

United States Senate
WASHINGTON, DC 20510

December 14, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Steven Dettelbach
Director
Bureau of Alcohol, Tobacco, Firearms, and Explosives

Dear Director Dettelbach:

On October 10, 2023, I wrote you requesting information concerning ATF's defunding of Project Thor, and its efforts to disrupt and dismantle Mexican cartel networks trafficking firearms from the U.S. to Mexico.¹ ATF has failed to respond, all the while cartels have imbedded themselves in towns across the U.S. to fuel their violent criminal operations in Mexico.² In addition to the questions raised in my October 10 letter, I write to you concerning ATF's Operation Southbound initiative and other efforts to investigate and dismantle Mexican cartel firearms trafficking cells and their leadership operating in the U.S.

According to a Government Accountability Office (GAO) study on disrupting gun smuggling operations from the U.S. to Mexico, ATF formally established Operation Southbound in 2020.³ GAO reported that Operation Southbound uses ATF's criminal enforcement industry operations and intelligence personnel, in coordination with other U.S. law enforcement agencies, to disrupt transnational criminal organizations' ability to obtain weapons.⁴ GAO reported that the objective of Operation Southbound is "coordination among federal agencies, state and local law enforcement, and prosecutors through various means to improve the collection, analysis, and

¹ Letter from Ranking Member Charles E. Grassley to ATF Director Steven Dettelbach (Oct. 10, 2023) https://www.grassley.senate.gov/imo/media/doc/grassley_to_atf_-_firearms_trafficking.pdf.

² See Department of Treasury, *Treasury Sanctions Mexican Arms Trafficker Supplying U.S.-Sourced Weapons to CJNG*, Press release (Feb. 28, 2023) <https://home.treasury.gov/news/press-releases/jy1310>; Kristina Davis, *Massive stash of cartel cash, drugs and ammo seized from Otay Mesa truck yard*, LA Times (Nov. 24, 2020) <https://www.latimes.com/california/story/2020-11-24/cartel-cash-drugs-ammo-seized#:~:text=Three%20Mexican%20nationals%20tied%20to,the%20U.S.%20attorney's%20office%20said.>; Yael Halon, *Biden's border policies are helping cartels operate child sex trafficking rings in US, ex-DHS agent warns*, Fox News (Sept. 17, 2023) <https://www.foxnews.com/media/bidens-border-policies-helping-cartels-operate-child-sex-trafficking-rings-us-ex-dhs-agent-warns>; Leon Boyer, *The impact of Mexican cartels on U.S. law enforcement: Understanding the threat*, Police1 (Sept. 11, 2023) [https://www.police1.com/drug-interdiction-narcotics/articles/the-impact-of-mexican-cartels-on-us-law-enforcement-understanding-the-threat-XBBgXMLhRYiWuFzA/#:~:text=There%20are%20several%20Mexican%20cartels,Jalisco%20Nuevo%20Generaci%C3%B3n%20\(CJNG\).](https://www.police1.com/drug-interdiction-narcotics/articles/the-impact-of-mexican-cartels-on-us-law-enforcement-understanding-the-threat-XBBgXMLhRYiWuFzA/#:~:text=There%20are%20several%20Mexican%20cartels,Jalisco%20Nuevo%20Generaci%C3%B3n%20(CJNG).)

³ Government Accountability Office, *Firearms Trafficking: U.S. Efforts to Disrupt Gun Smuggling into Mexico Would Benefit from Additional Data and Analysis*, (Feb. 2021) at 24 <https://www.gao.gov/assets/gao-21-322.pdf>.

