



Audit of the Bureau of Alcohol, Tobacco,
Firearms and Explosives' Management of
Firearm Trace Requests at the National
Tracing Center



AUDIT DIVISION

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EXECUTIVE SUMMARY

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Objectives and Background

The Department of Justice (DOJ) Office of the Inspector General (OIG) initiated this audit to assess the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF): (1) management, coordination, and prioritization of firearms trace requests at the National Tracing Center (NTC) and (2) actions taken to reduce the tracing request backlog.

ATF defines firearm tracing as the process by which law enforcement tracks the history of a recovered firearm used or suspected of being used in crimes (a crime gun) from its manufacturer or importer through the distribution chain to identify the first retail purchaser, aiming to generate investigative leads, link suspects to weapons, and detect illegal trafficking patterns. ATF established the NTC, which is the only federal facility in the United States that tracks crime guns, through authority granted under the Gun Control Act of 1968. However, the NTC's authority is limited by the Firearms Owners' Protection Act of 1986 (FOPA), which protects privacy rights of firearms owners by prohibiting the establishment of any federal system of registration of firearms, firearm owners, or firearm transactions. The NTC firearm traces provide critical information to assist domestic and foreign law enforcement agencies (LEA) with investigations, solving firearm-related crimes, detecting firearm trafficking, and tracking the movement of crime guns.

Results in Brief

Based on our review of sampled LEA firearm trace requests received during fiscal years (FY) 2020 through 2024, we found that the NTC kept pace with an increasing number of LEA trace requests while decreasing the time it took to fulfill the requests, bringing the NTC closer to achieving ATF's performance target for firearm trace completion timeliness. Further efficiencies depend on the NTC's ability to navigate multiple interrelated challenges that strain the limited personnel who fulfill the requests. For instance, the NTC anticipates continued increases in

the number of trace requests and firearms records it receives as a result of recently implemented policies and initiatives that incentivize LEAs' and retailers' engagement with the NTC. The NTC personnel must also contend with a labor-intensive process that involves manual steps and information technology tools that experience frequent disruptions.

Considering that the time to complete a firearm trace depends on the quality of available information and the experience of the personnel conducting the trace, we believe the NTC could further optimize resources by standardizing and centralizing its operating procedures to guide NTC personnel through the nuances of the firearm tracing lifecycle (and tools) from start to finish.

We also found that while the NTC does not have a backlog of pending firearm trace requests from LEAs, it has a significant backlog of boxed hardcopy firearm transaction records from out-of-business licensed dealers, which need to be scanned so they are more readily accessible to the NTC personnel who use the information in firearm traces. Having more of these transaction records scanned may significantly expedite the tracing process. In addition, we found that the NTC does not measure the success or value of its firearm tracing efforts in the most strategic manner, for example, by tracking the number of firearm trace results that contribute to solving a crime. We believe performance metrics could be modified or expanded to demonstrate the value of the NTC's services to stakeholders, such as Congress and LEAs, by quantifying the degree to which the NTC is achieving its mission by providing valuable leads to LEAs.

Recommendations

Our report contains three recommendations to help improve the efficiency and effectiveness of ATF's firearm tracing process. ATF's response can be found in Appendix 6. Our analysis of ATF's response is included in Appendix 7.

Audit Results

In recent years, the demand for the NTC's firearm tracing services has significantly increased. However, we identified several factors that affect the efficiency and timeliness of the NTC's responses to LEA firearms trace requests.

The NTC Needs to Improve Performance to Meet Targets and Metrics Provide Limited Insight

The NTC tracks two performance metrics to assess the timeliness of its firearm tracing process: (1) the percentage of urgent firearm trace requests completed in 48 hours or less, and (2) the percentage of routine firearm trace requests completed in 7 days or less. While demand for the NTC's gun tracing services increased from FYs 2020 through 2024, allocation of resources to the NTC has not kept pace. Consequently, although the NTC's timeliness has been positive under the circumstances, it continues to fall slightly below ATF's timeliness targets.

Additionally, the NTC and LEAs do not communicate about or document the outcomes of investigative leads provided by the NTC, such as whether the leads resulted in apprehensions or disrupted firearm trafficking. The NTC should seek opportunities to measure its return on investment through outcome-based performance metrics or key performance indicators. Incorporating outcome-based performance metrics or key performance indicators would provide a more complete assessment of the NTC's operational effectiveness and its success in supporting LEA investigative activities.

No Standardized and Centralized Firearm Tracing Process Guidance

Rather than standard centralized procedures that detail and memorialize the firearm tracing lifecycle, we found that NTC personnel rely on informal communication such as word of mouth, individually developed notes, and "cheat sheets," to share institutional knowledge of the tracing process. Developing reference material could help to train personnel with varied experience and preserve valuable lessons learned in the event of turnover. More importantly, standardized and centralized procedures could improve the efficiency of firearm tracing services, and the NTC's performance metrics, by documenting a baseline for simple and complex firearm trace requests as well as solutions to frequently encountered challenges.

Reducing Out-of-Business Record Backlog Could Improve Firearm Tracing Efficiency

NTC personnel regularly access firearm transaction records to identify firearm purchasers. However, an increasing backlog of paper records from licensed firearms dealers that are out of business presents logistical challenges because such records need to be manually accessed. These challenges affect timeliness of traces and, therefore, timeliness in identification of investigative leads. We encourage the NTC to continue its efforts to reduce this backlog and improve operational efficiency consistent with current laws.

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Introduction

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is responsible for regulating the firearms industry and enforcing federal firearms laws, including the Gun Control Act of 1968 (GCA).¹ Through authority granted under the GCA, ATF established the National Tracing Center (NTC), which operates the only federal facility in the United States that tracks the movement of firearms used or suspected of being used in crimes (“crime guns”).² The NTC’s mission is to trace firearms to provide investigative leads for federal, state, local, and foreign (international) law enforcement agencies (LEA). The NTC also facilitates programs and initiatives intended to assist LEAs with increasing the efficacy and awareness of the tracing process.³ Firearm tracing can provide critical information to assist domestic and foreign LEAs to: (1) investigate and solve firearms-related crimes, (2) detect firearm trafficking, and (3) track the intrastate, interstate, and international movement of firearms used or suspected of being used in crimes. Figure 1 shows the markings that the NTC uses to identify the original firearm manufacturer or importer in tracing that firearm through the distribution chain to its first retail purchaser.⁴

Figure 1

Firearm Markings



Source: ATF

¹ Pub. L. No. PL 90-618

² In this report, we use “firearm” and “gun” interchangeably. Also, the “tracing process” and “traces” refer to the firearms tracing process from the time the law enforcement agency (LEA) submits the trace request to the NTC’s ultimate fulfillment of that request.

³ See Appendix 3 for lists of programs and initiatives related to firearms tracing.

⁴ After a transfer or sale to a non-Federal Firearms Licensee (FFL), if a firearm moves from private commerce back into the inventory of an FFL, the tracing process may also identify additional unlicensed purchasers beyond the first retail purchaser. These unlicensed secondary purchasers are commonly referred to as the “last known purchaser.”

The National Tracing Center

Located within ATF's National Services Center, as of March 2025, the NTC had approximately 60 ATF full-time equivalent employees along with about 370 contract workers assigned to its three branches that support the firearms tracing activities described in Figure 2.⁵ In September 2022, to increase its storage capacity and modernize operations, the NTC began leasing a second facility (essentially used as a warehouse) within 2 miles of its main facility.

Figure 2

Firearms Tracing Activities Supported by the ATF NTC's Branches



Source: OIG Analysis and ATF

The activities summarized above represent a portion of the firearm tracing process described in the next report section.

Limitations on the ATF NTC's Authority

While the GCA authorizes ATF to access licensed dealer records to conduct firearm tracing for LEAs, several provisions also restrict ATF's handling of firearms information. According to a Government Accountability

⁵ Three companies provided the contract workers who supported the NTC's firearms tracing, tracing operations, and records management during our audit scope. In this report, unless otherwise distinguished, we refer to ATF employees and contract workers assigned to the NTC collectively as "NTC personnel."

Office (GAO) report, Congress enacted these provisions to protect the privacy rights of firearm owners after certain proposed regulations raised concerns that ATF would establish a firearm registration system.

Specifically, according to the GAO report, a proposed 1978 rule would have required licensed dealers to report their firearm sales and dispositions to ATF each quarter. However, from Fiscal Year (FY) 1979 to 2011, Congress included a provision in ATF's annual appropriations that prohibited ATF from using funds to consolidate or centralize firearm transaction records maintained by licensed firearm dealers. In 2011, the previous annual appropriation restriction became permanent legislation.⁶ Additionally, the Firearms Owners' Protection Act of 1986 (FOPA) prohibits ATF from issuing a rule or regulation to establish a registration system for GCA firearms, firearm owners, or firearm transactions, and restricts ATF from receiving and maintaining firearm transaction records except to obtain firearm disposition information related to a criminal investigation.⁷

The Firearm Tracing Process

The firearm tracing process generally involves NTC personnel using a combination of manual and electronic tools and systems, in a certain sequence, to research records that federally licensed dealers must maintain under the GCA.⁸ The GCA authorizes the NTC to use this information to trace firearms as a part of a criminal investigation, after an LEA has determined that a firearm was used or was suspected of being used in a crime. Under the GCA, anyone engaged in manufacturing, importing, or dealing firearms must:

- **Be federally licensed.** ATF refers to licensed dealers – businesses that manufacture, import, or sell firearms – as Federal Firearms Licensees (FFLs). The GCA requires FFLs to identify each firearm manufactured with a serial number.⁹
- **Maintain firearm transaction records.** FFLs must record the: (1) type of firearm (such as revolver, pistol, rifle, shotgun) in their Acquisition and Disposition (A&D) records; (2) firearm's make (manufacturer) and model (typically a number); and (3) serial number of the frame or receiver. When an FFL sells or transfers a firearm to an individual, the purchaser must complete an ATF Form 4473, which contains the above information and the identity of the purchaser. The completed form remains with the FFL.¹⁰

⁶ This 2011 legislation, the Consolidating and Further Continuing Appropriations Act, Pub. L. No. PL 112-55, states: "Provided, that no funds appropriated herein or hereafter shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of Justice, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees."

⁷ The FOPA is codified at 18 U.S.C. § 926(a) (1968), wherein ATF, as the designated agency, is authorized to exercise the functions and powers of the Attorney General. Certain firearms are regulated by the National Firearms Act of 1934, Pub. L. No. PL 73-474, and have specialized tax and registration requirements.

⁸ The GCA of 1968 (Pub. L. No. PL 90-618): (1) repealed the Federal Firearms Act of 1938 (Pub. L. No. PL 75-785) and reenacted many provisions with added requirements, (2) required ATF to approve/deny firearms dealer licenses within 60 days, (3) imposed stricter licensing requirements and regulation, and (4) authorized inspections of Federal Firearms Licensees (FFLs) to ensure compliance with recordkeeping requirements.

