
From: Gaston, Molly (OLA)
To: Weich, Ron (OLA); Reich, Steven (ODAG); Richardson, Margaret (OAG)
Sent: 10/3/2011 5:42:43 PM
Subject: Friday FF Cover Letter
Attachments: Chairman Issa and Senator Grassley 9 30 11.pdf

Attached please find the cover letter that accompanied Friday's production of documents to Issa/Grassley.



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

September 30, 2011

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Mr. Chairman and Senator Grassley:

This responds to your letter dated July 11, 2011, to the Attorney General requesting records relating to communications between and among twelve Department of Justice officials regarding ATF Operation Fast and Furious.

We are delivering today to your office 97 pages of material responsive to your request. These documents bear limited redactions to protect specific details about pending investigations, including text that would identify targets and sensitive techniques, plus information relating to line employees. In addition, we have redacted from multi-subject documents text that is not responsive to your request. The nature of specific redactions is indicated by a redaction code ("RC") in accordance with the enclosed list. Even with the redactions, many of these documents contain non-public material and are not appropriate for public disclosure. In response to a request from Chairman Smith, we also will provide these documents to the House Committee on the Judiciary.

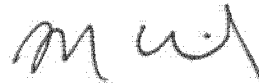
We have also located an additional page of law-enforcement sensitive material that we are prepared to make available at the Department for review by staff of your respective Committees, as well as staff of the House Committee on the Judiciary. There are limited redactions of text that would identify law enforcement sensitive techniques.

Our search for records responsive to your request is ongoing, and we will supplement this response when we process additional responsive records.

The Honorable Darrell E. Issa
The Honorable Charles E. Grassley
Page 2

We hope this information is helpful and look forward to working with the Committee as this matter continues.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Weich', is positioned above the typed name.

Ronald Weich
Assistant Attorney General

Enclosures

cc: The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform

The Honorable Patrick J. Leahy
Chairman
Committee on the Judiciary

Index to Redaction Codes

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RC-4: Redaction of text that relates to investigative targets or subjects.

RC-5: Redaction of text that discloses law enforcement sensitive investigative details.

From: Weich, Ron (OLA)
To: Richardson, Margaret (OAG); Reich, Steven (ODAG); Burton, Faith (OLA)
CC: Gaston, Molly (OLA); **Admin. Assistant**
Sent: 10/3/2011 9:59:15 AM
Subject: RE:

Thanks. We'll get it out today.

-----Original Message-----

From: Richardson, Margaret (OAG)
Sent: Monday, October 03, 2011 9:59 AM
To: Weich, Ron (OLA); Reich, Steven (ODAG); Burton, Faith (OLA)
Subject:

Most recent version of the Smith letter is cleared. Thank you.

From: Aguilar, Rita C. (OLA)
To: Weich, Ron (OLA)
Sent: 10/3/2011 5:29:44 PM
Subject: FW: ATF and DOMA

Thoughts on who might be able to help collect public materials for Dan – Jill maybe?

From: Appelbaum, Judy (OLA)
Sent: Monday, October 03, 2011 5:26 PM
To: Aguilar, Rita C. (OLA)
Subject: RE: ATF and DOMA

Ask Ron who else can help with no. 5 – lots of others are working on that

From: Aguilar, Rita C. (OLA)
Sent: Monday, October 03, 2011 4:39 PM
To: Appelbaum, Judy (OLA)
Subject: RE: ATF and DOMA

Thanks, and with Faith out this week, I don't know who else to ask on that front, but don't think JMD can wait until next week

From: Appelbaum, Judy (OLA)
Sent: Monday, October 03, 2011 4:37 PM
To: Aguilar, Rita C. (OLA); Burton, Faith (OLA)
Subject: RE: ATF and DOMA

Unrelated

From: Aguilar, Rita C. (OLA)
Sent: Monday, October 03, 2011 4:34 PM
To: Appelbaum, Judy (OLA); Burton, Faith (OLA)
Subject: ATF and DOMA

Based on guidance from Ron per our OLA internal email discussion on JMD's request, JMD has narrowed their list of what they think OLA might be able to help with to #5 and #8 below, which I think you two handled, respectively. Do we have public items on these that we can share?

From: Lucas, Daniel (JMD)
Sent: Monday, October 03, 2011 4:30 PM
To: Aguilar, Rita C. (OLA)
Cc: Sullivan, Bill (JMD); Jordan, Wyevetra G (JMD)
Subject: RE:

Rita, Following our meeting, I'm going to work with Budget staff on seeing about what we may have and/or can gather together, but in looking at the list again it seems like # 5 and #8 seem to be more OLA-centric. Do you think that OLA could look at what you might have in these 2 areas? Thanks

From: Lucas, Daniel (JMD)
Sent: Friday, September 30, 2011 1:31 PM
To: Aguilar, Rita C. (OLA)
Cc: Sullivan, Bill (JMD); Jordan, Wyevetra G (JMD)
Subject: FW:
Importance: High

Rita, Senate CJS majority is asking for the following information, presumably as they prepare themselves for

upcoming FY12 budget negotiations/planning. Would OLA be able to help to gather the requested materials available on these subjects? Thanks

Sent: Friday, September 30, 2011 11:43 AM

To: Sullivan, Bill (JMD); Lucas, Daniel (JMD)

Subject:

what I'd like from you, please, are info packets (electronic, please) containing pertinent info (letters, DOJ response, talking points, press releases, official statements, etc.) on the following hot button topics:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

Unrelated

ATF Fast and Furious

ATF long guns rule

Unrelated

That should be it for now, but feel free to add any other issues you think would be helpful. Thanks.

From: Aguilar, Rita C. (OLA)
To: Weich, Ron (OLA)
Sent: 10/3/2011 5:36:58 PM
Subject: RE: ATF and DOMA

Will do, thanks.

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 5:34 PM
To: Aguilar, Rita C. (OLA)
Subject: RE: ATF and DOMA

No, Jill hasn't been involved in the oversight part of ATF. Ask Molly or Ken. Also, they or JMD could check in with Monica Ramirez in ODAG and/or Tracy Schmalzer.

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Cc: Sullivan, Bill (JMD); Jordan, Wyevetra G (JMD)

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Importance: High

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To: Sullivan, Bill (JMD); Lucas, Daniel (JMD)

Subject:

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Unrelated

5. ATF Fast and Furious
6. ATF long guns rule

Unrelated

That should be it for now, but feel free to add any other issues you think would be helpful. Thanks.

From: Reich, Steven (ODAG)
To: Weich, Ron (OLA); Burton, Faith (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Sent: 10/3/2011 3:34:34 PM
Subject: Initial Draft Outline for HSGAC Briefing

Set forth below is an initial draft outline for the HSGAC briefing. Please feel free to edit or revise, including topics I may have missed.

Topics to be covered:

DP

Steven F. Reich
Associate Deputy Attorney General
United States Department of Justice
950 Pennsylvania, Avenue, N.W.
Room 4121

Washington, D.C. 20530
(202) 305-0091 (office)
(202) 616-1239 (fax)
steven.reich@usdoj.gov

From: Reich, Steven (ODAG)
To: Burton, Faith (OLA); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
CC: Kellner, Kenneth E. (OLA)
Sent: 10/3/2011 4:37:42 PM
Subject: RE: Initial Draft Outline for HSGAC Briefing

More than one. And, we need to have one with the other agencies that will participate.

From: Burton, Faith (OLA)
Sent: Monday, October 03, 2011 4:16 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Cc: Kellner, Kenneth E. (OLA)
Subject: Re: Initial Draft Outline for HSGAC Briefing

We shld have a pre-meet on this. Adding Ken.

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 03:34 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
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Steven F. Reich

Associate Deputy Attorney General

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950 Pennsylvania, Avenue, N.W.

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(202) 305-0091 (office)

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To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
CC: Kellner, Kenneth E. (OLA)
Sent: 10/3/2011 4:16:06 PM
Subject: Re: Initial Draft Outline for HSGAC Briefing

We shld have a pre-meet on this. Adding Ken.

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 03:34 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
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September 30, 2011

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Chairman
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Washington, DC 20510

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The Honorable Darrell E. Issa
The Honorable Charles E. Grassley
Page 2

We hope this information is helpful and look forward to working with the Committee as this matter continues.

Sincerely,

A handwritten signature in black ink, appearing to read 'R Weich', is positioned above the typed name.

Ronald Weich
Assistant Attorney General

Enclosures

cc: The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform

The Honorable Patrick J. Leahy
Chairman
Committee on the Judiciary

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From: Gaston, Molly (OLA)
To: Reich, Steven (ODAG)
CC: Weich, Ron (OLA)
Sent: 10/3/2011 8:43:07 AM
Subject: Friday's production
Attachments: PRODUCED 9-30 (2801 - 2897).pdf

This was sent to Issa, Cummings, Grassley, Leahy, Smith, and Conyers staff Friday night.

Molly Gaston
Office of Legislative Affairs
U.S. Department of Justice
Office: (202) 305-9134 | Cell: (202) 532-3346

RC-1

From: Cooley, Joseph
Sent: Monday, March 01, 2010 1:06 PM
To: Hurley, Emory (USAAZ)
Subject: FW: Firearms Investigation

Emory,

I was just informed that you are the AUSA assigned to this case. The ATF Director asked that the DOJ Criminal Division provide assistance in the Mexican Firearms Trafficking cases. I have been assigned to this matter. Please contact me at your earliest convenience.

JAC

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell: RC-1
Office: RC-1
Fax: RC-1

From: Gillett, George T., Jr. [mailto:RC-1]
Sent: Monday, March 01, 2010 12:59 PM
To: Cooley, Joseph; Voth, David J.
Cc: O'Keefe, Kevin C.; MacAllister, Hope A.; Hurley, Emory (USAAZ)
Subject: RE: Firearms Investigation

Mr. Cooley –

The investigation you are referring to has been dubbed, "The Fast and Furious." This is an approved OCDEF investigation. I will have group supervisor David Voth coordinate with you to meet on this investigation. There is a briefing scheduled at 1:00 PM on Friday, May 5, at ATF Headquarters on this and other active, southwest border investigations. It may be most effective (if your schedule permits) to attend this briefing. However, I will have Mr. Voth contact you on your cell phone to coordinate a meeting with you before the briefing so you can be completely up to speed.

Please don't hesitate to contact me if you have further questions/concerns.

George T. Gillett
Assistant Special Agent in Charge
ATF Phoenix Field Division
Office: RC-1

From: Cooley, Joseph [mailto:RC-1]
Sent: Monday, March 01, 2010 10:43 AM
To: Gillett, George T., Jr.; Voth, David J.
Cc: O'Keefe, Kevin C.
Subject: Firearms Investigation

Carla...

HOCR DOJ 002801

DOJ-FF-60754

At the request of AFI Headquarters, Gang Unit has agreed to assist in the Firearms Trafficking into Mexico investigations. Earlier this year, I was assigned to this task. I just finished up a trial last week and I am now available to provide any assistance needed. I understand that the case agent working out the Phoenix Office is Hopa McAllister. I could not find her in the email directory. Please have her contact me at her earliest convenience.

JAC

Joseph A. Cooley

Trial Attorney

Gang Unit

Department of Justice

850 Pennsylvania Ave. N.W., Suite RC-1

Washington, DC 20530

Cell RC-1

Office RC-1

Fax RC-1

HOCR DOJ 002802

DOJ-FF-60755

RC-1

From: Carwile, Kevin
Sent: Thursday, March 04, 2010 5:35 PM
To: Weinstein, Jason; Raman, Mythili; Fagell, Steven
Subject: weekly report for Gang Unit
Attachments: Gang Unit Update_3-4-10.docx

Please see attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002803

DOJ-FF-60756



U.S. Department of Justice

Criminal Division

Gang Unit

*959 Pennsylvania Avenue, N.E.
Washington, D.C. 20530*

March 4, 2010

MEMORANDUM

TO: Jason M. Weinstein, DAAG
Mythili Raman, Principal DAAG/Chief of Staff
Steven E. Fagell, Deputy Chief of Staff

FROM: P. Kevin Carwile, Chief, Gang Unit

SUBJECT: Gang Unit Update for March 4, 2010

I. Significant Accomplishments of the Past Week:

• RC-2



II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, Including Significant Litigation Matters That Have Upcoming Court Deadlines in the Next Week or Two:

