

Congressional Budget Submission

Fiscal Year 2019



Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)

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UNITED STATES DEPARTMENT
OF JUSTICE

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I. Overview for the Bureau of Alcohol, Tobacco, Firearms and Explosives

A. Introduction

Established as an independent Bureau in 1972, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the federal agency charged with enforcing the Gun Control Act (GCA) and the National Firearms Act (NFA); the two primary laws enacted by Congress to address firearms violence. ATF also enforces the provisions of the Arms Export Control Act addressing the importation of arms, ammunition, and implements of war. With respect to explosives, ATF enforces the provisions of Title XI of the Organized Crime Control Act of 1970, including the Safe Explosives Act of 2002 (SEA). The SEA expanded the scope of explosives regulations administered by ATF by establishing controls on the intrastate movement of explosives, and by mandating that all persons who receive explosives undergo a background check and obtain a federal permit. To better focus ATF on its core violent crime mission involving firearms, explosives and arson, the Administration has proposed transferring the enforcement authority ATF currently exercises over alcohol and tobacco back to the Department of Treasury (Alcohol and Tobacco Tax and Trade Bureau).

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.

ATF's FY 2019 budget request, which totals \$1,316,678,000 for Salaries and Expenses (S&E), provides its special agents, industry operations investigators, and support professionals the core resources necessary to maintain current services. This budget request supports 5,123 total positions and 5,012 full time equivalents (FTE) including a total increase of \$11,890,000 in adjustments-to-base (ATBs) and a technical adjustment of \$23,723,000. The request also includes \$31,012,000 in program enhancements to support the core missions of the Bureau.

ATF protects the public from crimes involving firearms, explosives, and arson; regulates lawful commerce in firearms and explosives; and provides worldwide support to law enforcement, public safety, and industry partners. ATF regulates the firearms and explosives industries from the point of manufacture and/or importation through retail sale. ATF's regulatory and enforcement strategies are interwoven to provide a comprehensive approach to its mission. To maximize ATF's effectiveness in preventing violent crime, ATF uses partnerships in all aspects of its law enforcement, regulatory, training and forensic mission areas. ATF works with its regulated industries to prevent violence and safeguard the public while endeavoring to minimize regulatory constraints that impact lawful commerce in firearms and explosives.

ATF's criminal investigative efforts focus on reducing violent crime, by targeting domestic and international firearms traffickers, violent criminal organizations, armed violent offenders, and career criminals. ATF investigates and arrests individuals and organizations that illegally supply firearms to prohibited individuals and deters the diversion of firearms from lawful commerce into the illegal market with enforcement strategies and technology.

ATF works to reduce violent crime by targeting and dismantling the criminal organizations that pose the greatest threat to public safety. Criminal organizations, including gangs, use guns to terrorize communities, enforce territorial boundaries, retaliate against rivals and witnesses, and facilitate their criminal enterprises. ATF has wide-ranging experience investigating, infiltrating, and dismantling criminal organizations, ranging from international gangs like MS-13, to national gangs like the Crips, Bloods, Hells Angels, and Aryan Brotherhood, to smaller “street crews” that menace many local communities.

ATF has sole federal regulatory authority over Federal Firearms Licensees (FFLs) authorized to engage in the business of manufacturing, importing, or selling firearms in the U.S. ATF conducts licensing qualification investigations on those who seek to engage in the business of firearm manufacture and dealing, issues federal firearms licenses, administers and, through the inspection process, enforces regulations applicable to FFLs, including recordkeeping requirements for the acquisition and disposition of each firearm. These regulations are designed to allow the tracking of each firearm from its point of manufacture or importation to the point of its first retail sale, a process known as “firearms tracing.” To conduct traces of firearms recovered in law enforcement investigations, ATF operates the National Tracing Center (NTC), which is the only entity able to trace firearms from their manufacture to the point of first retail sale. By tracing crime guns recovered by law enforcement, ATF is able to discern patterns that provide invaluable leads that aid in identifying the diversion of firearms into illegal commerce.

The regulations administered and enforced by ATF include those requiring licensed dealers to conduct background checks on purchasers of firearms through the National Instant Criminal Background Check System (NICS); the NICS system helps keep firearms out of the hands of individuals, such as felons, who are prohibited from possessing them. ATF’s inspection of firearms licensees is focused not only on ensuring regulatory compliance, but also on identifying criminals who illegally purchase firearms and those who supply guns to criminals through “straw purchases.”

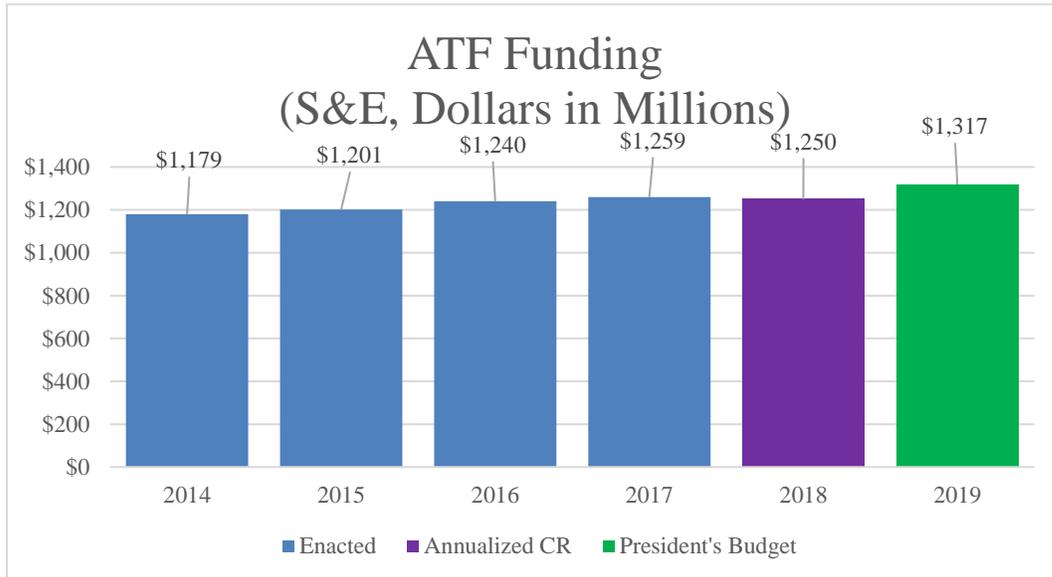
ATF is also the only federal law enforcement agency that regulates the explosives industry, licensing businesses and individuals to engage in the business of manufacturing, importing, or dealing in explosives, or receiving or transporting explosives materials. ATF’s criminal and regulatory programs are a key means by which the U.S. Government enforces federal explosives laws and prevents criminals and terrorists from obtaining explosives for use in bombings. Federal law requires that any manufacturer, importer, or dealer of explosives must have a federal explosives license. Anyone who acquires for use or transports explosives must hold a federal explosives permit. ATF establishes standards for the storage of explosives materials to which licensees must adhere. ATF’s Industry Operations Investigators (IOIs) conduct compliance inspections to prevent diversion and promote the safe and secure storage of explosives. IOIs also detect and assist in the investigations of the diversion of explosives. When a significant safety hazard or loss of explosives is discovered, IOIs directly address these incidents to ensure the threat is mitigated.

ATF is recognized for its expertise in bombing and explosives investigations and in the reconstruction of explosives incidents. ATF’s special agents and forensic personnel are highly trained in the investigation of post-blast scenes and provide training to federal, state, local, tribal, and international law enforcement agencies in methods and techniques to solve such crimes. As an integral part of ATF’s overall violent crime reduction strategy, ATF’s Explosives Program provides vital resources to local communities to investigate explosives incidents and arson-for-profit schemes. ATF’s National Response Team (NRT) consists of highly trained special agents, forensic chemists, engineers, and other technical experts who can be deployed within 24 hours to major explosion and fire scenes anywhere in the U.S. The NRT assists state and local officers in fire and explosives incidents with examination of the scene, interviews, assistance with future investigation, and expert court testimony.

Maintaining Current Services

The FY 2019 request includes \$11,890,000 in adjustments-to-base (ATBs) and \$23,723,000 in technical adjustments to maintain current service levels. Within the total ATBs, \$6.39 million is for pay and benefits to continue support of special agents, industry operations investigators, and other personnel. Another \$6.77 million is for domestic rent, facilities, and relocation costs supporting ATF offices, laboratories and training centers around the country.

In addition to ATB requirements for pay and benefits (including health care), rent, and Department of Homeland Security (DHS) increases, ATF also requires an additional \$0.7 million of ATBs for Working Capital Fund (WCF) Trusted Internet Connection (TIC), as well as \$0.2 million for Capital Security Cost Sharing. An administrative savings of \$2.33 million is also included.



Program Improvements

This budget request contains three program enhancements:

National Integrated Ballistics Information Network (NIBIN)

The first program enhancement request of \$8,900,000 and 7 positions will expand the capabilities and capacity of the NIBIN National Correlation and Training Center (NNCTC). The NNCTC allows NIBIN network users to send imaged ballistic evidence to a single center that performs correlation services for participating partners. Centralizing the correlation process enables ATF to provide ballistic identification services for its law enforcement partners in a more accurate, efficient and streamlined manner. Importantly, the NNCTC also gives participating NIBIN sites the ability to redirect limited resources to other matters, such as implementing a comprehensive ballistic evidence collection and imaging program. The request for FY 2019 is for the second phase of NNCTC. The requested funding will allow the NNCTC to expand services to an additional 25-30 NIBIN sites in FY 2019, provide additional NIBIN Technician training for state and local partners, and provide necessary infrastructure for further expansion to service all NIBIN sites by FY 2020-2021.

National Firearms Act (NFA)

The second program increase is in direct support of expediting NFA Applications. ATF is requesting \$13,200,000 and 25 positions to support the timely and effective registration of restricted weapons and better support law enforcement criminal prosecutions while upholding the constitutional rights of the American public. The requested funds will aid in the handling of the unprecedented NFA transfer and registration application volume. The improvements will employ technical advancements needed to ensure the most accurate and timely firearm registrations to support the enforcement of the National Firearms Act and provide certifications in support of criminal trials. The effect of this improvement directly strengthens law enforcements' ability to succeed in prosecutions while instituting an efficient mechanism for application processing for the firearms industry.

National Public Safety Partnership (PSP)

The third program increase provides \$8,912,000 and 46 positions to staff criminal enforcement and industry operations positions within communities experiencing a precipitous increase in violent crime. ATF will provide additional resources and assistance to cities with surging firearm violence. ATF has determined that deployment of additional investigative personnel to augment existing enforcement and industry operations groups is the most effective means of assisting communities in achieving a sustainable reduction in violent crime. The additional resources would also allow ATF to support operations by providing further capacity to the Regional Crime Gun Intelligence Centers.