⁹ 18 U.S.C. § 923(a) (1968)

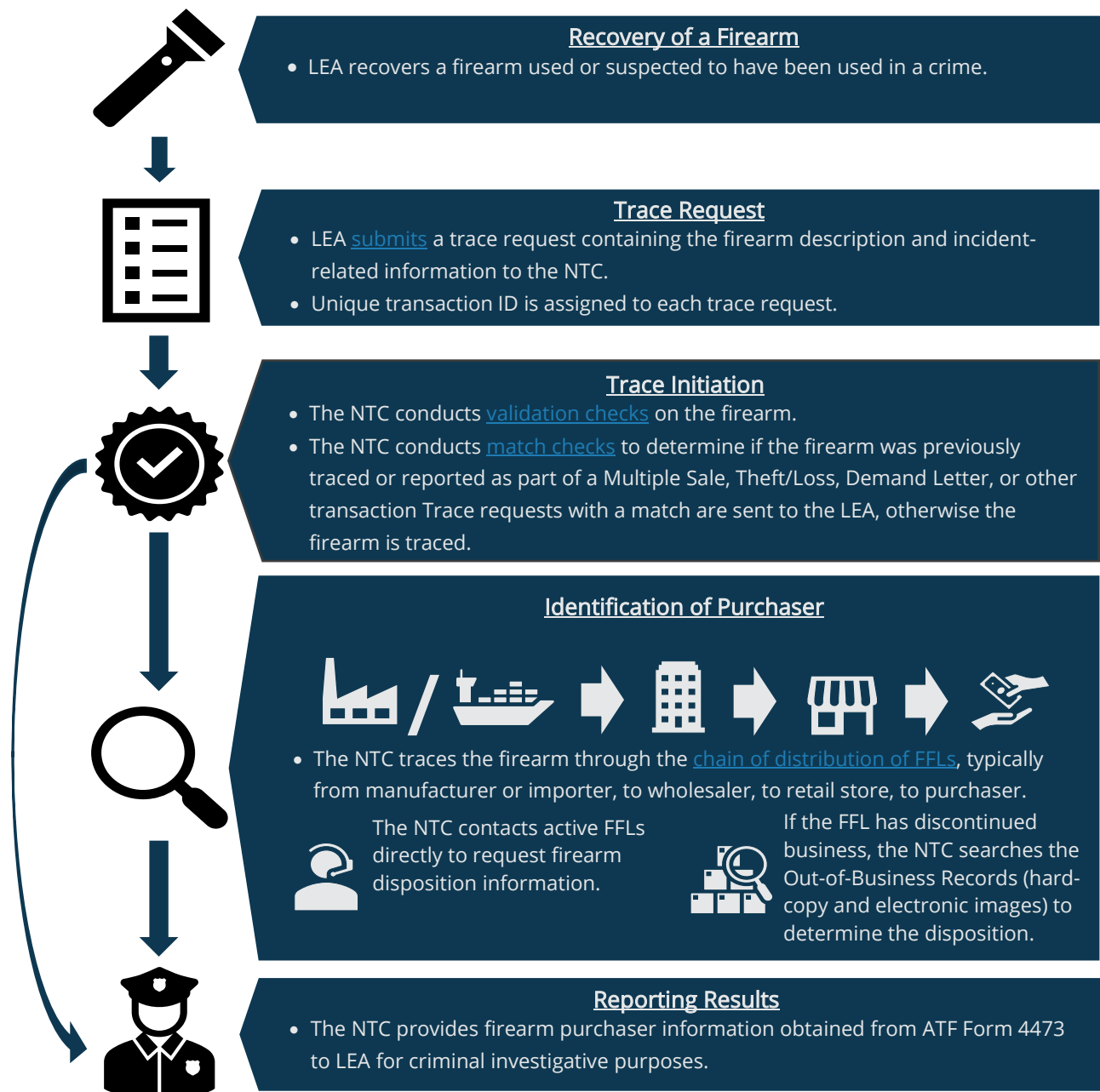
¹⁰ Although ATF's public firearms website includes a blank example of the Firearms Transaction Record, [ATF Form 4473](#), ATF does not have a required template or form that FFLs must use to maintain A&D records.

- **Submit firearm transaction records to ATF when going out of business.** FFLs mail or email the firearm transaction records (Acquisition and Disposition Records and ATF Forms 4473) to the NTC for permanent storage.

See Figure 3 below for a visual representation of the firearm tracing process.

Figure 3

Overview of the Firearm Tracing Process

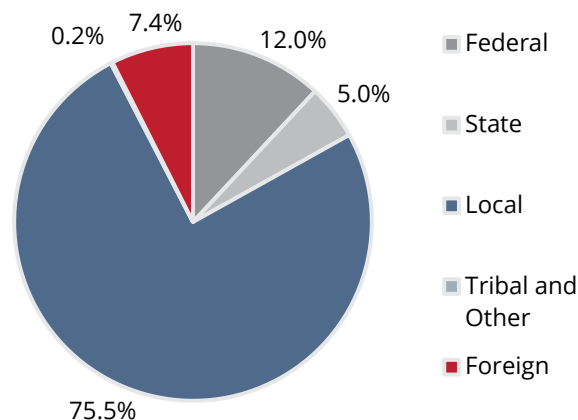


Source: OIG Analysis and the NTC

LEAs Submit Firearm Trace Requests

When federal, state, local, tribal, foreign, and other LEAs recover firearms during criminal investigations, the LEAs submit a firearm trace request directly to the NTC, typically via eTrace or eTrace DIRECT, ATF's electronic submission portal.¹¹ LEAs may also submit trace requests via mail, email, fax, or phone.¹² The NTC manages, activates, and terminates all eTrace user accounts. To increase the likelihood that tracing efforts will yield useful results, the NTC requires LEAs to include the following in trace requests: (1) a description of the firearm, including the serial number, manufacturer, type, caliber and model; (2) the LEA requestor's name, originating agency identifier, and crime code; (3) the firearm's recovery date and location; and (4) the name of the firearm's possessor, if available.¹³ LEAs can update or revise firearm trace requests directly in eTrace. Appendix 2 provides details on the LEAs that most frequently submit firearm trace requests. As shown in Figure 4, most trace requests originate from local LEAs.

Figure 4
FY 2020 – 2024
Total Trace Requests by LEA Requestor



Note: Any differences in percentages are due to rounding.

Source: The NTC

In addition to the background information on the recovered firearm, LEAs must specify whether the trace is routine or urgent based on the ATF-established characteristics in Table 1.¹⁴

¹¹ To obtain access to eTrace, LEAs, including foreign LEAs, must establish a Memorandum of Understanding (MOU) with ATF. Foreign LEAs may submit firearm trace requests on any firearm, regardless of whether it is connected to U.S. commerce; however, the NTC can only successfully trace the firearm if it is connected to U.S. commerce.

eTrace DIRECT is an application programming interface that connects eTrace to an LEA's case management system. When an LEA enters a firearm into its case management system, a firearm trace request is automatically generated and sent to the NTC.

¹² The NTC performs telephone traces when a sensitive or violent crime is involved and the need for trace results is immediate (also known as an urgent trace seen in Table 1). For firearm traces submitted via email, phone, or fax, the ATF employees at the NTC ultimately enter the firearm trace request into eTrace.

¹³ ATF instructs LEAs to submit all firearms used or suspected to have been used in a crime, even those without serial numbers or markings, for firearm tracing to identify crime trends. A firearm may not contain a serial number or markings because it is a privately made firearm (PMF), such as a 3-D printed firearm. PMFs are made by individuals instead of FFLs, and as such are not required to have GCA-required markings.

¹⁴ Firearm trace request classifications do not reflect the level of difficulty encountered when completing a trace. Urgent traces may include mass shootings, terrorist threats, kidnappings, homicides, and armed robberies.

Table 1

Routine and Urgent Trace Characteristics

Characteristic	Routine	Urgent
Description	Wide range of investigations	High priority crime involving significant public safety concerns
Time Sensitivity	Time-sensitive nature of the case is less critical	Often requested when immediate apprehension or holding of a suspect is needed or when the results are crucial for ongoing investigations
Turnaround Target	Complete within 7 days	Complete within 48 hours

Source: OIG analysis of NTC procedures

Because the NTC uses these designations to prioritize resources, LEA requestors must justify why a firearm trace request should be considered urgent. When NTC officials believe a trace request has been incorrectly designated as urgent, they follow up with the LEAs to confirm the designation.

NTC Personnel Conduct Firearm Traces

According to NTC officials, the NTC receives an average of 1,500 to 2,000 firearm trace requests daily, and at any given time, the NTC has 10,000 to 15,000 active ongoing traces.

NTC personnel (ATF employees and contract workers) rely on firearm transaction records required to be maintained pursuant to the GCA to research the firearm's history, tracing it through the distribution chain, from its point of origin in U.S. Commerce to identify the "first retail purchaser." Although firearms can follow multiple distribution paths, NTC officials stated that firearms typically move from the manufacturer or importer to a wholesaler, then to one or more retail dealers, and finally to an individual purchaser.

Firearm Trace Requests Submitted to the NTC

When an LEA submits a firearm trace request, the Firearms Tracing System (FTS) assigns a unique Trace Number ID so that authorized users can track the status of the firearm trace request. The firearm markings of previously submitted firearm traces and the firearm trace results are stored in FTS. When an LEA submits a trace request for a firearm previously traced by the NTC, eTrace automatically identifies the previous trace request and notifies the LEA that the firearm was previously traced.

Confirming the Accuracy of Information in the Firearm Trace Request

After verifying that a firearm trace request is not related to a previous trace request, FTS performs automated validation checks to ensure an accurate description of the firearm was provided. To resolve any discrepancies related to invalid firearm descriptions, ATF employees perform a validation check against reference tables stored in FTS that contain known firearm combinations of markings, such as serial number, manufacturer, type, and caliber. NTC officials told us that misidentified firearms are the primary cause of

delays in the firearms tracing process. When LEAs submit incorrect firearm details, the trace request remains in a delayed status until the NTC corrects the errors or receives clarifying information from the requesting LEA needed to proceed with the trace.

After the firearm description has been validated, FTS performs a firearm markings check to identify potential firearm matches, including not only prior trace requests, but also matches to other FTS transactional categories, such as Multiple Sales and Stolen Firearms.¹⁵ NTC officials stated that ATF employees verify the accuracy of matches before making the final trace results available to the requesting LEA. See Appendix 3 for a description of the FTS data categories that the NTC uses to establish matches.