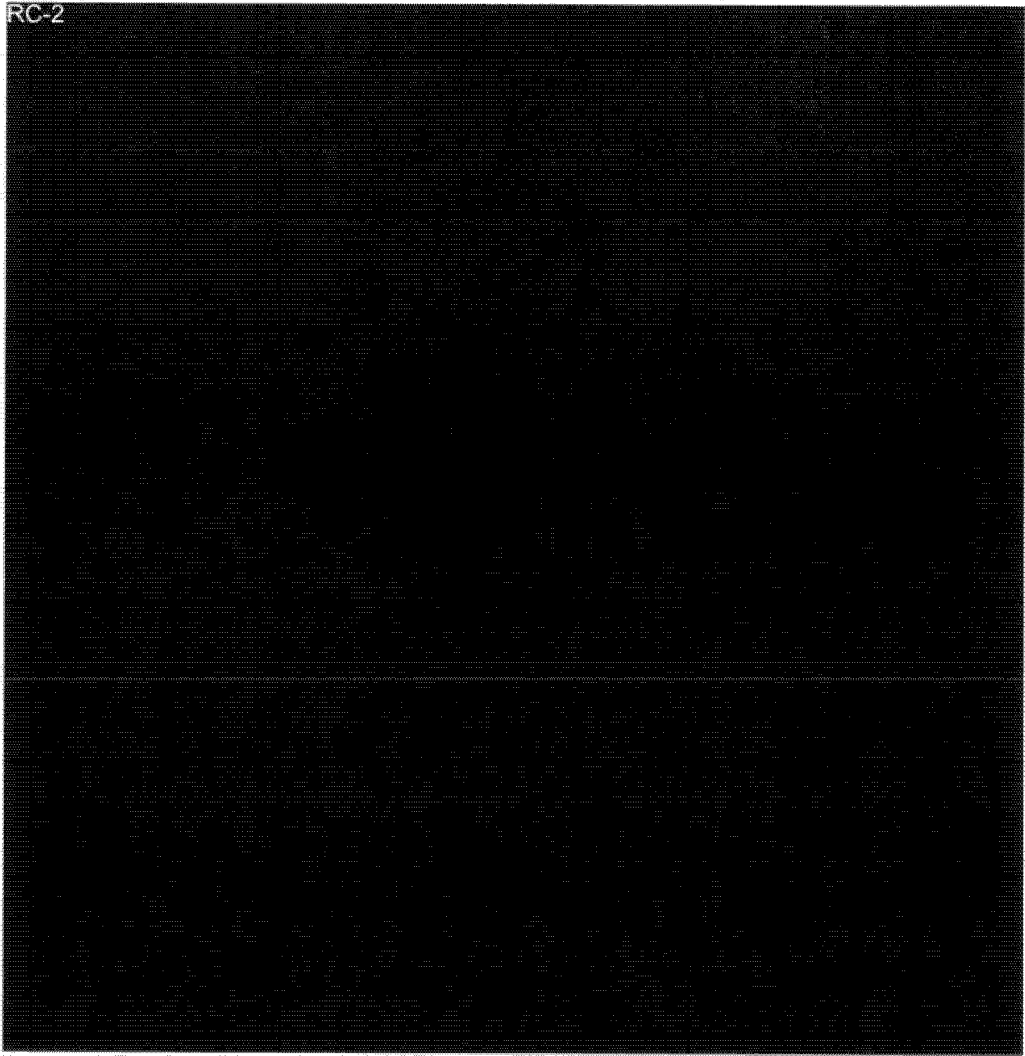
• RC-2



HOCR DOJ 002804

DOJ-FF-60757

RC-2



• **Southwest Border Firearms Initiative:** On March 1, GU met with ATF HQ to be briefed on developments in Operation *Fast and Furious* and various firearms trafficking investigations based in Phoenix, AZ. RC-2

RC-2



RC-1

From: Cooley, Joseph
Sent: Thursday, March 04, 2010 5:56 PM
To: O'Keefe, Kevin C. (ATF)
Subject: RE: Debriefing at ATF Tomorrow

Will do. Thanks.

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell RC-1
Fax

From: O'Keefe, Kevin C. [mailto:RC-1]
Sent: Thursday, March 04, 2010 5:51 PM
To: Cooley, Joseph
Subject: RE: Debriefing at ATF Tomorrow
Importance: High

Joe - my apologies for not reaching out to you personally on this, running in circles. I realize our Phoenix guys had talked to you. Yes, please stop by. Dave, along with my analysts here in HQ will be briefing. It will be much more detailed than what I gave you on Monday. We will also have VTC with our SAC in Phoenix, Dallas and Houston. It is set for 2 pm. Give me a buzz when you get here and I'll get you up to our 7th Floor Conf Room. See you tomorrow.

Kevin O'Keefe
Chief, Criminal Intel Div

RC-1
From: Cooley, Joseph [mailto:RC-1]
Sent: Thursday, March 04, 2010 5:07 PM
To: O'Keefe, Kevin C.
Subject: Debriefing at ATF Tomorrow

Kevin,

I spoke with Dave Voith who indicated that he was giving a briefing tomorrow on Operation Past and Furious. He and George Gillett suggested that I attend. I wanted to run this past you to make sure it was okay. I believe it was set for 2 pm.

JAC

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell RC-1
Fax

HOCR DOJ 002806

DOJ-FF-60759

3/5/10

Bringing @ ATF

East + Tannins A2

→ 1006

1000 guns since 9/09

Shawn Stewart

(pardon and all that)

2000 → or new guns since

241

2049, —

11/20/09

→ women in MX

41 firearms seized

12/03/09 Nopaling, A2

4 firearms

of ammo

12/09/09 Douglas, A2 - 7

Shawn Stewart

12/9/09

Mexicali, Baja Cal
12 tons of money (pair)
(warehouse)

41 guns seized

12/18/09

Myrna, Baja

12/21/09 Phoenix, AZ

1/8/10

1/13/10 El Paso
again

Behind the
Acosta
Stewart trap
to El Paso

person in study down connected
w/ sandripping crew

2/21/10 Luba, AZ

Op Wide Receiver → Laura
GWIN

→ Start House

two firearms

(Epic provided GPS)

2/25/10

Pignone Bags

→ all AKs converted to
full auto

RC-1

From: Cooley, Joseph
Sent: Monday, March 08, 2010 5:34 PM
To: Reeves, Bryan N.
Subject: RE: Southwest Border Firearms Initiative

+ Southwest Border Firearms Initiative: RC-2
RC-2 On March 5, GU attended a debriefing on the developments in Operation *Fast and Furious*, an extensive firearms trafficking investigation based in Phoenix, AZ. The ATF Dallas and Houston field offices participated via teleconferencing. RC-3
RC-3 (J. Cooley)

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite 7035
Washington, DC 20530
Cell: RC-1
Fax: [REDACTED]

From: Reeves, Bryan N.
Sent: Monday, March 08, 2010 5:17 PM
To: Cooley, Joseph
Subject: Southwest Border Firearms Initiative

Please update and send back.

• Southwest Border Firearms Initiative: On March 1, GU met with ATF HQ to be briefed on developments in Operation *Fast and Furious* and various firearms trafficking investigations based in Phoenix, AZ. RC-2
RC-2 (J. Cooley)

Sincerely,

Bryan M. Reeves
United States Department of Justice
Criminal Division, Gang Unit
Telephone: RC-1
BlackBerry: [REDACTED]

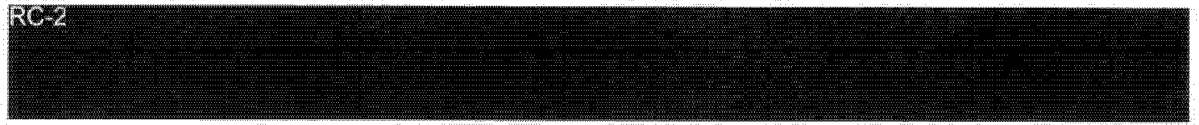
From: Reeves, Bryan N.
Sent: Monday, March 08, 2010 5:07 PM
To: Cooley, Joseph
Subject: weekly update due...

HOGR DOJ 002810

DOJ-FF-60763

Can you update the paragraph below and email it back in the same format with the bolded title/header etc... this makes it easier to cut/paste your reply into the final doc. each week...

RC-2



Sincerely,

Bryan N. Reeves
United States Department of Justice
Criminal Division, Gang Unit
Telephone: RC-1
BlackBerry:



RC-1

From: Michalic, Vivian B.
Sent: Wednesday, March 10, 2010 5:46 PM
To: Hoover, William J.; Nelson, Kenneth E.
Subject: Agenda for the DAG Meeting

Below is the proposed agenda for this Friday's meeting with the DAG.

RC-2

RC-2

Agenda for ATF and ODAG Meeting, March 12, 2010

RC-2

1.

2.

✓

✓ Phoenix Case - Update on a significant firearms trafficking case

RC-2

✓

✓

Vivian B. Michalic
Chief of Staff
Office of the Director, ATF

RC-1

RC-2

*D Operation Fast-Eunuchs - demand letter for multistate sales on long guns
already vetted through SWB strategic group*

RC-2

RC-1

From: Carwile, Kevin
Sent: Thursday, March 11, 2010 5:46 PM
To: Weinstein, Jason; Raman, Mythil; Fagell, Steven
Cc: Trusty, James
Subject: weekly report
Attachments: Gang Unit Update_3.11.10.docx

See attached

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOGR DOJ 002813

DOJ-FF-60766



U.S. Department of Justice

Criminal Division

Gang Unit

950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

March 11, 2010

MEMORANDUM

TO: Jason M. Weinstein, DAAG
Mythili Raman, Principal DAAG/Chief of Staff
Steven E. Fageil, Deputy Chief of Staff

FROM: P. Kevin Carwile, Chief, Gang Unit

SUBJECT: Gang Unit Update for March 11, 2010

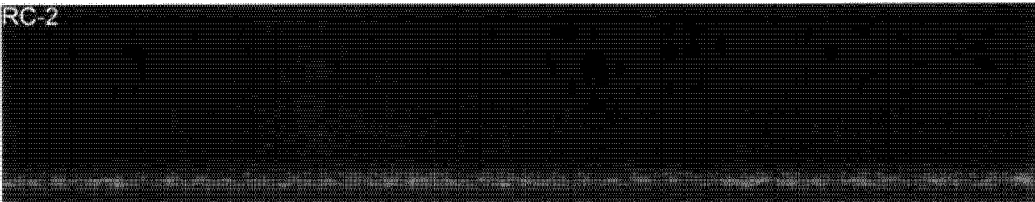
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• RC-2



HOCR DOJ 002814

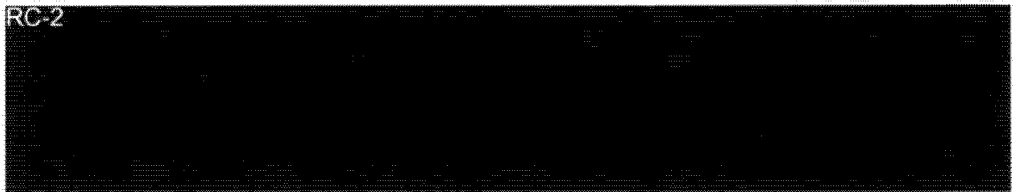
DOJ-FF-60767

RC-2



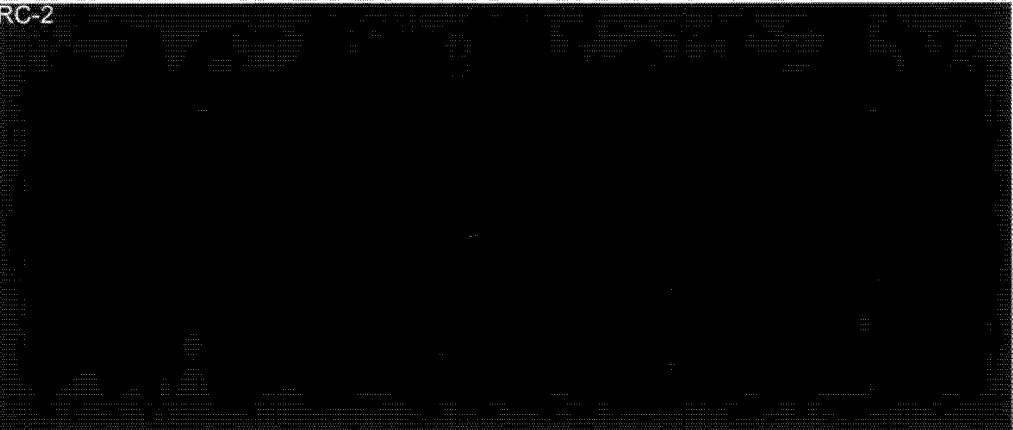
III. Expected Major Legislative or Policy Developments in Next Week or Two:

RC-2



IV. Significant Developments or Deadlines in Interagency Process:

RC-2



V. Significant Speeches or Public Events:

N/A

VI. Status of Other Major Matters/Initiatives/Issues:

- Southwest Border Firearms Initiative: RC-2

RC-2

RC-2

On March 5, GU attended a debriefing of *Operation Fast and Furious*, an extensive firearms trafficking investigation based in Phoenix, Arizona; Dallas and Houston ATF field offices participated via

teleconferencing. RC-3

RC-3

(J. Cooley)

RC-2



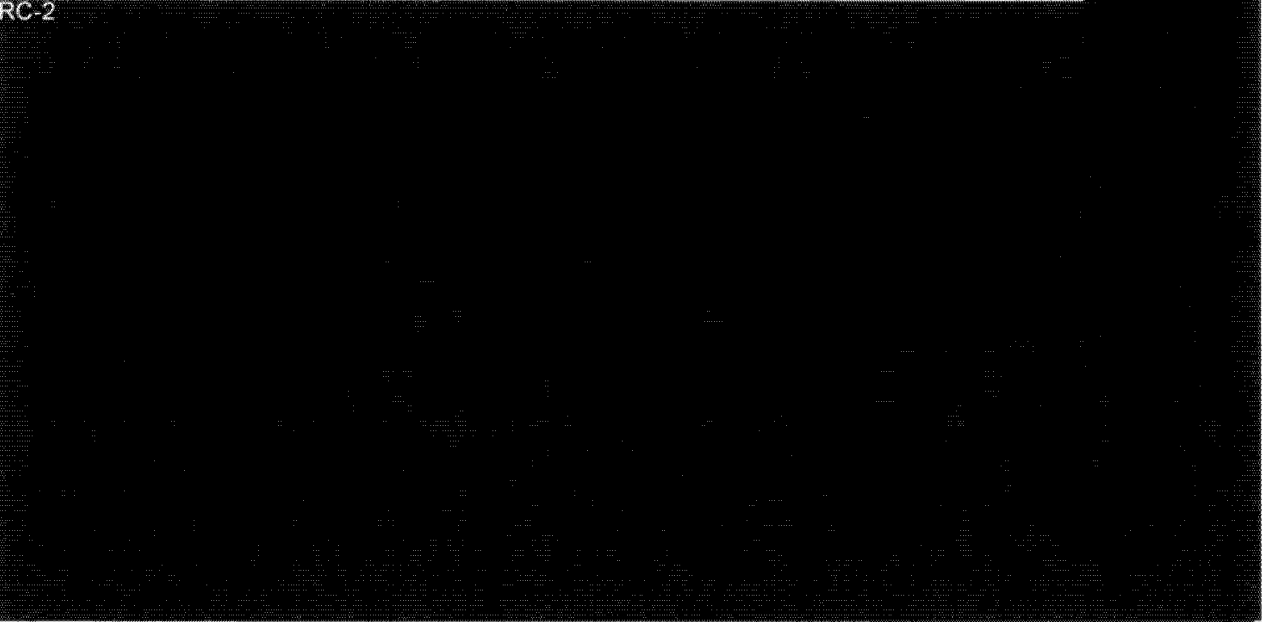
HOCR DOJ 002816

ATF Monthly Meeting
with the Acting Deputy Attorney General
Friday, March 12, 2010

