATIONS,  
Washington, D.C., March 25, 1982.

Hon. MARK O. HATFIELD,  
Chairman, Appropriations Committee,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We would like to take this opportunity to transmit to you the recommendation of the Senate Appropriations Subcommittee on Treasury, Postal Service, and General Government regarding the proposed reorganization of the Bureau of Alcohol, Tobacco, and Firearms (BATF) within the Treasury Department.

As you may know, the Administration has proposed a shift of 719 positions and the alcohol and tobacco regulatory functions from BATF into the U.S. Customs Service, and a shift of 1,731 positions and the firearms, arson, and explosives activities from BATF into the U.S. Secret Service. The plan would also call for reduced enforcement of the Federal Alcohol Administration Act by Treasury.

The House Appropriations Committee on Wednesday, March 24, disapproved the Administration's plan and extended the "freeze" on implementation of the plan, currently contained in Public Law 97-92, until June 30, 1982. This afternoon the Senate Subcommittee on Treasury, Postal Service, and General Government voted to approve an alternative to the Administration's reorganization plan.

The reorganization plan approved by the Subcommittee would direct the following:

1. The firearms enforcement and regulatory function would remain in the Bureau of Alcohol, Tobacco, and Firearms.
2. 717 BATF agents, including 400 agents from the current BATF firearms agent work force, and sufficient fiscal 1983 funding to cover their salaries and expenses, would be transferred from BATF to Secret Service, and the arson, bombing, criminal trafficking and explosives functions would be shifted intact from BATF to the U.S. Secret Service. Implementation of this transfer would commence in fiscal year 1982, using the supplemental appropriation to initiate this change.
3. The alcohol and tobacco functions would remain in the Bureau of Alcohol, Tobacco, and Firearms with full funding and full enforcement of the Federal Alcohol Administration Act. The Subcommittee recommends the appropriation of \$7.5 million for the balance of fiscal year 1982 and \$15 million in fiscal year 1983 to fully fund the FAA Act activities in BATF.
4. The Secretary of the Treasury would conduct a major management study to bolster top management of the BATF and crack down on the identified causes of past and present abuses by agents in the field in the firearms area. The report would be made to the Committee on Appropriations by no later than September 30, 1982.
5. The full requested supplemental appropriation of \$22,346,000 for fiscal 1982 would be approved either in the Urgent Supplemental Appropriation Bill (H.R. 5922) or the Continuing Resolution (H.J. Res. 409), both currently pending in the House. This supplemental would be required to prevent wholesale reductions in force in the agent work force at BATF and would help to initiate the Committee's proposed reorganization plan.
6. The Secretary of the Treasury would be directed to submit legislation to the Congress to shift bank robbery jurisdiction from the FBI to the Secret Service.
7. The name of the Bureau of Alcohol, Tobacco, and Firearms would be changed to the Treasury Compliance Agency.

We believe that this reorganization plan is in the best interests of the Department of the Treasury and the public and we urge its adoption by the full Senate Committee on Appropriations prior to the March 30 deadline imposed by Public Law 97-92, the Continuing Resolution.

With best wishes.

Sincerely,

JAMES ABDNOR,  
Chairman, Subcommittee on Treasury,  
Postal Service, and General Government.



DENNIS DeCONCINI,  
Ranking Minority Member.

DEPARTMENT OF THE TREASURY,  
BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS,  
Washington, D.C., April 13, 1982.

Memorandum to: Assistant Secretary (Enforcement and Operations).  
From: Director.

Subject: Potential furlough of ATF employees.

At the present time, the Bureau is funded at a level of \$115,654,000 through the end of FY '82. While supplemental requests of \$26,483,000 are pending, we cannot be certain that these requests will be approved even enough to preclude the necessity of instituting a furlough for at least a portion of ATF employees.

Attached is a timetable which is currently being implemented in order to effect a furlough at the earliest possible date, which is June 27, 1982 (19th pay period). At that time it will be necessary to furlough approximately 1,600 employees through the remainder of the fiscal year. Eleven hundred employees would be left on board to accomplish the essential functions. Obviously, furloughs initiated at later dates would necessitate releasing larger numbers of employees. For instance, a furlough initiated on July 11, 1982 (20th pay period), would leave 700 on board, and one initiated on July 25, 1982, would leave 450 on board.

Consideration was also given to implementing a discontinued furlough but there is an unresolved issue as to whether or not this is legal in instances of furlough of over 30 days duration. Discussions are currently being held between the Department and OPM to resolve this question.

Attachments.