B. Background

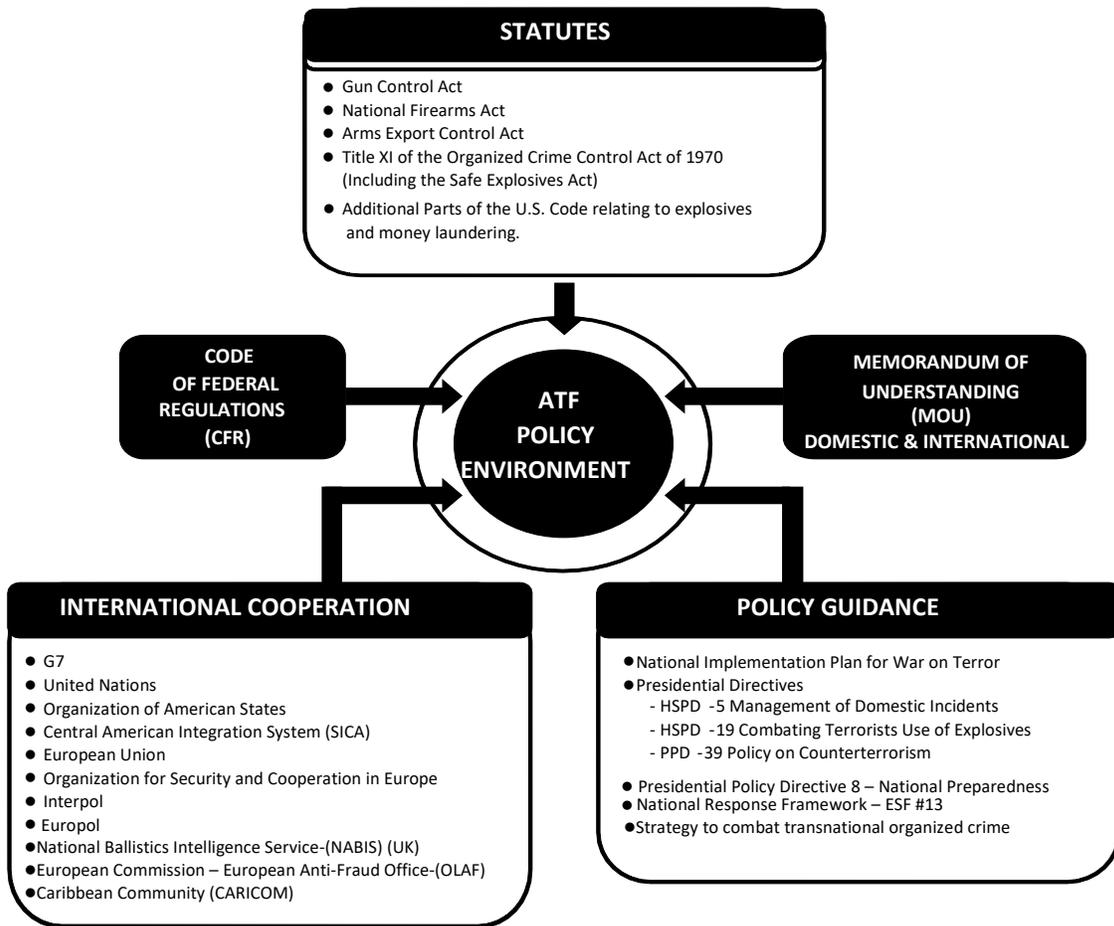
This budget request supports ATF's capacity to actively combat violent crime and enhance public safety through several mission areas.

1. Engage in critical law enforcement and industry regulation activities which prevent and reduce violent crime related to:

- Illegal firearms trafficking;
 - Criminal possession and use of firearms;
 - Diversion of firearms from legal commerce;
 - Criminal organizations;
 - Explosives, bombs and bombings;
 - Diversion of explosives from legal commerce; and
 - Criminal use of fire.
2. Provide vital services to support and improve public safety, which includes, but is not limited to:
- Firearms and explosives licensing services;
 - Firearms tracing;
 - National Integrated Ballistic Information Network (NIBIN);
 - National Center for Explosives Training and Research (NCETR);
 - ATF laboratories; and
 - Emergency Support Function (ESF) #13, Public Safety and Security, under the National Response Framework (NRF).

ATF's continuing effort to improve oversight of and efficiency in meeting its mission goals is supported by our Frontline business methodology – a key component of ATF's risk management strategy. ATF's Frontline business model emphasizes a standardized way of doing business both internally and externally through strong leadership, transparency, accountability at all levels, and streamlined measurements of effectiveness and accomplishments. At the core of Frontline are field division domain assessments. Domain assessments are comprehensive, intelligence-driven assessments that identify and analyze significant violent crime problems and industry compliance issues within each field division's area of responsibility. They propose a plan of action within the limits of available resources to mitigate or eliminate these threats.

Under Frontline, the Special Agents-in-Charge (SACs) and their respective Deputy Assistant Directors (DADs) review the completed domain assessments each year and agree on implementation. Frontline Performance Reviews (FPRs) are conducted semi-annually. Performance data is extracted from ATF's case management systems and provided to field division managers and Headquarters DADs to facilitate the review process. Managers compare field division activities against their domain assessment priorities to ensure that resources are utilized in accordance with the domain assessment plan and goals are met. Frontline investigations and discretionary inspections are driven by actionable intelligence and crime information. At the core of establishing investigative priorities is the efficient and streamlined use of intelligence. Proper collection and processing of data and dissemination of the intelligence are necessary for ATF to achieve success conducting intelligence driven investigations and inspections. The Frontline methodology is the annual "implementation plan" that integrates the goals of ATF's Strategic Plan in each field division. The following diagram describes the Policy and Legislative Environment that directs ATF's Mission and Budget Strategy:



ATF Priorities:

Performance Materials will be provided at a later date.

C. Challenges

ATF faces serious external and internal challenges affecting its ability to meet mission critical goals and objectives. These include, but are not limited to:

- Keeping pace with rising violent gun crime rates in cities across America, and responding to the increasing number of FFL burglaries;
- Keeping pace with changes in state laws that are driving an unprecedented increase in the volume of NFA weapon applications;
- Establishing and funding a technology refresh strategy to modernize and better integrate ATF's outdated information and forensic technology assets, infrastructure, and services such as case management, firearms tracing, and NIBIN to execute coordinated and comprehensive strategies to reduce violent crime;
- Improving productivity and customer service in the face of significant increases in workload requirements in both the law enforcement and services elements; and
- Meeting the ongoing hiring, training, and knowledge transfer demands posed by the retirement and attrition of special agents and experienced staff.

External Challenges

According to the FBI's preliminary 2017 Uniform Crime Report Data, the overall estimated number of violent crimes in the U.S. decreased 0.8 percent from the first six months of 2016 to the first six months of 2017. Notwithstanding the overall reduction, murders increased by 1.5 percent nationally and cities with a population between 25,000 and 999,000 continue to demonstrate increasing rates of violent crime over the same period. The growth of violent gun crime is an external challenge that has strained ATF's ability to respond to requests for assistance and the needs of the nation's cities and citizens most affected by violence in the U.S. In an attempt to meet the needs of impacted state and local jurisdictions, ATF is redirecting and prioritizing its available resources and hiring to combatting violent gun crime and illegal firearms trafficking. However, requests for services and support continue to exceed our ability to respond. Moreover, we recognize that deferring investments in information and forensic technology, infrastructure, and support functions, leaves ATF less able to support the whole of our mission, and is not a long-term solution.

ATF is also responding to the increase in reported FFL burglaries, which directly contributes to the rise in violent gun crime. FFL burglaries are a significant source of illegally trafficked firearms. From CY 2013 through CY 2017, FFL burglaries have risen by 48 percent and FFL robberies have risen by 175 percent. In FY 2016, there were 591 FFL burglaries and robberies. The number of firearms stolen during these incidents has also increased. Firearms stolen during FFL burglaries and robberies rose significantly in FY 2016; 7,858 firearms were stolen. Investigative experience shows that each of those stolen firearms is almost assuredly destined for criminal use in the immediate area of the theft. ATF has purposefully

redirected all necessary resources to confront this surge in crimes against FFLs, and has worked to identify the perpetrators and recover as many stolen firearms as possible as an urgent public safety matter. ATF responds to 100 percent of FFL burglaries and robberies with both special agents and industry operations investigators; and makes ATF laboratory services available on an expedited basis to process evidence and provide timely leads to investigators. In concert with these efforts, ATF has developed a system to send out alerts on FFL thefts to other FFLs in areas where thefts occur.

The growth in firearms commerce is an external challenge that has strained ATF's ability to meet the needs of the firearms industry and the citizens of the U.S. The significant workload increases are due, in large part, to changes in many state laws that directly affect ATF's regulatory workload. For example, from FY 2012 to FY 2016, ATF experienced a 260 percent increase in NFA weapon applications receipts. ATF's goal is to process all NFA requests within 90 days. NFA application receipts, however, have far outpaced the number processed, leading to backlogs. One of the primary drivers for this increase is the changes in state laws that allow for the use of silencers (a NFA-regulated weapon) for hunting and sporting purposes. Even with the support of redirected industry operations personnel resources, ATF continues to struggle to meet performance targets, and wait time remains significant. Additional federal staff are needed to address this ongoing challenge.

Another external challenge for ATF directly attributable to the growth of firearms commerce is meeting the workload demands associated with the substantial turnover in the composition of the licensed industry. Between FY 2010 and FY 2017, excluding collectors, ATF issued original federal firearms licenses to over 50,000 new members of the firearm industry – nearly 37 percent of the current active licensee population percent. Over the past 5 years, ATF has conducted over 60,600 qualification inspections and assisted an average of 12,000 new business entities per year (48 businesses per workday) in their efforts to establish and operate a lawful firearms business.

While the overall size of the industry has remained relatively constant during the same period, the turnover in the population of industry licensees creates a corresponding increase in the number of qualification and compliance inspections ATF must conduct. Moreover, because ATF must act on a new license application within 60 days of it being received, and because new licensees often require greater technical assistance from ATF, there is a significant additional demand placed on ATF's inspection resources to timely facilitate lawful commerce in firearms. Because of this transition in the industry, ATF has been challenged to conduct the basic, scheduled compliance inspections at an appropriate pace. ATF's goal is for compliance inspections to be conducted on all dealers, pawnbrokers, manufacturers, and importers once in every three year license cycle.

Performing timely FFL compliance inspections has also been challenging due to longer time commitments required by ATF IOIs to conduct a thorough inspection of the FFL. As the volume of firearms commerce continues to increase, the number of individual firearms records and transactions that FFLs maintain has significantly increased, leading to lengthier inspection times. Additionally, under ATF's risk based inspection program, ATF focuses on

those licensees with actual or potential compliance problems. These at-risk compliance inspections are often more complex, requiring greater IOI resources.

In FY 2016, ATF was able to complete approximately 9,790 FFL compliance inspections. The lack of timely inspections presents a significant risk to public safety. ATF will continue using risk-based assessments to focus limited inspection resources on entities that have been identified as potentially at risk for non-compliance. Nevertheless, as the DOJ Office of Inspector General (OIG) has noted, “additional actions are needed for ATF to fully achieve its goal of keeping communities safe and secure by detecting and preventing the sale of firearms to individuals who are prohibited from possessing them.”

Internal Challenges

ATF continues to be challenged by the ongoing attrition of its special agent workforce. The mandatory retirement age for federal law enforcement agents is 57, per 5 U.S.C. §§ 8335 and 8425. In the next few years, hundreds of current ATF special agents are anticipated to retire – 499 members of our current agent cadre are age 50 or higher. These agents include a majority of ATF’s senior SES managers; agents with highly specialized skill sets such as Certified Fire Investigators (CFIs), Certified Explosives Specialists (CESs); highly experienced agents specially trained to serve on ATF’s Special Response Teams (which deploy in complex, high risk law enforcement operations), and National Response Teams (which deploy to complex explosives and fire incidents). Most importantly, these agents are ATF’s most experienced special agents, those who conduct criminal investigations nationally and train new special agents. Their experience and capabilities are invaluable to the development of the next generation of ATF special agents, as it typically takes a minimum of 3-5 years of close mentoring and on-the-job training for a new special agent to acquire the skills necessary to achieve full productivity levels. Over the last few years, ATF has escalated agent hiring in order to offset increases in attrition and address shortfalls stemming from the FY 2011-2013 hiring freeze. We anticipate adding two additional agent classes in FY 2019 beyond those scheduled for FY 2018. In addition, ATF has implemented a major revision of the special agent on-the-job training (OJT) program, streamlining and focusing objectives and reporting criteria in order to ensure that new agents are provided appropriate experiential learning during their first years on the job. We have also implemented new leadership development programs, including a partnership with International Association of Chiefs of Police, to prepare the existing agent cadre to move into management and executive positions. We continue to offer advanced training for new CFIs, CESs and other specialty positions in order to leverage the experience of current agents and facilitate the transfer of knowledge to newer agents.

To ensure that it does not again encounter unsustainable attrition from retirement waves driven by budget-driven mass hirings, ATF has adopted a consistent, data-driven, hiring and resource allocation plan. This approach mitigates historical challenges we have encountered in the management and development of the special agent workforce.