AGENDA



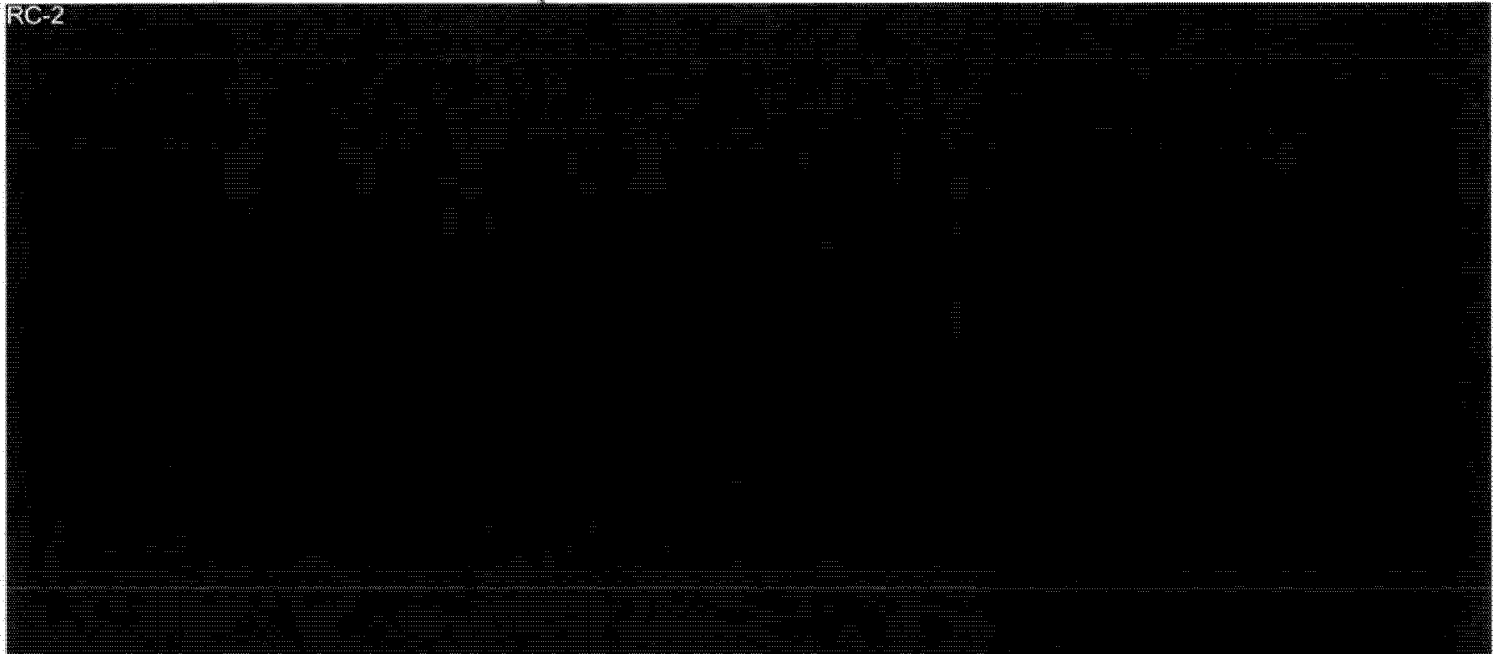
4. Phoenix Case - Update on a significant firearms trafficking case



ATF Monthly Meeting

3/12/10

RC-2



RC-2

3. Operation The Fast

Previous
Drafts

long vibs. multiple
role issues

~~Process~~



RC-2

seizure in Mexico
take 1 as predicate
to case in US
later to cartel

COCAINE STRIKE FORCE

Primary - Phoenix WAO

(A)

HOCR DOJ 002818

OPERATION THE FAST AND THE FURIOUS



HQGR DOJ 002819

Note: Two pages have been withheld from this seven page document because they included sensitive investigative details and information about targets/subjects.

**Total Firearms
Purchased as of
Feb 27, 2010
785115-10-0004**

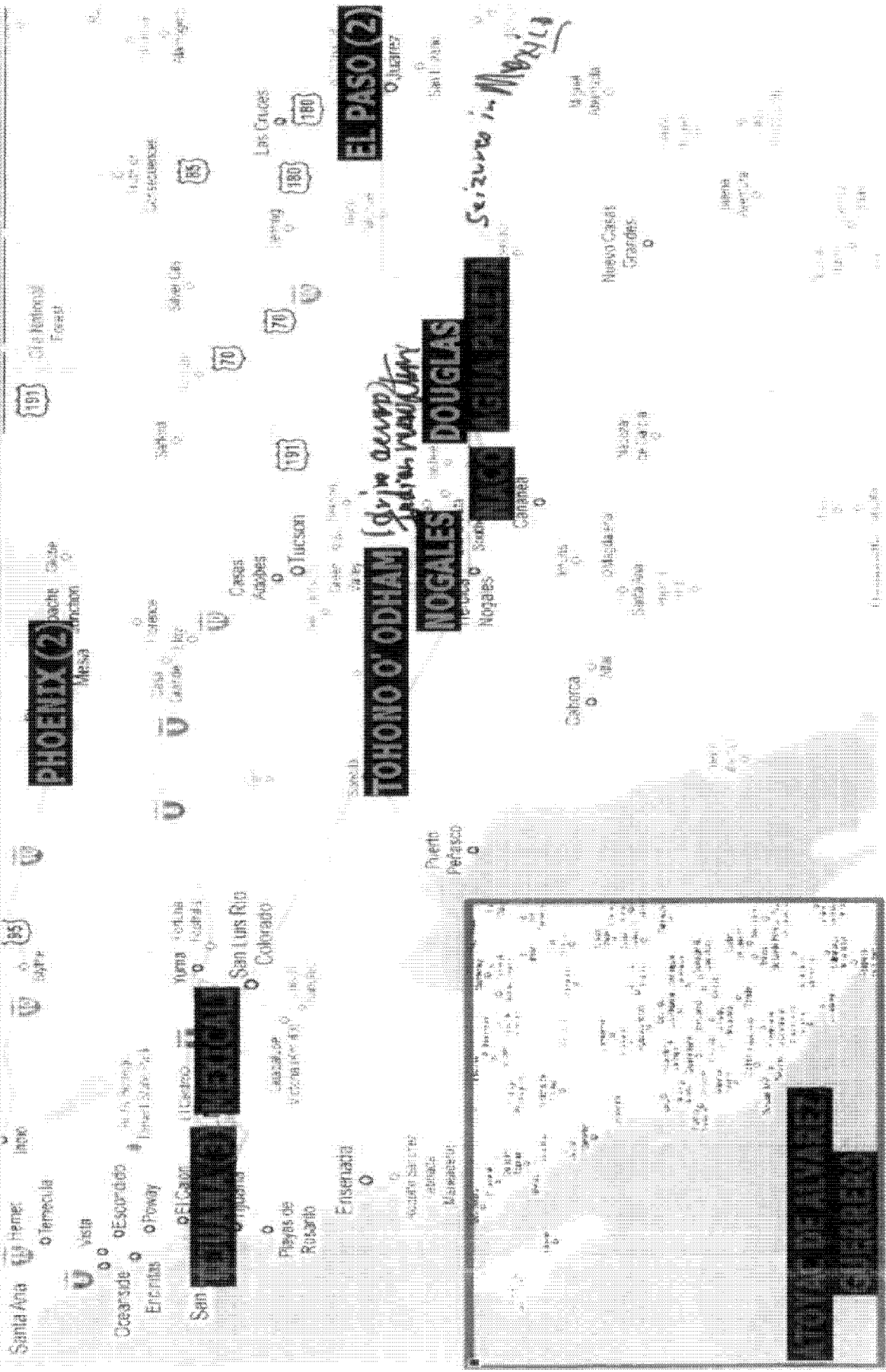
Potino	Uriel	313
Steward	Sean	241
Moore	Joshua	116
Chambers	Jacob	68
Celis	Alfredo	58
Montgomery	Dejan	30
RC-4		
Montenegro	Jacob	28
Avillar	James	27
RC-4		
Palanco	Jose	3
RC-4		
Celis-Astora	Manuel	1
RC-4		
TOTAL		1026

All Cash
 Victoria Vandy
 only

PURCHASE SUMMARY	NAME	AMOUNT	TOTAL	DATE
RC-4				
	Johns & Sons	31,985.00	31,985.00	
RC-4				
	Alltech Cells	30,320.75	30,320.75	
	Jacob's Gunsmithery	30,320.75	30,320.75	
RC-4				
	John's Gunsmithery	28,720.00	28,720.00	
RC-4				
	Alaska Mounted Corp	7,320.22	7,320.22	
	Robert Moore	64,528.00	64,528.00	
RC-4				
	Eric Pacific	200,100.00	200,100.00	
RC-4				
	John's Gunsmithery	1,700.00	1,700.00	
RC-4				
	John's Gunsmithery	140,000.00	140,000.00	
RC-4				
	TOTAL PURCHASES	1,010,000.00	1,010,000.00	

Total Cost of
 Firearms
 Purchased as of
 Feb 27, 2010
 785115-10-0004

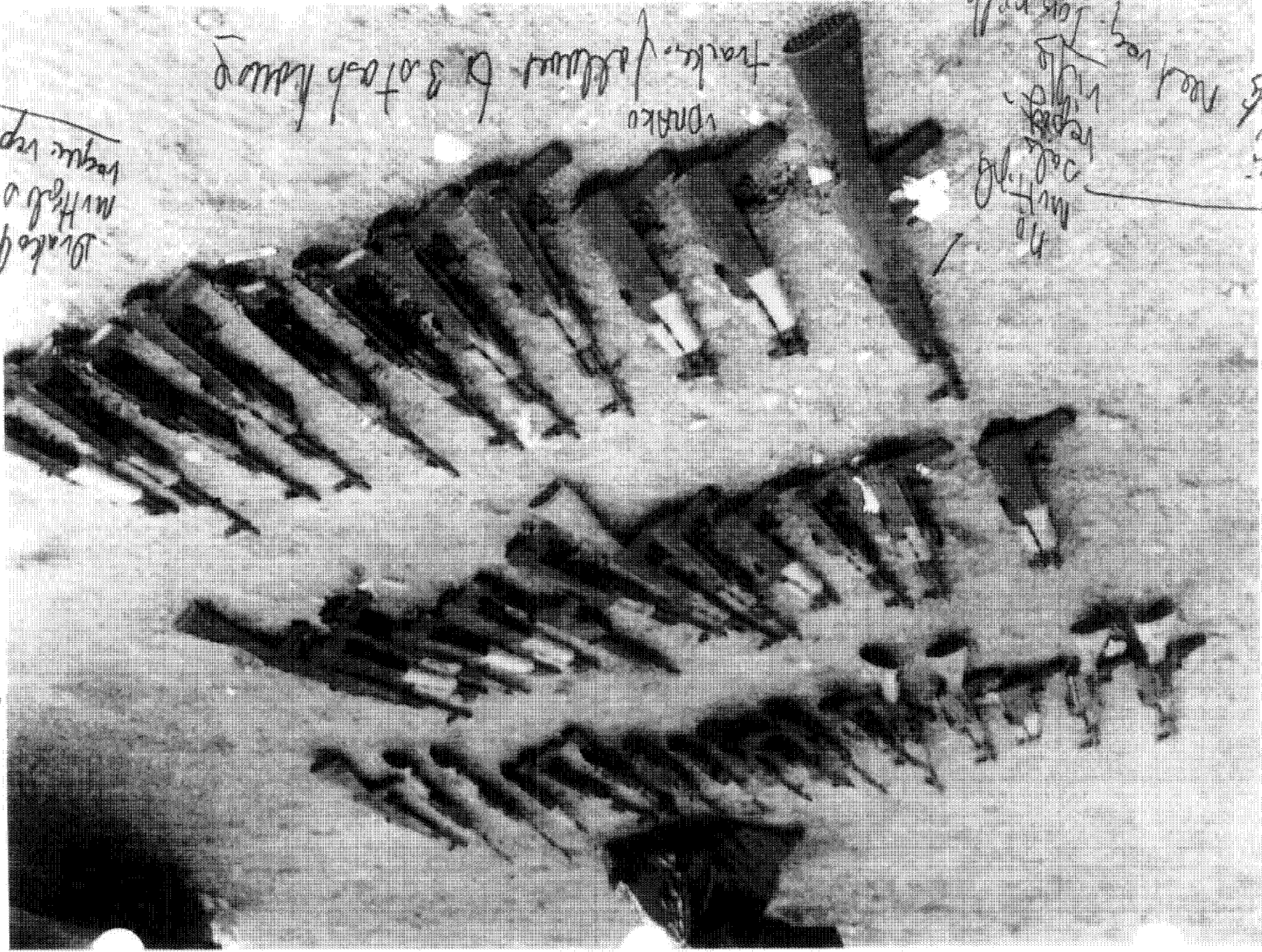
785115-10-0004



HOCR DOJ 002822

Brake fluid
on High only
require report

AK
47



Brake fluid on High only require report

Brake fluid

Brake fluid on High only require report

HQGR DOJ 002823

RC-1

From: Cooley, Joseph
Sent: Tuesday, March 16, 2010 8:13 AM
To: Carwile, Kevin
Subject: Re: Important

Op Fast and Furious (many of the straw purchasers are members of a car club).
Joseph A. Cooley
Gang Unit, DOJ
Cell: RC-1

This message is being sent via my blackberry. Please excuse any typos.