G. P. DICKERSON.

ATTACHMENT I.—BUREAU OF ALCOHOL, TOBACCO AND FIREARMS FURLOUGH TIMETABLE

	Completion date
General notice—issued February 1, 1982.	
Verification of registers.....	5 work days..... April 19.
Draft registers.....	3 work days..... April 22.
Typing, copying registers.....	5 work days..... April 29.
Mail registers to POD's.....	2 work days..... May 3.
Registers reviewed by employees.....	do..... May 5.
Corrections.....	do..... May 7.
Rounds of competition.....	12 work days..... May 25.
Preparation of individual specific notices.....	7 work days..... June 3.
Mail to offices.....	2 work days..... June 7.
Acknowledgement by employee.....	1 work day..... June 8.
10-day notice period.....	10 work days..... June 22.
Furlough effective (beginning of pay period).....	June 27.

**Explanations.**—To furlough approximately 1,600 employees for more than 30 days requires the same amount of administrative preparation as would be needed to separate that number of employees under reduction-in-force procedures. Because entire competitive areas are not being furloughed, "bump" and "retreat" rights must be applied to determine which employees will be furloughed. Before "bump" and "retreat" rights can be determined, retention standing must be established on registers. Retention registers must be established based on the effective date of the furlough. (If the effective date is changed the process starts over, since standing on retention register is based on "as of" a specific date.) Each of the employees who is affected by the furlough must receive an individual notice which contains specific information on the employee's retention standing and the action to be taken with regard to that employee. The number of notices may be in excess of 1,600 depending on how selections for the furlough are made. If employees in specified positions are designated for furlough, "bumping" and "retreating" would occur. On the other hand, if the employees who are lowest standing on the retention registers are selected for furlough, "bumping" and "retreating" would not occur. However, in cases where it is determined that certain work can be performed only by individuals with

special qualifications (e.g., if it is determined that only inspectors with particular qualifications can perform FAA work), the latter method could not be used. In either instance it would still be necessary to establish retention registers for all Bureau employees to effect a furlough of lowest standing employees.

If only the lowest standing employees are furloughed, which is not possible for some offices, fewer than the 12 days required to conduct the rounds of competition would be needed to determine which employees are furloughed. The time saved using this method would still not be sufficient to effect the action before June 27, 1982.



## Attachment II

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
FY 1982 Budget Analysis  
Actual Data Thru 3-20-82  
(\$000)

This analysis is based on the following assumptions:

-a separation rate of:

54 from PP 14 thru PP 14

15 from PP 15 thru PP 19

0 from PP 20 thru PP 27

-an outplacement of

897 Agents 147 Inspectors 552 Others in PP 20

PP	Paid Hours	EIE	YTD	Avg Salary	Salary Costs	On Duty	Attrition	Gain	Loss	Other
On board beginning of fiscal year						3,373				
1	54,563	26.2	26.2	26,656	699	3,364	0	-9		
2	267,517	128.6	128.6	27,214	3,500	4,199	0	-26		
3	254,366	127.1	127.1	27,292	3,471	7,670	0	-42		
4	262,753	126.3	126.3	27,361	3,456	11,127	0	-24		
5	250,723	125.3	125.3	27,590	3,457	14,584	0	-35		
6	257,351	123.7	123.7	27,594	3,414	17,998	0	-39		
7	254,607	122.4	122.4	27,540	3,383	21,382	0	-30		
8	251,691	121.0	121.0	27,752	3,358	24,740	0	-31		
9	247,293	118.8	118.8	27,859	3,312	28,052	0	-32		
10	245,424	117.9	117.9	27,947	3,297	31,350	0	-41		
11	241,529	116.1	116.1	28,034	3,255	34,605	0	-102		
12	234,464	112.7	112.7	28,166	3,175	37,780	0	-53		
13	230,253	110.7	110.7	28,303	3,133	40,913	0	-54		
14	225,412	108.3	108.3	28,394	3,077	43,991	0	-54		
15	221,516	106.4	106.4	28,484	3,033	47,024	0	-15		
16	220,316	105.9	105.9	28,575	3,026	50,051	0	-15		
17	219,116	105.3	105.3	28,666	3,019	53,071	0	-15		
18	217,916	104.7	104.7	28,757	3,012	56,084	0	-15		
19	216,716	104.1	104.1	28,847	3,005	59,089	0	-15		
20	88,000	42.3	42.3	28,154	1,192	60,282	0	-15		
21	88,000	42.3	42.3	28,191	1,196	61,479	0	-15		
22	88,000	42.3	42.3	28,239	1,200	62,679	0	0		
23	88,000	42.3	42.3	28,282	1,204	63,883	0	0		
24	88,000	42.3	42.3	28,373	1,208	65,091	0	0		
25	88,000	42.3	42.3	28,463	1,211	66,303	0	0		
26	88,000	42.3	42.3	28,554	1,215	67,519	0	0		
27	75,200	38.0	38.0	28,645	1,097	69,836	0	0		
Benefits						7,542				
Total Comp and Benefits						77,379				