Firearm Trace Request Chain of Distribution Workflow

The NTC's Electronic Tracing Operations and Workflow Routing System helps personnel manage their work, track the progress of firearms traces, and control the distribution of the work between NTC groups and teams as they perform traces.¹⁶ It automatically updates as traces advance through the process.

If the firearm has not previously been traced and the description does not match an existing FTS firearm markings check, NTC personnel trace the firearm through the chain of distribution. First, ATF employees identify the manufacturer or importer by using the firearm markings that the LEA provided. Next, ATF employees contact the manufacturer or importer to obtain firearm disposition information. The firearm disposition information is used to identify the FFL to whom the firearm was transferred (typically a wholesaler). Then, NTC personnel contact the wholesale dealer to obtain firearm disposition information for the retail dealer. According to NTC data, each firearm trace involves an average of 3.5 FFLs.

FFLs may be classified as active, meaning they are open for business and operational, or inactive, indicating they are no longer conducting business or have ceased operations. If the FFL is active, NTC personnel contact the FFL and request firearm disposition information, which the FFL obtains from their A&D logbook or ATF Form 4473.¹⁷ The NTC uses ATF Form 4473 to identify the first known individual retail purchaser. Federal legislation mandates that FFLs must respond to requests from the NTC within 24 hours.¹⁸

For inactive FFLs, the NTC searches the Out-of-Business Records (OBR) repository for the A&D logbook. If the A&D entry indicates the firearm was sold to an individual purchaser, NTC personnel then search the OBRs for the corresponding ATF Form 4473. For both active and inactive retail dealers, the ATF Form 4473 is

¹⁵ FTS contains firearms information obtained from statutorily required purchasing reporting, such as multiple sale reports, demand letter reports, stolen firearm reports, etc. See Appendix 3.

¹⁶ Following the exit conference, an NTC official told us that the NTC uses an updated system, the Trace Processing System as of February 2026.

¹⁷ The GCA established a process requiring licensed firearm dealers to record firearms transactions, maintain transaction records at their business premises, and provide firearms disposition information to the NTC when requested to complete a firearm trace. Therefore, the NTC does not house or maintain firearm transaction files from firearm dealers that are active and operational.

¹⁸ 18 U.S.C. § 923(g)(7) (1994)

needed to connect the LEA's firearm trace request to the first known individual retail purchaser. Once the NTC completes a firearm trace request, it provides the results to the requesting LEA through eTrace.¹⁹

Automated Functions Increase Speed of Some Traces

The firearms tracing process is highly methodical and, in most cases, identifying a firearm's first known retail purchaser requires NTC personnel to follow a systematic procedure, which involves contacting the firearm manufacturer or importer, then the wholesaler, followed by one or more retail dealers. Only after reaching the final dealer can the NTC obtain information from the ATF Form 4473 needed to identify the firearm's original purchaser. This process remains manual because federal statutes prohibit the creation of a searchable firearms database.

Although tracing is primarily manual, the NTC has incorporated two automated functions to support parts of the firearm tracing process without creating a searchable firearm database. For example, a web-based application called NTC Connect allows NTC personnel to search electronic A&D records from manufacturing, wholesale, and import FFLs who voluntarily participate in the NTC Connect Program.²⁰ As a result, NTC personnel can only enter a firearm serial number into NTC Connect and retrieve the exact firearm's disposition information directly from NTC Connect.

NTC Connect decreases the time it takes NTC personnel to complete firearm traces because it eliminates the potential for delayed responses from manufacturer, wholesaler, and importer FFLs before moving to the next step in the firearm tracing process. An NTC official told us NTC Connect reduces the burden on participating FFLs in responding to trace requests. For example, if NTC personnel needed to conduct a firearm trace over a weekend or outside of an FFL's normal business hours, NTC personnel could use NTC Connect to retrieve the firearm disposition information. However, only manufacturing, wholesale, and import FFLs that maintain electronic A&D records can participate in this voluntary program, and NTC personnel can access FFLs' firearm disposition information only if the serial number search produces a direct match for the corresponding firearm transaction data.

The NTC administers another program, the Secondary Market Program, which compares traced firearms to used firearms that have been acquired by a retail FFL through resale or pawning property. This expedites the time it takes to identify the purchaser when a firearm was purchased via a secondary market.

The Out-of-Business Records Scanning Process

The NTC completes about half of all traces by searching FFL OBRs submitted in paper or electronic formats. Upon receiving paper OBRs, the NTC first X-rays the documents to identify any potential physical threats, and a team of contract workers verifies, reviews, and catalogues the records. Figure 5 below (from left to

¹⁹ Urgent trace results may also be shared with LEAs by phone for immediate availability.

²⁰ NTC Connect is only available to manufacturers, importers, and wholesale dealers due to the large volume of information requests received by those FFLs and the likelihood they transfer firearms to another FFL rather than conducting sales to individual purchasers.

right) shows the X-ray machine at the NTC receiving dock, an example of boxes of OBRs that the NTC received, and reams of paper records on the inside of a box that await document preparation and scanning.

Figure 5

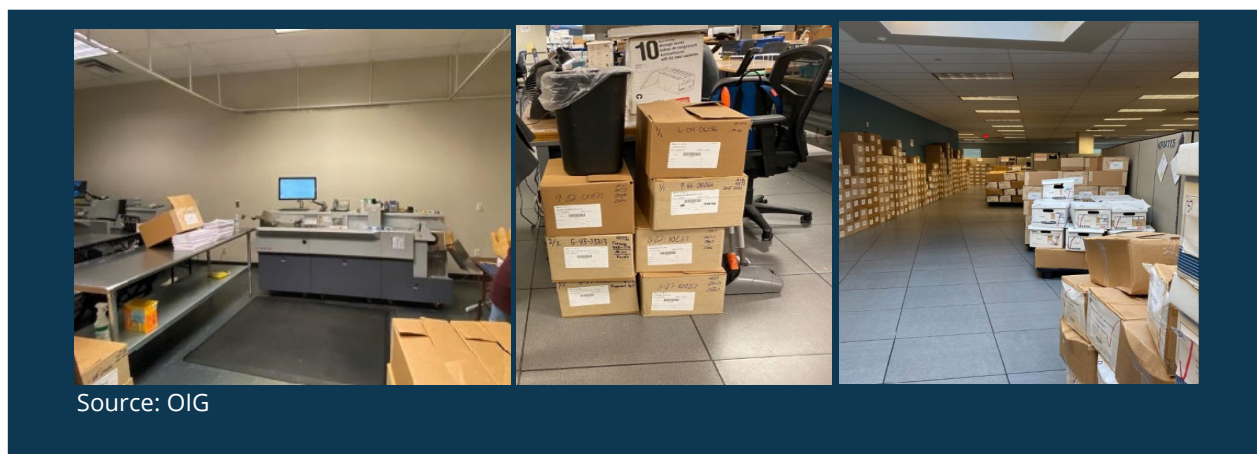
OBR Arrival and Intake at the NTC



Contract workers place the documents in barcoded storage boxes and scan them into the Enterprise Content Management (ECM) system as non-searchable image files. ECM is the NTC's electronic image repository for OBRs. Figure 6 below (from left to right) depicts one of two batch scanner types used by NTC personnel, barcoded boxes of OBRs, and stacks of OBRs awaiting scanning at the NTC's primary facility.

Figure 6

High-speed Scanner and Unscanned OBRs at the NTC



Before scanning, contract workers remove staples, disassemble booklets, and discard irrelevant pages.²¹ A high-speed scanner captures non-searchable digital images for upload into the ECM image repository. The NTC performs image quality control (IQC) checks to verify that all images have been captured and are legible (no overlaps, folded pages, poor quality, etc.). After the IQC process is complete, the NTC destroys the original records. For electronic OBRs, the NTC converts the files into formats searchable only by the identity of the FFL and the firearm serial number characters, and uploads them to ECM.²² See Appendix 4 for pictures of the NTC's new secondary storage facility (warehouse).

OIG Audit Approach

Our audit objectives were to assess ATF's: (1) management, coordination, and prioritization of firearm trace requests at the NTC and (2) actions taken to reduce the tracing request backlog. To accomplish these objectives, we:

- consulted, via interviews and other interactions, some of the NTC's key stakeholders, including: (1) a sample of ATF employees and contract workers essential to the firearm tracing process and (2) representatives from three Department of Justice (DOJ) LEAs that regularly submit firearm trace requests to the NTC;²³
- visited the NTC's two facilities in Martinsburg, West Virginia, where we received a demonstration of the firearm tracing process along with the various information technology (IT) tools and systems that comprise the infrastructure for the tracing process;
- reviewed a sample of completed firearm trace requests;
- reviewed the NTC's internal policies and procedures that guide the firearm tracing process; and
- reviewed and verified performance metrics and data maintained by the NTC related to firearm tracing.

Appendix 1 further details our audit objective, scope, and methodology.

²¹ Discarded documents may contain personally identifiable information, including photocopies of driver's licenses and state transactional records. Relevant records for the NTC's operations include A&Ds, ATF Forms 4473, and other information FFLs are required to report pursuant to the GCA, including multiple handgun sales, firearm theft reports, and information subject to a demand letter (See Appendix 3).

²² ATF Ruling 2016-01 authorized licensed importers, licensed manufacturers, licensed dealers, and licensed collectors to maintain their firearms A&D records electronically.

²³ The ATF employees that we consulted included: (1) the NTC Chief, (2) the NTC Deputy Chief, (3) chiefs of all three NTC branches, and (4) 7 of the 60 other ATF employees. We also consulted two of the approximately 370 contract workers involved in various phases of the firearm tracing process.

Audit Results

We found that ATF's NTC has increased the efficiency and effectiveness of its firearm tracing operations, bringing it closer to achieving ATF's annual performance target for firearm trace completion timeliness. However, further efficiencies depend on the NTC's ability to navigate multiple interrelated challenges that strain the limited personnel who process the firearm trace requests. For example, while the NTC has established a clear plan for prioritizing and conducting firearm traces, the NTC anticipates continued increases in the number of trace requests and firearm records it receives as a result of recently implemented policies and initiatives that create incentives for LEAs and retailers to engage with the NTC. NTC personnel must also contend with a backlog of stored, paper Out-of-Business Records (OBR) that need to be scanned and stored for use in the firearm tracing process. We also found that additional action could better demonstrate the NTC's successes and value to LEAs investigating violent crimes.

