



American Recovery and Reinvestment Act of 2009

Bureau of Alcohol, Tobacco, Firearms and Explosives

Program-Specific Plan for Management of Recovery Act Funds

June 1, 2010 Update

INTRODUCTION

The Department of Justice's (Department) Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) received \$10 million of the Federal aid issued through the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act provides additional funding for Project Gunrunner, an existing ATF program, which is aimed at disrupting arms trafficking between the United States and Mexico. The funding is to be used to establish three new field offices and one new satellite office along the southwest border, as well as two offices in U.S. Consulates in Mexico. An estimated 37 new employees will be recruited, hired, and trained to fill positions made available by the funding or to backfill vacancies created as a result of the transfer of more experienced employees to these new offices.

PURPOSE

This document serves as ATF's plan for implementing the requirements of the Recovery Act and managing the funding received through the Recovery Act. As required by Office of Management and Budget (OMB) guidance, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*, each agency receiving Recovery Act funds must submit program-specific plans detailing the implementation strategy specific to the programs funded through the Recovery Act. In addition, agencies are to submit annual updates to the plans to include the current status and any updates to milestones and performance measures. This document serves as the annual update to the plan originally submitted in May 2009. The purpose of these plans is to assist in the achievement of program-specific objectives, as well as the following broad Recovery Act objectives:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes, and the potential for fraud, waste, error, and abuse are mitigated;
- Projects funded through the Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

This Program-Specific Plan sets forth the key aspects related to ATF's management of Recovery Act funding for Project Gunrunner, such as program objectives, type of financial awards, planned milestones, and methods and tools for ensuring transparency and accountability, carrying out monitoring and evaluation activities, and measuring performance. This plan supplements the Department's *Agency Plan for Management of Recovery Act Funds*, which addresses the following key accountability mechanisms:

- Governance Structure
- Communications Strategy
- Risk Identification and Management
- Internal Control Assessment
- Performance Monitoring
- Corrective Action Implementation

PROGRAM OBJECTIVES AND ACTIVITIES

ATF will utilize the \$10 million in Recovery Act money to establish three permanent field offices, dedicated to firearms trafficking investigations, in El Centro, California; Las Cruces, New Mexico (including a satellite office in Roswell, New Mexico); and McAllen, Texas, as well as two offices in U.S. Consulates in Mexico. The establishment of these offices will include the creation of 37 new positions as follows: 25 special agents, 6 industry operations investigators (IOI), 3 intelligence research specialists, and 3 investigative analysts. Once established, these new offices will help support the southwest border initiative to reduce cross-border drug and weapons trafficking and the associated high level of violence occurring on the border between the United States and Mexico. The offices will also enhance ATF's law enforcement and regulatory mission of reducing firearms and explosives-related violent crime that is occurring on both sides of the border.

The primary expected public benefit of the Recovery Act-funded activities is the increased safety of U.S. citizens. Violence perpetrated by Mexican drug trafficking organizations has increased significantly and has been made possible in part by the unlawful acquisition of firearms from the United States. Concerns also exist that drug-related violence in Mexico will continue to spill over into the United States. The new domestic field offices and offices in U.S. Consulates in Mexico will increase ATF's ability to deny firearms to gun traffickers, prohibited persons, and those who seek to use them for criminal purposes.

As of May 2010, ATF has made great strides in achieving the program objectives associated with its Recovery Act-funded activities. ATF has established offices in the designated locations and has begun to staff the offices. Another key objective, the procurement of armored vehicles, was completed in September 2009, utilizing an armored vehicle contract executed by the State Department. The procurement of vehicles between ATF and the State Department was executed through the use of an Inter-Agency Agreement. ATF is also on target to meet the performance measures in place related to the Recovery Act and program-specific objectives, as set forth in the *Measures* section, below.

FINANCIAL AWARDS – RECIPIENTS AND BENEFICIARIES

ATF's Recovery Act funding will be used to pay the salaries of the new positions created under Project Gunrunner, as well as other operational expenses, including the purchase of armored vehicles. Given that overall safety of U.S. citizens will increase due to the Recovery Act funding distributed through Project Gunrunner, the general public is expected to benefit. State and local law enforcement will also benefit indirectly by the increased presence of Federal agents. As of May 21, 2010, ATF has outlayed 40.8% of the total appropriation funded under the Recovery Act.

PLANNED MILESTONES

The following table provides the planned completion dates for the significant activities associated with ATF's distribution of Recovery Act funds.

Significant Activities	Planned Completion Dates	Percentage Completed as of September 30, 2009	Revised Planned Completion Date*
Establish an ATF Field Office in El Centro, CA	9/30/2009	100%	N/A
Establish an ATF Field Office in Las Cruces, NM	9/30/2009	100%	N/A
Establish an ATF Satellite Office in Roswell, NM	9/30/2009	100%	N/A
Establish an ATF Field Office in McAllen, TX	9/30/2009	100%	N/A
Establish two U.S. Consulate-based Offices in Mexico (to be staffed by U.S. government personnel)	9/30/2009	75%	9/30/2010
Procurement of Armored Vehicles	9/30/2009	100%	N/A
Hiring of 37 Employees	9/30/2010	89%	9/30/2010

*If applicable.

MEASURES

ATF will use the following measures to track the program's progress against achievement of Recovery Act and program-specific objectives. Senior ATF management, including the Assistant Director (Management) / Chief Financial Officer (CFO) and Deputy Assistant Director (Field Operations), will be accountable for each of these measures.

