



FOR IMMEDIATE RELEASE
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DOJ OIG Releases Report on the Bureau of Alcohol, Tobacco, Firearms and Explosives' Risk-Based Inspection Selection Processes and Administrative Actions Issued to Federal Firearms Licensees

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report on the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) inspection activities and oversight of federal firearms licensees (FFL). As the federal agency responsible for regulating federal firearms licenses, ATF conducts inspections to ensure FFLs operate in compliance with laws and regulations and in a manner that protects public safety. These inspections review an FFL's inventory and transaction records to, among other things, detect and prevent the illegal diversion of firearms and reduce the possibility of firearms being obtained by prohibited persons.

The DOJ Office of the Inspector General (OIG) found that although ATF had taken measures to address previous OIG findings related to the effectiveness of ATF's oversight of FFLs, its compliance inspection activity remains a concern. Specifically, we found several areas for improvement, including:

- **ATF's Risk-Based Strategy for Completing Inspections.** Due to resource limitations, ATF had not achieved its goal to conduct an inspection of all FFLs once every 3 years, and some FFLs had not received an inspection in over 10 years. Instead, ATF relied on a risk-based approach to identify high-risk FFLs for inspection. We found that ATF had not evaluated the efficacy or validity of its risk-based approach and risk indicators, and it did not meet its projections for inspections of FFLs with a high risk of noncompliance or exploitation by criminal activity.
 - **ATF Should Use Inspection Results to Help Ensure More Consistent Application of Administrative Actions.** We reviewed over 10 years of inspections data and determined that ATF had not addressed violations in a consistent manner, and it has not always followed ATF policy. Of note, ATF did not often recommend revocation for FFLs with "revocable" violations, such as transferring a firearm to a prohibited person, and some FFLs with repeat revocable violations had been allowed to continue their operations. ("Revocable" violations are so significant that, if they are committed willfully, they could trigger the revocation of an FFL's license.) Specifically, our review of 23,124 FFLs for which an ATF inspector identified a revocable violation found that only 529 FFLs, or 2.3 percent, had been recommended for license revocation.
 - **Tracking and Monitoring Settlement Agreements.** ATF officials have discretion to provide FFLs an opportunity to avoid license revocation by making a settlement offer to ATF. However, we found that ATF did not have a system to identify and track FFLs with settlement agreements and did not consistently verify compliance with settlement agreement terms.
 - **Information Sharing and Referrals.** Although ATF had a formal process to track information shared with internal and external entities, it did not track the information's disposition. Therefore, ATF had an incomplete picture of the effectiveness of its information sharing.
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The DOJ OIG made 13 recommendations to ATF to strengthen its compliance inspection activities and its oversight of FFLs. ATF concurred with all 13 recommendations.

Report: Today's report can be found on the OIG's website at the following link:

<https://oig.justice.gov/reports/audit-bureau-alcohol-tobacco-firearms-and-explosives-risk-based-inspection-selection>

Video: To accompany today's report, the OIG has released a 2-minute video of the Inspector General discussing the report's findings. The video and a downloadable transcript are available at the following link:

<https://oig.justice.gov/news/multimedia/video/message-inspector-general-report-bureau-alcohol-tobacco-firearms-and-0>

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