We found that several challenges inhibit the NTC from optimizing operational efficiencies and performance targets. Specifically, we found that NTC personnel often rely on their own institutional knowledge, "cheat sheets," or informal assistance from colleagues to understand and perform technical aspects of the firearm tracing procedures, rather than standard centralized procedures that detail and memorialize the firearm tracing lifecycle. Given the complexity and variability of the firearm tracing process as well as staffing uncertainty, we believe standardized and centralized procedures could improve the efficiency of the firearm tracing process, and the NTC's performance metrics, by documenting a baseline for simple and complex firearm trace requests as well as solutions to frequently encountered challenges. Such reference material will support consistency, knowledge retention, and operational efficiency. Additionally, the timeliness of firearm traces and the resulting investigative leads is hampered by logistical challenges arising from the increasing backlog of paper records of licensed firearms dealers that are out of business. We encourage the NTC to continue its efforts to reduce this backlog and improve operational efficiency consistent with current laws. Further, in carrying out its mission to provide investigative leads for federal, state, local, tribal, foreign, and other LEAs, we also found that the NTC may be missing an opportunity to measure the value or success of the provided investigative leads in deterring crime and disrupting firearms trafficking. Given the critical value firearms tracing can have as a law enforcement tool, we believe that the NTC should seek opportunities to measure its return on investment through outcome-based performance metrics or key performance indicators to better assess its support of LEA investigative activities.

Increase in Firearm Trace Requests

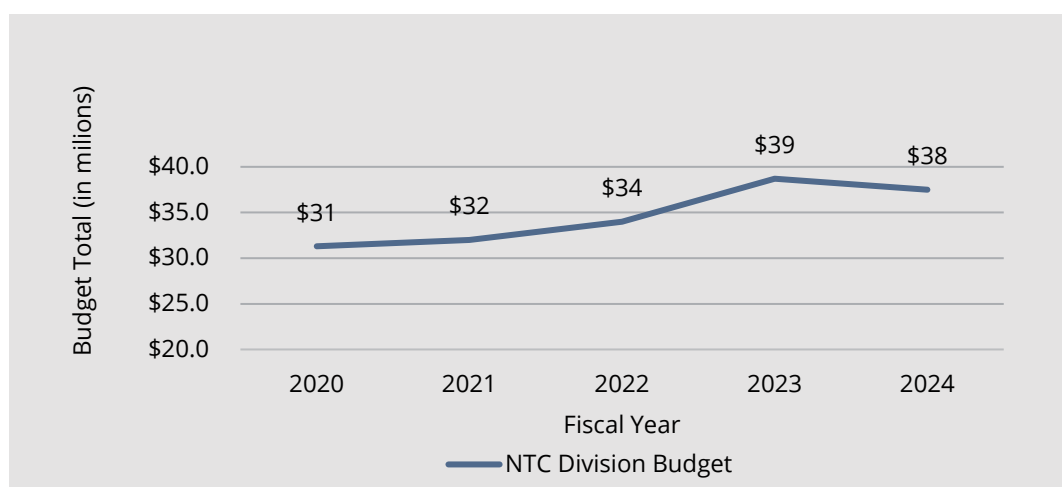
Since 2020, the number of LEAs participating in eTrace has grown from around 8,200 to over 10,000.²⁴ As a result, the volume of firearm trace requests that the NTC receives increased by 30 percent between FYs 2020 and 2024, from 490,844 to 639,295. NTC officials also stated that as more agencies commit to firearm tracing, the expected number of trace requests will further increase. During the same period, the number of firearm trace requests that the NTC completed increased by 34 percent, from 482,044 to

²⁴ LEAs may also opt in to Collective Data Sharing (CDS), a function within eTrace which allows for state-level sharing of firearms trace-related data. CDS enables all eTrace and eTrace DIRECT participating agencies to view and share trace data with other law enforcement partners within the state, increasing the amount of information available for analytical review to identify investigative leads.

645,965.²⁵ Additionally, ATF has introduced eTrace DIRECT, which leverages Application Programming Interface services to integrate with various LEA case management systems to automatically generate trace requests for recovered firearms and retrieve the corresponding trace results. As a result, according to ATF officials, the updated eTrace application has increased both the efficiency of individual submissions and the overall investigative value of firearm tracing through widespread use that can help detect crime patterns. According to NTC officials, the increases in tracing workloads have outpaced the resources allocated to the NTC in recent years. As shown in Figure 7 below, the NTC's budget increased by about 20 percent from FYs 2020 to 2024.

Figure 7

The NTC Budget Total by Fiscal Year



Source: The NTC

The NTC Needs to Improve Performance to Meet ATF Targeted Metrics

While the NTC has seen a 34 percent increase in completed trace requests from FY 2020 to FY 2024, we found that the NTC did not meet the internal performance metrics that ATF established for firearm tracing to support DOJ's strategic goal performance metrics. In addition to the NTC's limited resources and increasing firearm tracing workloads, we found that: (1) the lack of standardized guidance related to the firearms tracing process, (2) a growing number of unscanned OBRs, and (3) the NTC's IT platform disruptions may be contributing to the NTC not meeting ATF's performance metrics. As we discuss in greater detail below, the NTC has made progress in improving its performance; however, we believe that the NTC can take additional steps to improve the efficiency of the firearm tracing process and its performance metrics.

²⁵ For the purposes of this report, a completed trace status refers to the tracing process being finished. A completed trace means that the NTC has identified a firearm purchaser or the NTC has exhausted all resources in an effort to trace the firearm through the distribution chain to a firearm purchaser. Because a completed trace may have been received in one year but completed in another year, annual completed traces may be greater than annual received traces.

The NTC's Pending Trace Requests

Tracing a firearm through the chain of distribution is a complex, multi-step process that the NTC manages using a workload queue system. Firearm traces that are still in the queue are considered pending. According to NTC officials, and our observation of the firearm tracing process, the NTC does not have a firearm trace request backlog. However, the NTC is falling short of ATF and DOJ established performance metrics.

While the NTC internally tracks several performance metrics related to firearm trace requests and OBR scanning processes, NTC officials told us that only two of those metrics correlate to ATF's Strategic Plan and the Department's Strategic Goals:

1. the percentage of urgent firearm trace requests completed in 48 hours or less, with a target of 95 percent, and
2. the percentage of routine firearm trace requests completed in 7 days or less, with a target of 75 percent.²⁶

According to ATF officials, the NTC considers both metrics essential for demonstrating its contribution to the Department's broader objectives of improving investigative processes and enhancing national security through better firearm tracing and data management.²⁷ In FY 2024, the NTC reported completing 92 percent of urgent trace requests in 48 hours or less, which is just slightly below the 95 percent target set by ATF. The reported completion of 62 percent of routine trace requests in 7 days or less is farther from the 75 percent target. As shown in Figure 8 below, these completion rates show uneven improvement from FY 2020 to FY 2024, with the broad view being positive.

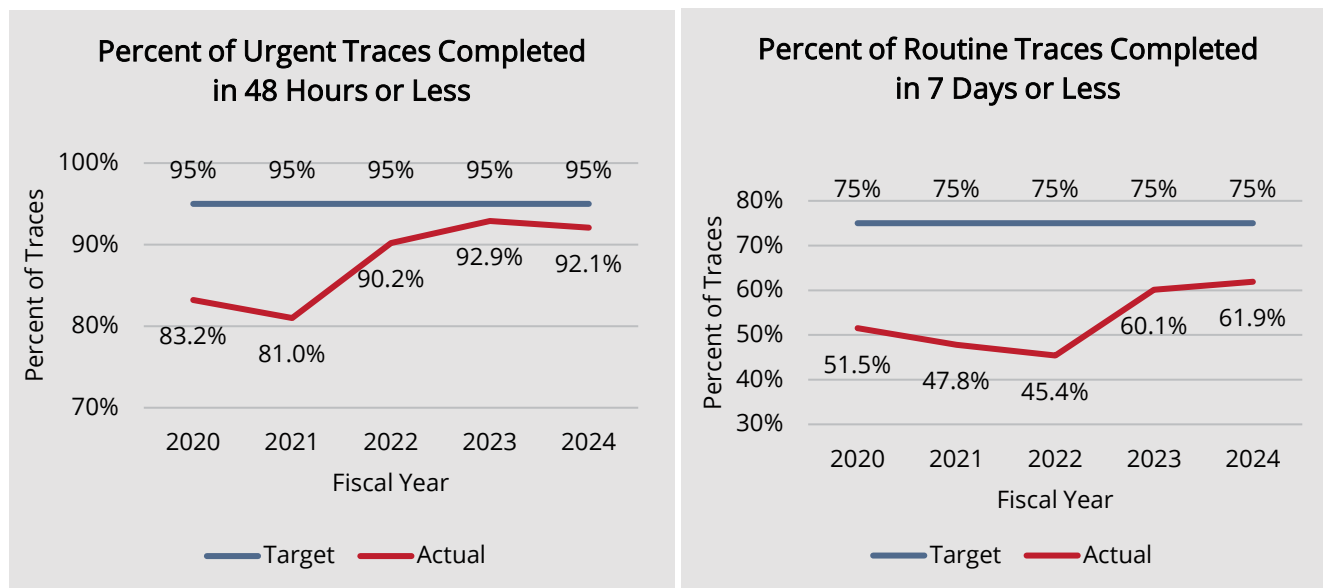
²⁶ According to an ATF official, ATF had previously set this second metric to 10 days, but decided to update it to 7 days to improve responsiveness to firearm trace requests as a result of a review performed in conjunction with development of the FY 2021 ATF Strategic Plan.

Examples of internal metrics the NTC tracks that are not reported to ATF or the DOJ include the number of firearm trace requests in progress but not completed, the number of unscanned OBRs, the number of completed firearm trace requests, and the average time to complete a firearm trace request.

²⁷ Neither of the two metrics appear as key performance indicators in DOJ's Strategic Plan; however, DOJ's Strategic Plan lists the first metric as an agency priority goal. Both metrics only appear as a performance indicator in ATF's Strategic Plan.

Figure 8

NTC Performance Metrics



Source: The NTC

NTC officials attributed the NTC's underperformance in these target areas to increases in the number of firearm trace requests, which has significantly strained the resources available to fulfill the requests. NTC officials also stated that operational bottlenecks and inefficiencies, such as data quality, contributed to the NTC's underperformance in meeting timeliness targets. However, NTC officials stated that modifications to the firearm tracing process have resulted in some improvements. For example, in August 2024, the NTC restructured its urgent firearm trace request process by assigning ATF employees the responsibility of performing the entire firearm trace, as opposed to routine firearm traces, which are performed by both ATF employees and contract workers. According to NTC officials, the restructuring established a cohort of permanent experienced tracers, which eliminated the need to route urgent traces to multiple team members thereby reducing the time it takes to complete an urgent firearm trace request. In addition, the NTC added a weekend shift so ATF employees can quickly respond to the urgent firearm trace requests the NTC receives on weekends. An ATF employee stated that these changes have reduced by half the average time it takes the NTC to complete urgent firearm trace requests, and NTC officials stated that the first quarter of FY 2025 was the first time the NTC met its urgent firearm trace performance target. The NTC also established a Quality Management Unit to perform quality assurance checks on firearm traces

Tracing in a High-Profile Investigation

According to the Task Force on the Attempted Assassination of Donald J. Trump, the NTC traced the firearm used on July 13, 2024, in approximately 30 minutes. The NTC quickly completed the firearm trace because the firearm had been acquired by an FFL subject to reporting under the Demand Letter 2 program (See Appendix 3). This enabled the NTC to quickly identify the FFL who acquired this firearm as a secondary market transaction. In this case, the FFL was out of business at the time of the trace request and the NTC was able to access the FFL's firearm transaction records immediately, allowing investigators to quickly identify the purchaser and generate a lead.