Supporting all of ATF’s criminal investigations and regulatory inspections, the present National Field Office Case Information System (NFOCIS) is comprised of four case

management applications known as N-Force, N-Spect, N-Force Vault and N-Quire, which are used to collect, manage, analyze, and report information resulting from criminal investigations and law enforcement intelligence gathering efforts, and regulatory inspections. The NFOCIS, having been in use by ATF for nearly 20 years, has functional limitations, is challenging to maintain, and is well past its end of life expectancy. ATF's inability to modernize this system has been identified as an operational vulnerability and risk in OIG reports of both ATF's criminal and regulatory operations. As a result, ATF has set as its highest priority a business process re-engineering effort that will result in a modern, process driven, case management system designed to collapse the functions ATF awarded a contract in September 2015, to begin the modernization effort designated as Spartan. The first phase was a 150-day pilot that concluded successfully in early April 2016. Prior to awarding optional development tasks to continue Spartan, ATF presented the pilot project evaluation results to the DOJ Department Investment Review Council (DIRC), headed by the DOJ Chief Information Officer. In March 2016, the Spartan project was approved to move forward. After an initial four week planning phase, the Spartan Team began the Modernization effort in May 2016. This project consists of a holistic evaluation and re-engineering of business process, development of a business process driven case management system and update to ATF policy and training.

The Spartan project has already begun to identify data systems for consolidation, which will strengthen data integrity for ATF through and elimination of data redundancies; further, standard application architecture to drive interoperability, data sharing, or knowledge sharing has been employed. Business process re-engineering and modernizing ATF's use of technology to interact with information will play a crucial role in the years to come, as more institutional knowledge is lost due to retirements. It is critical that knowledge be captured and automated to the extent that applications, such as Spartan, would be able to guide less experienced employees through a standard business process, sharing information throughout the organization, at the appropriate time. ATF must provide its leaders with timely, actionable information designed to allow them to manage the organization; this will improve safety, reduce risk to the agency and allow for a real strategic implementation of the Frontline business model.

In an effort to realize improved mission effectiveness and transparency, business process modernization must be incorporated, to include information technology (IT) modernization. Such an effort will improve information sharing, knowledge management, and the use of innovative technologies to support ATF's mission, with focused efforts on internal communication, government-to-government, and government-to-citizen. Efficiencies gained through a comprehensive modernization approach will result in a well-equipped and informed, mobile workforce, able to focus on reducing violent crime.

Addressing ATF's Challenges

The \$1.317 billion in total S&E resources requested in FY 2019 will provide the funding necessary for ATF to continue to address the external and internal challenges outlined above. This will be accomplished by focusing our efforts on communities that are most affected by violent crime. This budget request will support the Department's new PSP initiative, and augmenting enforcement and industry operations groups, which will assist

communities through sustainable reductions in violent crime. Additionally, the requested NIBIN enhancement will focus on reducing firearms violence through evidence-based targeting, investigation and prosecution of “trigger-pullers” and their sources of crime guns. ATF will also continue its modernization efforts that will leverage innovative technologies. Specifically, this budget will support continued modification of ATF’s National Firearms Registration and Transfer Record (NFRTR) system for processing National Firearms Act applications and transfers. Lastly, the requested resources will continue the improvement and rollout of eForms to more efficiently service the public and firearms industry. These efforts will significantly improve the processing of applications and transfers associated with NFA weapons in support of legal firearms commerce in the U.S. This request continues a comprehensive risk-based approach towards mitigating critical infrastructure deficiencies in personnel, oversight, management, operational capacity, and fixed operational costs that were identified and partially addressed in recent enacted budgets. This request will allow ATF to leverage and sustain gains from prior years. ATF seeks to maintain the effective investments made in areas that remain critical to securing the safety and security of our country and to strengthen and build upon them incrementally.

This request will serve to enhance the Administration’s efforts to reduce gun violence across the U.S. by sustaining the smart incremental investments in proven programs it has supported over the past several years. This investment will increase ATF’s ability to collaborate with our federal colleagues as well as our state and local partners that are critical to the abatement of violent crime in our cities and neighborhoods. This investment fully supports the Attorney General’s Task Force on Crime Reduction and Public Safety.

D. Environmental Management

ATF has fully implemented Environmental Management Systems at its laboratories, including the Fire Research Laboratory (FRL) in Maryland. The programmable logic controls (PLC) that operate the Environmental Management Systems are critical to controlling the emissions released into the outside environment and staying compliant with the Maryland Department of the Environment Emissions permit. Although the controls are inspected quarterly and repaired as needed, at 15 years old they are near the end of their life cycle.

Additionally, ATF has reviewed its acquisition policy and procedures to ensure compliance with the Department’s Green Purchasing Program. Green purchasing training is required for all Contracting Officers and Purchase Card Holders. ATF is developing policy and procedures to address compliance with Executive Order 13423, as it relates to Toxic and Hazardous Chemical reduction, Sustainable Buildings, Energy Management, Transportation, Recycling, Water Management, Environmental Management Systems, and Electronic Stewardship.

II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
National Integrated Ballistics Information Network (NIBIN)	Additional funding and positions will allow for the second phase of NNCTC expansion to include an additional 25-30 NIBIN Sites in FY 2019, provide additional NIBIN Technician training for state and local partners, and provide necessary infrastructure for further expansion to service all NIBIN Sites by FY 2020-2021.	7	4	\$8,900	43
National Firearms Act (NFA)	Additional funding and positions will support the timely and effective registration of restricted weapons and better support law enforcement criminal prosecutions and support processing NFA applications within a 90-day timeframe.	25	13	\$13,200	49
National Public Safety Partnership (PSP)	Additional funding and positions will be used to permanently deploy additional agents to augment existing enforcement groups to assist PSP communities to reduce violent crime.	46	23	\$8,912	57

III. Appropriations Language and Analysis of Appropriations Language

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives, for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and for provision of laboratory assistance to State and local law enforcement agencies, with or without reimbursement, \$1,316,678,000, of which not to exceed \$36,000 shall be for official reception and representation expenses, not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by section 924(d)(2) of title 18, United States Code, and not to exceed \$20,000,000 shall remain available until expended: Provided, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under section 925(c) of title 18, United States Code: Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, United States Code: Provided further, That, except to the extent necessary to effectuate the transfer of alcohol and tobacco enforcement and administration functions of the Bureau to the Department of the Treasury, as authorized by law, no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments.

Analysis of Appropriations Language

The budget proposes appropriation language that would address the transfer of alcohol and tobacco enforcement to the Department of the Treasury.

IV. Decision Unit Justification

A. Law Enforcement Operations

LAW ENFORCEMENT OPERATIONS	Perm. Pos.	FTE	Amount (\$,000)
2017 Enacted	4,248	4,248	1,048,036
2018 Continuing Resolution	4,248	4,187	1,049,795
Adjustments to Base and Technical Adjustments	-12	-12	29,908
2019 Current Services	4,236	4,175	1,079,703
2019 Program Increases	46	23	8,912
2019 Program Decreases	0	0	0
2019 Request	4,282	4,198	1,088,615
Total Change 2018-2019	34	11	38,820

1. Program Description - Investigating and Preventing Violent Crime

Protecting Americans from violent crime is a top priority for the Department of Justice. ATF's mission is to reduce violent crime involving firearms, explosives, and arson. To accomplish this unique and important mission, ATF's programs and initiatives focus on the investigation and prevention of violent crime. According to the Uniform Crime Reports (UCRs) for 2016, there were 125,289 reported robberies with a firearm, 189,718 aggravated assaults with a firearm, and 11,004 reported homicides with a firearm. Additionally, 82 people were murdered with fire and one with explosives. Information collected regarding the type of weapon showed that firearms were used in 74.5 percent of murders, 44.7 percent of robberies, and 25.8 percent of the aggravated assaults. Additionally, Americans are faced with increasing incidents of indiscriminate active shooter/mass shootings in our schools, shopping malls and other public places.

Through our Frontline business model, ATF develops comprehensive domain assessments for each Field Division; these assessments allow ATF to prioritize enforcement efforts on a local, regional, and national level. Each field Special Agent-in-Charge (SAC) plans his/her field divisions investigative and industry operations activities based on a violent crime assessment. These assessments use data and intelligence to identify violent crime threats within a division's area of responsibility. This information includes emerging criminal trends, significant criminal activity, issues faced by local industry members, and the proximity and priorities of federal, state, local and other external partners. It also assesses available ATF resources, such as unique data and intelligence developed from ATF's case management system, ATF's National Tracing Center, the National Integrated Ballistic Information Network (NIBIN), the Bomb and Arson Tracking System (BATS), and other intelligence and crime-related data available through federal, state and local partners.

All of this information is used to identify where and how they can most effectively apply ATF's jurisdiction, authorities, and expertise to have a decisive impact in their

areas of responsibility. This methodology is also applied to ATF industry operations activities. The annual planned inspection schedule is based on National priorities derived from statutory requirements, and field division-level priorities identified in the assessments. As such, these efforts are intelligence-driven and risk-based to ensure resources are applied to have the greatest ability to reduce crime and safeguard the public.

Investigative/Inspection Accountability. ATF establishes and reinforces accountability at all levels by giving a SAC the necessary tools to prioritize and address the specific violent crime threats in their areas, whether they are violent repeat offenders, or criminal organizations. Special agents, Industry Operations Investigators and supervisors conduct continuous reviews throughout the life of an investigation / inspection to evaluate anticipated outcomes and impacts when weighed against risk and resource utilization.

Measurement.

Performance Materials will be provided at a later date.

Core Activities

Core activities in Law Enforcement Operations that constitute the ATF mission include, but are not limited to investigations and inspections that address:

- Illegal Firearms Trafficking,
- Criminal Use and Possession of Firearms,
- Diversion of Firearms from Legal Commerce,
- Safeguarding the Legal Firearms Industry through Risked-Based Regulation,
- Criminal Organizations,
- Criminal Use of Explosives,
- Diversion of Explosives from Legal Commerce,
- Safeguarding the Explosives Industry Through Regulation and Safe Storage of Materials, and
- Criminal Use of Fire.

In FY 2017, these core law enforcement operations activities resulted in the following significant accomplishments:

Performance Materials will be provided at a later date.

a. Illegal Firearms Trafficking

Illegally trafficked firearms are harmful to communities and have a negative impact on interstate and international commerce. Illegal firearms are the “tools of the trade” that drug traffickers, gang members, and other violent criminals use to commit crime.

The goal of ATF's illegal firearms trafficking enforcement efforts is to reduce violent crime by stemming the flow of firearms to violent criminals. ATF identifies, investigates, and arrests individuals and organizations that illegally supply firearms to prohibited individuals. Furthermore, ATF deters the diversion of firearms from lawful commerce into the illegal market with enforcement strategies and technology.

Internationally, ATF works with other agencies to prevent firearms from reaching the hands of drug traffickers, organized crime members, and terrorist organizations. ATF enforces provisions of the Arms Export Control Act (AECA), has primary jurisdiction over firearms and ammunition imports, and has shared jurisdiction over firearms exports with the Department of Homeland Security (DHS) and the Department of State's (DOS) Office of Munitions Control.

ATF's firearms trafficking strategy complements the continued focus on intelligence and the deployment of resources to specific localities where there is a high incidence of gun violence. This comprehensive approach traces the movement of firearms from legal to illegal commerce, from source areas (where firearms are acquired for transport to black markets) to market areas (where firearms are illegally sold), and from trafficker to triggerman. ATF special agents, IOIs, and federal prosecutors work together in a source area to reduce the flow of diverted firearms into criminal market places, thus impacting violent crime and gang violence, often thousands of miles away from the respective source market area.

b. Firearms Criminal Use and Possession

The law enforcement community has long recognized the clear link between the availability of criminally possessed firearms and violent crime. Firearm violence associated with drug trafficking and violent crime threatens citizens' safety and livelihoods while eroding the quality of life in American cities. ATF employs a threat matrix to identify patterns of firearm violence, and deploys its resources to efficiently disrupt and prevent future firearm violence.

c. Diversion of Firearms from Legal Commerce – Safeguarding the Legal Firearms Industry Through Risked-Based Regulation

Illegal firearms threaten not only public safety, but also the entire firearms industry and the revenue legal commerce generates.

ATF regulates the firearms industry from the point of manufacture and/or importation through retail sale to ensure that FFLs comply with all applicable laws and regulations. ATF provides appropriate safeguards of inventories from theft, full accountability, and proactive inspection reporting. In addition, the

outreach that ATF conducts with the industry educates and encourages voluntary controls and cooperation with law enforcement officials.

As part of its regulatory role, ATF is responsible for determining FFL applicants' eligibility to engage in a firearms business and educating licensees on their legal responsibilities. Approved FFLs are required to maintain records of their acquisition and disposition of firearms. ATF has the authority to request information from these records to assist with criminal investigations.

