

## **Transcript: “A Message from the Inspector General: ATF's Undercover Storefront Operations,” September 2016**

Hello. I'm Michael Horowitz, Inspector General for the U.S. Department of Justice.

Today our office issued a report about the Bureau of Alcohol, Tobacco, Firearms and Explosives' use of undercover storefront operations. In a storefront operation, ATF operates a fake business and seeks to identify illegal gun traffickers and violent criminals. ATF's use of storefront operations first came under criticism in 2013, when news reports about a Milwaukee storefront described numerous problems, including firearms thefts, improper handling of sensitive information, and alleged targeting of persons with disabilities.

In our report, we examined recent ATF storefront operations in five cities and found that ATF failed to devote sufficient attention in order to manage its undercover storefront operations. We also found that events giving rise to the controversy surrounding ATF's storefront operations were avoidable, and were caused primarily by poor management and insufficient training and guidance to agents in the field.

Specifically, we found:

- First, before ATF launches a storefront operation, it needs to better define the crime problem that the storefront will address, and explain how it will lead to the arrest of persons warranting federal prosecution.
- Second, ATF needs to revise its storefronts policies, better prepare and train agents who work on these complex undercover investigations, and ensure adequate Headquarters support and oversight; and
- Third, ATF needs to ensure that security issues are properly evaluated before initiating a storefront operation in a community.

Separately, we found that ATF needed to make adjustments to its Monitored Case Program, which ATF implemented after Operation Fast and Furious to provide for heightened management scrutiny of the agency's most sensitive cases.

Finally, we found no evidence that ATF intentionally targeted or used individuals with intellectual or developmental disabilities in its storefront operations because of their disability. But we determined in the course of the review that the Justice Department failed to apply the Federal Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities, to its federal law enforcement activities. This Act imposes important compliance responsibilities on the Justice Department's law enforcement components, including those of ATF, the FBI, the DEA and the U.S. Marshals Service. In response to our findings, the Justice Department told us that it has convened a working group to issue appropriate guidance. We intend to monitor the DOJ's progress on this issue closely.

Our report makes 13 recommendations to help ensure that ATF's storefront operations are managed expertly and appropriately. ATF agreed with all of them.

To learn more, visit our website, [oig.justice.gov](http://oig.justice.gov), where you can read the full report.

Thank you for joining us.