Source: United States House of Representatives and the NTC

by identifying: (1) errors in closed firearm traces (and make corrections, when possible), (2) whether firearm traces went through the proper workflow, and (3) process improvements.

Additionally, NTC officials informed us that the NTC recently updated internal training provided by its “Tracing Academy,” crediting the new training program with improving ATF employee development and

proficiency as evidenced by an increase in the average number of firearm trace requests completed per NTC personnel from FYs 2020 to 2024.²⁸ Although not an official performance metric established by the Department, ATF, or NTC, we also noted that the NTC’s average time to complete urgent and routine firearm traces improved, with the average time to completion steadily decreasing in recent years, as shown in Figure 9 below.

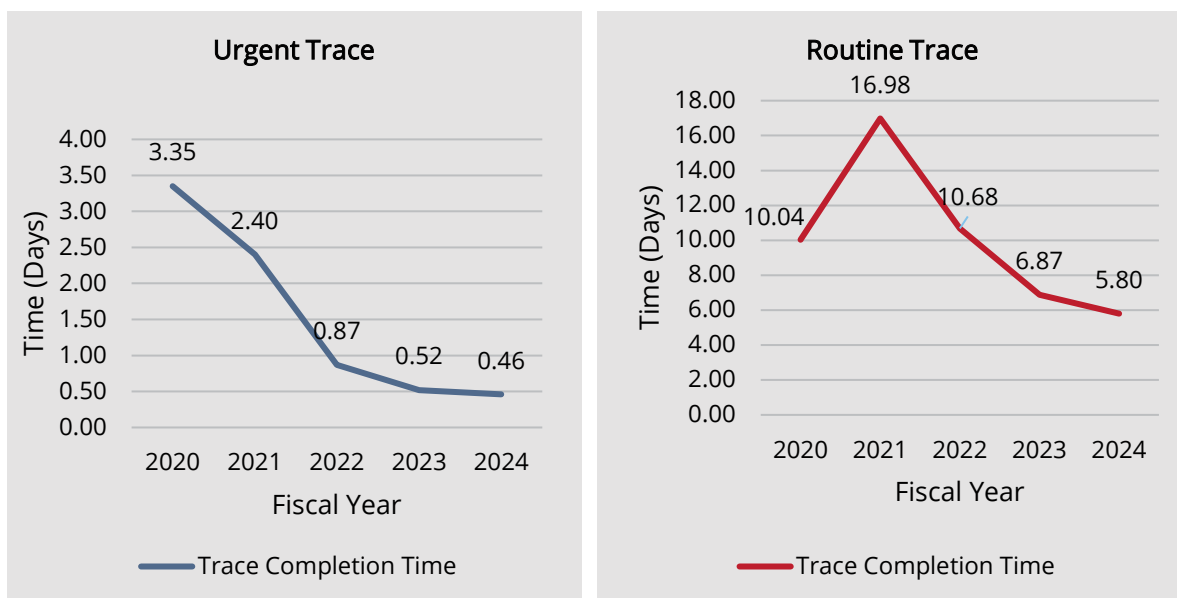
Urgent Firearm Tracing Identified Suspect

The alleged shooter in the July 4, 2022, Highland Park, Illinois, Independence Day shooting dropped a firearm while fleeing the scene. Law enforcement recovered the firearm and, with the NTC’s assistance, traced the firearm and identified the shooter, who was apprehended a few hours later during a traffic stop.

Source: The NTC

Figure 9

The NTC’s Average Time to Complete Firearms Trace Requests



Source: The NTC

²⁸ The average number of yearly firearm trace requests completed per NTC personnel have increased from 1,418 in FY 2020 to 1,468 in FY 2024.

Standardized, Centralized Guidance Can Preserve Institutional Knowledge and Improve Firearm Tracing Efficiency

We found the NTC does not have standardized, centralized procedures to guide NTC personnel through the firearm tracing lifecycle from start to finish. Instead, the NTC has written policies, procedures, and training reference materials scattered across multiple documents, which increases the amount of time it takes NTC personnel to find the relevant information. We also found that existing materials primarily address simple tracing scenarios and workflows and do not provide guidance on the more complex, technical aspects of the firearm tracing process. As a result, we found that NTC personnel often rely on informal communication, such as word of mouth, individually developed notes, and cheat sheets to share institutional knowledge of the firearm tracing process.

Additionally, during our interviews of NTC officials, they expressed concerns that experienced NTC personnel's institutional knowledge would be lost if they left the agency. Given the complexity and variability of the firearm tracing process as well as staffing uncertainty, we believe if the NTC is to increase its efficiency, it should organize existing firearm tracing guidance into a centralized, accessible format to promote consistency and knowledge retention. This guidance should document: (1) key roles and responsibilities, (2) system and data usage, (3) technical procedures, (4) best practices for navigating obstacles within the firearm tracing process, and (5) approaches for standard and complex firearm tracing scenarios.

Therefore, we recommend that ATF develop standardized and centralized guidance detailing the operational procedures and technical components of the firearm tracing process, and ensure this guidance is distributed to NTC personnel. Ensuring this guidance is maintained and readily available to personnel would help support standardized tracing activities and strengthen the preservation of institutional knowledge.

Reducing Unscanned Out-of-Business Records Could Expedite the Firearm Tracing Process

When firearms are traced to inactive (out-of-business) FFLs, NTC personnel search for firearm records in the Out-of-Business Records (OBR) repository as part of the firearm tracing process to generate leads for criminal investigations. In fact, nearly half of all completed firearm traces involve the use of OBRs. An existing regulation requires FFLs to submit paper or electronic OBRs to the NTC after going out of business.²⁹ After receiving these OBRs, NTC personnel use scanners that convert the records into non-searchable image files before storing them in the ECM digital repository.³⁰ This process contributed to the NTC having a backlog of over 29,000 boxes of unscanned OBRs as of September 2024, representing a

²⁹ By statute, licensed firearm dealers must deliver GCA-required firearm transaction files to the Attorney General within 30 days when they discontinue business with no successor. See 18 U.S.C. § 923(g)(4) (1986). Additionally, GAO Report 16-552 (June 2016) found that manually searchable firearm transaction repositories containing firearm transaction records from out-of-business FFLs may comply when record consolidation is incidental to ATF carrying out its responsibilities under the GCA, the systems do not aggregate data on firearms transaction data beyond those purposes, and the records cannot be electronically searched by a person's name or other personally identifiable information. See GAO's, Report to Congressional Requesters, [FIREARMS DATA - ATF Did Not Always Comply with the Appropriations Act Restriction and Should Better Adhere to Its Policies](#), GAO-16-552 (June 2016) <https://www.gao.gov/products/gao-16-552>.

³⁰ NTC personnel digitize OBRs and create indexes that are linked to the image files. Although the indexes can be searched in ECM to retrieve information for a firearm trace, the image files themselves are not searchable.

65 percent increase from over 18,000 unscanned OBR boxes in FY 2020, with adverse effects on tracing described below.³¹

According to NTC officials, if the NTC did not receive any additional records, it would take about 18 months to eliminate the current backlog of unscanned records as a result of the following factors:

- **Limited Human Capital:** Preparing and scanning documents is labor-intensive. For each of the four scanners, approximately 10 NTC contract workers are required to continuously review, prepare (such as remove staples and organize pages), and subsequently scan the incoming documents received each day.
- **Increasing Volume of OBRs:** As shown in Figure 10, the number of OBRs sent to the NTC continues to outpace the number of records that NTC contract workers can scan. As a result, the NTC cannot meaningfully reduce its backlog. Contributing to this increase, ATF Final Rule 2021R-05F (effective 2022) requires FFLs to retain all transaction records from their entire business history when closing their businesses.³² Previously, FFLs were only required to retain records from the prior 20 years of their business history before closing. NTC officials said that some FFLs may administratively close their businesses to avoid the cost and rigor of retaining paper records. After sending their OBRs to the NTC, some FFLs then reopen their business with a digitalized record-keeping system.³³

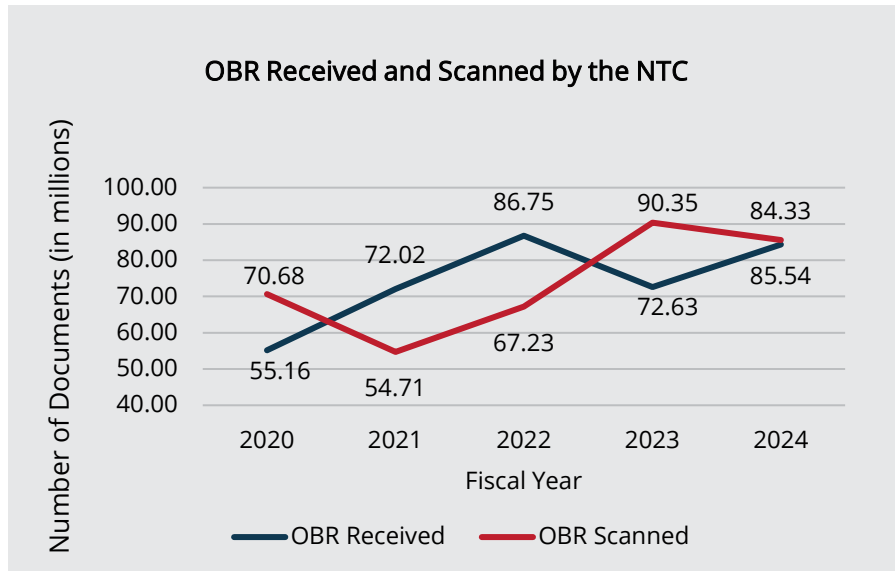
³¹ The backlog of unscanned OBR boxes grew to over 32,000 as of September 2025, and over 38,000 as of March 2026.

³² As of May 2026, ATF is [proposing changes](#) to the final rule that will update ATF's compliance and recordkeeping framework to reflect current technology and business practices.

³³ The NTC does not have packaging or document format requirements for OBRs, as such rules could overburden FFLs with limited resources and reduce compliance. By easing these requirements, the NTC encourages FFLs to comply with the GCA, ensuring that law enforcement has access to firearm transaction records. As a result, the NTC receives OBRs in varying states of disrepair and stored in boxes of all sizes, see Appendix 5. These boxes may also contain unnecessary documents, which the NTC personnel destroy rather than scan.