Proper and timely recordkeeping by FFLs is critical to the success of a crime gun trace and is required for all firearms transactions by licensees. Failing to account for firearms in inventory is a serious public safety concern because unaccounted firearms cannot be completely traced to the retail purchaser. ATF's FFL inspection program uses firearms trace information on recovered firearms to detect indicators of illegal firearms trafficking. This process provides leads for the inspection of specific dealers who may be violating federal laws intended to protect the American public.

Through this regulatory framework, ATF tracks each firearm recovered in a crime from its point of manufacture or importation through the chain of distribution to the point of first retail sale, a process known as "tracing." By tracing all crime gun recoveries submitted to ATF, investigators are able to discern patterns of persons purchasing firearms, locations of purchase, and weapon types. These patterns provide invaluable leads in identifying persons who divert firearms into illegal commerce. By identifying and targeting these persons, ATF stems the flow of illegal guns and makes it difficult for convicted felons, drug traffickers, or gang members to obtain firearms for use in violent crimes. Moreover, by connecting a firearm to a gun trafficker, ATF is able to link firearms sold by that trafficker to those who use firearms in violent crimes.

In FY 2017, ATF completed approximately 11,009 FFL compliance inspections. The substantial turnover in the composition of the licensed firearms industry, and the corresponding increase in new FFLs entering the industry has resulted in additional qualification and compliance inspections and the provision of technical assistance to new FFLs, all of which place additional demand on ATF's inspection resources. In FY 2017, there were approximately 136,647 active FFLs in the United States, 13,076 FFLs have 1 year or less in business. Over the past 5 years, ATF has assisted an average of 12,000 new business entities per year (48 businesses per workday) in their efforts to establish and operate a lawful firearms business, and due to market demand, it is expected more will continue to enter the industry in the future.

Additionally, ATF regulates the importation of firearms into the U.S., registers importers of firearms, ammunition, firearms parts, and other defense articles pursuant to the import provisions of the AECA. ATF also provides technical

advice to the public regarding import requirements applicable to firearms or ammunition.

d. Criminal Organizations

Criminal organizations threaten all communities across the U.S. Gangs remain key distributors of narcotics and are sophisticated and flagrant in their use of firearms for violence and intimidation. According to the 2015 National Gang Report (NGR), gang membership and gang-related crime continues to rise. The 2015 NGR highlighted current and emergent trends of violent criminal gangs in the U.S., and illustrated that gangs continue to commit violent and surreptitious crimes – both on the street and in prison – that pose a significant threat to public safety in most jurisdictions across the nation.

ATF focuses its extensive and distinct investigative resources on areas experiencing the most violent crime. This approach targets the most serious offenses, prosecuting the most dangerous criminals, directing assistance to crime ‘hot spots,’ and pursuing new ways to promote public safety, deterrence, efficiency, and fairness. ATF has developed strategies to address violent crime spikes and executes operations that weaken and dismantle armed violent criminal organizations. ATF has conducted several successful enhanced enforcement initiatives, which have yielded positive results in cities such as Philadelphia (PA), New Orleans (LA), Oakland (CA), Stockton (CA), Richmond (CA), and Flint (MI).

Each of ATF’s 25 field divisions works collaboratively with its federal, state and local partners, as well as the U.S. Attorney’s Office. Partnership plays a vital role in combating violent gun crime. It allows law enforcement agencies to operate together with unity of effort, stemming the flow of crime guns, investigating and prosecuting the people, criminal organizations and gangs who use them to commit violent crimes. Through partnerships, law enforcement leaders coordinate law enforcement missions, strategies, tactics and intelligence to effectively prioritize and maximize impact on violent crime.

e. Criminal Use of Explosives

Criminal bombings and the illegal use of explosives are violent acts that threaten our neighborhoods and communities, as well as our national security at home and abroad.

ATF strives to reduce violent crime involving the misuse of explosives; to assist state or local officers; to advance public safety and security; to deny the acquisition of explosive materials by statutorily prohibited persons; to remove hazards to the public caused by improper storage or use of explosive materials, and to provide assistance to agencies in combatting terrorism and violent crime.

ATF has aligned its mission, resources, and expertise with the National Strategy to Counter Improvised Explosives Devices (IEDs). ATF manages the United States Bomb Data Center (USBDC), which in turn is responsible for maintaining, and enhancing the outward facing Bomb Arson Tracking System (BATS), the statutorily mandated and Attorney General designated National arson and explosives incident repository and case management system. Currently the USBDC has in excess of 2,500 interagency partners and 12,000 users of BATS who contribute arson and explosives intelligence and information for critical regional and national situational awareness. Additionally, ATF is a founding partner in the National Explosives Task Force (NETF). The mission of the NETF is to support the provision of explosives expertise to investigations and ensure coordination of a whole of government effort to deter, prevent, detect, protect against, and respond to the threat posed by terrorist or criminally inspired attacks using explosives in the U.S. or against U.S. interests abroad.

ATF is tasked with the responsibility and authority to inspect the storage of explosives by federal explosives licensees and to track thefts, losses, and recoveries of explosives. ATF's mission extends to ensuring only qualified and legitimate applicants enter the explosives industry and that licensees keep proper records and use sound business practices to help prevent theft, explosives incidents, or the diversion of explosives to criminal or terrorist purposes.

ATF's criminal enforcement mission, combined with ATF's regulatory responsibility, gives ATF a comprehensive perspective on activity involving explosives in this country. This perspective allows ATF to impact public safety through the identification and correction of explosives storage violations that, unchecked, could pose significant risk to the public.

f. Diversion of Explosives from Legal Commerce – Safeguarding the Explosives Industry Through Regulation and Safe Storage of Materials

Explosives or explosives materials diverted from legal commerce into the hands of criminal organizations and gangs or terrorist organizations constitute a tangible threat to public safety and legal commerce. ATF's criminal and regulatory programs enforce federal explosives law and prevent criminals and terrorists from obtaining explosives for use in bombings.

On a three-year cycle, as required by the Safe Explosives Act (SEA), ATF's IOIs conduct compliance inspections of approximately 10,000 explosives licensees and permittees nationwide to detect, investigate and prevent diversion, and promote the safe and secure storage of explosives. The Federal Explosives Licensing Center (FELC) screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives.

g. Criminal Use of Fire

Loss of lives and property due to arson remains a significant threat to our communities, businesses, and the American people. ATF special agents investigate potential acts of arson motivated by profit, ideology or other criminal intent. Some of the more recent significant events ATF has been called upon for their expertise include investigating fires set during the Baltimore police riots, and a fire to a residential dwelling set in the aftermath of a quadruple homicide in Washington, DC. Additionally, after nearly three years of investigation and analysis, ATF recently determined that the April 2013 West, TX fertilizer fire and subsequent explosion, was an intentional act. ATF also trains federal, state, local, and international law enforcement agencies on how to investigate and solve such crimes. ATF is recognized for its expertise in fire investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial investigations to identify illegal arson-for-profit schemes.

ATF has primary federal jurisdiction over the investigation of arson crimes, and is uniquely equipped for this mission with specialized capabilities, expertise, and experience. The vast majority of fires are investigated at the local level. ATF responds to fires of federal interest and to provide its specialized skills when needed by state and local authorities. In many cases, the unique knowledge, technical resources, forensic capabilities, and jurisdictional authority of the Federal Government are essential in solving arson related crimes and removing arsonists from a community. ATF's combination of Certified Fire Investigators (CFIs), accelerant detection canines, NRT, forensic laboratories, forensic auditors, fire prevention, electrical, and mechanical engineers, and the Fire Research Laboratory (FRL) provide comprehensive technical expertise for investigating arson crimes that is unmatched in the United States. Additionally, the USBDC and BATS provide critical intelligence and information to ATF and the interagency community related to occurrence of arson incidents both regionally and nationally.

B. Investigative Support Services

INVESTIGATIVE SUPPORT SERVICES	Perm. Pos.	FTE	Amount (\$,000)
2017 Enacted	853	853	210,564
2018 Continuing Resolution	811	799	200,258
Adjustments to Base and Technical Adjustments	-2	-2	5,705
2019 Current Services	809	797	205,963
2019 Program Increases	32	17	22,100
2019 Program Decreases	0	0	0
2019 Request	841	814	228,063
Total Change 2018-2019	30	15	27,805

1. Program Description – Delivery of ATF’s Forensic Expertise, Assets and Intelligence Services to Improve Public Safety

ATF continues to leverage, build, and rely on its partnerships with all law enforcement entities – federal, state, local, tribal, and international law enforcement, public safety agencies, communities, and industries to prevent terrorism and abate violent crime. ATF allies with these entities to safeguard the public through information and intelligence sharing, training, research, the use of technology, and by its lead role in the coordination of Emergency Support Function #13 (ESF #13).

Resources and activities that support ATF’s law enforcement operations comprise the Investigative Support Services Decision Unit. Core activities include, but are not limited to:

- Firearms and Explosives Licensing and Other firearms Industry Services,
- Firearms Tracing,
- National Integrated Ballistic Information Network (NIBIN),
- National Center for Explosives Training and Research (NCETR),
- US Bomb Data Center (USBDC),
- Terrorist Explosives Device Analytical Center (TEDAC),
- ATF Laboratories,
- Financial Investigations,
- Collaboration and Partnerships, and
- ESF #13.

NIBIN facilitates the sharing of crime gun intelligence evidence across federal, state, local, tribal and international law enforcement agencies. The National Tracing Center (NTC) is responsible for tracing firearms recovered in crimes. As part of its public safety mission, ATF issues licenses to individuals and businesses through the Federal Firearms Licensing Center (FFLC), and the Federal Explosives Licensing Center (FELC) supporting legal commerce of these regulated commodities. Information

sharing activities include working with the TEDAC, the USBDC, and NCETR. ATF is devoted to increasing U.S. capabilities at the federal, state and local level in detecting, deterring and responding to arson and explosives incidents including criminal and terrorist bombings and explosives recovery incidents, which have a major impact on public safety. ATF's canine training program produces reliable, mobile and accurate explosives and accelerant detection canines that assist law enforcement, fire investigators and military personnel around the world.

a. Firearms and Explosives Licensing and Other Industry Services

ATF issues licenses to legitimate firearms and explosives manufacturers, importers, and dealers. Under current regulations, ATF is required to act upon firearms license applications within 60 days and explosives license application within 90 days of perfecting the application. Meeting these mandates within existing resources has been difficult, as ATF thoroughly investigates license applicants for federal prohibitions such as felony convictions, illicit drug use, illegal alien status, mental illness, and minimum age requirements. During FY 2017, ATF conducted 11,060 firearms application inspections and 869 explosives application inspections.

In addition, the National Firearms Act (NFA) legislatively mandates registration and tax payment for making or transferring machine guns, silencers, short-barreled rifles, short-barreled shotguns, destructive devices, and certain concealable weapons classified as "any other weapons." The NFA mandates that individuals, firearms manufacturers, and importers register the NFA firearms that they make, manufacture, or import, and that all NFA firearms transfers are approved by ATF in advance.

Market demand for NFA services continues to set annual records, which has resulted in a dramatic increase in workload over the past several years. In FY 2017, ATF received approximately 259,163 NFA registration applications and processed 386,210 NFA registration and transfer applications. Much of the increase from prior fiscal years can be attributed to changes in several state laws that allow for the use of gun silencers for hunting purposes. The increase in overall firearms commerce continues to significantly increase ATF's workload and impact ATF's ability to meet internal and external performance targets.