The above table is based on the following:

-2 paydays in PP 1 and 9 paydays in PP 27

-actual data for PP 1 thru PP 13

-projected average salary increase of 90.72

-average hours per separation of 69.13

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
FY 1982 Budget Analysis

Category	Financial Plan	Obligations 02-28-82	Percent Obligated
Personnel Compensation	59,836,684	36,244,425	51.99 %
Benefits	7,542,361	3,943,533	52.28 %
Subtotal	67,379,046	40,187,958	51.93 %
Other Personnel Costs:			
Temporary Employment	315,000	117,195	37.20 %
UO (Premium Pay)	5,000,000	1,903,838	38.07 %
Overtime	295,000	131,253	44.49 %
Cash Awards	100,000	6,447	6.44 %
Terminal Leave	650,000	390,141	60.02 %
Unemployment/Severance	400,000	56,750	14.18 %
GOLA	65,000	27,140	41.75 %
FLEC	0	1,018,055	###.## %
PCS	675,000	397,228	58.84 %
Subtotal	7,500,000	4,048,087	53.97 %
Total Personnel Costs	84,879,046	44,236,045	52.11 %
Other Object Classes:			
Operating Travel	3,500,000	1,115,311	31.86 %
Transportation	1,250,000	281,344	22.50 %
SLUC	8,656,000	3,657,132	42.24 %
Communications	7,162,000	3,017,431	42.13 %
Printing	2,200,000	896,987	40.77 %
Other Services	4,000,000	1,449,771	36.24 %
Supplies	3,381,000	1,173,966	34.72 %
Equipment	700,000	30,723	4.38 %
Insurance	54,000	15,844	29.34 %
Subtotal	30,903,000	11,638,509	37.66 %
Total FY 1982 Budget	115,782,046	55,874,554	48.25 %
Available Funding	115,654,000		
Balance	-128,046		

(BATE-FMD)  
(Page 2 of 2)



DEPARTMENT OF THE TREASURY  
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
Washington, D.C. April 22, 1982  
Memorandum to Assistant Secretary, Enforcement and Operations  
Subject: Financial plan for \$115,654,000 level

1. The current budget for ATF is \$115,654,000. This is a significant increase from the \$110,000,000 level of the previous year. The current budget is based on the assumption that the Bureau will be able to maintain its current level of operations throughout the year. However, it is now clear that this assumption is incorrect. The Bureau is currently operating at a level of \$110,000,000, and it is expected that this level will be maintained throughout the year. This means that the Bureau will be operating at a deficit of \$5,654,000 for the entire year. This is a serious situation that must be addressed immediately.

2. The current budget for ATF is \$115,654,000. This is a significant increase from the \$110,000,000 level of the previous year. The current budget is based on the assumption that the Bureau will be able to maintain its current level of operations throughout the year. However, it is now clear that this assumption is incorrect. The Bureau is currently operating at a level of \$110,000,000, and it is expected that this level will be maintained throughout the year. This means that the Bureau will be operating at a deficit of \$5,654,000 for the entire year. This is a serious situation that must be addressed immediately.

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6. The current budget for ATF is \$115,654,000. This is a significant increase from the \$110,000,000 level of the previous year. The current budget is based on the assumption that the Bureau will be able to maintain its current level of operations throughout the year. However, it is now clear that this assumption is incorrect. The Bureau is currently operating at a level of \$110,000,000, and it is expected that this level will be maintained throughout the year. This means that the Bureau will be operating at a deficit of \$5,654,000 for the entire year. This is a serious situation that must be addressed immediately.

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G. R. DICKERSON.

DEPARTMENT OF THE TREASURY,  
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS,  
Washington, D.C., April 22, 1982.

Memorandum to: Assistant Secretary (Enforcement and Operations).  
From: Acting Director.  
Subject: Financial plan for \$115,654,000 level.

My staff has reviewed all the alternatives for Bureau operations at a funding level of \$115,654,000, and the attached financial plan represents the only alternative that will provide minimum protection for revenue collection, continued enforcement of the FAA Act, and minimal law enforcement for protection of life and limb situations. In addition this plan will insure the Bureau will not have an antideficiency violation at the \$115,654,000 level.

