

The Department of Justice Office of the Inspector General (OIG) today released a review of the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) Federal Firearms Licensee (FFL) Inspection Program. This report is a follow-up to a 2004 review in which the OIG found that ATF's Inspection Program was not fully effective in ensuring that FFLs comply with federal firearms laws. The OIG found that since 2004, ATF has made a series of changes and improvements to its inspection processes and increased outreach activities to the firearms industry. However, the OIG identified four areas in which ATF still needs to improve its performance to ensure that all inspections are completed and tracked, and that administrative actions including revocation of FFL licenses are processed in a timely fashion.

First, the OIG found that ATF still had not met its goal of inspecting all FFLs on a cyclical basis, resulting in over 58 percent of FFLs not being inspected within 5 years. As a result, non-compliant FFLs may go undetected by ATF for many years. One reason for this was insufficient investigator resources. Also, other competing priorities, such as federally mandated Federal Explosives Licensee inspections, have left ATF unable to meet this important goal.

Second, ATF did not track whether high-risk FFL inspections met annual operating plan priorities. ATF classifies FFLs as "high risk" based on a series of risk indicators such as a high number of guns used in crimes being traced back to the licensee, numerous multiple sales by an FFL to a single individual, thefts or losses of firearms, and tips from state or local law enforcement. No fields or codes exist within ATF's inspections database that can be used to identify which opened inspections corresponded to the high-risk priorities in ATF's annual operating plan. Consequently, ATF does not know, and the OIG was unable to determine, whether ATF has in fact given priority to high-risk FFL inspections, how many high-risk FFLs were inspected, or how long high-risk FFLs had gone between inspections.

Third, although ATF performed the majority of the in-person follow-up compliance inspections for FFLs that received a telephone qualification inspection, it did not do so in every case. Qualification inspections are used to verify that applicants are eligible for a license, and ATF conducts telephone qualification inspections when it is unable to conduct the inspections in person. While ATF requires that FFLs receive an in-person compliance inspection within 12 months of a telephone qualification inspection, we found that ATF failed to perform a few follow-up inspections in each fiscal year of the review period. Additionally, ATF did not track whether the follow-up inspections were performed.

Finally, we found that ATF did not ensure that administrative actions taken against non-compliant FFLs were not unduly prolonged after cases moved to ATF Division Counsels for review. These administrative actions include warning letters, warning conferences, denials of licenses, and revocations. Even when ATF concluded that revocation for a non-compliant FFL was the appropriate remedy, the administrative action process remained lengthy, sometimes lasting over 2 years. This can be attributed to a number of factors, including law enforcement actions initiated during Division Counsel review, the occasional need to request additional information, the complexity of a particular case, and insufficient Division Counsel staffing.

The OIG made four recommendations to ATF to ensure that it can meet its goals of performing FFL cyclical compliance inspections in a timely fashion, adequately tracking inspections of high-risk FFLs, conducting in-person compliance inspections after all telephone qualification inspections, and processing revocations by Division Counsel in a timely manner. ATF concurred in whole or in part with all four of the recommendations, and the OIG has requested additional information to follow up on ATF's progress in each area.

The report released today can be found on the OIG's website at:  
<http://www.justice.gov/oig/reports/2013/e1305.pdf>.