ATF regulates the importation of firearms, ammunition, and other defense articles by issuing import permits. ATF also regulates the importation and possession of firearms and ammunition by non-immigrant aliens. ATF maintains close liaison with the Department of State, Department of Defense, and U.S. Customs and Border Protection to ensure that the permits issued do not conflict with the foreign policy and national security interests of the U.S. During FY 2017, ATF processed 14,751 import permit applications. The Attorney General has delegated to ATF the authority to administer the permanent importation provisions of the AECA. Under the AECA, ATF regulates the permanent importation of firearms, ammunition, and other defense articles into the U.S. ATF processes applications to import items from domestic businesses, members of the U.S. military returning from abroad with personal

firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after living abroad. Through industry outreach and regulation, ATF provides technical advice to the public regarding import requirements applicable to firearms, ammunition, and implements of war.

b. Firearms Tracing

ATF's NTC traces firearms recovered in crime by law enforcement in order to provide investigative leads to link firearms recovered and are tracing to a suspect in a criminal investigation; to identify firearms traffickers, and where a given community, to identify trends in patterns in illegal firearms trafficking, has undertaken sufficient comprehensive tracing. This sole ATF function is critical to law enforcement in their efforts to trace the illicit trafficking of firearms and to pursue the criminals who use them. In FY 2017, the NTC processed approximately 408,762 firearms trace requests. The demand for timely and accurate trace data will continue in order to more quickly identify and apprehend the most violent firearms offenders. The NTC also operates a series of programs that relate to and support firearms tracing to include the eTrace program, Multiple Sales for Handguns program, FFL Theft program, Interstate Theft Program, Out-of-Business records program and Demand Letter Program among others.

The trace information allows ATF to:

- Provide the requesting federal, state, local, and tribal law enforcement agencies the link of suspects to firearms in criminal investigations;
- Identify illegal firearms traffickers through recurring patterns and trends indicative of illegal firearms trafficking; and,
- Analyze aggregate trace data, to help communities develop focused strategies and programs that address specific factors that contribute to armed crime.

Without trace information and analysis, violent crimes go unsolved and more importantly, illegal firearms trafficking trends are not identified and investigated.

c. National Integrated Ballistic Information Network (NIBIN)

The mission of ATF's NIBIN Program is to reduce firearms violence through aggressive targeting, investigation, and prosecution of shooters and their sources of crime guns. NIBIN continues to aid ATF and its law enforcement partners in identifying trigger pullers and removing violent offenders from America's streets. ATF administers NIBIN for federal, state, local, and tribal law enforcement agencies in the U.S. NIBIN solves crimes by establishing investigative leads through unequivocal links between crime guns and criminals.

The NIBIN system is a collection of digital ballistic images of ammunition components recovered from crime scenes and from crime gun test fires. As with

fingerprints, every firearm has unique identifying characteristics. The barrel of a weapon leaves distinct markings on a bullet or projectile, and the breech and firing pin mechanisms leave distinct markings on the cartridge case. Using these markings, firearm technicians and examiners are able to examine bullets and cartridge casings to determine if they were expelled from the same firearm. Through the NIBIN Program, ATF strategically deploys Integrated Ballistic Identification System (IBIS) equipment to Federal, state and local law enforcement agencies for their use in imaging and comparing crime gun evidence. Prior to the NIBIN Program, this process was done manually, and was extremely labor and time intensive. ATF has worked to place the program in strategic locations across the country with the goal of giving investigators an edge in our fight against firearms related violence. NIBIN is the only interstate automated ballistic imaging network in operation in the U.S. and is available to every major population center in the U.S. to aid in violent crime analysis.

ATF's NIBIN Program uses an integrated investigative approach which works in concert with other federal, state, local and tribal law enforcement agencies in combating firearms-related violence using technology to compare images of ballistic evidence obtained from crimes scenes and recovered firearms. NIBIN is a proven investigative and intelligence tool that can identify leads that were not previously available; can link firearms evidence from multiple crime scenes together that were committed with the same firearm; and can link firearms evidence from a crime scene to a recovered firearm. ATF's NIBIN network may be searched locally, regionally, nationally, and internationally in an automated environment to identify investigative leads. Law enforcement resources are still required to follow up on the investigative leads in order to solve crimes associated with these shooting incidents to realize the true potential of this program. In FY 2017, NIBIN partners confirmed more than 109,000 linkages, or "hits," using this technology and investigative tool.

NIBIN partner sites began issuing leads in FY 2014 as the program changed its paradigm from a forensic tool to an investigative tool. As the movement to issue leads caught on, our sites issued exponentially more leads each year. NIBIN "leads" are potential ballistic links that either have been made by a firearms examiner or trained technician that can be used for investigative purposes only. NIBIN "hits" are ballistic links that have been confirmed by a firearms examiner under a comparison microscope. NIBIN hits require additional time and are used for obtaining warrants or in a court proceeding, as well as for investigative purposes. In FY 2014, NIBIN sites issued more than 800 leads; in FY 2015, they issued more than 6,300, in FY 2016, they provided more than 19,600, and in FY 2017, they provided approximately 37,000 leads to investigators. This is a significant move forward for the program because these leads represent new investigative avenues for law enforcement to focus their efforts to take active shooters off the streets before they reoffend. Leads are issued more quickly than confirmed hits, which means the information is fresh for investigators to pursue these armed criminals.

ATF has conducted an evaluation of this program and as a result dedicated infrastructure resources to ensure effective program oversight during FY 2015 and

FY 2016. As part of this evaluation, ATF has changed how this program is supported to increase the number of shooters recommended for prosecution. Recent funding has supported the replacement of outdated equipment and software upgrades to High Definition 3-Dimension (HD3D) imaging that will enable firearms technicians and examiners to more easily discern distinct markings on the cartridge casings and link evidence for separate cases. ATF has also replaced 12 outdated servers with two expandable servers to support the increasing number of ballistic images, consolidated local data concentrators into virtual data concentrators at the ATF Labs in Ammendale and Walnut Creek, and upgraded all ATF owned BrassTRAX units to HD3D. ATF will continue to emphasize the program's focus on providing useful ballistic information in a timely manner for investigative action thus resulting in more referrals for prosecutions. ATF is utilizing NIBIN along with other investigative tools and assets as part of an overall crime gun intelligence solution to effectively identify and target criminal shooters that are plaguing our communities and their source of crime guns. As part of this effort, ATF established the NIBIN National Correlation and Training Center (NNCTC) in Huntsville, AL and is currently reviewing correlations for 27 NIBIN sites. The NNCTC provides NIBIN correlation services and training to ATF's law enforcement partners, leading to greater efficiency in providing investigative leads to identify trigger pullers. Since the NNCTC opened, they have provided approximately 16,000 leads to law enforcement. The Training Center has provided training in Acquisitions, Correlation Review, Cartridge Case Triage, and NIBIN Authorized Trainer to 226 individuals since June 2016.

d. National Center for Explosives Training and Research (NCETR)

Preventing the criminal use of explosives is one of the core missions of ATF, and NCETR serves as the Bureau's primary source for explosives research, training, and intelligence. ATF is the primary agency responsible for administering and enforcing the regulatory and criminal provisions of the federal laws pertaining to destructive devices, explosives, and bombs. ATF has extensive expertise in the investigation and forensic analysis of explosives incidents arising from criminal use of explosives or terrorists acts. ATF further provides one of the most highly proficient and respected explosive incident and arson response capabilities in the world.

ATF utilizes NCETR as the focal point of its role in the government-wide effort to safeguard the public from acts of violence utilizing explosives. NCETR provides basic and advanced explosives training and research that leverages lessons learned and best practices to safeguard the public and reduce deaths and injuries from explosives crimes and accidents, and aligns this support with the national counter-IED effort. At NCETR, ATF provides specialized training, techniques, technology, and forensic support to personnel assigned to explosives enforcement. Additionally, ATF contributes greatly to the global Counter-IED (C-IED) efforts through a focus on the interoperability between public safety bomb technicians and explosives specialists with their military Explosives Ordnance Disposal (EOD) colleagues. This is accomplished through a well-established training program focusing on the identification, processing and disposal of Homemade Explosives (HME), in

partnership with the Department of the Army. EOD personnel from all branches of our armed forces attend the ATF/NCETR HME course prior to mobilization.

ATF/NCETR also provides support to the Joint Program Office for Countering IEDs (JPO) by leading the Raven's Challenge interoperability exercise each year. In partnership with the Department of the Army, the Raven's Challenge is an interoperability exercise for Public Safety Bomb Squads and military EOD personnel at four locations across the country, involving realistic IED incident scenarios and live fire training. The exercise also includes a command and control element in coordination with the National Explosives Task Force (NETF) and the FBI's Strategic Information and Operations Center. Additionally, ATF supports the NETF with full-time "detailed" personnel.

NCETR also has oversight of ATF's National Canine Division (NCD) located in Front Royal, Virginia. ATF's canine program is the only canine program in the U.S. supported by a laboratory and is the only federally accredited explosive detection canine program. The ATF National Forensic Science Laboratory supports the ATF NCD in the research and development of explosive and accelerant compounds and compositions for canine training, third party testing, instruction into the properties and chemical breakdown of accelerant and explosives and support in all forensic related issues. The ATF NCD conducts evaluation and analysis of new and emerging facets within the explosives detection canine arena, and shares this vital information with our partners in a concerted effort to provide the best tools possible for safety and security in the fight against violent crime and terrorism. ATF remains at the forefront of combating violent crime through such innovative programs as training explosives detection canines in the recognition of peroxide explosives and the standardized National Odor Recognition Testing (NORT).

The Explosives Research and Development Division (ERDD) at NCETR is an investment in scientific knowledge generation and technology development that allows ATF to adapt and respond to changes to the ongoing threat posed by the criminal misuse of explosives. Meeting the challenges and embracing the opportunities of a dynamic future are not only indicative of high-quality Research and Development (R&D), but are responsive to the needs of the Nation's C-IED efforts. In short, NCETR ERDD provides value by improving the safe storage and disposal of explosives, and enhancing the prosecution of explosives cases to serve ATF and the larger law enforcement community. The most recent addition to NCETR has been the integration of ATF's Fire Investigation and Arson Enforcement Division (FIAED). FIAED oversees the National Response Team Program, Certified Fire Investigator Program, Fire and Arson Investigation Training Programs, and the Arson and Explosives Criminal Investigative Analysis (Profiler) Program. These programs further support ATF efforts to identify, target, and dismantle criminal enterprises and other offenders that use fire or explosives in furtherance of violent criminal activity and investigate violators that use fire or explosives to damage or destroy property that affects interstate or foreign commerce.

e. United States Bomb Data Center (USBDC)

Since 1976, ATF has been collecting, storing, and analyzing data on explosives and arson incidents in accordance with the mandate by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives. In 2004, the Attorney General acting under the statutory authority of Title 18, U.S.C., Section 846 (b) designated ATF's BATS as the consolidated national repository for information related to arson and the suspected criminal misuse of explosives. The USBDC was then established and given the responsibility for management of BATS.

The USBDC collects, analyzes, and disseminates timely information and relevant tactical and strategic intelligence within ATF, and to external federal, state, local, tribal, military, and international partners. The USBDC provides statistical analyses of current trends and patterns to aid in the detection, deterrence and prevention and prosecutorial support related to arson and the criminal misuse of explosives.

The USBDC maintains the sole statutorily mandated and Attorney General designated national repository for incident data in connection with suspicious fires/arsons and incidents involving the criminal use of explosives. Besides being the national arson and explosives incident repository, the USBDC's BATS serves as the explosives and arson investigator's link to the USBDC.

In BATS, investigators capture details of bomb and arson cases, including the area of origin or device placement, casualties, financial loss, fire descriptors, collateral crimes, device components, and descriptions of how the device was delivered. BATS also functions as a case management system, allowing investigators to build cases in the BATS application while maintaining critical operational security. Images of arson scenes, IEDs, and crime scenes can be shared through the BATS secure web connection. Currently the USBDC has over 2,500 interagency partners and supports over 12,000 users of BATS.

The USBDC also provides explosives tracing services to authorized law enforcement agencies in the U.S. and other countries. Explosives tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and other countries cooperate with the USBDC by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only federal agency authorized access to these records.

f. Terrorist Explosives Device Analytical Center (TEDAC)

Jointly, ATF and the FBI coordinate and manage TEDAC. The mission of TEDAC is to contribute directly to the eradication of the IED threat. TEDAC informs its partners who, in turn, attempt to disrupt those individuals and networks responsible for the design, development, purchase, assembly, and deployment of IEDs. This is accomplished through scientific and forensic exploitation of IEDs; developing actionable intelligence; forecasting IED threats; and maintaining a repository of IED material obtained from incidents around the world. The TEDAC combines law enforcement, military, and intelligence assets to classify the operation, bomb components, and deployment of IEDs. These efforts help prevent IED attacks, protect U.S. armed forces, and identify those who manufacture and deploy these devices.