Figure 10

NTC Out-of-Business Records



Source: The NTC

We found that unscanned OBRs have the following adverse impacts:

- **Tracing Delays:** Even if an OBR is not yet scanned into the NTC's repository, it may still contain information relevant to a trace request. NTC personnel must manually sift through boxes of unscanned documents to locate the correct firearm transaction record needed to proceed with a firearm trace. Although the NTC uses a Warehouse Tracking System to inventory and catalogue by FFL all OBR boxes as the NTC receives them, NTC officials told us that because space is at a premium, NTC personnel must store these boxes in multiple locations across the NTC's two facilities. As a result, after using the Warehouse Tracking System to locate a group of boxes that may contain a relevant OBR, NTC personnel spend significant time manually searching through the boxes and reviewing documents one at a time to find the OBR relevant to the trace. After locating the record, NTC personnel make a copy of it and return the original to its box. We reviewed a sample of completed firearm traces and found that NTC personnel took an average of 2 days to locate an unscanned paper OBR, whereas they located scanned OBRs the same day.
- **Adverse Impacts on the NTC's Mission:** The backlog of unscanned OBRs slows down the firearm tracing process, which in turn hinders the NTC's ability to fulfill its mission. NTC personnel stated, and we observed, that locating a single unscanned OBR for one FFL significantly delays the entire firearm tracing process and adds to the time needed to complete each trace. Delays in tracing firearms can limit law enforcement's ability to quickly identify suspects in firearm-related crimes.
- **Increased Need for Storage Space:** The increasing volume of unscanned OBRs require extensive storage. Due to limited space at its main facility and structural concerns caused by the weight of these unscanned documents, the NTC had to relocate many of these records to a second facility.

The NTC plans to eventually transition all its operations to the second facility to improve operational efficiency, but doing so depends on future funding for construction and equipment.

- **Greater Risks to Unscanned Documents:** Storing unscanned records presents risks, such as natural disasters, document degradation, and accidental damage. Unlike digital records, which are electronically stored and backed up, the paper documents are the only records of the transactions and have no back up. If lost or damaged, the information in the paper OBRs cannot be recovered. Although the NTC has reduced such risks by ending the use of outside storage containers and storing records in climate-controlled, secure areas, unscanned documents are vulnerable to risk of loss.

When we discussed the NTC's increasing number of unscanned OBRs with NTC senior officials, they acknowledged the backlog and outlined the NTC's ongoing steps to address it. In an effort to mitigate the effects of the backlog, NTC officials informed us that the NTC is prioritizing scanning the OBRs related to FFLs with a recurrent history of firearms recovered during investigations. The officials further stated that, through analysis, NTC personnel determine and scan FFL records that have the highest probability of repeatedly containing firearm transaction records that identify a firearm recovered during an investigation. This approach increases the likelihood of quickly accessing needed documents and completing traces.

Although from FYs 2020 to 2024 the NTC has made progress in decreasing the amount of time it takes to fulfill firearm trace requests, the backlog of unscanned OBRs increased by approximately 65 percent during the same period. NTC personnel stated that unscanned OBRs create logistical inefficiencies and limit the ability to promptly access critical firearm transaction records. If the backlog continues to grow, the impact on the NTC's operations may become more significant. We encourage the NTC to continue efforts to reduce the backlog of unscanned OBRs and mitigate the effect of the backlog by continuing to identify OBRs to give priority in scanning. We recommend that ATF develop and implement a formal strategy for the NTC to reduce and eliminate the OBR backlog consistent with its current funding, staffing levels, and infrastructure. Such a strategy can also optimize additional resources if the NTC were to receive them.

Tracing Reveals Patterns

An NTC official shared an example when the NTC's trace-related research uncovered a firearms trafficking pattern. NTC personnel noticed the same name repeatedly appeared on Multiple Sales forms in the Miami area. An investigation referral revealed that gang members had used an 87-year-old grandmother to purchase firearms for trafficking. This case highlights how tracing can detect suspicious patterns and supports investigations.

Source: The NTC

IT Impediments Delay Firearms Tracing

The NTC uses a tracing methodology that has manual and electronic aspects to facilitate compliance with the Firearms Owners' Protection Act of 1986 (FOPA) and other legislative restrictions on firearm transaction record-keeping. Although our audit scope did not include assessing compliance with such legal restrictions, the NTC's various IT components do not appear to constitute a prohibited searchable database of firearm purchaser information.

We also identified several technological issues not directly attributed to legislative restrictions that contributed to delays in firearm trace completion. Specifically, we observed multiple network disruptions and were informed during interviews of several NTC officials that outages frequently interfered with the NTC's ability to complete firearm traces and perform related duties. Even while performing real-time firearm traces to demonstrate to the audit team the NTC's systems and tools, NTC personnel had to pause or restart traces, in some cases for nearly completed traces, due to network problems. Although the NTC has not tracked the number of network outages, these system outages increase firearm tracing completion times, impairing the NTC's ability to provide timely results to LEAs.

In addition, NTC officials reported system glitches in the firearm tracing workflow, which caused traces to stall or timeout at certain stages. As a result, the NTC may have reported longer firearm tracing times that resulted only from system delays or glitches. We found that ATF's IT staffing shortages also exacerbated its technological issues. Several NTC personnel stated their views that ATF lacked enough qualified personnel to support and maintain its IT systems, and these personnel shortages led to delays in resolving issues and modernizing systems.

ATF's Office of Science and Technology (OST) oversees the deployment of modernization upgrades to the NTC's systems and manages the IT contractors responsible for implementing those upgrades. During the modernization process, several NTC employees stated that OST did not always incorporate their feedback on what functionality to deploy. As a result, system upgrades often introduced new or recurring issues that hindered the tracing process. For example, software patches meant to fix one system error reintroduced other errors that had previously been resolved. ATF employees also stated that recent improved communication between the NTC, OST, and IT vendors resulted in more efficient system modernizations and better operational conditions for the firearm tracing process. Although we make no recommendation in this report section, we believe that the NTC and OST should continue collaborating to resolve IT challenges and prevent further delays in firearm trace completion times.

The NTC Should Capture and Measure its Return on Investment (e.g., Success and Value)

Although the number of firearm trace requests that the NTC receives has steadily increased over the past 20 years, we found that the NTC has not fully captured or measured its return on investment (such as success or value) through outcome-based metrics or key performance indicators (KPIs). Specifically, NTC personnel and managers told us that once they fulfill a firearm trace request, they send the results to the

Tracing Links Crimes

An NTC official provided an example where firearm tracing connected two separate crimes. In the first incident, authorities discovered an elderly man who was shot during a home invasion. In an unrelated incident, law enforcement arrested a suspect in possession of a firearm.

The NTC used firearm tracing, to help the investigators determine that the firearm belonged to the home invasion victim, directly linking the suspect to the crime.

Source: The NTC

requesting LEA, who then determines how the information is used. The NTC and LEAs neither document nor communicate to each other the outcome of the investigative leads provided by the firearm trace, such as whether they resulted in an apprehension of a suspect or helped to disrupt firearms trafficking.³⁴

The NTC tracks the results of firearm trace requests using “successful” or “unsuccessful” completion codes; that is, whether or not the incoming trace request was completed. The completion codes do not indicate whether the firearm trace generated an investigative lead. However, DOJ LEA agents told us they consider a trace successful if it identifies the individual who purchased the firearm. We reviewed several firearm trace request results that were coded “successful” even though the trace did not identify a purchaser. An NTC official told us that NTC leadership had previously discussed what should constitute a successful trace and decided that a trace should be considered successful only if the NTC traced the firearm as far as possible through the distribution chain and not necessarily to the identification of the purchaser. While the NTC’s current application of the “successful” and “unsuccessful” codes may be useful internal performance metrics, we believe performance metrics could be modified or expanded to demonstrate the value of the NTC’s services to stakeholders (for example Congress, DOJ, NTC customers, such as LEAs) by quantifying the degree to which the NTC has fulfilled its self-defined mission to provide valuable leads to LEAs. Further quantifying the NTC’s performance could support funding requests to assist the NTC with addressing its resource needs arising from the increasing number of trace requests.

In addition, the NTC’s current performance metrics focus solely on timeliness and rely heavily on factors outside the NTC’s control, such as LEA response times to correct errors in trace requests, FFL response times to provide essential information, and the volume of incoming OBRs. For example, during fieldwork we reviewed a firearm trace request that NTC personnel closed because the LEA submitted incorrect information. The firearm trace request was subsequently reopened 7 days later when the LEA corrected the information. As a result, the NTC did not meet its performance target of 7 days or less for routine firearm traces. When we asked about the impact of LEA-related delays, a senior NTC official stated that the NTC had not assessed the prevalence and effect of such delays on overall performance.³⁵ We believe that the NTC should identify additional metrics or KPIs to more accurately assess its operational efficiency and effectiveness in delivering investigative leads. NTC officials agreed that outcome-based factors that are independent of firearm trace timeliness targets could be valuable performance indicators for the NTC’s operations.

Since the NTC’s mission is to conduct firearm tracing to provide investigative leads and LEAs confirmed that they consider the firearm trace successful if it identifies the individual who purchased the firearm, it would be useful and within the NTC’s control for the NTC to track whether firearm tracing results in the

³⁴ Similarly, in its June 2020 audit report on the National Integrated Ballistic Information Network (NIBIN), the OIG found that while ATF tracked various quantitative data related to NIBIN, ATF had not established performance measures that demonstrated the impact on its mission, such as the successful arrests or prosecutions of shooters. U.S. Department of Justice Office of the Inspector General, [*Audit of the Bureau of Alcohol, Tobacco, Firearms and Explosives’ Administration of the National Integrated Ballistic Information Network and Its Sole-Source Contracts Awarded to Shearwater Systems, LLC*](#), Audit Report 20-067 (June 2020), oig.justice.gov/reports/audit-bureau-alcohol-tobacco-firearms-and-explosives-administration-national-integrated.

³⁵ NTC officials cited LEAs misidentifying firearms in trace requests as a primary contributor to unsuccessful results. NTC officials stated that NTC personnel can reopen firearm traces closed due to incorrect firearm identification once the LEA corrects the error.

identification of the purchaser. Therefore, we recommend that ATF track whether a firearm trace identified a firearms purchaser. Maintaining data on the percentage of traces that result in the identification of a purchaser can be used to demonstrate the value of the NTC's mission in providing investigative leads to LEAs.³⁶

³⁶ Similarly, while we do not make a recommendation on this point, there may also be a benefit to the NTC having a process that enables LEAs to voluntarily provide feedback to the NTC on the investigative value of the NTC's identification of a firearms purchaser.