----- Original Message -----

From: Carwile, Kevin
To: Cooley, Joseph
Sent: Tue Mar 16 08:01:53 2010
Subject: RE: Important

Thanks Joe. BTW, what is the name of the Arizona case/investigation which we thought you could join but the USAO is now handling?

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Cooley, Joseph
Sent: Tuesday, March 16, 2010 12:45 AM
To: Carwile, Kevin
Subject: RE: Important

There were two major firearm seizures in Mexico. The first seizure of approximately 100 weapons occurred in August of 2008 in the Miguel Aleman, just across the boarder from Roma, TX. The second seizure of approximately 450 weapons was seized on November 6, 2008, in Reynosa, located across the boarder from McAllen, TX. Both caches of weapons are believed to be associated with the Gulf Cartel, DTO. Of the 450 weapons seized, ATF has completed traces on approximately 300. These weapons were purchased primarily in Texas, by in excess of 40 straw purchasers. ATF believes many of these straw purchasers are relatives. GU is planning on traveling to Houston, TX the week of March 22, to meet and coordinate with the ATF case agents.

Joseph A. Cooley
U.S. Department of Justice
Criminal Division, Gang Unit
950 Pennsylvania Ave. N.W. Suite RC-1
Washington, DC 20530
Cell: RC-1
Office: RC-1
Fax: RC-1

-----Original Message-----

From: Carwile, Kevin
Sent: Monday, March 15, 2010 9:21 PM
To: Cooley, Joseph; Gwinn, Laura
Subject: Important

Sorry for this quick turnaround but the front office wants firearms related talking points. I have to throw something together by 11:00 tomm. Can both of you send me a paragraph describing your trafficking investigations? Joe, just the texas one for you. Again, sorry for the quick deadline but I was just informed. Thanks.

Rodriguez, Mary

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 10:47 AM
To: Weinstein, Jason
Subject: talking points
Attachments: FIREARMS TRAFFICKING TALKING POINTS - 031610.doc

Here is a quick page of talking points. You did not describe the intended audience. The two operations are pre-indictment so the info on these matters would need to be kept internal. See attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002826

DOJ-FF-60779

FIREARMS TRAFFICKING TALKING POINTS

RC-2



- Through an ongoing partnership, Gang Unit and ATF are developing strategies and pursuing joint operational opportunities targeting firearms trafficking organizations, as well as Mexican drug trafficking organizations possessing and using U.S.-sourced firearms. Two examples of this collaboration are the following:
 - *Operation Fast & Furious* is an extensive firearms trafficking investigation involving ATF's Phoenix, Houston, and Dallas field offices. Gang Unit is closely assisting in advising the ongoing investigation and prosecuting cases derived from this investigation. One such case in S.D. Texas involves the recovery of approximately 550 weapons during two seizures in 2008 in Mexican border towns. Both caches of weapons are believed to be affiliated with the Gulf Coast Cartel DTO. ATF has successfully traced at least 300 of these weapons to straw purchases in Texas.

○ RC-2



From: Weinstein, Jason
Sent: Tuesday, March 16, 2010 11:04 AM
To: Carwile, Kevin; Pope, Amy
Subject: FW: talking points
Attachments: FIREARMS TRAFFICKING TALKING POINTS - 031610.doc

This is helpful -- thanks. Amy, you can take out the two specific operations and just say that we have ongoing trafficking investigations involving multiple USAOs focusing on guns being trafficked to Mexico.

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 10:47 AM
To: Weinstein, Jason
Subject: talking points

Here is a quick page of talking points. You did not describe the intended audience. The two operations are pre-indictment so the info on these matters would need to be kept internal. See attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

FIREARMS TRAFFICKING TALKING POINTS

• RC-2



- Through an ongoing partnership, Gang Unit and ATF are developing strategies and pursuing joint operational opportunities targeting firearms trafficking organizations, as well as Mexican drug trafficking organizations possessing and using U.S.-sourced firearms. Two examples of this collaboration are the following:

- *Operation Fast & Furious* is an extensive firearms trafficking investigation involving ATF's Phoenix, Houston, and Dallas field offices. Gang Unit is closely assisting in advising the ongoing investigation and prosecuting cases derived from this investigation. One such case in S.D. Texas involves the recovery of approximately 550 weapons during two seizures in 2008 in Mexican border towns. Both caches of weapons are believed to be affiliated with the Gulf Coast Cartel DTO. ATF has successfully traced at least 300 of these weapons to straw purchases in Texas.

○ RC-2



RC-1

From: Weinstein, Jason
Sent: Tuesday, March 16, 2010 8:49 PM
To: Carwile, Kevin
Subject: RE: Reminder

Fast and Furious seems a little different from X-Caliber, because we actually assigned someone to the case -- I assume that ATF HQ knew from you or Joe that Joe would be on the case, or is it possible they thought he would be playing more of a coordinating rather than a litigating role?

-----Original Message-----

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:00 AM
To: Weinstein, Jason
Subject: RE: Reminder...

There are two investigations: the first is Operation Fast and Furious (a number of the straw purchasers are in a car club). It is being worked out of the USAO in Phoenix, AZ. This was one of the two cases we were briefed on at the end of December immediately after the meetings with Ken Melson. I assigned Joe Cooley to the investigation, he got briefed and then started his Latin Kings trial. He just turned his attention back to the case and went to SOD for a briefing on the matter. That is when he learned the USAO now had the case RC-3. We offered to help but they said they had it under control. The second matter was the X-Caliber case. RC-2

RC-2

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Weinstein, Jason
Sent: Monday, March 15, 2010 9:59 PM
To: Carwile, Kevin
Subject: Reminder...

...to send me the names of the cases ATF HQ asked us to get involved in but which had in fact been shopped to the field.

RC-2

Jason M. Weinstein

Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

HOCR DOJ 002831

Rodriguez, Mary

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:12 PM
To: Weinstein, Jason
Subject: Re: Reminder

I agree that we should not make a big deal out of x caliber. I think they knew he was on the fast and furious case because I got him to alter his holiday plans to get briefed. My assumption is they got impatient because he was tied up on his latin kings trial in texas.

----- Original Message -----

From: Weinstein, Jason
To: Carwile, Kevin
Sent: Tue Mar 16 20:49:03 2010
Subject: RE: Reminder...

Fast and Furious seems a little different from X-Caliber, because we actually assigned someone to the case -- I assume that AIF HQ knew from you or Joe that Joe would be on the case, or is it possible they thought he would be playing more of a coordinating rather than a litigating role?

-----Original Message-----

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:00 AM
To: Weinstein, Jason
Subject: RE: Reminder...

There are two investigations: the first is Operation Fast and Furious (a number of the straw purchasers are in a car club). It is being worked out of the USAO in Phoenix, AZ. This was one of the two cases we were briefed on at the end of December immediately after the meetings with Ken Melson. I assigned Joe Cooley to the investigation, he got briefed and then started his latin Kings trial. He just turned his attention back to the case and went to SOD for a briefing on the matter. That is when he learned the USAO now had the case. **RC-3**

RC-3 We offered to help but they said they had it under control. The second matter was the X-Caliber case. **RC-2**

RC-2

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Weinstein, Jason
Sent: Monday, March 15, 2010 9:59 PM
To: Carwile, Kevin

Subject: Reminder...

...to send me the names of the cases ATF HQ asked us to get involved in but which had in fact been shopped to the field.

RC-2

Jason M. Weinstein
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: The Attorney General
The Acting Deputy Attorney General

FROM: Lanny A. Breuer
Assistant Attorney General

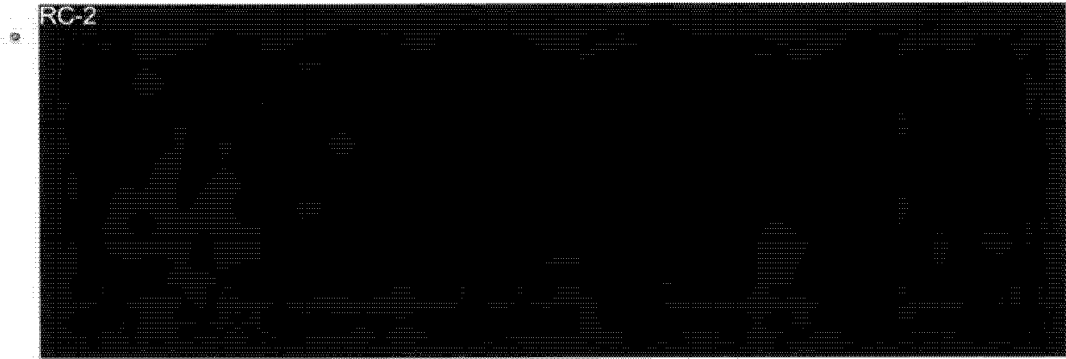
DATE: Week of October 18, 2010

RE: Weekly Report

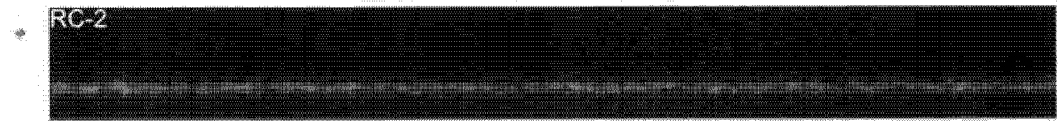
I. SIGNIFICANT UPCOMING EVENTS

A. Litigation

1. Indictments/Investigations



- *Tucson Gun Trafficking (D. Ariz.)*: On October 27, the Organized Crime and Gang Section (OCGS) plans to indict eight individuals under seal relating to the trafficking of hundreds of firearms to Mexico. The sealing will likely last until another investigation, Phoenix-based "Operation Fast and Furious," is ready for takedown.



Agenda for Meeting with ODAG and ATE

April 14, 2010

RC-2

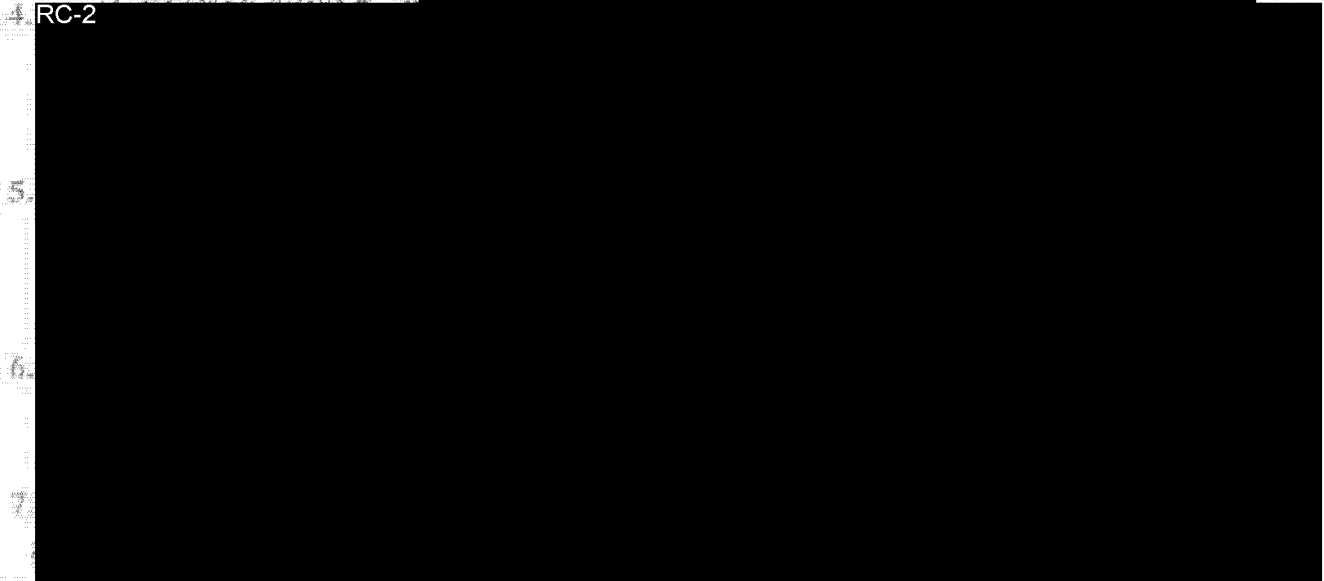
- 1.
- 2.



3. Arizona GRIT - Potential funding sources through Asset Forfeiture or OCDETF

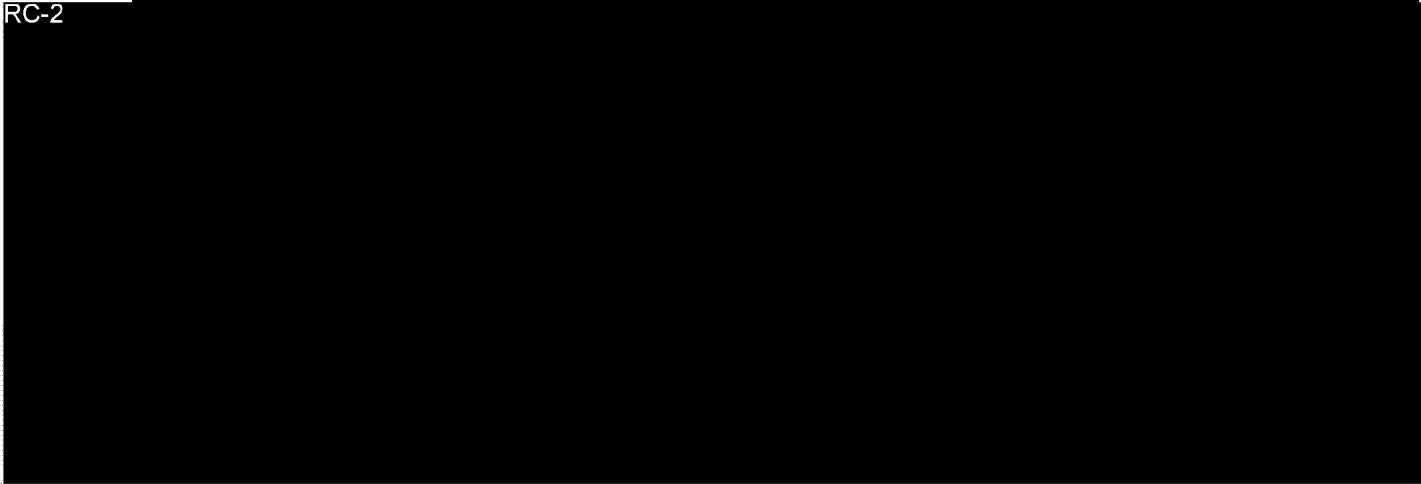
*Arizona worked out to Stuart Nash. Per D&G could be tied to
RC-2 [redacted] Billy will add 2 other cases into RC-2 [redacted] Auto Services &
RC-2 [redacted] 4 ATF assets to Santa Maricosa County not structure through Tucson*

4. RC-2



- 5.
- 6.
- 7.