This plan would discontinue any further expenditures in the areas of temporary employment, overtime, cash awards, and PCS moves on April 30, 1982. Premium pay for special agents would however continue. All other nonpersonnel costs would be reduced to an absolute minimum. A furlough of approximately 1,570 employees would begin sometime during the 20th pay period and continue through September 30, 1982. The remaining employees, consisting of approximately 400 agents, 500 inspectors and 200 support personnel, would continue onboard until the end of the fiscal year. This plan includes sufficient funds for payment of unemployment compensation for all furloughed employees, and the annual FLEC payment for the Department of Labor of \$2.7 million.

If you have any further questions concerning this plan, please feel free to contact me.

STEPHEN E. HIGGINS.



BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
FY 1982 Budget Analysis  
Actual Data Thru 4-3-82  
(\$000)

This analysis is based on the following assumptions:  
-a separation rate of:

26 from PP 15 thru PP 15  
15 from PP 16 thru PP 20  
0 from PP 21 thru PP 27

-a furlough of:

950 Agents 150 Inspectors 470 Others in PP 21

PP	Paid Hours	FTE PP	YTD	Avg Salary PP	Salary Costs YTD	On Duty	Attrition Gain Loss Other
On board beginning of fiscal year							3,373
1	54,563	26.2	26.2	26,656	699	699	3,364
2	267,517	128.6	154.8	27,214	3,500	4,199	3,338
3	264,666	127.1	282.0	27,292	3,471	7,670	3,296
4	262,753	126.3	408.3	27,361	3,456	11,127	3,272
5	260,723	125.3	533.7	27,580	3,457	14,584	3,237
6	257,351	123.7	657.4	27,594	3,414	17,898	3,198
7	254,607	122.4	779.8	27,640	3,383	21,382	3,168
8	251,691	121.0	800.8	27,752	3,358	24,740	3,117
9	247,298	118.8	1,019.7	27,859	3,312	28,052	3,085
10	245,424	117.9	1,137.7	27,947	3,287	31,350	3,044
11	241,529	116.1	1,253.8	28,034	3,255	34,605	2,942
	234,464	112.7	1,366.5	28,166	3,175	37,780	2,889
	230,258	110.7	1,477.2	28,303	3,133	40,913	2,825
	224,367	107.8	1,585.1	28,447	3,068	43,982	2,771
15	221,491	106.4	1,691.6	28,542	3,039	47,022	2,745
16	219,491	105.5	1,797.1	28,637	3,021	50,043	2,730
17	218,291	104.9	1,902.1	28,732	3,015	53,059	2,715
18	217,091	104.3	2,006.4	28,827	3,008	56,068	2,700
19	215,891	103.7	2,110.2	28,922	3,001	59,070	2,685
20	214,691	103.2	2,213.4	29,017	2,995	62,065	2,670
21	88,000	42.3	2,255.7	27,956	1,182	63,247	1,100
22	88,000	42.3	2,298.1	28,051	1,186	64,434	1,100
23	88,000	42.3	2,340.4	28,145	1,190	65,625	1,100
24	88,000	42.3	2,382.7	28,240	1,194	66,820	1,100
25	88,000	42.3	2,425.0	28,335	1,198	68,019	1,100
26	88,000	42.3	2,467.3	28,430	1,202	69,221	1,100
27	79,200	38.0	2,547.7	28,525	1,086	71,514	1,100
Total Comp and Benefits					7,723		
					78,238		

The above table is based on the following:  
-2 paydays in PP 1 and 9 paydays in PP 27  
-actual data for PP 1 thru PP 14  
-projected average salary increase of 94.85  
-average hours per separation of 72.77

(BATF-FND)  
(Page 1 of 2)

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
FY 1982 Budget Analysis

Category	Financial Plan	Obligations 02-28-82	Percent Obligated
Personnel Compensation	71,514,895	36,193,204	50.60 %
Benefits	7,723,608	3,940,933	51.02 %
Subtotal	79,238,504	40,134,137	50.64 %
Other Personnel Costs:			
Temporary Employment	293,000	163,651	70.23 %
AUD (Premium Pay)	6,116,000	3,110,039	50.85 %
Overtime	186,500	130,582	70.01 %
Cash Awards	15,000	6,853	45.68 %
Terminal Leave	560,000	436,267	77.90 %
Unemployment/Severance	1,893,000	56,750	2.99 %
COLA	39,000	26,675	68.39 %
FLEC	2,697,797	1,018,095	37.73 %
PCS	566,000	397,228	70.30 %
Subtotal	12,305,297	5,346,160	43.44 %
Total Personnel Costs	91,543,801	45,480,297	49.68 %
Other Object Classes:			
Operating Travel	2,346,000	1,115,311	47.54 %
Transportation	592,000	281,344	47.52 %
SLUC	8,656,000	3,657,132	42.24 %
Communications	6,350,000	3,017,431	47.51 %
Printing	1,887,000	896,987	47.53 %
Other Services	3,049,000	1,449,771	47.54 %
Supplies	2,472,000	1,173,966	47.49 %
Equipment	50,000	30,723	61.44 %
Insurance	54,000	15,844	29.34 %
Subtotal	25,456,000	11,638,509	45.72 %
Total FY 1982 Budget	116,999,801	57,118,806	48.81 %
Available Funding	115,654,000		
Balance	-1,345,801		