Conclusion and Recommendations

We examined ATF's management, coordination, and prioritization of firearm trace requests at the NTC, as well as the actions taken to reduce tracing request backlog. We determined that the NTC has demonstrated progress towards meeting its firearm tracing performance metrics, particularly for urgent trace requests. ATF-established performance targets, which the NTC narrowly misses, may be achievable depending on the NTC's ability to navigate multiple interrelated challenges, such as increasing workloads, limited resources, IT platform disruptions, and the absence of standardized, centralized guidance detailing the firearm tracing process.

We found that there is a growing backlog of unscanned OBRs, which can decrease the speed and effectiveness of firearms tracing. Additionally, we found that NTC personnel often rely on informal communication, such as word of mouth, individually developed notes, and cheat sheets, to understand and perform technical aspects of the firearm tracing process. We also found that recurring technological issues, such as frequent system outages, workflow glitches, and IT staffing shortages significantly hinder the NTC's firearm tracing process and delay trace completion. These challenges collectively impact the effectiveness and efficiency of the firearm tracing process. To improve operational efficiency and better fulfill its mission, the NTC should organize existing firearm tracing guidance into a standardized and centralized format and create a formal OBR reduction plan to increase operational efficiency through consistency and knowledge retention.

Lastly, we found that the NTC does not measure the success or value of its firearm tracing efforts in the most strategic manner. While it uses timeliness performance metrics for urgent and routine trace completion, it lacks outcome-based performance measures that assess the impact of traces on law enforcement investigations such as arrests, prosecutions, or disruption of criminal activity.

We recommend ATF:

1. Develop standardized and centralized guidance detailing the operational procedures and technical components of the firearm tracing process, and ensure this guidance is distributed to NTC personnel.
2. Develop and implement a formal strategy for the NTC to reduce and eliminate the OBR backlog consistent with its current funding, staffing levels, and infrastructure.
3. Track whether a firearm trace identified a firearms purchaser and maintain data on the percentage of traces that result in the identification of a purchaser.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

Our audit objectives were to assess the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF): (1) management, coordination, and prioritization of firearm trace requests at the National Tracing Center (NTC) and (2) actions taken to reduce the tracing request backlog.

Scope and Methodology

Our audit focused on, but was not limited to, the aforementioned operational and strategic areas from October 2019 through September 2024. To accomplish our objectives, we: (1) consulted, via interviews and other interactions, some of the NTC's key stakeholders, including a sample of ATF employees and contract workers essential to the firearms tracing process and representatives from three Department of Justice (DOJ) law enforcement agencies that regularly submit firearms trace requests to the NTC, (2) visited the NTC's two facilities in Martinsburg, West Virginia, where we received a demonstration of the firearms tracing process along with the various information technology (IT) tools and systems that comprise the infrastructure for the tracing process, (3) reviewed a sample of completed firearms trace requests, (4) reviewed the NTC's internal policies and procedures that guide the firearms tracing process, and (5) reviewed and verified performance metrics and data maintained by the NTC related to firearms tracing.

Statement on Compliance with Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Internal Controls

We performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of ATF to provide assurance on its internal control structure as a whole. ATF management is responsible for the establishment and maintenance of internal controls in accordance with Office of Management and Budget Circular A-123 and the Government Accountability Office's Standards for Internal Control in the Federal Government. Because we do not express an opinion on ATF's internal control structure as a whole, we offer this statement solely for the information and use of ATF.³⁷

We assessed the design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect ATF's ability to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying

³⁷ This restriction is not intended to limit the distribution of this report, which is a matter of public record. However, because this report contains sensitive information that must be appropriately controlled, a redacted copy of this report with sensitive information removed will be made available publicly.

principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Compliance with Laws and Regulations

We also tested, as appropriate given our audit objectives and scope, selected transactions, records, procedures, and practices, to obtain reasonable assurance that ATF's management complied with federal laws and regulations for which non-compliance, in our judgment, could have a material effect on the results of our audit. Our audit included examining, on a test basis, ATF's compliance with the following laws and regulations that could have a material effect on ATF's operations:

- Pub. L. No. PL 90-618 - Gun Control Act of 1968
- Pub. L. No. PL 99-308 - Firearms Owners' Protection Act of 1986
- Pub. L. No. PL 112-55 - Appropriation restriction prohibiting the use of funds to consolidate or centralize firearm transaction records

This testing included interviewing ATF personnel, assessing internal control procedures, and examining procedural practices. However, nothing came to our attention that caused us to believe that ATF was not in compliance with the aforementioned laws and regulations.

Sample-Based Testing

To accomplish our audit objectives, we evaluated the NTC's process for handling trace requests within our audit scope. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the areas we reviewed. Specifically, we tested 20 routine traces that NTC personnel completed from Fiscal Year (FY) 2020 to 2024, covering 7 unique completion codes. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

We observed a demonstration of the tools and systems used to process trace requests and assessed whether the sampled traces met the NTC's stated goals for timeliness and completion. Our sample excluded urgent traces due to the unavailability of timestamp data needed to evaluate urgency. For each trace, we reviewed: (1) the time taken to start the trace after the request was received, (2) time spent in digital Out-of-Business-Record (OBR) phase, (3) time in the physical OBR research phase, (4) the number of Federal Firearms Licensees the trace passed through, and (5) the total time to complete the trace.

Computer-Processed Data

During our audit, we obtained information from ATF's firearms tracing systems. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documentation from other sources. Specifically, we assessed the reliability of the NTC's firearms tracing data by: (1) performing electronic testing of required data elements; (2) reviewing existing information about the data and the system that produced it; and (3) interviewing auditee officials knowledgeable about the data. We determined that the data was sufficiently reliable for the purposes of this report.

APPENDIX 2: Law Enforcement Agencies That Most Frequently Submit Firearm Trace Requests

AGENCY NAME	NUMBER OF TRACES
FISCAL YEAR 2024	
Chicago Police Department	14,588
Centro Federal de Inteligencia Criminal (Mexico)	6,660
Houston Police Department	6,573
Los Angeles Police Department	5,845
Detroit Police Department	5,729
Federal Bureau of Investigation	5,627
Memphis Police Department Violent Crimes Task Force	5,546
San Antonio Police Department	5,075
Philadelphia Police Department	4,978
New York City Police Department	4,945
FISCAL YEAR 2023	
Chicago Police Department	14,380
Houston Police Department	7,394
Los Angeles Police Department	6,367
Cuartel General Police Department (Puerto Rico)	6,347
Federal Bureau of Investigation	6,047
Philadelphia Police Department	5,925
Detroit Police Department	5,851
Harris County Sheriff's Office	5,823
Memphis Police Department Violent Crimes Task Force	5,774
Centro Federal de Inteligencia Criminal (Mexico)	5,465
FISCAL YEAR 2022	
Chicago Police Department	11,568
Dallas Police Department	8,397
Centro Federal de Inteligencia Criminal (Mexico)	7,787
Los Angeles Police Department	7,672
Houston Police Department	7,207
Memphis Police Department Violent Crimes Task Force	7,149
Federal Bureau of Investigation	6,874
Harris County Sheriff's Office	6,667
Philadelphia Police Department	5,915
Detroit Police Department	5,894

FISCAL YEAR 2021	
Chicago Police Department	16,680
Detroit Police Department	8,030
Houston Police Department	7,301
Los Angeles Police Department	6,663
Philadelphia Police Department	6,186
Memphis Police Department Violent Crimes Task Force	6,079
Non-Commission Officer - Firearms Tracing Unit (Canada)	6,046
New York City Police Department Management Information Systems Division	5,928
Federal Bureau of Investigation	5,658
Las Vegas Metro Police Department	5,146
FISCAL YEAR 2020	
Non-Commission Officer - Firearms Tracing Unit (Canada)	12,882
Chicago Police Department	7,324
Detroit Police Department	5,714
Las Vegas Metro Police Department	5,538
Houston Police Department	5,422
Federal Bureau of Investigation	5,319
Los Angeles Police Department	4,622
Memphis Police Department Violent Crimes Task Force	4,441
Dallas Police Department	4,410
Philadelphia Police Department	4,206

Source: OIG Analysis of NTC Data

APPENDIX 3: Firearm Match Data in FTS

 Multiple Sales Transactions	The GCA requires FFLs to report to ATF “multiple sale transactions” (i.e., the sale of two or more handguns to the same purchaser within a consecutive 5-day span) via multiple sale reports filed by FFLs. ATF internal policy only permits records of purchaser names from multiple sales reports to be maintained in the FTS database for 2 years from the purchase date, unless the records have been linked to a criminal investigation using firearms trace results. Although the NTC deletes purchaser names from the records after 2 years, all other firearms information remains in the system.
 Firearm Recovery Notification Program	Facilitates the maintenance of information on firearms that: (1) have not been recovered by law enforcement, (2) have been associated with an open ATF criminal investigation, or (3) have been identified through investigative information as related to criminal activity.
 Stolen Firearms Program	The GCA requires FFLs to report the theft or loss of firearms from their inventories or collections within 48 hours of discovery. All firearms reported stolen or lost by FFLs are also entered into the FBI National Crime Information Center notification is sent to the ATF Field Division where the theft was reported. According to 27 C.F.R. § 478.39a, FFLs must report the theft or loss of firearms, including those stolen or lost in transit, such as during interstate shipments.
 Demand Letter 2 (DL2) Program³⁸	The NTC issues DL2s to FFLs who had 25 or more firearms traced to them the previous calendar year with a “time-to-crime” of 3 years or less. The affected FFLs must submit limited information regarding “used” firearms acquired the previous year, including the manufacturer or importer (if any), model, caliber or gauge and serial number along with the acquisition date. The FFLs do not submit names of firearm purchasers or other firearm disposition information. The Demand Letter requires FFLs to submit this information quarterly until informed otherwise.
 Demand Letter 3 (DL3) Program	18 U.S.C. § 923(g)(5) (1986) requires licensed dealers and pawnbrokers in Arizona, California, New Mexico, and Texas to report all transactions in which an unlicensed person acquired, at one time or during 5 consecutive business days, two or more semi-automatic rifles larger than .22 caliber (including .223 caliber/5.56 mm) with the ability to accept a detachable magazine. Records of purchaser names from DL3 reports are maintained in the FTS database for only 2 years from the purchase date, unless the records have been linked to a criminal investigation through a firearms trace.

Source: OIG Analysis of ATF-provided information

³⁸ Demand Letter 1 (DL1) notices are issued to FFLs that fail to respond to the NTC’s trace requests within 24 hours. Per ATF, a DL1 has not been issued since 2002. According to ATF, the Demand Letter 2 Program was indefinitely suspended on June 2, 2025.