RC-2



RC-1

From: Larson, Brian (USAAZ) RC-1
Sent: Thursday, June 17, 2010 7:59 PM
To: Carwile, Kevin
Cc: Morrissey, Mike (USAAZ)
Subject: RE: firearms cases/Mexico

Kevin,

This is a go. She can begin working with Emory Hurley on the RC-3 and take the lead on the Meza case. Emory will continue on both for our office. She has Emory's contact information. Emory and his Section Chief will be sending an e-mail with the case identifiers. We will work on the other case (with AUSA Rassas) when she gets here. For your information, Emory's Section Chief is Mike Morrissey. I am copying him.

I hope this ends up being as mutually beneficial as anticipated. Let me know if you need anything further from me. Thank you.

BGL

From: Carwile, Kevin (CRM)
Sent: Thursday, June 17, 2010 12:01 PM
To: Larson, Brian (USAAZ)
Subject: RE: firearms cases/Mexico

Sounds good to me. Let me know when it is a done deal on your end so I can go back to Laura with contact info, etc.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

From: Larson, Brian (USAAZ) RC-1
Sent: Thursday, June 17, 2010 2:53 PM
To: Carwile, Kevin
Subject: Re: firearms cases/Mexico

Yes. While it is still to be confirmed, we are going in the direction of having Laura work with Emory Hurley on the two ATF cases he has right now (current RC-3 case and the Pennsylvania guns/drug case with the tie to MX). She could then work the evidence exchange in the case of two fugitives in MX that was handled by Theresa Rassas. The idea being that MX could take the prosecution. That case should not take that much time and she could consider another case. Does that sound good?

Dennis Burke has approved this and the section chief is evaluating the cases I recommended to see if those are the best ones for Laura to work on as co-counsel. She would continue working on the Tucson case. I would make sure this gets off the ground as the Strike Force atty and would keep an eye out for any other good cases to work jointly.

From: Carwile, Kevin (CRM)
To: Larson, Brian (USAAZ)
Sent: Thu Jun 17 13:48:56 2010
Subject: firearms cases/Mexico

Brian,
Any progress in identifying specific cases for Laura Gwinn to help staff along with AUSA's?

P. Kevin Carwle
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

4

HOCR DOJ 002837

RC-1

From: Hoover, William J. (ATF)
Sent: Thursday, July 01, 2010 5:24 PM
To: Siskel, Edward N. (ODAG); Michalic, Mark (ODAG)
Subject: AZ seizures re guns to MX

Ed and Mark,

Just wanted to share two seizures made this week in separate cases from AZ.

1) SYNOPSIS OF INCIDENT/ACTIVITY:

RC-2



2) SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of twenty (20) AK-47 style firearms.

NARRATIVE OF INCIDENT/ACTIVITY:

HOCR DOJ 002838

DOJ-FF-60791

On June 30, 2010 as part of an ongoing OCDETF RC-3 investigation into Southwest Border Firearms Trafficking activity ATF Phoenix Group VII agents assisted by the Phoenix Police Department conducted a traffic stop on Alfredo CELIS (a 19 year old Hispanic male.) CELIS had recently purchased twenty (20) Century International Arms, WASR-10, 7.62 caliber rifles (an AK-47 variant) from a local Phoenix FFL. CELIS was traveling in a motor vehicle for which the license plate was not valid in the State of Arizona. The vehicle was towed for impound and the above firearms were taken into ATF custody as part of this ongoing investigation. Also recovered from inside the vehicle and purchased by CELIS were twenty (20) 7.62 caliber high capacity magazines. CELIS paid a total of \$11,000.00 cash for the above items. ATF utilized a Phoenix Police Department narcotics detection canine (K-9) which alerted on the \$11,000.00 cash as being positive for the presence of narcotics residue.

Billy

William J. Hoover
Executive Assistant Director
O) RC-1

HOCR DOJ 002839

DOJ-FF-60792



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 5, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

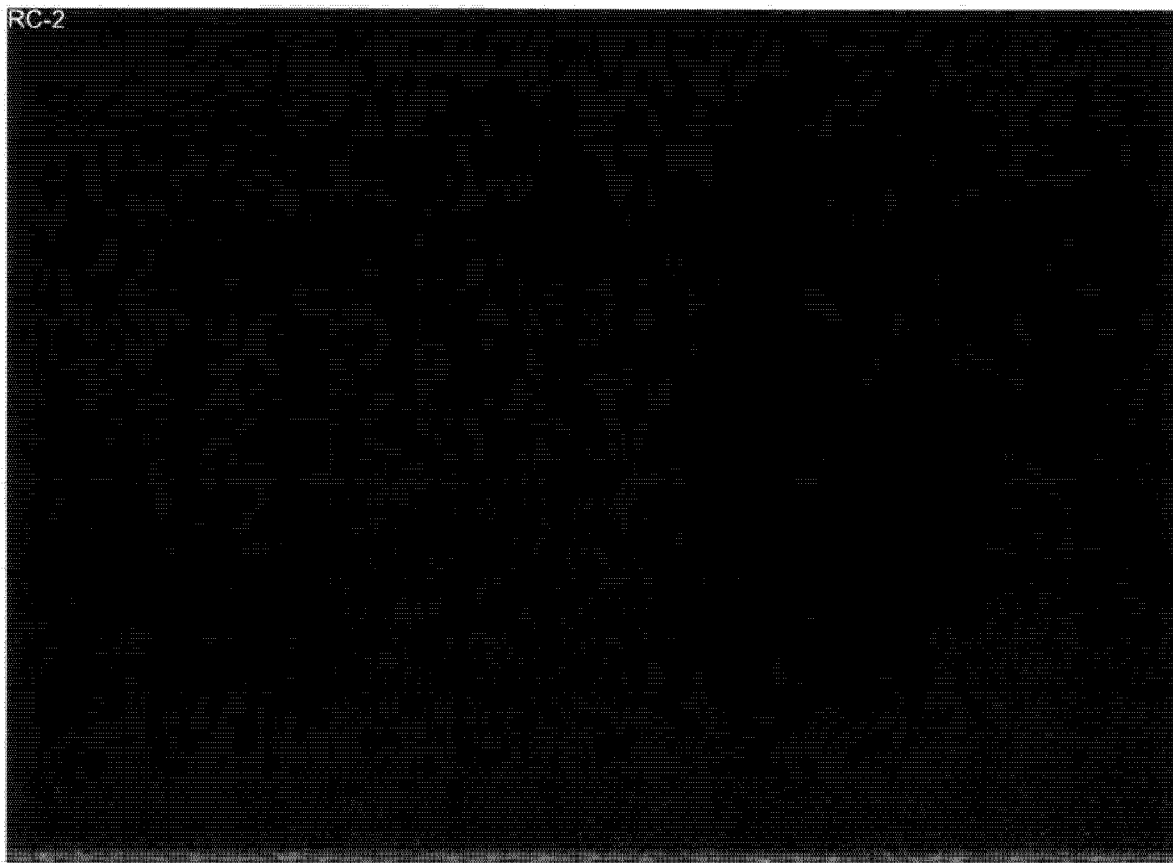
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 5 THROUGH JULY 9, 2010

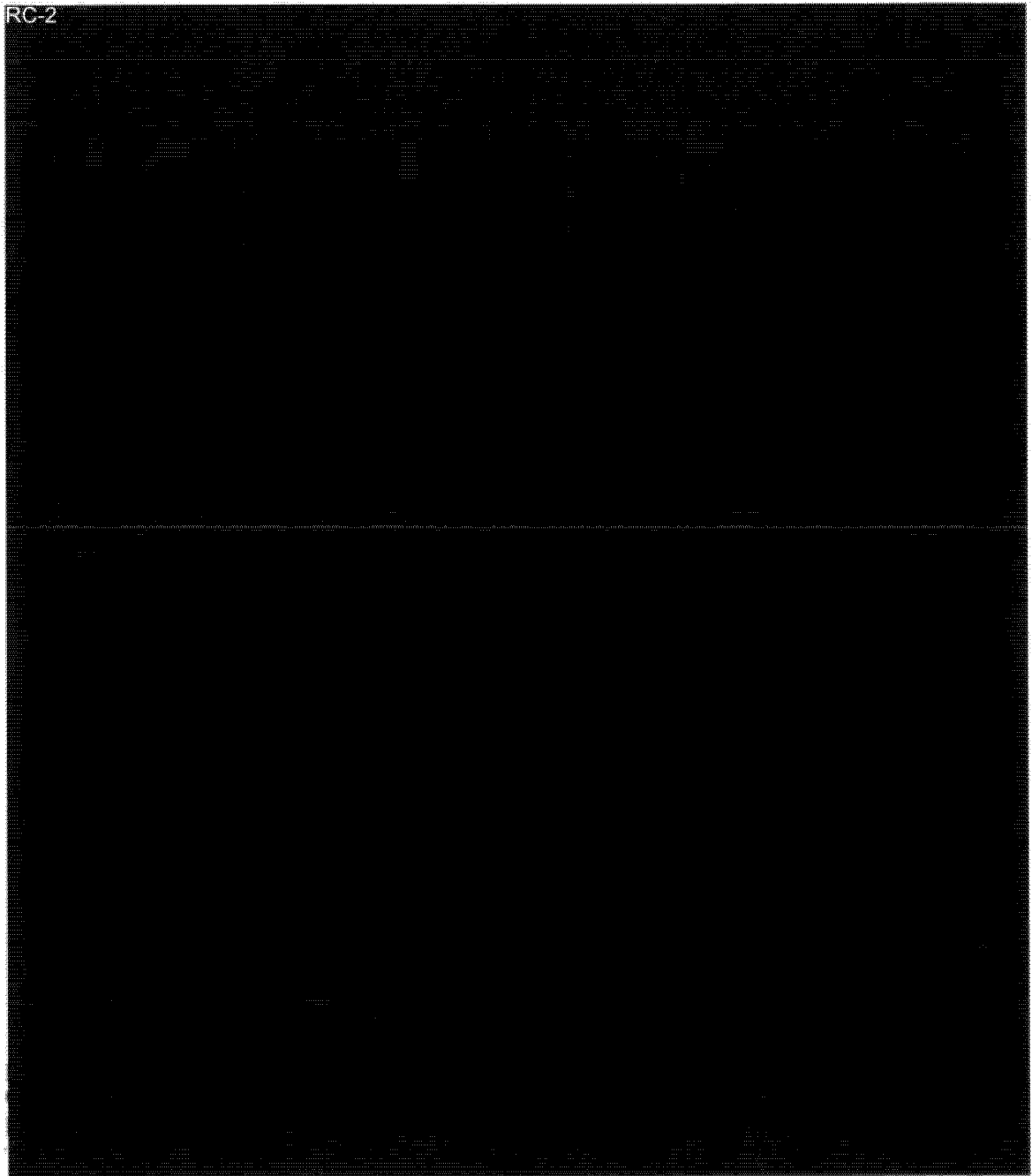
The National Drug Intelligence Center weekly report for July 5 through July 9 is as follows:

Next Week



1 of 12

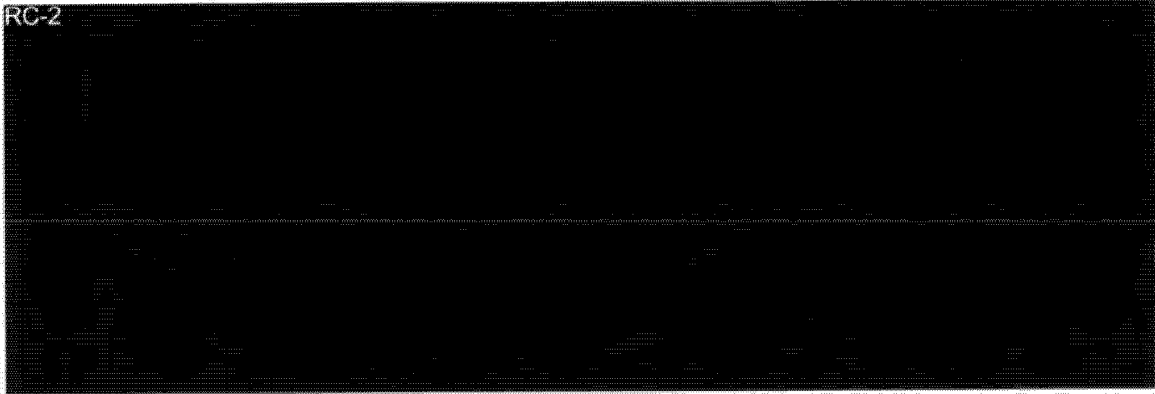
Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010