(BATF-FND)  
(Page 2 of 2)



Status of Separations Commencing September 20, 1981

(thru April 23, 1982)

Headquarters

77 Administration  
22 Criminal Enforcement  
27 Regulatory Enforcement  
25 Tech. and Sci. Svcs.  
15 Internal Affairs  
6 Counsel  
3 Cong. Liaison  
7 Public Affairs  
2 EEO  
5 P & E  
2 Director's Office  
192

Southeast Region

16 Administration  
44 Criminal Enforcement  
25 Regulatory Enforcement  
1 Internal Affairs  
1 Tech. and Sci. Svcs.  
4 Counsel  
92

Midwest Region

12 Administration  
29 Criminal Enforcement  
27 Regulatory Enforcement  
2 Counsel  
70

Central Region

7 Administration  
12 Criminal Enforcement  
36 Regulatory Enforcement  
55

Southwest Region

11 Administration  
21 Criminal Enforcement  
32 Regulatory Enforcement  
2 Internal Affairs  
1 Counsel  
67

North Atlantic Region

12 Administration  
34 Criminal Enforcement  
23 Regulatory Enforcement  
2 Internal Affairs  
71

Mid-Atlantic Region

2 Administration  
29 Criminal Enforcement  
11 Regulatory Enforcement  
42

Western Region

14 Administration  
44 Criminal Enforcement  
59 Regulatory Enforcement  
1 Tech. & Sci. Svcs.  
118

Total Separations: 707 (664 PFT + 43 Other[\*])

Total PFT on board: 2744

Insert offset folio 256/350 Here

LETTER FROM BERNARD LAFORST, SPECIAL AGENT-IN-CHARGE

DEAR MR. STERLING: The attached document contains my proposed testimony to be given during the scheduled May 4th hearing. I have divided the material into two parts. Because of its length, I have identified the oral presentation in Part II beginning on Page 10. I would appreciate the opportunity of having the entire document entered into the record if possible.

After you review the proposed testimony, I would appreciate any comments you might offer.

Sincerely,

BERNARD H. LAFORST,  
Special Agent-in-Charge.

PERSONAL INFORMATION

Bernard H. LaForest: Currently assigned to the Special Agent in Charge (SAC) position, Kansas City District, which encompasses half the State of Missouri, plus the States of Kansas, Iowa and Nebraska.

BACKGROUND

1962 through 1969—Detroit, Michigan Police Department.

01/05/70 to 06/10/71—Special Agent, Alcohol, Tobacco and Firearms Division, Charleston, West Virginia.

06/10/71 to 11/02/72—Special Agent, Alcohol, Tobacco & Firearms Division, Los Angeles, California.

11/02/72 to 03/18/73—Area Supervisor, Bureau of Alcohol, Tobacco & Firearms, in charge of the Los Angeles District Bomb Squad and enforcement activities for the State of Arizona.

03/18/73 to 09/01/75—Resident Agent in Charge, Phoenix, Arizona Post of Duty (POD).

09/01/75 to 04/01/77—Group Supervisor, Los Angeles, California.

04/01/77 to 12/01/77—Operations Officer—Program Development and Planning Division, Headquarters—Washington, D.C.

12/01/77 to 05/07/78—Acting Special Agent in Charge, Procedures Branch, Headquarters, Washington, D.C.

05/07/78 to 05/01/80—Assistant Special Agent in Charge (ASAC), New Orleans, Louisiana.

05/01/80 to Present—Special Agent in Charge, Kansas City District.

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to respond to your request to appear before you and the members of this Subcommittee for the purpose of relating my personal opinions and perceptions concerning the anticipated abolishment of the Bureau of Alcohol, Tobacco and Firearms (ATF); proposed merger plans, employee morale and jurisdictional efforts in the area of criminal enforcement.

The Bureau, by virtue of the controversial laws we enforce, is often referred to by law enforcement agencies, in a humorous vein, as the Federal Vice Squad. The nature of our enforcement mission encourages close working relationships with the street cop and specialists in Detective Bureaus, e.g. Burglary, Homicide, Narcotics, and Arson/Bomb Squads.