TEDAC's forensic exploitation at the intersection of law enforcement, intelligence, and the military, provides a key perspective from which to research the science and technology of IEDs. The TEDAC research and testing program supports IED detection, countermeasures and post-blast analysis. The TEDAC continues to build depth and breadth within its device collection and develop technical, forensic, and intelligence methods to anticipate new devices and techniques envisioned by our adversaries and to better collaborate with its partners.

g. ATF Laboratories

The ATF laboratory system comprises three traditional forensic science laboratories and a fire research laboratory that provide direct support to ATF special agents and other federal and state law enforcement agencies in the investigation of violent crimes and other potential threats to public safety. ATF examiners play an integral role supporting violent crime investigations, often times providing the critical link between the crime and the suspect.

All of the ATF laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB) – International/ ANSI-ASQ *National Accreditation Board (ANAB)* to the ISO 17025 standard. In addition, the Forensic Science Laboratory-Washington meets the requirements of the FBI Quality Assurance Standards for Forensic DNA Testing Laboratories.

The Forensic Science Laboratories (FSL) support investigations through the scientific analysis of evidence; providing technical support at fire, explosion and shooting scenes; providing training to ATF Special Agents, prosecutors, and state and local law enforcement and forensic scientists in these areas; supporting the prosecution of violent criminals by providing expert testimony; and conducting scientific research to enhance forensic capabilities. FSL experts support ATF's National and International Response Teams (NRT and IRT) and provide training and support to ATF's explosives and accelerant detection canine programs, homemade explosives (HME)

courses, the National Firearms Examiners Academy (NFEA), fire debris analysis courses, as well as other specialized areas of instruction.

The FSLs maintain a unique expertise in areas supporting criminal investigations involving firearms, explosives, and suspected arson. The laboratories' Forensic Chemists provide chemical and physical analyses of bombs, components, fire debris, and trace evidence. ATF Laboratories have developed unsurpassed expertise in the specialized area of touch DNA analysis, in which low levels of DNA can be recovered from firearms, bombs, and other tools of violent criminals. ATF's capabilities in the area of latent print examination and tool mark analysis focus on providing links between the evidence recovered from violent crimes and the perpetrators of the acts. The ATF laboratories are world leaders in the applications of forensic science to the types of violent crimes investigated by ATF.

The Fire Research Lab (FRL) houses fire protection engineers, mechanical engineers, electrical engineers and technicians, and is the only laboratory of its kind in the world dedicated to the specific needs of the criminal fire investigation community. It provides the necessary facilities, equipment, and staff to work on important criminal fire investigation issues such as fire scene reconstructions, flashover studies, validation of fire pattern analysis indicators, impact of accelerants on fire growth and spread, ignition studies and electrical fire cause analysis.

In FY 2017, ATF's laboratories accomplished the following:

- Received 2,888 requests for analysis and testing
- Completed analysis on 2,561 forensic cases (FSL)
- Completed analysis on 124 Fire Research Laboratory engineering cases
- Provided 98 days of expert testimony in the courts
- Worked 227 days at crime scenes
- Provided 760 days of training instruction for federal, state and local investigators and examiners

h. Financial Investigations

ATF's forensic auditors are experts in the field of forensic accounting and financial investigations. They conduct comprehensive and complex financial investigations for special agents in support of criminal investigations. This includes, but is not limited to, arson-for-profit, firearms and narcotics trafficking cases, the use of explosives and bombings in the furtherance of financial frauds, counter-terrorism, threats to public safety, as well as investigations into gang and other organized criminal enterprises, and complex investigations involving both domestic and international money laundering. The Financial Investigative Services Division (FISD) supports over 650 criminal financial investigations annually and as a result of the financial investigations document appropriate financial criminal charges to further the prosecution in these cases. These complex investigations involve criminal

organizations, multiple subjects and their businesses, varied and numerous money laundering schemes, asset identification, and forfeiture.

i. Collaboration and Partnerships

ATF is engaged in many cooperative agreements, collaborations and partnerships with other federal agencies, private industry, and in the international arena. For example, ATF is fully engaged with and provides support to government anti-terrorism efforts, especially the FBI-led Joint Terrorism Task Forces (JTTFs). ATF participates in JTTFs, and assigns one ATF special agent to the National JTTF at the National Counter-Terrorism Center. In working with the JTTF, ATF plays an important part in terrorism cases that involve firearms, bombs, illegal explosive possession, and tobacco diversion. ATF furthers the fulfillment of our mission by participating in other multi-agency efforts such as High Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA), and the Organized Crime Drug Enforcement Task Force (OCDETF). Through these partnerships, ATF plays a major role in the prevention and investigation of violent firearms crimes involving criminal organizations and gangs, and provides direct investigative expertise to criminal explosives, arson incidents and threats. These collaborative efforts also allow ATF to be a key component in combating organized crime that threatens U.S. national and economic security.

International Policy. At the request of the Department of State, ATF serves as an advocate for the firearms policies of the U.S. in international forums such as the United Nations (UN) and the Organization of American States (OAS). ATF ensures that the international firearms agreements in which the U.S. participates are consistent with U.S. laws, regulations, policies, and practices. The UN Program of Action, the OAS Convention on Firearms, and the International Tracing Instrument are just a few of the agreements through which ATF protects the policies of the U.S. in international settings.

j. Emergency Support Function (ESF) #13

Ensuring the safety and protection of the public is a critical service needed in the aftermath of any disaster. ATF is the lead for the DOJ efforts to manage ESF #13, one of the 14 emergency support functions established by the National Response Framework (NRF).

Through ESF #13, federal law enforcement assets are directed to assist federal, state, territorial, local, and tribal authorities with public-safety and security-related missions ranging from any serious, but purely local incident, to large-scale terrorist attacks or catastrophic natural disasters. Although any ESF #13 response will be a collaborative effort among partner law enforcement agencies; ATF is ultimately responsible for maintaining a robust national capability to perform all functions outlined in the ESF #13 Annex to the NRF. As part of this, ATF is required to:

- Establish ESF #13 law enforcement planning for the 50 states and four territories and federally recognized tribes;
- Maintain liaison and build relationships with federal, state, territorial, and local and tribal law enforcement agencies, FEMA, emergency operations centers, and other first responders in all 10 FEMA regions;
- Conduct national and regional interagency training; assess shortfalls in state and local capabilities;
- Participate in annual national emergency exercises; and
- Participate in planning activities and other regional meetings.

The close relationships that ATF has developed and is required to maintain across the whole of the nation's law enforcement and first responder communities is crucial in order for ESF #13 to be able to provide fast, effective, and appropriate resources when called upon to do so in an emergency or major disaster. ATF supports operational travel for ESF #13 headquarters and regional staff to travel throughout the year to participate in the aforementioned mandated activities. In FY 2017 alone, ESF #13 activated and deployed over 3,000 personnel from 30 different Federal Law Enforcements Agencies in response to five different incidents, to include Presidential Inauguration, and Hurricanes Matthew, Harvey, Irma and Maria. In addition, in FY 2017, ESF #13 personnel participated in 88 exercises, attended or provided 136 training classes, 27 RISC meetings, 475 Federal planning/liaison meetings, 205 state planning/liaison meetings and 6 Principals/Deputies/National Security Council meetings in furtherance of the ESF #13 mission.

2. Performance Tables –

Performance Materials will be provided at a later date.

C. Performance, Resources, and Strategies

Performance Materials will be provided at a later date.

V. Program Increases by Item

Item Name: **National Integrated Ballistics Information Network (NIBIN)**

Budget Decision Unit: Investigative Support Services

Organizational Program: National Integrated Ballistics Information Network (NIBIN)

Program Change: Positions 7 Agt 0 FTE 4 Dollars \$8,900,000

Description of Item

The NIBIN National Correlation and Training Center (NNCTC) is a centralized facility capable of performing correlation reviews of ballistic images submitted by forensic laboratories anywhere in the United States. Correlation reviews are a critical function of the NIBIN process and are the means by which ballistic leads are determined for investigative use. The NNCTC accomplishes this on behalf of a NIBIN site in order to relieve that local facility of the labor and machinery costs associated with NIBIN. The NNCTC currently services 27 NIBIN sites and returns ballistic matching information to them within 24 hours. NIBIN sites are the physical location where the ballistic imaging and comparison hardware are contained. In many instances, these NIBIN sites accept ballistic evidence for processing from many local law enforcement agencies. There are currently 30 additional NIBIN sites that have requested acceptance to the NNCTC.

The NNCTC also serves as a centralized training venue for state and local NIBIN technicians and forensic examiners, training 128 individuals in FY 2017. Due to high demand, the training space was booked through September 30, 2017. This training fills a crucial gap in the development and dissemination of timely, actionable leads by providing expert correlation review services to law enforcement agencies. The NNCTC is currently operating at capacity based on space, personnel, and necessary equipment. In order to service additional NIBIN sites, the NNCTC will need to expand in all areas. ATF has created a phased approach for this expansion in order to assure capacity is equal to demand.

The President's FY 2018 budget includes \$6.5 million in funding for the initial expansion of the NNCTC. This FY 2018 funding would allow the NNCTC to provide correlation review services for 10-15 additional NIBIN sites depending on a site's ballistic intake volume.

The additional \$8.9 million ATF requests for FY 2019 is for the second phase of NNCTC expansion and includes seven (7) additional FTE. The requested funding will allow the NNCTC to expand services to an additional 25-30 NIBIN sites in FY 2019, provide additional NIBIN technician training for state and local partners, and provide necessary infrastructure for further expansion to service all NIBIN sites by FY 2020-2021.

Justification

The mission of ATF's NIBIN program is to reduce gun violence through evidence-based targeting, investigation, and prosecution of shooters and their sources of crime guns. NIBIN is a vital resource for ATF and its law enforcement partners in identifying trigger-pullers and removing violent offenders from America's streets. The NIBIN system is a collection of digital ballistic images of spent shell casings recovered from crime scenes and from crime gun test-fires. Through the examination and comparison of digital images in the system, firearm technicians and examiners are able to determine if shell casings were expelled from the same firearm.

In April 2016, ATF established the NNCTC to allow NIBIN network users to send imaged ballistic evidence to a single center that performs correlation services for participating partners. Centralizing the correlation process enables ATF to provide ballistic identification services for its law enforcement partners in a more accurate, efficient, and streamlined manner. In addition, the NNCTC supports local law enforcement efforts by providing critical training on the utilization of NIBIN equipment and technology. The NNCTC trains both sworn and civilian employees from any law enforcement agency utilizing NIBIN. This resource assures law enforcement is obtaining the best possible outcomes from ballistic image acquisitions and correlations, providing better leads for violent crime investigators. Correlation review is the most labor-intensive part of the NIBIN process, requiring highly skilled specialists to verify a correlation. Many state and local agencies lack the capacity to timely process NIBIN correlations, a situation exacerbated by a shortage of qualified firearms examiners (in part as the result of limited national training capacity), whereas the NNCTC completes reviews within 24-48 hours. Large metropolitan areas, such as Washington, D.C., would develop a backlog of correlation reviews within a matter of days if not for the NNCTC. Timely review is critical to solving violent crime; the longer images are in the system without review, the less likely a case will be solved.

In announcing recent Executive Actions to reduce firearm violence, the Administration recognizes that enhanced funding for the NIBIN program is essential to the success of efforts to reduce gun crimes. Consistent with the Administration's goal of enhancing the NIBIN program, ATF is requesting \$8.9 million for continued modernization of the program. Of the total request, \$0.4 million will fund first year costs for seven new additional personnel, \$6.5 million will continue expansion of the NNCTC's correlation and training capacity, \$0.6 million will support a software test facility in Ammendale, MD, and \$1.4M will allow ATF to purchase necessary communications equipment for the NIBIN program.

This request will fund seven additional positions: one supervisor, and two administrative positions at the NNCTC and four (4) Integrated Ballistic Identification System (IBIS) Specialists for the ATF NIBIN Laboratories in Maryland and Georgia. These seven positions will allow the NNCTC to expand NIBIN services to additional law enforcement agencies and provide back-up capacity evenly at each laboratory site.

ATF requests \$6.5 million to continue developing the capacity of the NNCTC. Due to current resource limitations, ATF frequently must deny and/or significantly delay NIBIN training requests from state and local law enforcement entities across the country. This circumstance

impacts the overall capabilities at the requesting sites limiting the quantity of ballistic images that state and local partners can enter and/or compare. Historically, this lack of capacity has also led to sites limiting their ballistic services to the field, which diminishes the value of ballistic leads provided. This request will allow for an additional training classroom, increasing the current training capacity.