⁴ *Id.*

flow of information and to enhance the development of intelligence regarding traffickers and their networks.”⁵ However, GAO found that ATF couldn’t provide performance measures to assess the results of this operation.⁶ Part of GAO’s description of Operation Southbound’s intelligence gathering, analysis, and diffusion of information to U.S. law enforcement agencies appears to align with Project Thor’s reported goal of connecting hundreds of law enforcement cases to uncover organized firearms smuggling networks across the U.S.⁷ Indeed, Project Thor reportedly identified, through information sharing and intelligence gathering, an interconnected “supernetwork” of gun smuggling supply chains operated by the Jalisco New Generation Cartel (CJNG) across the U.S.⁸ Reportedly CJNG networks operate as far west as Oregon to as far east as Wisconsin, Virginia, North Carolina, and South Carolina, in addition to the cells located along the Southwest Border.⁹

Instead of focusing on criminal cartels, the Biden administration and the ATF have shifted focus to indiscriminately targeting lawful firearms owners, purchasers, and sellers instead of using intelligence and a whole of government approach to identify and target the leadership and networks directing the trafficking of firearms from the U.S. to Mexico. For example, the ATF’s “zero tolerance” policy towards federal firearms license (FFL) holders has reportedly shut down small shops for minor clerical errors.¹⁰ It’s reported that the ATF has revoked a record number of licenses of FFL holders during the Biden administration.¹¹ According to the ATF, FFLs are often the “first line of defense against gun crime and are often a source of critical enforcement information that helps law enforcement identify straw purchasers and disrupt firearms trafficking schemes.”¹² Concerns have been raised that this administration’s “zero tolerance” policy will alienate gun dealers which are crucial partners in the defense against firearms trafficking.¹³ Moreover, the ATF’s proposed rule, ATF 2022R–17, *Definition of Engaged in the Business as a Dealer in Firearms* creates a broad definition of “engaged in the business” of dealing firearms.¹⁴ ATF estimates that 24,540 to 328,296 individual gun owners

⁵ *Id.* at 35.

⁶ *Id.*

⁷ E.D. Cauchi, *Mexican Drug Cartels Pay Americans to Smuggle Weapons Across the Border, Intelligence Documents Show*, (Sept. 18, 2023), <https://www.cbsnews.com/news/mexican-drug-cartels-american-weapons-smuggled-across-border/>.

⁸ *Id.*

⁹ *Id.*; Sarah Kinoshian, *How a factory city in Wisconsin fed military-grade weapons to a Mexican cartel*, Reuters (Dec. 9, 2023) <https://www.reuters.com/investigates/special-report/mexico-usa-guns/>; see also Beth Warren, *This small-town Oregon bricklayer had a side hustle: Gun supplier for Mexican drug cartel*, Louisville Courier Journal (Oct. 31, 2022) <https://www.courier-journal.com/story/news/crime/2022/10/31/a-portland-businessman-ran-a-gun-cell-for-cjng-cartel-boss-el-mencho/69571708007/>.

¹⁰ E.D. Cauchi *supra* note 7.

¹¹ *Id.*

¹² Andrew Mark Miller, *Gun industry cries foul after hundreds of gun dealers lose licenses amid Biden administration crackdown*, Fox News (Aug. 18, 2023) <https://www.foxnews.com/politics/gun-industry-cries-foul-hundreds-gun-dealers-lose-licenses-biden-administration-crackdown>.

¹³ Zusha Elinson, *Hundreds of Gun Dealers Lose Licenses Under Biden Administration Crackdown*, Wall Street Journal (Aug. 18, 2023) <https://www.wsj.com/us-news/law/hundreds-of-gun-dealers-lose-licenses-under-biden-administration-crackdown-da9d6dfb>.

¹⁴ 88 Fed. Reg. 61993 <https://www.federalregister.gov/documents/2023/09/08/2023-19177/definition-of-engaged-in-the-business-as-a-dealer-in-firearms>.

could be required to obtain an FFL if the ATF's proposed rule were enacted.¹⁵ Meaning, law-abiding gun owners could be required to register and subject their homes to warrantless inspections just for exercising their Second Amendment Constitutional Right.