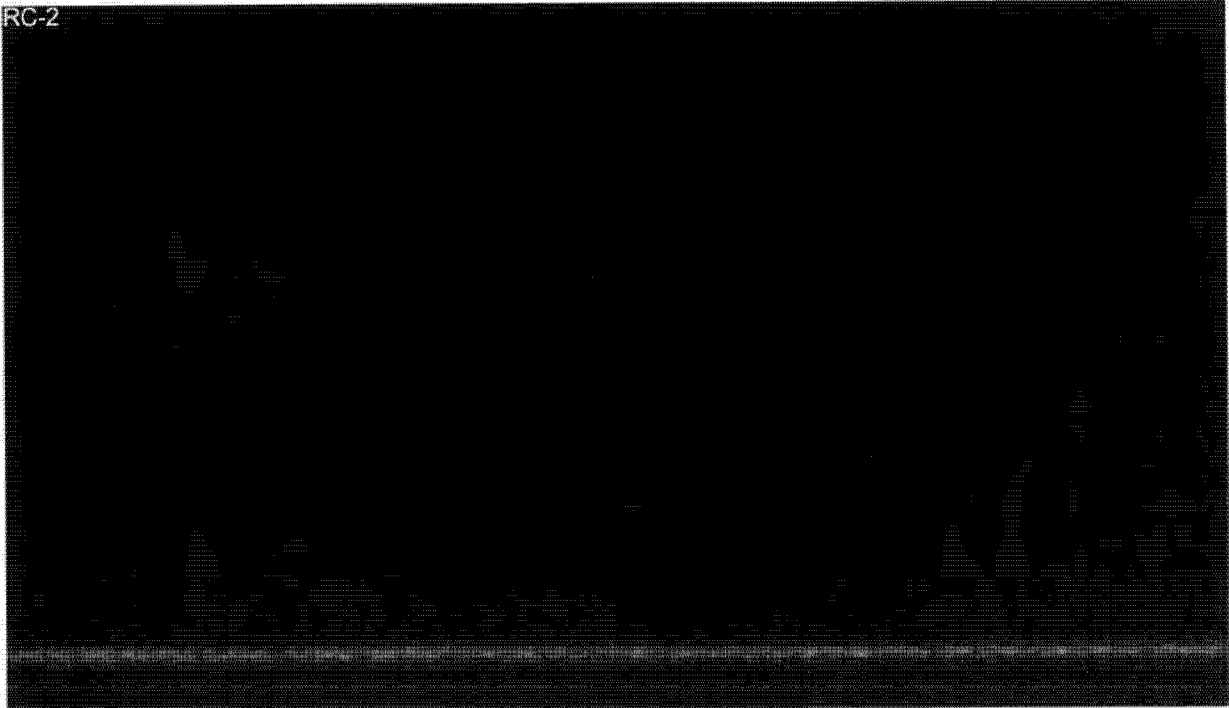
- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*
From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix

Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010

Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.



This Week



4 of 12

Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010

RC-2



- ***(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:***

From July 6 through July 9, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and [REDACTED] straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

- RC-2



Last Week

- RC-2



7 of 12



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 12, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 12 THROUGH JULY 16, 2010

The National Drug Intelligence Center weekly report for July 12 through July 16 is as follows:

Next Week

• RC-2



•

1 of 11

Memorandum to the Attorney General from Michael F. Wither dated July 12, 2010
Subject: Weekly Report from July 12 through July 16, 2010




- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*
From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and [REDACTED] straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

Memorandum to the Attorney General from Michael F. Walther dated July 12, 2010
Subject: Weekly Report from July 12 through July 16, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-1

From: Siskel, Edward N. (ODAG)
Sent: Wednesday, July 14, 2010 6:38 PM
To: Chait, Mark R. (ATF)
Cc: Hoover, William J. (ATF)
Subject: RE: SIR

Thanks Mark. How much longer is the GRIT going to be operating in AZ? At what point after that will we know the total results of the operation and be in a position to do some public roll out along the lines of what we did in Texas?

From: Chait, Mark R. (ATF)
Sent: Wednesday, July 14, 2010 4:49 PM
To: Siskel, Edward N. (ODAG)
Cc: Hoover, William J. (ATF)
Subject: Fw: SIR

This is second significant seizure yesterday by our GRIT.
Mark R. Chait
Assistant Director
Field Operations

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

----- Original Message -----
From: Significant Activity Report
To: SAR/SIR Message Delivery
Sent: Tue Jul 13 18:55:16 2010
Subject: FW: SIR

From: Voith, David J.
Sent: Tuesday, July 13, 2010 6:54:52 PM
To: Needles, James R.; Newell, William D.; Voith, David J.;
Significant Activity Report
Subject: SIR
Auto forwarded by a Rule

DEPARTMENT OF JUSTICE - BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
SIGNIFICANT INFORMATION REPORT

DATE: July 13, 2010
FROM: Phoenix Field Division
FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785-115-10-0004
CASE TITLE: CHAMBERS, Jacoby, et al

HOCR DOJ 002847

SPECIAL AGENT Voth, David
TELEPHONE NUMBER: RC-1

SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of 20 - 7.62 rifles as part of ongoing RC-3 investigation.

NARRATIVE OF INCIDENT/ACTIVITY:

On July 12, 2010, Federal Parolee, Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case, Operation Fast & Furious, 785115-10-0004. Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later Peoria Police officers captured Thompson approximately ¼ mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment, the passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months after he entered a plea of guilty of 21 USC 846, Conspiracy to Possess Marijuana in February 2004.

During an inventory search of the vehicle, Peoria police officers recovered (20) ROMARM/CUGR, 7.62x39 caliber rifles from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, (2) pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the (20) ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. Peoria officer retained custody of the (2) pistols for further state prosecution.

This recovery adds to the total of 96 firearms recovered in the previous 24 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 19, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

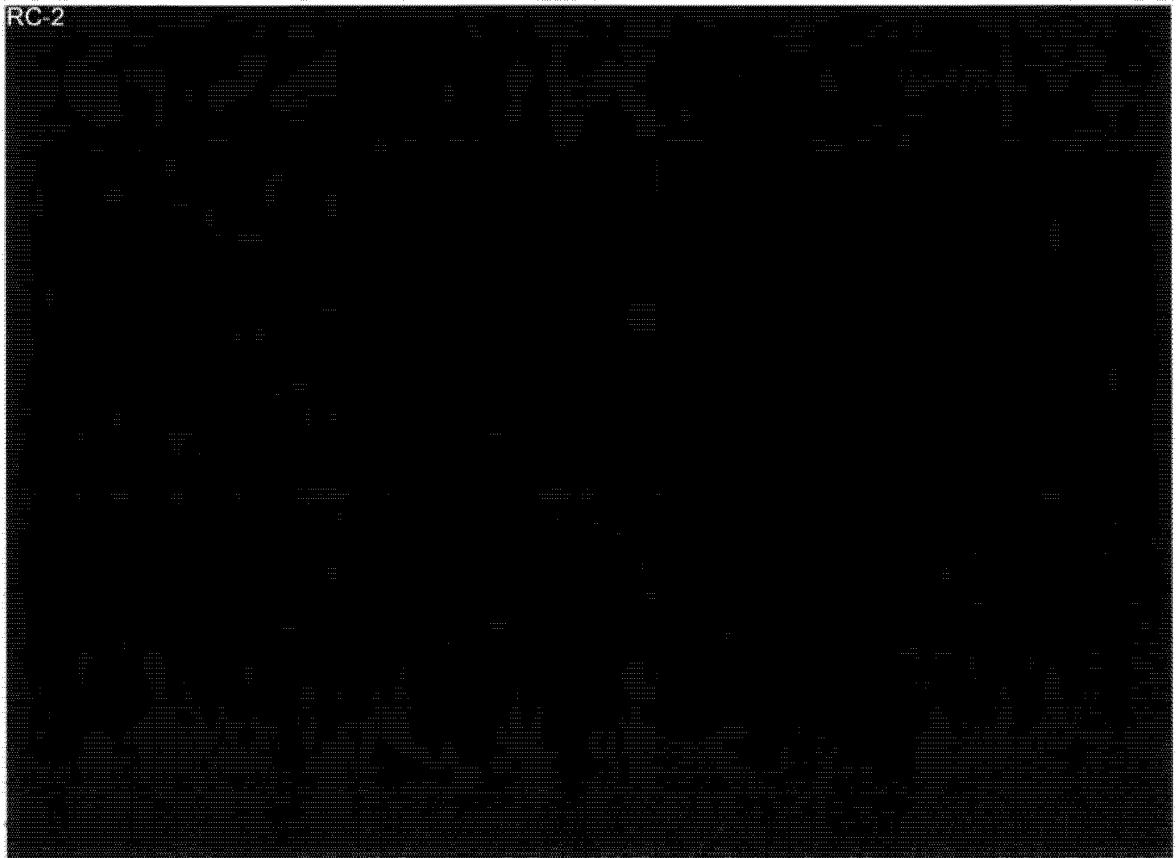
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 19 THROUGH JULY 23, 2010

The National Drug Intelligence Center weekly report for July 19 through July 23 is as follows:

Next Week




1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2



• *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 26 through July 30, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDEF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDEF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



This Week

RC-2



1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2

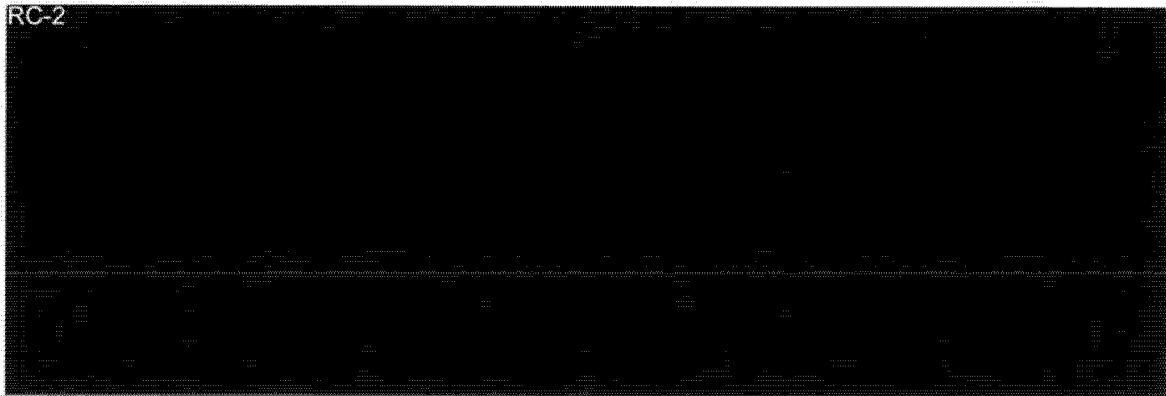


- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

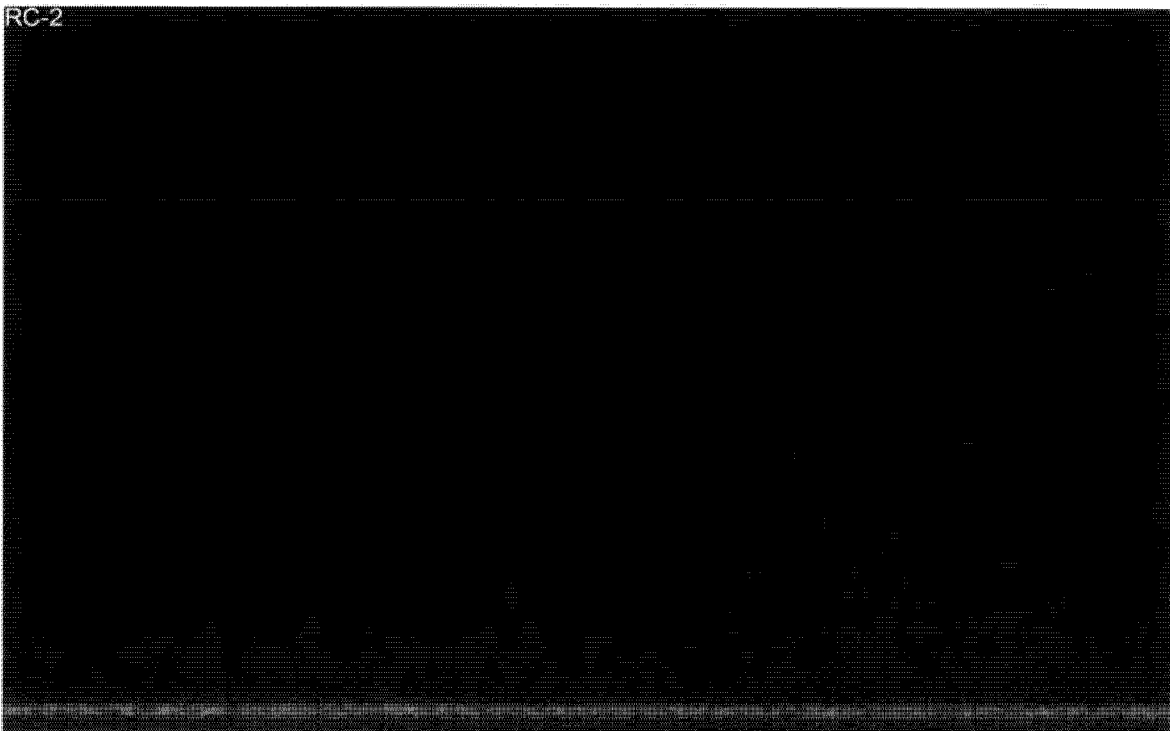
From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.