The citizens of this country continue each year to consume millions of gallons of alcohol, light up billions of cigarettes and other tobacco products and accumulate firearms for legitimate sporting activities. All of these products are readily available to most of our population and are legally purchased, possessed and used by millions of people although there is an element of risk with each item.

Whatever dangers may be present when these commodities are abused does not appear to have reduced their demand. Since the Bureau exercises regulatory and enforcement control over the manufacture, distribution and sale of these items, we are a natural target for some special interest groups who oppose the manufacture and sale of these commodities. Others perceive ATF as being too restrictive in its regulatory and enforcement control of these materials.

The major attack is sharpest in the area of firearms enforcement and regulation. Our enforcement program is subjected to close scrutiny and criticism by firearms interest groups, congressional leaders, administration officials and the media. We



**CONTINUED**

**1 OF 2**



Status of Separations Commencing September 20, 1981

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The major attack is sharpest in the area of firearms enforcement and regulation. Our enforcement program is subjected to close scrutiny and criticism by firearms interest groups, congressional leaders, administration officials and the media. We



are censured for not adequately addressing the problem of firearms misuse and, on the other hand, for being too aggressive in our enforcement efforts.

Contrary to what many individuals and organizations believe, the average ATF special agent is totally dedicated to our enforcement mission which mandates assistance to State and local law enforcement agencies. We have always attempted to shy away from a high profile in the media opting to concentrate on building a professional and highly skilled image with our counterparts on the Federal, State and local level. Additionally, although it may come as a surprise to some, hundreds of our employees consider themselves avid sportsmen and hunters. Because their line of work encourages them to know more about firearms than the average law enforcement officer, many of our people are considered firearms enthusiasts, many are expert target shooters, trap shooters and are extremely versed in the operational features of hundreds of weapons.

Returning, if I may, to the close scrutiny and criticism we continue to receive; it is extremely evident the most captious and caustic attacks have come from highly visible special interest groups. We realize those organizations have a constituency to satisfy, of which many of our employees currently belong or have belonged to in the past. During the last few months our people have become angry and somewhat frustrated with repeated attacks on our agency. A continuing rehash of alleged abuses that encompass an eight year period between 1970 and 1978 has been the focal point of a bitter offensive. The total number appears to be somewhere between 40 and 50 but, after repeated response to congressional investigations, a total of four alleged abuses continue to be thrust upon the citizenry and media as ongoing examples of our mistreatment of honest law abiding citizens. I fail to understand why no one has observed, or asked, about the percentage of alleged abuses as compared to the total number of investigations conducted. I would estimate the Bureau has averaged well over 20,000 investigations a year since 1970.

The majority of employees within ATF have attempted to ignore these bitter and unwarranted attacks because they realize the source and have rationalized the behavior and tactics of special interest groups as a method of increasing revenue for their organizations and furthering independent legislative efforts. But, during the last two years we have observed an increase in the intensity of the attacks which have succeeded in gathering influential support. How do special agents, engaged in complex investigations, dangerous undercover and arrest situations concentrate on fulfilling their professional commitment to Federal, State and local law enforcement efforts, respond to statements by elected officials that they are "a jack-booted group of fascists who are . . . a shame and disgrace to our country? For the most part they do not. Because of their professionalism they keep their feelings to themselves, locked up inside, and rely on their past and present efforts and success to overcome the verbal abuse of individuals who refuse to listen to anyone possessing an opposite viewpoint. When some politicians continue to make reference to alleged abuses by your agency and those remarks receive widespread coverage, the employee's morale and commitment to their missions suffer an added and immeasurable blow. How can we explain and justify our actions in a climate of hostility even though each of us realize we could, if given the opportunity, convince many of our critics that we are not the "gestapo," we are simply trying to fulfill our mission as a viable law enforcement agency.

Of course, ATF has received the continuous support of our contemporaries in law enforcement on all levels. The executive board of the International Chiefs of Police (IACP) which represent thousands of State and local law enforcement heads, along with the National Sheriffs Association, passed resolutions that unequivocally support our agency.

These organizations and individuals represent the finest law enforcement minds in the free world. It is incomprehensible that anybody could accuse them of only extending professional courtesy. You do not obtain the support of law enforcement professionals unless you prove yourself under fire. Yet, they are ignored by individuals and organizations who continue to attack ATF and enforcement of the 1968 Gun Control Act. Some special interest groups tout themselves as a backer of stronger and tougher law enforcement; how can their leaders ignore the formally addressed resolutions of professional law enforcement agencies. They must realize very soon, because time is running out, that they must come to the forefront and either accept the views of our Sheriffs and Chiefs of Police or take responsibility of playing a major role in removing an effective weapon against crime.