Additionally, a fact sheet from the second meeting of the U.S.-Mexico High-Level Security Dialogue in 2022 provided that Operation Southbound significantly increased the ATF's ability to seize illegal firearms.¹⁶ In its joint statement with Mexico, the White House touted that "U.S. local, federal, and state law enforcement agencies seized over 600,000 firearms in 2021" but provides no data on how many of these seizures resulted in arrests, prosecutions, or cartel connections.¹⁷ Further, Attorney General Garland barely mentioned Operation Southbound in his remarks at the third High-Level Security Dialogue with Mexico in October 2023.¹⁸ His remarks provided that Operation Southbound "includes nine multi-agency Firearms Trafficking Task Forces all along the U.S.-Mexico border."¹⁹ However, as I stated in my previous letter, it has been reported that cartels are operating their criminal firearms trafficking networks across the U.S. in addition to the Southwest Border region.²⁰ It's also unclear if any of these reported seizures or activities of the Task Forces have produced increased investigations, arrests, or prosecutions of the leadership or other individuals connected to these criminal networks trafficking firearms to Mexican cartels.

Lastly, according to the ATF's website, the agency launched an Anti-Firearms Trafficking Public Safety Campaign in 2021 that "will focus on reducing gun trafficking and stopping illegal gun purchases for prohibited individuals at the border."²¹ The ATF website confirms what Project Thor exposed: "A large number of firearms are procured in the U.S. by straw purchasing cells operating at the direction of cartels which are then smuggled across the southern U.S. border and into Mexico."²²

Public reporting indicates that the ATF Interagency Border Campaign engages in community outreach but also prints and distributes posters.²³ For example, ATF highlights on its website that copies of the Anti-Firearms Trafficking Campaign posters can be ordered from the

¹⁵ *Id.*

¹⁶ The White House, *FACT SHEET: Second Meeting of the U.S.-Mexico High-Level Security Dialogue*, Press Release (Oct. 13, 2022) <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/13/fact-sheet-second-meeting-of-the-u-s-mexico-high-level-security-dialogue/>.

¹⁷ The White House, *Joint Statement: 2022 U.S.-Mexico High-Level Security Dialogue*, Press Release (Oct. 14, 2022) <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/14/joint-statement-2022-u-s-mexico-high-level-security-dialogue/>.

¹⁸ Department of Justice, *Attorney General Merrick B. Garland Delivers Remarks at the U.S.-Mexico High-Level Security Dialogue Joint Press Availability*, Press Release (Oct. 5, 2023) <https://www.justice.gov/opa/speech/attorney-general-merrick-b-garland-delivers-remarks-us-mexico-high-level-security-1>.

¹⁹ *Id.*

²⁰ Grassley *supra* note 1; see E.D. Cauchi *supra* note 7.

²¹ ATF, *Anti-Firearms Trafficking Campaign*, (last visited Dec. 14, 2023) <https://www.atf.gov/firearms/anti-firearms-trafficking-campaign>.

²² *Id.*

²³ ATF, *Anti Firearms Trafficking Campaign Posters*, (last visited Dec. 14, 2023) <https://www.atf.gov/firearms/anti-firearms-trafficking-campaign-posters>.

ATF distribution center; however, it can take the ATF up to two months to deliver it.²⁴ These ATF posters are produced in both English and Spanish and warn of the obvious: “gun trafficking is illegal.”²⁵ No other aspects of the Campaign’s education and outreach initiatives are provided on the ATF webpage which calls into question whether the production and mailing of posters is a significant part of the campaign efforts.²⁶

ATF’s approach under its current policies to stop firearms trafficking to Mexico has been described as “ineffective.”²⁷ According to reports, there are doubts within the law enforcement and intelligence communities that ATF is committed to dismantling cartel gunrunning networks across the U.S.²⁸ ATF must provide answers concerning Operation Southbound and its overall firearms trafficking prevention strategy to target the leadership and structure of the criminal networks trafficking firearms from the U.S. to cartels in Mexico. Given the reports Project Thor successfully identified and shared intelligence to law enforcement agencies government wide to aid investigations and prosecutions of these types of cases, the American people deserve to know why the ATF has chosen to defund Project Thor and use its resources to target FFLs and individual law-abiding gun owners.