Last Week




6 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force supported the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2





U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 26, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

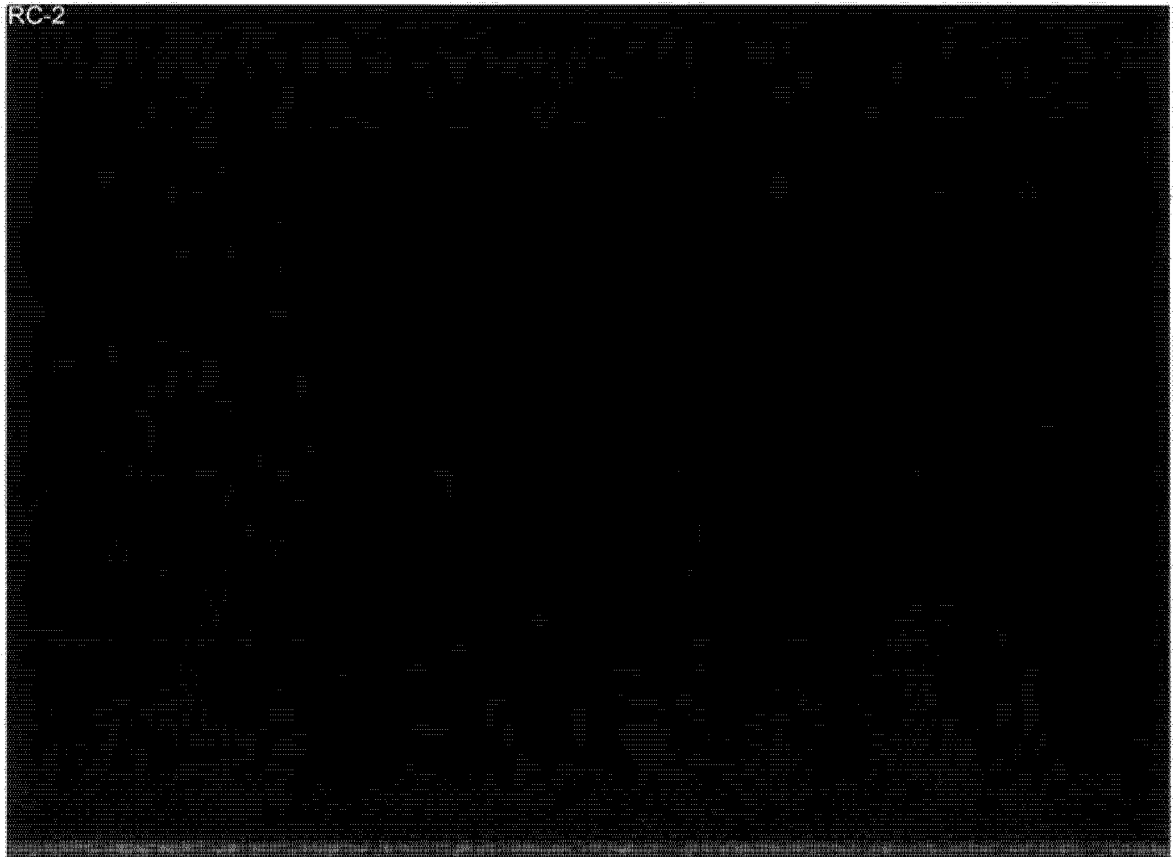
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 26 THROUGH JULY 30, 2010

The National Drug Intelligence Center weekly report for July 26 through July 30 is as follows:

Next Week



1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010.
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From August 2 through August 6, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-2} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



This Week

RC-2




Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 26 through July 30, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

- *(C) National Drug Threat Assessment 2010 Briefing to the National Guard Bureau:*


5 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force supported the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



RC-1

From: Trusty, James
Sent: Thursday, July 29, 2010 8:50 AM
To: Carwile, Kevin
Subject: RE: Do you

You mean a weekly case update that's different than our usual weekly report? No, I haven't been doing that but let me know what you were doing in that regard and I can adjust.

The only things I can think of re: Mexico are Gwinn's gun stuff and the RC-2 case. Here's Laura's info for this week:

Phoenix cross-border project: (a) RC-2

RC-2

(b) Celis-Acosta: this is the large-scale gun trafficking case involving in excess of 1500 guns purchased to date, and RC-3 I am still trying to "learn" the case through review of RC-3, a running log of overt acts and discussions with the lead attorney. A strategy session was held to determine course of action over the next couple of months. RC-3

RC-3 It is hoped that we would be in a position to consider indictment approximately early to mid-fall.

Tucson gun-trafficking case: I discussed with Emory Hurley, the lead AUSA on the Celis-Acosta case, the possibility of arresting and unsealing the indictments of the two persons who were indicted in May. Since those two appear to have no connection to the Phoenix case, it was agreed that I would contact the agent to have him determine the current location of the defendants, RC-3 and likely arrest/unseal once we confirm no connection.

RC-2

Hope this helps -

-----Original Message-----

From: Carwile, Kevin
Sent: Thursday, July 29, 2010 7:30 AM
To: Trusty, James
Subject: Do you

Have any Mexico related updates which I can relate at the meeting this morning? Are we pushing a weekly case update to the front office?

HOCR DOJ 002858

DOJ-FF-60811

F. Kevin Carville
Chief, Capital Case Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002859



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: August 9, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael E. Walther
Director
National Drug Intelligence Center

SUBJECT: NATIONAL DRUG INTELLIGENCE CENTER REPORT FOR AUGUST 9
THROUGH AUGUST 13, 2010

RC-2



STRATEGIC INTELLIGENCE

Significant Events

RC-2



LIMITED OFFICIAL USE - LAW ENFORCEMENT SENSITIVE

Memorandum to the Attorney General from Michael F. Walther dated August 9, 2010
Subject: Weekly Report from August 9 through August 13, 2010

Activity	Requesting Agency	Dates
RC-2		

Activity	Requesting Agency	Dates
RC-2		

<i>Investigation:</i>	Operation FAST AND THE FURIOUS	ATF Phoenix	July 6 -
<i>Region:</i>	Arizona, Texas, Mexico		Aug 13
<i>Targets:</i>	Manuel Celis-Acosta		
<i>Drugs/Crime:</i>	Firearms trafficking through straw purchases		
<i>Participants:</i>	ICE, Phoenix (AZ) Police Department		

TRAINING

RC-2		
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RC-1

From: Ott, Thomas
Sent: Thursday, October 14, 2010 5:58 PM
To: Ohr, Bruce; Crow, Douglas; Duvall, Deborah; Gray, Laurie; Henry, Wakeya; Keeney, John; Raman, Mythili; Tinsley, Mary; Mulkern, Patricia; Toner, Gerald; Weinstein, Jason; Andres, Greg; Trusty, James; Pope, Amy; Borella, John
Cc: Metz, Thomas R. (FBI); Stewart, Robert M. (FBI); LaPlante, Michael J. (FBI); Plichta, Michael E. (FBI); Phillips, Dean (FBI)
Subject: CCGS Weekly Report
Attachments: Weekly Report 2010_10_14.wpd

See attached. Thanks.

*Thomas P. Ott
Deputy Chief
Organized Crime & Racketeering Section
Criminal Division
U.S. Department of Justice
Washington, D.C.*

RC-1

(desk)
(cell)

HOCR DOJ 002862

DOJ-FF-60815

OCCS WEEKLY REPORT
Week of Oct 8- Oct 14, 2010

I. Significant Accomplishments of the Past Week

- RC-2 [REDACTED]
- [REDACTED]

II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, including Significant Litigation Matters that Have Court Deadlines in the Next Week or Two

- RC-2 [REDACTED]
- [REDACTED]
- *Tucson Gun Trafficking:* TA Gwinn plans to indict eight individuals under seal on Oct. 27th. The indictment will cover the trafficking of hundreds of firearms to Mexico. The sealing will likely last until such time as the Phoenix-based "Operation Fast and Furious" is ready for takedown. That investigation has spanned RC-3 [REDACTED] and likely involved hundreds, if not thousands, of firearms. In addition, Gwinn has been assigned as primary prosecutor for a related straw purchasing case where a ring of up to nine purchasers may be indicted in short order as well (L. Gwinn)

III. Expected Major Legislative, and Policy Developments in Next Week or Two

- *None expected*

RC-1

From: Trusty, James
Sent: Monday, October 18, 2010 9:21 AM
To: Weinstein, Jason
Subject: RE: OCGS Weekly Report

I think so, but the timing will be tricky, too. Looks like we'll be able to unseal the Tucson case sooner than the Fast and Furious (although this may be just the difference between Nov and Dec). It's not clear how much we're involved in the main F and F case, but we have Tucson and now a new, related case with RC-5 targets. It's not going to be any big surprise that a bunch of US guns are being used in MX, so I'm not sure how much grief we get for "guns walking." It may be more like, "Finally, they're going after people who sent guns down there..."

From: Weinstein, Jason
Sent: Sunday, October 17, 2010 11:07 PM
To: Trusty, James
Subject: FW: OCGS Weekly Report

Do you think we should try to have Lanny participate in press when Fast and Furious and Laura's Tucson case are unsealed? It's a tricky case given the number of guns that have walked, but it is a significant set of prosecutions.

From: Ott, Thomas
Sent: Thursday, October 14, 2010 5:56 PM
To: Ott, Bruce; Crow, Douglas; Duvall, Deborah; Gray, Laurie; Henry, Wakeya; Kearney, John; Raman, Mythili; Tinsley, Mary; Mulkern, Patrice; Toner, Gerald; Weinstein, Jason; Andres, Greg; Trusty, James; Pope, Amy; Buretta, John
Cc: Metz, Thomas R. (FBI); Stewart, Robert M. (FBI); LaPlante, Michael J. (FBI); Pichla, Michael F. (FBI); Phillips, Dean (FBI)
Subject: OCGS Weekly Report

See attached. Thanks.

Thomas P. Ott
Deputy Chief
Organized Crime & Racketeering Section
Criminal Division
U.S. Department of Justice
Washington, D.C.

RC-1 (tlesk)
(well)

HOCR DOJ 002864

DOJ-FF-60817

U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: The Attorney General
The Acting Deputy Attorney General

FROM: Lanny A. Breuer
Assistant Attorney General

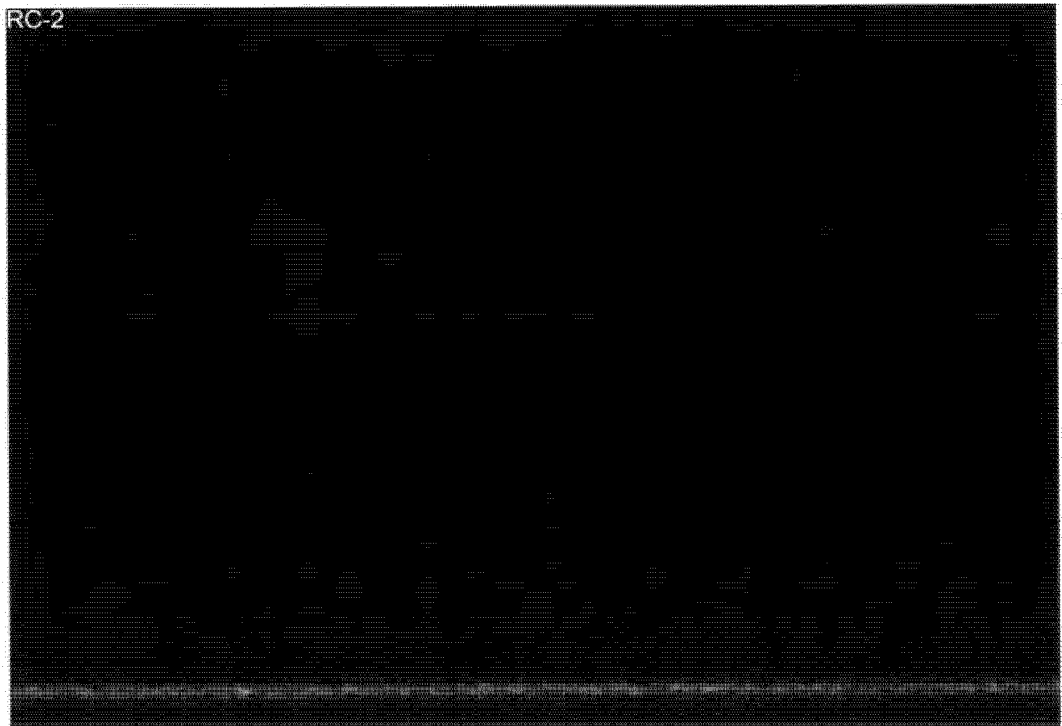
DATE: Week of November 1, 2010

RE: Weekly Report

I. SIGNIFICANT UPCOMING EVENTS

A. Litigation

1. *Indictments/Investigations*



RC-2 [Redacted]

B. Policy and Legislative Work

RC-2 [Redacted]

C. Public Events/Speeches/Presentations

RC-2 [Redacted]