The Gun Control Act of 1968 is one of the most effective tools available to address the crime problem facing this nation today. If anything, it may be weak in certain areas and contain too much verbiage in others, but the nucleus of the law and companion regulations are proven weapons against the criminal. As an illustrative

measure I would draw your attention to the successful application of the Gun Control Act in my geographical area of responsibility (Missouri, Kansas, Iowa and Nebraska), during fiscal year 1981 which, as you are aware, ended September 30, 1981. For impact I have included accomplishments that concern violations of the Explosive Control Act of 1970, which oftentimes complements Title II of the Gun Control Act.

The Kansas City District Office's staffing averaged 29 field special agents and five first line supervisors. During fiscal year 1981 our office implemented ATF's Crime Impact Program, which I would be pleased to explain in detail but will briefly outline at this time. CIP has three phases:

(1) The Assessment Phase requires contact with law enforcement heads within the field office areas for the purpose of determining the most serious crime problems facing that community and the data to back up the conclusion. Individual department crime statistics and the FBI Uniform Crime Report are utilized along with each Chief or Sheriff's personal opinion.

(2) The Objective Phase establishes what goal ATF can achieve to impact the problem or at least disrupt the active criminals by applying our individual field office resources and jurisdictional capabilities to each enumerated crime problem targeted for attack.

(3) The Planning Phase establishes an individual field office plan tailored to specific crime problems that our agency can impact or disrupt.

(4) Each law enforcement agency is notified formally by my office on the crime problem we intend to concentrate our resources. This permits State and local agencies to be aware of our plans and areas of interest rather than continually wondering if priorities will change during the year.

Keeping in mind the staffing during 1981 was set at about 29 special agents, the following is submitted for the record:

(1) Approximately 242 investigations were initiated under the crime problems of Arson/Explosives, Narcotics Trafficking, Burglary/Fencing Operations and an additional 85 investigations outside the measured Crime Impact Program area.

(2) These investigations were directed toward well over 390 suspected violators and their associates.

(3) A total of 73 criminal case reports were forwarded to the United States Attorney's in the Judicial Districts of Kansas, Western Missouri, Nebraska, Northern Iowa and Southern Iowa, recommending prosecution against 115 defendants. The following accomplishments are reported under the respective crime problem.

(a) Arson/Explosive—Investigations of fires or explosions involving \$6,936,560 in damage resulted in \$3,091,000 in savings to insurance companies which were able to avert payment.

(b) Narcotics Trafficking—Organizations and individuals that we and other agencies estimated handled over \$21,000,000 in various narcotics and controlled substances. Our efforts and assistance resulted in the purchase and seizure of over \$7,295,000 in contraband. We also recovered over 259 weapons of which 148 were purchased in undercover operations or seized at the time of arrest and search warrant action.

(c) Burglary/Fencing—We and other participating agencies developed information that cleared approximately 484 burglaries and, if the defendants recommended for prosecution were sentenced after conviction, approximately 2,835 burglaries will be thwarted. We recovered 190 firearms of which ATF either seized or purchased 145 in undercover operations.

(4) We have not taken credit for the many other cases submitted to local courts by participating agencies because those are their statistics. ATF has always taken credit for only those cases submitted for prosecution by our agency.

(5) Lastly, we referred 853 pieces of information to other Federal, State and local agencies.

(6) That is what 30 well trained and dedicated special agents accomplished in one fiscal year. The same quality of cases and investigations were completed in all criminal enforcement districts. All this while under threat of extinction, abolishment, reduction in force and limited resources. It is a shameful disgrace for a fine organization to be subjected to the treatment we continue to receive.

The Gun Control Act as illustrated above, is extremely effective in combatting suspects engaged in criminal activity. Persons active in burglary, fencing, narcotics violations and violent crimes, e.g. armed robbery, felonious assault, etc. have a propensity to deal in or possess weapons to further their criminal enterprises. Orga-



nized crime, by virtue of their continued use of bombs, guns and arson, is extremely vulnerable to the Gun Control Act. United States Attorney's and Strike Force Attorneys familiar with this Bureau's enforcement of the Gun Control Act and Explosive Control Act are extremely supportive and aggressive in utilizing these valuable statutes.

Apparently, there are powerful and influential persons, many of whom exhibit good intentions, who would actively seek to change, weaken, or abolish this valuable weapon in the law enforcement arsenal. I take this opportunity to strongly urge an indepth and objective review of the current Gun Control Act and its successful use since its enactment, with serious thought strengthening the statute rather than weakening or abolishing it.

#### ORAL PRESENTATION—PART II

At this point I would, with your permission, like to relate my opinions about the proposed transfer of functions and subsequent merger of criminal enforcement and support functions into the Secret Service.