- Number of firearms criminal investigations recommended for prosecution.*
 This represents an increase in the number of criminal cases recommended for prosecution as a result of the additional capacity created by the Recovery Act funding. This outcome will be tracked quarterly throughout the fiscal year, and an increasing rate is anticipated. The target for the one-year time period following full deployment of the special agent resources is 63 additional cases recommended for prosecution (3 cases per agent x 21 agents).
- Number of defendants recommended for prosecution.*
 This represents an increase in the number of defendants recommended for prosecution as a result of the additional capacity created by the Recovery Act funding. This outcome will be tracked quarterly throughout the fiscal year, and an increasing rate is anticipated. The target for the one-year time period following full deployment of the special agent resources is 90 additional defendants recommended for prosecution (approximately 1.5 defendants per additional case recommended for prosecution).
- Number of Federal government personnel hired.*
 This number represents employees who will be hired using Recovery Act funding. This outcome will be tracked quarterly throughout the fiscal year, and an increasing rate is anticipated. The target is 37 Federal employees hired by September 30, 2010.

MONITORING AND EVALUATION

Monitoring and evaluation are critical aspects of ATF's Project Gunrunner program. Through the annual assessment for OMB Circular A-123 compliance, management evaluates and tests key internal controls related to business processes that affect the program. In addition, risks related to Project Gunrunner are addressed through ATF's ongoing risk management process. ATF management is committed to improving business processes through ongoing evaluation and process enhancement efforts. ATF's Office of Management will report the results of internal control and risk assessments to senior management via the CFO Steering Committee, Senior Leadership Team meetings, and updates to an executive dashboard. The CFO Steering Committee will ensure prompt corrective action of weaknesses identified internally, as well any identified during the current review of Project Gunrunner by the Department's Office of the Inspector General (OIG).

In order to facilitate the identification and mitigation of risk, ATF established a formal method for gathering and communicating program-related risk information. Risks will be identified through a variety of methods, including:

- Monitoring of improper payments,
- Issuance of guidance associated with Recovery Act-related communications with lobbyists (including formal classroom training for those employees most likely to be contacted by lobbyists), and
- Leveraging the Southwest Border (SWB) Working Group to oversee operations across the region (including Project Gunrunner) to ensure they are carried out effectively and efficiently.

ATF executive management maintains a positive outlook on both the Project Gunrunner program and the opportunity to expand the program under the Recovery Act. ATF's Acting Director sent a special Intranet message to all ATF employees to inform them of ATF's efforts to combat increasing violence within Mexico and along the U.S. border. This message included a discussion of the different phases and funding streams associated with Project Gunrunner, as well as a description of ATF's strategy for the use of the \$10 million in Recovery Act funding received by the program.

In addition, ATF has created a Recovery Act / Southwest Border spend plan to address Project Gunrunner's Recovery Act funding. This plan has been approved by Congress, and the apportionment of funds has been approved by OMB. In order to obligate, track, and report on Recovery Act expenditures, a separate Treasury Account Fund Symbol (15-0699 2009 / 2010) was established specifically for Recovery Act funds, and ATF has also designated a unique funds code (7STIM) to track such funds internally. Expenditures of Recovery Act funding will be handled centrally. The ATF Office of Management and the SWB Working Group will monitor all Recovery Act expenditures and report any issues or variances to ATF's Senior Leadership Team.

TRANSPARENCY, ACCOUNTABILITY, AND BARRIERS TO EFFECTIVE IMPLEMENTATION

ATF management is committed to achieving both the transparency and accountability objectives of the Recovery Act. As previously stated, ATF management has established new accounting codes in order to distinguish Recovery Act obligations and expenditures from those funded by other appropriations. ATF will track activities and results associated with Project Gunrunner, and this information will be accessible by the public at ATF's Internet site, <http://www.atf.gov>. In addition, ATF Publication 3317.6, *Project*

Gunrunner: The Southwest Border Initiative, is available to the public at <http://www.atf.gov/publications/download/p/atf-p-3317-6.pdf>.

ATF management considers accountability for Recovery Act funds a critical aspect of program management. ATF's existing system of performance accountability, using Performance Work Plans and status meetings, will be used for Project Gunrunner and related activities funded by the Recovery Act. In addition to a National Project Coordinator, ATF established a new senior position to oversee the SWB Working Group.

ATF has taken steps to mitigate the additional risks attributed to its increased workload by reviewing and enhancing, where necessary, its business process controls covering Recovery Act funding. In addition, as part of its ongoing risk management process, ATF intends to successfully manage increased responsibilities related to oversight and monitoring of Recovery Act activities by coordinating with and leveraging the efforts of other Departmental internal review and oversight organizations.

FEDERAL INFRASTRUCTURE INVESTMENT REQUIREMENTS

The Recovery Act imposes numerous requirements on funds used for infrastructure investments. ATF does not have direct leasing authority and must rely on the General Services Administration (GSA) to secure space that complies with energy efficiency and green building requirements, as well as Federal infrastructure investment requirements imposed by the Recovery Act. ATF's Recovery Act funding was not be used for construction of new office buildings or major renovations due to the time constraints imposed by the September 30, 2009, deadline for establishment of the Project Gunrunner / Southwest Border Initiative offices. In the event that an issue does arise in this area, ATF management will work with Departmental organizations, such as the Justice Management Division's Facilities Staff, to ensure concerns are addressed appropriately.