So that Congress may conduct objective and independent oversight concerning the ATF’s efforts to combat firearms trafficking from the U.S. to Mexico and Operation Southbound, please provide answers to the following no later than December 28, 2023:

1. Provide all records related to ATF’s Operation Southbound, including any law enforcement information sharing strategy.
2. Did Project Thor provide support for ATF’s Operation Southbound? If not, why not? If yes, provide all records of Project Thor’s support for Operation Southbound.²⁹
3. For each fiscal year from 2018 to present, provide how much funding was provided to:
 - a. Project Thor;
 - b. Operation Southbound; and
 - c. ATF Anti-Firearms Trafficking Campaign.
4. For the ATF Anti-Firearms Trafficking Public Safety Campaign, provide:
 - a. A list with descriptions of each education and outreach initiative;
 - b. The role of partner agencies in this Campaign;
 - c. Total number of posters requested with a description of the requester;
 - d. Total number of posters printed and shipped, with related cost; and

²⁴ ATF, *Distribution Center Order Form*, (last visited Dec. 14, 2023) <https://www.atf.gov/distribution-center-order-form>.

²⁵ *Id.*

²⁶ ATF Anti-Firearms Trafficking Campaign *supra* note 21; ATF in the Community-Interagency Partnerships, (last updated Mar. 16, 2023) <https://www.atf.gov/about-atf/atf-community>.

²⁷ E.D. Cauchi *supra* note 7.

²⁸ *Id.*

²⁹ “Records” include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).

- e. Total amount of funding spent through this campaign.
- 5. Provide the Operation Southbound master data file for firearms and Southern Border cases data set with the data from FY2018 to the date of this letter.³⁰
- 6. From FY 2018 to present, provide each firearms case referred by the ATF Mexico Country Office to each ATF division for investigation. For each of the cases referred, provide the:
 - a. Date of the referral;
 - b. Status of the investigation;
 - c. Date the referral was closed; and
 - d. Final disposition of the referral, including whether the case was shared or transferred within ATF or to another law enforcement agency for investigation or prosecution.
- 7. Provide the date of the first Operation Southbound coordination meeting between the ATF and other law enforcement agencies to share intelligence and information related to open investigations, firearms data, firearms traffickers and their networks, and related information.
 - a. How many times have these coordination meetings taken place?
 - b. Provide a list of each agency and individual that were invited and attended each coordination meeting.
- 8. Have ATF divisions or Firearms Trafficking Taskforces shared firearms data, case information, or intelligence with other U.S. law enforcement agencies through Operation Southbound? If so, provide a description of the information shared. If not, why not?
- 9. From FY2018 to present, provide all records concerning information sharing between ATF and HSI, including any information sharing Memorandum of Understanding between the agencies.
- 10. Has the ATF's "zero tolerance" policy affected the number of tips of suspicious firearms purchases provided by FFLs? For each fiscal year from 2018 to present, provide the number of tips ATF received from FFLs.

ATF failed to provide answers to questions 1 through 6 in my October 10 letter. Accordingly, please answer them in addition to the questions above.

³⁰ This data set should include but not limited to: for each ATF Division for Mexico related firearms cases, provide the number of cases referred for prosecution; cases accepted for prosecution; cases with indictments; cases with convictions; cases with sentencing; cases declined; defendants referred for prosecution; defendants arrested; defendants convicted; defendants sentenced; whether the case was initiated or supported by Operation Southbound; whether the case was initiated or supported by Project Thor, and whether the case was cartel related and the name of the cartel. For each Field Division broken down by Field Office, for each firearms case with a Mexico target, Operation Southbound case, or SWB Division case provide: the investigation category, case title, firearm target country, open and close date, case status, name of each defendant, judicial status, and whether the case was cartel related and the name of the cartel.

In keeping with Executive Order 13526, please segregate all unclassified materials within the classified documents, and provide all unclassified information directly to the committee, and provide a classified addendum to the Office of Senate Security. Although the committee complies with all laws and regulations governing the handling of classified information, it is not bound, absent its prior agreement, by any handling restrictions.

Thank you for your prompt review and responses. In addition to answering the questions, I request that you schedule a briefing with my staff to discuss your answers and the records at issue. If you have any questions, please contact my committee staff at (202) 224-0642.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is written in a cursive, flowing style.

Charles E. Grassley
Ranking Member
Committee on the Budget