Initially, many of my peers and our employees took exception to the proposed abolishment of ATF. Many felt that this was in direct response to pressure from special interest groups whom have conducted phillipic attacks during the past several years. They determined there was a direct correlation between statements made by current Administration officials and the stepped up attacks after the election, plus the increased push for passage of new firearms legislation. But, I feel the administration, through the Treasury Department, has recently proposed initiatives that could benefit Federal Law Enforcement.

Since February of 1981, the employees experienced confusing and conflicting statements concerning abolishment, reductions in force, furloughs and outright firing of the total work force. In twenty years as a law enforcement officer, special agent, supervisor and manager, I have never witnessed such irresponsible treatment of a law enforcement agency, and its employees, who day after day, year after year, dedicate themselves to projecting a professional image. You have to be extremely professional to accomplish what we have on the meager budgets received each year. The agency as a whole is worthy of the recognition and plaudits earned through many years of dilligent effort, design and implementation of innovative investigative techniques and most of all to the special agents killed in the line of duty. Is there any wonder, Mr. Chairman, why our special agents should not be frustrated, shocked and angry at the treatment they have endured after 126 past comrades paid the supreme price during the execution of their duties and responsibilities. That figure is a greater loss than any other Federal law enforcement agency has suffered, and illustrates the danger connected with the violations we are charged with detecting and eradicating.

I don't wish to portray ATF as faultless because we have made mistakes, but, we have addressed our problems. There is an old adage in law enforcement; if you work hard you will occasionally get into trouble. When decisions must be made in a split second in hundreds of situations any human will make mistakes.

Since September 1981, we have continued to operate with reduced resources in all segments of the Bureau including criminal enforcement. During November and December funds were reduced to the point of causing serious repercussions in ongoing investigative activity. I had special agents request permission to utilize personal funds to pay for gasoline and repairs to government vehicles out of their own pocket. This, of course, is not permitted by law and regulation. But this demonstrates the type of personnel we possess in criminal enforcement.

As of April 1, 1981, we have lost 132 special agents since September of last year. Older experienced agents, who felt the continued pressure accepted positions in U.S. Customs. Younger agents who were less hardened to the pressures and who would be the first to be released, should a RIF occur, accepted offers outside government service or with other agencies such as the Secret Service. We have suffered additionally when you consider the hours of training given these agents in developing them into effective investigators, not to mention the millions of dollars invested in their formative years with ATF. Our efforts in the past to recruit minorities, e.g. females, blacks and Spanish speaking personnel, were dealt a serious blow since many of these people were the first to leave.

It would be difficult but not impossible to rebuild this agency should it remain intact. Many management techniques, internal procedures and program development would have to be reviewed and changed.

We in criminal enforcement have all come to the stark realization that we are witnessing the death throes of a proud agency; charged with enforcement of contro-

versial laws and regulations. We have strived to do our best, but apparently it wasn't enough. After one accepts this sad fact, they try to rationalize what can be salvaged. The vast majority of our employees, including myself, support the transfer of Criminal Enforcement functions, as they pertain to Firearms and Explosives, to the United States Secret Service.

I reviewed and studied the proposals made by the Treasury Department along with the counter proposals presented to a recent Senate Sub-committee. Those proposals that expedite the transfer of the majority of criminal enforcement to the Secret Service, consisting of 1,200 or more special agents and necessary support functions, is totally acceptable when faced with the unpleasant alternatives.

The Honorable John M. Walker Jr., Assistant Secretary for Enforcement and Operations and Robert Powis, his Deputy, have addressed the field SAC's on two occasions. The majority of ATF field SAC's believe these men to be honest and forthright. They have pledged to us that Firearms and Explosives Enforcement will be a high priority if the transfer of functions is approved. That, Mr. Chairman, has generated the most concern among our employees and myself. We can live with abolishment, overcome the embarrassment and disgrace often associated with such action, but we are unanimous in our determination to keep our commitment to the intent of the statutes. They must not be permitted to be relegated to a low priority or insignificant status.

I would agree with the logic presented to various Congressional Sub-committees by the Treasury Department. The Secret Service is totally law enforcement oriented which permits planning, program development, resource allocation and general budgetary considerations to be designed and submitted to further one overall mission.

The nature and direction of our many undercover probes, along with continuous contact with the criminal element and law enforcement agencies has resulted in significant referrals to the Secret Service in addition to successful joint efforts. The investigative expertise possessed by ATF special agents will, in my opinion, substantially increase the professional image of the Secret Service in the area of criminal investigation.

Mr. Chairman, I thank you for affording me the opportunity to appear before you and hope that my personal statement has not offended any individual or group. I now welcome the opportunity to respond to any questions you may have.



**END**