APPENDIX 4: The NTC's Warehouse

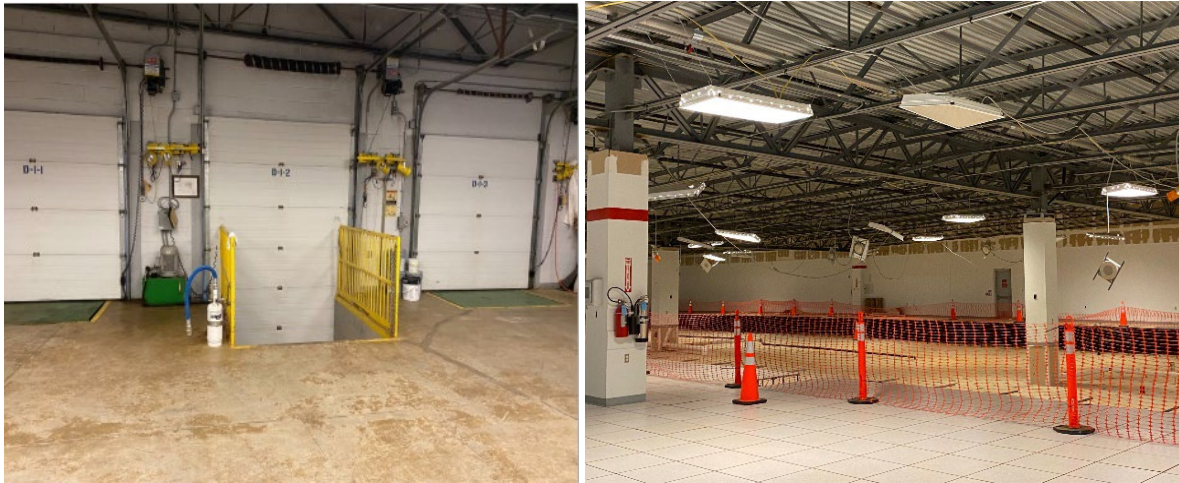
Prior to housing the OBRs at its secondary facility (warehouse), the NTC used the parking lot at its primary facility as a temporary overflow for boxes of unscanned OBRs. Those records were stored in trailers with assigned numbers. As seen in the images below, the NTC uses the same numbering convention that was used for the storage containers formerly housed in the NTC's parking lot to identify where those records currently reside within the warehouse.



The NTC's OBRs occupy two full floors at its warehouse. Contract workers preliminarily review and code the records in each box at the NTC's primary facility before transferring the boxes to the warehouse. As part of the preliminary review, each box receives a cover sheet detailing the firearm transaction records inside (such as FFL name, records' time period, and a barcode). The NTC tracks the location of all boxes via its Warehouse Tracking System.



Contingent on funding, the NTC plans to upgrade the loading dock at its warehouse (see photo on left below) to more easily accept delivery of the OBRs. The NTC's construction plans also include a new space to more efficiently store all the OBR boxes (see photo on right below).



The image below shows the pallet lifter that the NTC uses to move OBR boxes at the warehouse.



Source: OIG

APPENDIX 5: OBR Intake and Scanning Preparation

To ensure that the clearest image of the OBRs is captured, before scanning, NTC personnel use drying rooms outfitted with fans, de-humidifiers, and tarps to salvage OBRs that arrive at the NTC wet. The picture below is a drying room at the NTC's new facility.



Some OBRs arrive at the NTC burned, stained, worn, or with other damage. NTC personnel use an overhead scanner to capture images of these documents rather than risking further structural compromise by feeding them into the high-speed scanner in batches.



Source: OIG

APPENDIX 6: Bureau of Alcohol, Tobacco, Firearms and Explosives' Response to the Draft Audit Report



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC

www.atf.gov

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8310

July 8, 2026

MEMORANDUM TO: Assistant Inspector General for Audit
Office of the Inspector General

FROM: Assistant Director
Office of Professional Responsibility and Security Operations

SUBJECT: Draft Audit Report - The Bureau of Alcohol, Tobacco, Firearms and
Explosives' Management of Gun Trace Requests at the National Tracing
Center

This memorandum serves to transmit the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) response to the above-cited report. Attached is description of the corrective actions ATF will be implementing to address the report's recommendations.

Should you have any questions or need additional information, please contact the Chief of ATF's Audit Liaison Office, Adam Pallotto at (202) 648-8706.

TIMOTHY
JONES

Timothy W. Jones

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Attachment



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC 20226

www.atf.gov

904000:EES
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MEMORANDUM TO: Assistant Director
Office of Professional Responsibility and Security Operations

FROM: Assistant Director
Office of Enforcement Programs and Services

SUBJECT: OIG Audit of ATF's Management of Gun Trace Requests at
the National Tracing Center

This memorandum responds to the recommendations contained in the Office of Inspector General's (OIG) report titled "Audit of the ATF's Management of Gun Trace Requests at the National Tracing Center." We welcome OIG's constructive comments and appreciate the opportunity to respond.

Recommendation 1: Develop standardized and centralized guidance detailing the operational procedures and technical components of the firearm tracing process, and ensure this guidance is distributed to NTC personnel.

ATF concurs with this recommendation. The National Tracing Center will review, update and socialize its written Standard Operating Procedures (SOPs), Work Instructions, and other guidance documents to ensure they comprehensively address the operational procedures and technical components of the firearm tracing process. Once finalized, the revised SOPs will be published and made accessible to all NTC employees and contract staff through a centralized document repository (i.e. SharePoint or equivalent). This action will help ensure consistent application of procedures across the organization and strengthen the accuracy and efficiency of the tracing process.

2. Develop and implement a formal strategy for the NTC to reduce and eliminate the OBR backlog consistent with its current funding, staffing levels, and infrastructure.

ATF concurs with this recommendation. The National Tracing Center will develop and implement a formal strategy to address the OBR backlog within the limits of current funding, staffing levels, and infrastructure.

As part of this effort, the NTC will:

- Conduct a comprehensive assessment of current OBR workflows to identify opportunities for process optimization and efficiency gains.
- Prioritize and sequence backlog categories to ensure the most time-sensitive and mission-critical materials are processed first.
- Implement enhanced monitoring and reporting methods to better track backlog trends and make informed operational adjustments.
- Explore low-cost operational improvements, such as adjustments to task distribution, cross-training opportunities, and targeted procedural refinements, to maximize productivity within existing infrastructure and staffing allocations.

While current resource constraints prevent the immediate establishment of additional shifts or staffing level increases, the NTC will continue to evaluate workload metrics and operational impacts to support future resource requests as justified. This development and implementation of a formal strategy will provide a structured and sustainable approach for managing and reducing the backlog to the greatest extent possible under existing conditions.

3. Track whether a firearm trace identified a firearms purchaser and maintain data on the percentage of traces that result in the identification of a purchaser.

ATF concurs with this recommendation. The National Tracing Center currently has the capability to track whether a firearm trace results in the identification of a firearms purchaser, and this data is already published through the National Firearm Commerce and Trafficking Assessment (NFCTA) through CY2021. The NTC will continue to record, maintain, and analyze this information and will ensure that reporting mechanisms remain accurate, accessible, and aligned with program requirements. This will allow the NTC to consistently monitor the percentage of traces that identify a purchaser and support ongoing evaluation of tracing effectiveness.

Please let me know if I can be of further assistance on this or any other matter.

JENNIFER
CICOLANI

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JENNIFER CICOLANI
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Jennifer L. Cicolani

APPENDIX 7: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The Department of Justice Office of the Inspector General (OIG) provided a draft of this audit report to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). ATF's response is incorporated in Appendix 6 of this final report. In response to our audit report, ATF concurred with all three of our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for ATF:

- 1. Develop standardized and centralized guidance detailing the operational procedures and technical components of the firearm tracing process, and ensure this guidance is distributed to National Tracing Center (NTC) personnel.**

Resolved. ATF concurred with our recommendation. ATF stated in its response that the NTC will review, update and socialize its written Standard Operating Procedures (SOP), work instructions, and other guidance documents to comprehensively address the operational procedures and technical components of the firearm tracing process. ATF also reported that once the revised SOPs are finalized, it will publish the revised SOPs and make them accessible to all NTC employees and contract staff through a centralized document repository. ATF stated that this action will help ensure consistent application of procedures across the organization and strengthen the accuracy and efficiency of the tracing process. As a result, this recommendation is resolved.

This recommendation can be closed when we receive evidence that the NTC has developed standardized and centralized guidance detailing the operational procedures and technical components of the firearm tracing process and has distributed that guidance to its personnel.

- 2. Develop and implement a formal strategy for the NTC to reduce and eliminate the Out-of-Business Records (OBR) backlog consistent with its current funding, staffing levels, and infrastructure.**

Resolved. ATF concurred with our recommendation. In its response, ATF stated that the NTC will develop and implement a formal strategy to address the OBR backlog within the limits of current funding, staffing levels, and infrastructure.

As part of this effort, ATF stated that the NTC will: (1) assess current OBR workflows to identify opportunities for process optimization and efficiency gains, (2) prioritize and sequence backlog categories to ensure the most time-sensitive and mission-critical materials are processed first, and (3) implement enhanced monitoring and reporting methods to track backlog trends. The NTC also plans to explore low-cost operational improvements, such as adjustments to task distribution, cross-training opportunities, and targeted procedural refinements- to maximize productivity within existing infrastructure and staffing allocations.

According to ATF, while current resource constraints prevent the immediate establishment of additional shift work time blocks or staffing level increases, the NTC will continue to evaluate workload metrics and operational impacts to support future resource requests as justified. ATF stated that this development and implementation of a formal strategy will provide a structured and sustainable approach for managing and reducing the backlog to the greatest extent possible under existing conditions. As a result, this recommendation is resolved.

This recommendation can be closed when we receive evidence that the NTC developed and implemented a formal strategy for the NTC to reduce and eliminate the OBR backlog consistent with its current funding, staffing levels, and infrastructure.

3. Track whether a firearm trace identified a firearms purchaser and maintain data on the percentage of traces that result in the identification of a purchaser.

Resolved. ATF concurred with our recommendation. ATF stated in its response that the NTC currently has the capability to track whether a firearm trace results in the identification of a firearms purchaser, and the NTC has already published this data through the National Firearm Commerce and Trafficking Assessment through calendar year 2021. ATF stated that the NTC will continue to record, maintain, and analyze this information and will ensure that reporting mechanisms remain accurate, accessible, and aligned with program requirements. According to ATF, this will allow the NTC to consistently monitor the percentage of traces that identify a purchaser and support ongoing evaluation of tracing effectiveness. As a result, this recommendation is resolved.

This recommendation can be closed when we receive evidence demonstrating that the NTC tracks whether a firearm trace identified a firearms purchaser and maintains data on the percentage of traces that result in the identification of a firearms purchaser.