The NIBIN Program requires a national facility that replicates a NIBIN site's equipment that can be utilized to test software updates to assure their functionality on the national network. This is a critical requirement to prevent unintended damage to the network occurring from a software update. All software updates are currently tested by Firearms Technology, ATF's Contract Vendor for NIBIN hardware, in Montreal, Canada. However, a testing facility accessible by ATF experts is needed to assure that security and other critical law enforcement requirements are met by the software update prior to release. This will allow ATF to have a software testing facility in Ammdale, MD, in the same location as other ATF resources.

ATF is also requesting \$1.4 million for additional equipment to support NNCTC functions. This equipment is necessary to support the increased bandwidth requirements at each phase of expansion of the NNCTC.

Impact on Performance

Performance Materials will be provided at a later date.

Base Funding

FY 2017 Enacted				FY 2018 President's Budget				FY 2019 Current Services			
Pos	Agt/Atty	FTE	\$(000)	Pos	Agt/Atty	FTE	\$(000)	Pos	Agt/Atty	FTE	\$(000)
21	0	21	30,300	21	0	21	36,800	21	0	21	36,800

Personnel Increase Cost Summary

Type of Position/Series	Full-year Modular Cost per Position (\$000)	1 st Year Annualization	Number of Positions Requested	FY 2019 Request (\$000)	2 nd Year Annualization	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Miscellaneous Operations (0001-0099)	110.5	62.5	7	438	53.1	372	362
Total Personnel			7	438		372	362

Non-Personnel Increase/Reduction Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2019 Request (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Expand NNCTC Correlation Capacity	4,500	1	4,500	131	135
Expand NNCTC Training Capacity	2,000	1	2,000	-500	0
Ammendale Test Facility	600	1	600	-300	0
Equipment and Communications	1,362	1	1,362	-200	0
Total Non-Personnel	8,462		8,426	-869	135

Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Current Services	21	0	21	3,400	33,400	36,800	45,700	45,203
Increases	7	0	4	438	8,462	8,900	-497	497
Grand Total	28	0	25	3,838	41,862	45,700	45,203	45,700

Affected Crosscuts

The following DOJ Crosscuts will be affected by this program increase: Violent Crime, Gun Safety, Project Safe Neighborhoods, Gangs, Southwest Border and National Security.

Item Name: **National Firearms Act (NFA)**

Budget Decision Unit(s): Investigative Support Services

Organizational Program: National Firearms Act (NFA)

Program Increase: Positions 25 Agt 0 FTE 13 Dollars \$13,200,000

Description of Item

Over the last several years, the majority of states have revised their firearm laws to allow for the possession and use of silencers subject to NFA registration and regulation. Several states have also revised laws to allow for the manufacture and possession of other weapons subject to the NFA, such as short-barreled rifles. As a result, the number of NFA applications submitted to ATF has soared, severely straining ATF's ability to timely process NFA applications. Moreover, to address the misuse of legal entities (e.g., trusts, LLCs, and corporations) as a vehicle for registering NFA weapons by prohibited persons, ATF issued a regulation in FY 2016 (Final Rulemaking ATF Docket 41F) that required background checks for responsible persons associated with legal entity NFA applicants. This regulation, while necessary for public safety, resulted in an additional surge of applicants prior to the effective date of the rule, and has increased the complexity of the review ATF must perform for a legal entity NFA application.

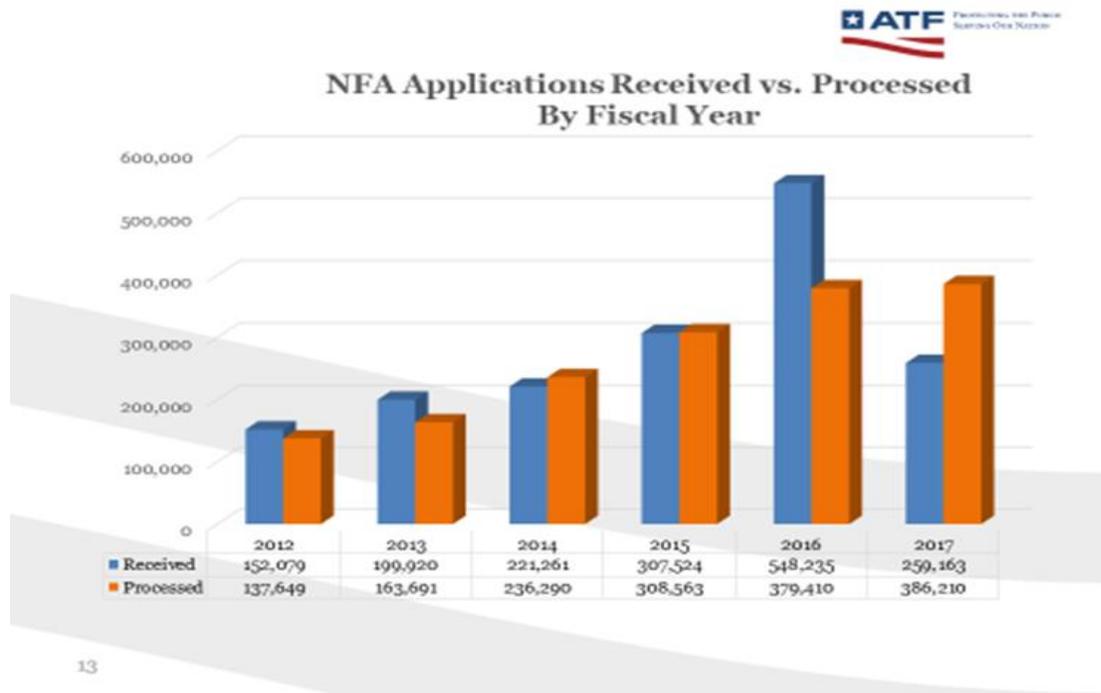
ATF requests additional funding and FTE for the NFA Division for the timely and effective registration of restricted weapons and to support law enforcement criminal prosecutions. This effort will provide support in processing NFA applications within a 90-day timeframe. The NFA Division relies heavily on legacy business applications to automate the current business processes. These legacy applications are partially integrated through antiquated technologies. Over time, NFA has implemented manual business processes to overcome limitations of these business applications. After completion of a business process reengineering effort in FY 2018, NFA intends to replace these legacy business applications with modernized technologies that will automate the new business processes.

The NFA Division is initiating a Business Process Review (BPR), which will leverage necessary expertise to identify strategies to produce more effective and efficient processes. The BPR will include an evaluation of needed IT enhancements, which will help ATF better serve the industry. These resources will also aid in the handling of unprecedented application volume receipts while employing technology to enhance processing capabilities.

Modification to the National Firearms Registration and Transfer Record (NFRTR) system in April 2017 allowed ATF to comply with newly mandated regulatory requirements to capture responsible persons of previously exempt legal entities, and handle the data entry of paper based application information for manual database input. However, an updated systems technology and a mechanism for individuals and industry members to submit electronic NFA applications in lieu of paper based forms are still needed. This funding request will allow ATF to implement the needed changes to eForms and improve the NFA licensing process and experience for customers.

Justification

ATF has observed a workload surge fueled by sustained growth in the firearms industry, as well as by the FY 2016 Final Rulemaking ATF Docket 41F. There has been an average of 30 percent year over year increase in applications from FY 2012 to FY 2015, with a 78 percent increase in FY 2016. NFA processed 386,210 forms for FY 2017.



Enhancements are required to provide a submission system that allows for electronic submission of tax paid applications (eForms) associated with those mandated changes, and require additional developmental efforts. These efforts include adding the ATF Form 1 and ATF Form 4 and the business rules such as monetary collections, fingerprint card submissions and photographs to the eForms system. The system will also require updates to the eForms system post-migration of ATF Enterprise IT systems to cloud based services. Development in the new environment post migration in FY 2019, will greatly enhance processing capabilities and volume.

ATF receives nearly a thousand inquiries daily from external customers in the form of phone calls, mail and e-mail. The customer service provided by ATF is vital to the commerce and livelihood of industry members, international defense contractors, and suppliers of federal, state, and local law enforcement agencies. ATF processes applications for the possession and transfer of NFA weapons, and approves the import of NFA firearms for use by the United States Government as well as the export of NFA weapons to foreign countries as authorized by the Department of State.

eForms Modernization

This enhancement is required for NFA system modernization to address limitations in the NFRTR database as well as modernization of eForms for full automation processing and legacy

system upgrades. Current requirements for this modernization are approximately \$6.9 million recurring through FY 2021. In 2018, the President's Budget included \$1 million for a Business Process Re-engineering effort. When that effort is complete, ATF will develop an Acquisition Strategy for a software development effort using an Agile Methodology and issue the contract to a vendor. We expect the vendor to deliver a minimally viable product within 6 months that will be ready for the public to use. It is expected to take three years to fully complete this project. A significant benefit of Agile Development is that it allows for the implementation of small modules on an ongoing basis, providing users incremental increases in functionality. This significantly reduces the risk of failure, while providing the best value for the taxpayers.

eForms is an electronic application submission portal, which customers can use to electronically submit license applications. Through electronic submission, ATF can achieve much needed efficiencies during the review and approval process. eForms reduce the workload of Customer Service Representative staff responsible for printing the incoming application forms and of the Data Entry staff responsible for entering them into the NFRTR system. During a pilot of program for ATF Form 3, processing times went from averaging 30 days to under 10 days. While this was an effective measure for non-tax paid applications, there is currently no mechanism to duplicate this effort for the tax paid process (ATF Form 1 and Form 4).

ATF's current eForms portal allows the firearms industry to file non-tax paid application forms electronically rather than via paper. eForms needs to be extended to individual taxpayers and members of the public. Electronic filing will permit ATF to process applications submissions more efficiently and with significantly reduced processing times. With the requested funding in FY 2019, eForms will be able to encompass all NFA forms as well as forms related to the importation of firearms and ammunition.

eForms will significantly reduce processing times via automation and will eliminate labor-intensive manual practices currently in place so staff can process more applications efficiently. Currently, if a paper application is submitted with incorrect information in any of the fields, staff must contact the applicant via phone, email, or mail in order to correct the form and proceed with processing. eForms will eliminate this labor-intensive process by implementing requirements for the customer to input for each field, and not allowing the applicant to move forward with the application until the information is input correctly. Currently approximately 70 percent of all applications received by the NFA Division are incorrect and require numerous staff hours to correct. Resolving these errors slows the approval process for the customer, which delays the receipt of his or her application. As of September 2017, the NFA Division has spent approximately \$18,807 on postage for incorrect NFA applications.

eForms will better protect personally identifiable information and eliminate the number of hands that the application must pass through, better protecting the privacy of the applicant. The goal of eForms is to better serve the public and ensure that applicants receive their applications in a timely fashion and be in compliance with federal and state laws.

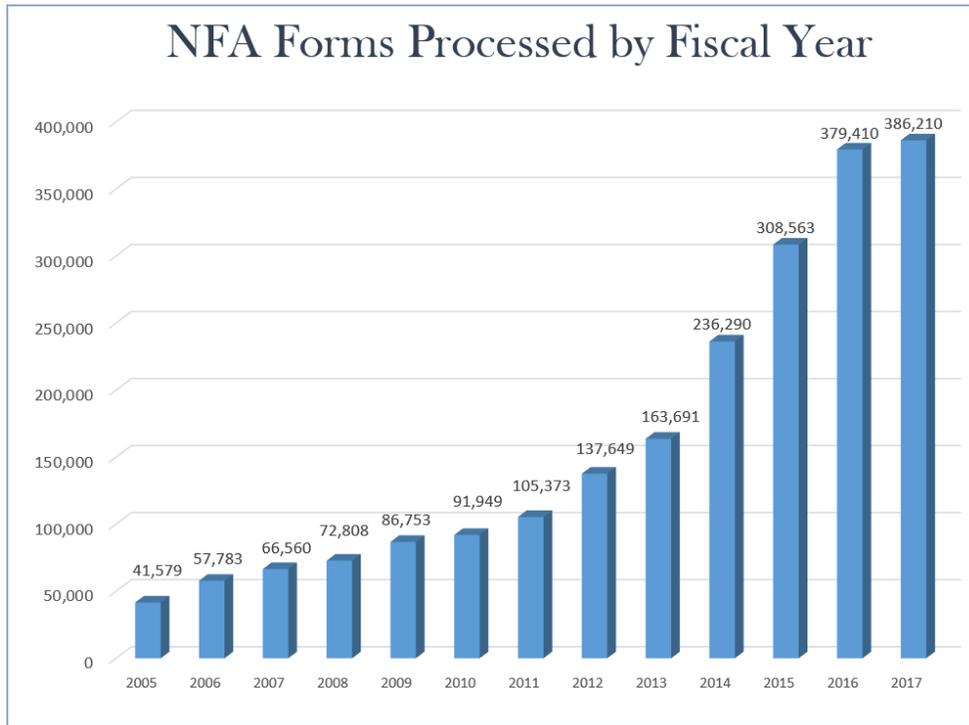
Request for Staffing

The NFA Division is requesting an additional 25 positions in FY 2019. The breakout of positions include: 13 Legal Instruments Examiners (LIE), one Supervisory Legal Instruments Examiner, three NFA Specialists, one program analyst, one program manager, five accountants, and one attorney. All of these positions are directly tied to the growth in the industry and the complexity of legal entity applications as a result of final rule 41F. This staffing request will make FTE levels commensurate with FY 2015 application volume and provide law enforcement needed NFA support. ATF has maximized the use of contract resources and is in need of FTEs for the final adjudication and approval on applications, as this has been deemed an inherently governmental function.

ATF Legal Instrument Examiners process NFA applications. ATF currently has 29 examiners on board, and based on volume projections of applications, ATF is requesting 13 additional examiners to reach a total staffing need of 42. This level of examiner FTEs is needed for ATF to meet DOJ performance measure of 90 days. In FY 2005, ATF had 10 examiners with an annual application workload of 41,579. Since 2005, ATF has experienced over 800 percent increase in workload and has only increased staffing to address FY 2013 volume. There are currently 9 NFA specialists that support the regulatory and law enforcement efforts within NFA administration. These employees serve as custodian of record and execute the daily updates to the NFRTR. They also support ATF’s field investigators, agents, and other Federal law enforcement entities by testifying in U.S. District Court in the prosecution of individuals for NFA violations. The NFA Division receives hundreds of requests for investigative case certifications to support these prosecutions each year. NFA specialists handle the daily call volume amounting to approximately 14,000 customer service calls per month.

Month – Year	NFA Calls
Oct-16	12,948
Nov-16	12,144
Dec-16	11,898
Jan-17	13,231
Feb-17	13,411
Mar-17	16,260
Apr-17	13,591
May-17	15,605
Jun-17	14,820
Jul-17	11,590
Aug-17	13,694
Sep-17	12,364

NFA specialists also execute government exemptions requests and daily inventory adjustments as requested by the 12,000 FFLs who are NFA Special Occupational Tax taxpayers. Despite the unprecedented growth in NFA volume, NFA Specialist staffing has remained constant since FY 2005.



Impact on Performance

Performance Materials will be provided at a later date.

Base Funding

FY 2017 Enacted				FY 2018 President's Budget				FY 2019 Current Services			
Pos	Agt/Atty	FTE	\$(000)	Pos	Agt/Atty	FTE	\$(000)	Pos	Agt/Atty	FTE	\$(000)
48	0	48	7,885	48	0	48	11,885	48	0	48	11,885

Personnel Increase Cost Summary

Type of Position/Series	Full-year Modular Cost per Position (\$000)	1 st Year Annualization	Number of Positions Requested	FY 2019 Request (\$000)	2 nd Year Annualization	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Miscellaneous Operations (0001-0099)	110.5	62.5	18	1,126	53.1	955	931
Accounting and Budget (0500-0599)	110.5	62.5	5	313	53.1	265	259
Attorneys (0905)	110.5	62.5	1	62	53.1	53	52
Information Technology Mgmt (2210)	110.5	62.5	1	62	53.1	53	52
Total Personnel			25	1,563		1,326	1,294

Non-Personnel Increase/Reduction Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2019 Request (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
NFA eForms development and implementation	4,000	1	4,000	-3,000	0
FPC Equipment, Software Update, and contract support	700	1	700	-700	0
NFA system modernization to address the limitations of the NFRTR database as well as modernization of eForms for full automation processing and legacy system upgrades.	6,937	1	6,937	0	0
Total Non-Personnel	11,637		11,637	-3,700	0

Total Request for this Item

	Pos	Agt/ Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
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Current Services	39	0	39	3,453	5,480	8,933	22,133	19,759
Increases	25	0	13	1,563	11,637	13,200	-2,374	1,294
Grand Total	64	0	52	5,016	17,117	22,133	19,759	21,053

Affected Crosscuts

The following DOJ Crosscuts will be affected by this program increase: Gun Safety and National Security.

Item Name: **National Public Safety Partnership (PSP)**

Budget Decision Unit: Law Enforcement Operations

Organizational Program: Law Enforcement Operations

Program Change: Positions 46 Agt 36 FTE 23 Dollars \$8,912,000

Description of Item

ATF is a law enforcement agency in the United States' Department of Justice that protects our communities from violent criminals, criminal organizations, the illegal use and trafficking of firearms, the illegal use and storage of explosives, acts of arson and bombings, acts of terrorism. This mission is conducted primarily by industry operations investigators conducting regulatory review of Federal firearms licensees (FFLs) and Federal explosives licensees (FELs), and by special agents conducting criminal investigations/enforcement operations in support of Federal and state prosecution of violent criminals.

ATF requests an increase of 46 positions (36 special agents and 10 industry operations investigators) and \$8.9 million in associated funding to staff criminal enforcement and industry operations positions within communities experiencing significant levels of gun crime or significant increases in violent crime.

Justification

ATF is committed to fully supporting the Department's drive to reduce violent and gun crime in America, especially in communities hardest hit by this scourge. After evaluating the pilot of the PSP, ATF has determined that deployment of additional investigative personnel to augment existing enforcement and industry operations groups is the most effective means of assisting communities suffering from significant violent crime in achieving a sustainable reduction in that threat. Additional resources in communities experiencing precipitous increases in violent crime will further expand ATF's enforcement capacity. Examples of recent successes follow:

- In 2016, agents in Springfield, Illinois, worked with the local police department on a violent crime reduction initiative that resulted in charges against 20 defendants for Federal and State firearms and narcotics violations. The investigation involved over 50 controlled purchases of evidence including 60 firearms and quantities of narcotics from neighborhood based gangs. The firearms purchased during the initiative included stolen firearms, firearms with obliterated serial numbers, and NFA weapons. Narcotics purchases included heroin, crack cocaine, and marijuana.
- During 2014 and 2015, agents in Lansing, Michigan, investigated members of the Black P Stone Nation for criminal activity including murder, aggravated assault and narcotics trafficking. The Black P Stone Nation is a Chicago-based street gang, with an estimated 30,000 members across the United States. The gang's founder is currently serving a sentence of more than 150 years for convictions in 1987 and 1988, which stemmed from conspiring with Libya to perform acts of domestic terrorism and ordering the murder of a rival gang leader. Through the Lansing investigation, agents identified several gang members, include

the leader, who traveled monthly to Chicago to obtain heroin for distribution in Lansing. Gang members armed themselves while on trips to Chicago and in Lansing in order to protect their drugs and their drug proceeds. This case resulted in the conviction of nine key members of the gang on charges including conspiracy, narcotics trafficking, and homicide, as well as the seizure of significant quantities of firearms and narcotics.

- In Cincinnati, Ohio, a NIBIN correlation identified a serial shooter and homicide suspect. In January 2015, the Cincinnati Police Department entered shell casings recovered from several shooting scenes into NIBIN. Subsequently, a 9MM Glock pistol was recovered when a suspect was arrested for a shooting on a crowded bus. The subject was convicted and sentenced to 6 years' incarceration. That firearm was later test fired and the casings entered into NIBIN, which resulted in a NIBIN correlation between the submitted test fire casings and the January shootings. Additional correlation results revealed that the firearm was also used in multiple other shooting between January and May of 2015. Investigators interviewed the subject in prison and he confessed to several shooting and to involvement in a homicide during a failed home invasion robbery in April of 2014. He accepted a plea of eight years' incarceration on the Federal firearm violations. He was later charged with the homicide and is pending trial.
- Agents in Houston, Texas, working with the Houston Police Department, the U.S. Marshals Service and the Harris County Sheriff's Office conducted a multi-defendant robbery investigation in which two of the defendants received sentences of 153 years and 119 years. In November 2012, a subject assembled various crews to rob T-Mobile stores, stealing approximately 750 phones valued at approximately \$350,000. He also assembled a crew to rob the Houston Bargain Center, which resulted in losses of approximately \$500,000. During these robberies, the defendants possessed firearms to include an AR-15 and handguns. A Federal jury later convicted the subject and a second offender to 1,846 months and 1,435 months in Federal prison for conspiracy to interfere with commerce by robbery and five counts each of aiding and abetting interference with commerce by robbery and aiding and abetting using and carrying a firearm during and in relation to a crime of violence. The original subject was also convicted of being a felon in possession of a firearm as well as an additional count of aiding and abetting interference with commerce by robbery and an additional count of aiding and abetting using and carrying a firearm during and in relation to a crime of violence.

ATF recently reassigned investigators to Chicago and established the Chicago Crime Gun Strike Force to address high rates of violent firearm-related crime. In order to do this, however, ATF had to draw staffing from other areas, which reduced their capacity to address violent crime. As an alternative to the permanent reassignment of agents, ATF has established limited term Enforcement Initiatives (EEIs), which involve the temporary re-deployment of personnel. ATF is currently engaged in an EEI with the Baltimore Police Department that, as of July 2017, has resulted in prosecution referrals of 57 defendants (who have a cumulative criminal history of 315 felony arrests and 116 felony convictions), and the seizure or purchase of 38 firearms. While experience demonstrates that EEIs result in significant reductions in crime, this can be temporary, absent a permanent increase in resources.

ATF is therefore requesting additional resources in order to have a long-term impact in locations most affected by violent crime. It is not possible at present to identify the specific communities to which these resources would be deployed: the Department will work with ATF in the year of execution to identify those cities experiencing the most precipitous challenges from violent and gun crime, and would deploy to those locations at that time. ATF's requirement to staff criminal enforcement field offices for this initiative is 36 special agents.

In conjunction with additional special agent positions, ATF requests a corresponding increase in IOI staffing, which equates to 10 positions. These new resources will minimize the diversion of firearms from legal commerce through more robust inspection programs that foster voluntary compliance with ATF regulations and ensure ATF quickly responds to and investigates FFL burglaries.

Staffing increases in specific communities will require the acquisition or reconfiguration of office space to accommodate an expanded footprint in those locations, therefore funding for space alterations is included in this request.

Impact on Performance

Performance Materials will be provided at a later date.

Base Funding

FY 2017 Enacted				FY 2018 President's Budget				FY 2019 Current Services			
Pos	Agt/Atty	FTE	\$(000)	Pos	Agt/Atty	FTE	\$(000)	Pos	Agt/Atty	FTE	\$(000)
0	0	0	0	0	0	0	0	0	0	0	0

Personnel Increase Cost Summary

Type of Position/Series	Full-year Modular Cost per Position (\$000)	1 st Year Annualization	Number of Positions Requested	FY 2019 Request (\$000)	2 nd Year Annualization	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
General Investigative (1800-1899)	135.7	83.7	10	837	58.9	589	517
Criminal Investigative Series (1811)	288.5	220.6	36	7,942	18.6	670	2,618
Total Personnel			46	8,779		1,259	3,135

Non-Personnel Increase/Reduction Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2019 Request (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Space alterations	11.1	12	133	0	0
Total Non-Personnel			133	0	0

Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2020 Net Annualization (change from 2019) (\$000)	FY 2021 Net Annualization (change from 2020) (\$000)
Current Services	0	0	0	0	0	0	8,912	10,171
Increases	46	36	23	8,779	133	8,912	1,259	3,135
Grand Total	46	36	23	8,779	133	8,912	10,171	13,306

Affected Crosscuts

The following DOJ Crosscuts will be affected by this program increase: Violent Crime, Gun Safety, Project Safe Neighborhoods, Gangs and National Security.