II. SIGNIFICANT RECENT EVENTS

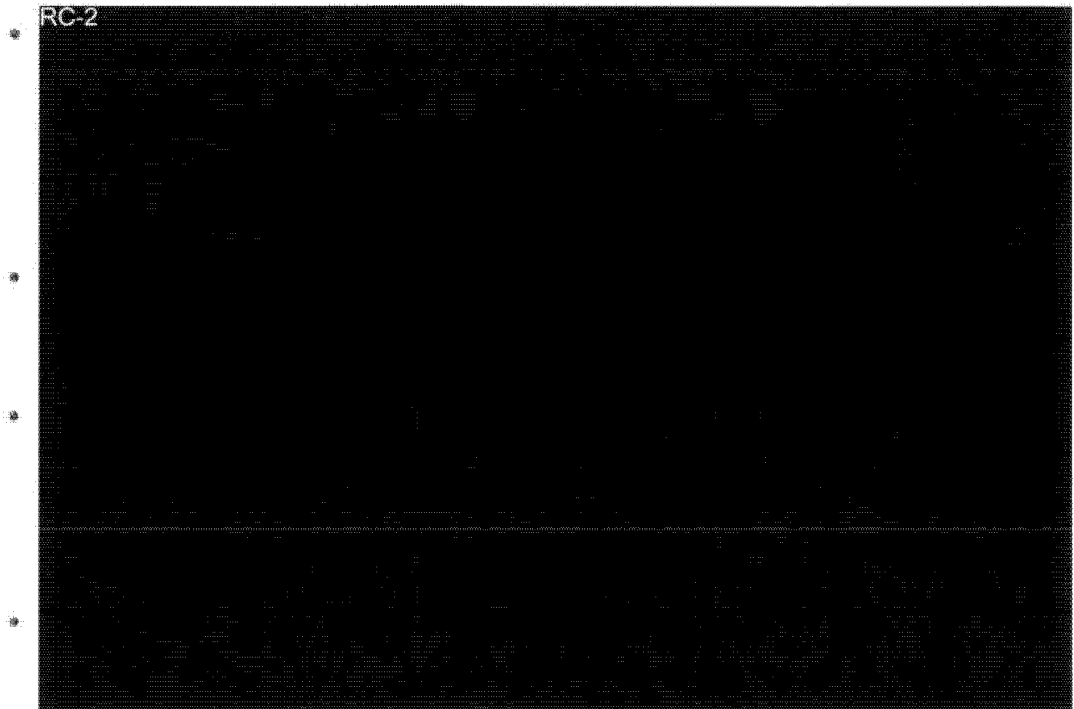
A. Litigation

1. Indictments/Investigations

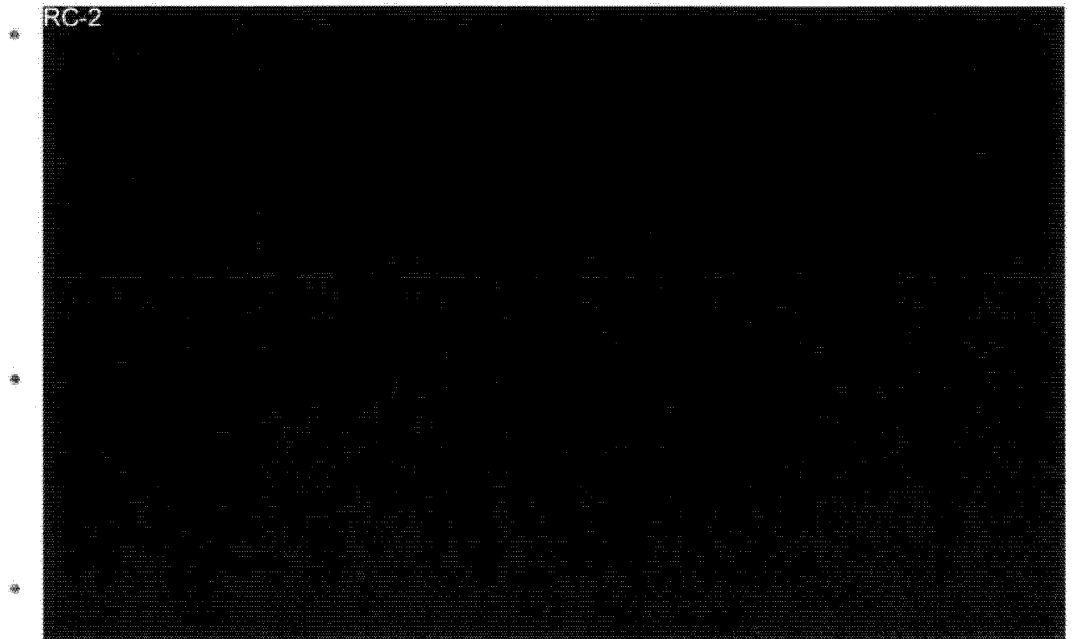
RC-2 [Redacted]

- *Tucson-Gun Trafficking (D. Ariz.):* On October 27, the Organized Crime and Gang Section (OCCS) indicted eight individuals under seal relating to the

trafficking of 228 firearms to Mexico. The sealing will likely last until another investigation, Phoenix-based "Operation Fast and Furious," is ready for takedown.



2. *Guilty Pleas*



RC-1

From: Weinstein, Jason
Sent: Monday, November 08, 2010 2:51 PM
To: Weinstein, Jason

RC-2

RC-2

Fast/Furious = 2 more months?

HOCR DOJ 002868

DOJ-FF-60821

RC-1

From: Weinstein, Jason
Sent: Monday, November 08, 2010 10:41 PM
To: Pope, Amy
Cc: Trusty, James; Raman, Mythili
Subject: RE: are you pulling together any materials

Based on my conversations with Billy, here is what the meeting with Ken and Mark Chait appears to be about:

1. Briefing on the follow-up to our Mexico trip

- RC-2
-
-
-
-
-

2. Drop-off in U.S. prosecutions for firearms trafficking

- RC-2
-
-

RC-2

[REDACTED]

- Ken is also frustrated by the pace of the USAO in AZ in bringing charges in the "Fast and Furious" gun-trafficking case (multiple RC-3 huge # of guns) -- the AUSA has apparently told the agents that it will take a couple of months to draft the indictment; it appears that the AUSA on the case is not the fastest worker, and Laura Gwinn, our prosecutor on the case, is going to try to push things along including by offering to draft the indictment.

RC-2

[REDACTED]

From: Pope, Amy
Sent: Monday, November 08, 2010 4:51 PM
To: Weinstein, Jason
Subject: are you pulling together any materials

On ATF mtg for tomorrow?

Amy E. Pope - U.S. Department of Justice, Deputy Chief of Staff and Counselor to the Assistant Attorney General, Criminal Division | RC-1

HOCR DOJ 002870

DOJ-FF-60823

From: Smith, Brad (ODAG) <RC-1 >
Sent: Thursday, December 16, 2010 1:50 PM
To: Hoover, William J. (ATF) <RC-1 >, Michalic, Mark (ODAG) <RC-1 >
Subject: RE: New Microsoft Office Word Document

Thanks, Billy.

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 1:48 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: FW: New Microsoft Office Word Document

Brad and Mark,

Here are two briefing papers re AZ. The first will give you an update on our Fast and Furious investigation. The second, labeled New Microsoft Word Document, gives you the information re the firearms recovered at the scene of the homicide of the CBP Officer.

Please call if you have any questions.

Billy

William J. Hoover
Deputy Director
Bureau of Alcohol, Tobacco, Firearms & Explosives
O) RC-1

From: McMahon, William G.
Sent: Thursday, December 16, 2010 1:25 PM
To: Hoover, William J.; Chait, Mark R.
Subject: FW: New Microsoft Office Word Document

Billy and Mark,

Attached are the following:

1. One pager regarding the Subject Jaime AVILA Jr. and

HOCR DOJ 002871

DOJ-FF-60824

2. The December briefing paper regarding the Fast and Furious investigation.

Thanks,

Bill

HOCR DOJ 002872

DOJ-FF-60825

From: Michalic, Mark (ODAG) <RC-1 [REDACTED]>
Sent: Thursday, December 16, 2010 2:37 PM
To: Hoover, William J. (ATF) <RC-1 [REDACTED]>, Smith, Brad (ODAG) <RC-1 [REDACTED]>
Subject: RE: New Microsoft Office Word Document

That would be greatly appreciated.

Thank you.

Mark

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 2:24 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: Re: New Microsoft Office Word Document

Brad and Mark,

I am going to have these BP's put in a better format for you to provide to the DAG if you choose to. I will get them to you later this afternoon.

Billy

William J. Hoover
Deputy Director
Bureau of Alcohol, Tobacco, Firearms & Explosives
O) RC-1 [REDACTED]

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Smith, Brad (ODAG)
To: Hoover, William J.; Michalic, Mark (ODAG)
Sent: Thu Dec 16 13:49:40 2010
Subject: RE: New Microsoft Office Word Document

Thanks, Billy

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 1:48 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: FW: New Microsoft Office Word Document

Brad and Mark,

HOCR DOJ 002873

DOJ-FF-60826

Here are two briefing papers re AZ. The first will give you an update on our Fast and Furious investigation. The second, labeled New Microsoft Word Document, gives you the information re the firearms recovered at the scene of the homicide of the CBP Officer.

Please call if you have any questions.

Billy

William J. Hoover

Deputy Director

Bureau of Alcohol, Tobacco, Firearms & Explosives

O) RC-1

From: McMahon, William G.

Sent: Thursday, December 16, 2010 1:25 PM

To: Hoover, William J.; Chait, Mark R.

Subject: FW: New Microsoft Office Word Document

Billy and Mark,

Attached are the following:

1. One pager regarding the Subject Jaime AVILA Jr. and
2. The December briefing paper regarding the Fast and Furious investigation.

Thanks,

Bill

HOCR DOJ 002874

DOJ-FF-60827

From: Smith, Brad (ODAG) <RC-1 [REDACTED]>
Sent: Friday, December 17, 2010 11:58 AM
To: Grindler, Gary (ODAG) <RC-1 [REDACTED]>; Monaco, Lisa (ODAG) <RC-1 [REDACTED]>; Luck, Stacey (ODAG) <RC-1 [REDACTED]>
Cc: Michalic, Mark (ODAG) <RC-1 [REDACTED]>; Johnston, Deborah A. (ODAG) <RC-1 [REDACTED]>
Subject: ATF Update
Attach: RC-2 [REDACTED], December Fast and Furious BP for SAC (2) (2).docx; December Fast and Furious BP Supplemental December 16 2010.docx

<<>> G <<>> a <<>> r <<>> y.

Mark and I just wanted to pass along a few quick ATF-related updates we received from Billy Hoover. We do not believe anything requires immediate action from our office, but we wanted to make sure you were aware of the issues.

RC-2 [REDACTED]

Second, you may recall that a CBP border agent was killed on Tuesday in a firefight in Arizona involving along the Mexican border. Two of the weapons recovered from the scene (AK-47 variants) have been linked to Jaime Avila Jr., a "straw firearms purchaser" that ATF and USAO for Arizona have been investigating since November 2009 as part of its larger "Fast and Furious" operation. (It is not clear if the shots that killed the CBP agent came from the weapons linked to Avila.) ATF agents, assisted by ICE, USMS, and Phoenix police, arrested Avila on Wednesday for falsification of ATF forms, and in a subsequent interview, he admitted to serving as a straw purchaser. The attached background papers, which ATF prepared, provide additional details on the case, if you are interested.

RC-2 [REDACTED]

Thanks,

Brad

HOGR DOJ 002875

DOJ-FF-60828

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Case Background

The Phoenix Group VII Field Office is leading an investigation entitled “Operation Fast & Furious” in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through “straw” purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

RC-3

and many other investigative techniques to further the investigation. Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

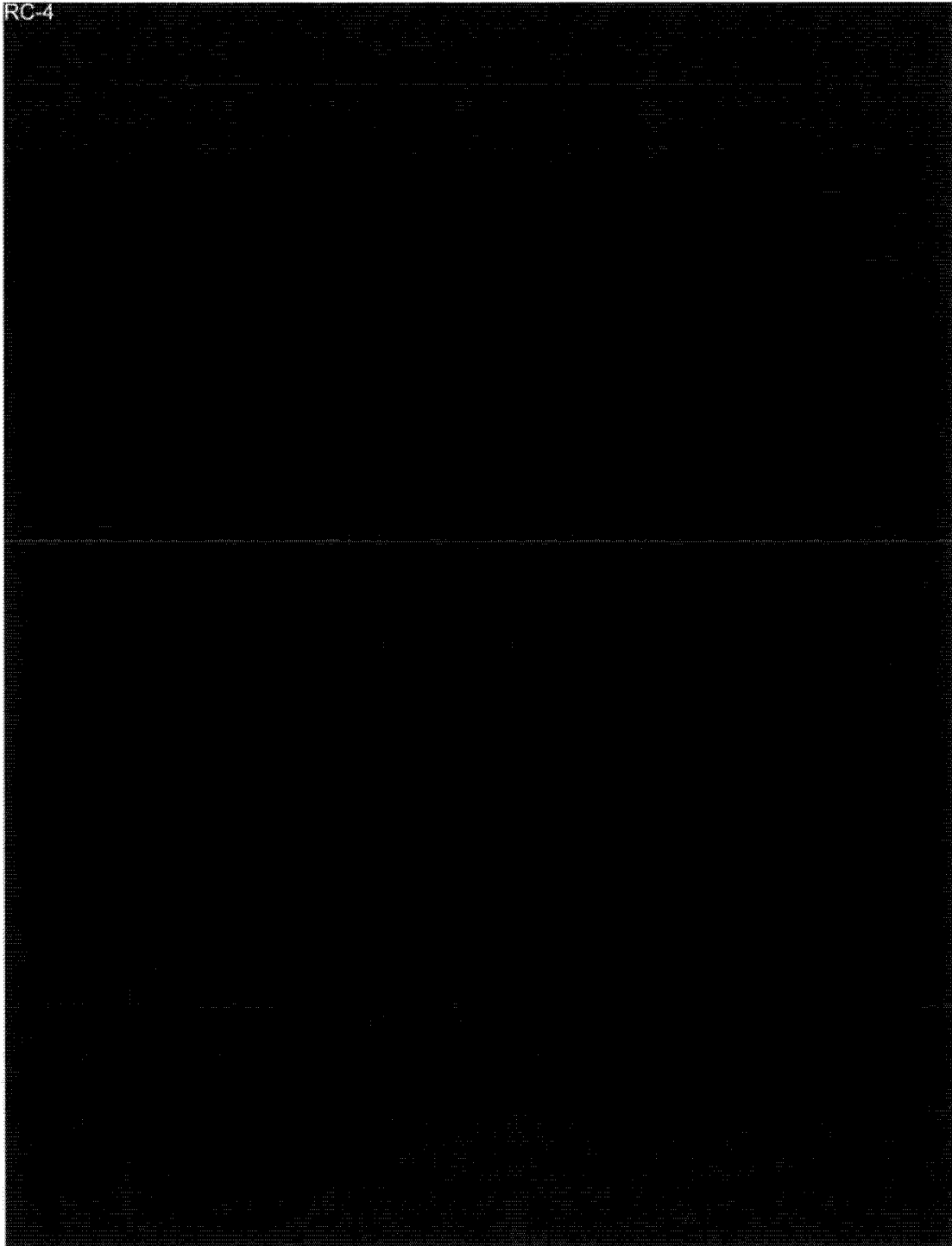
Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of [REDACTED] individuals in this investigation. Agents initially anticipated a first wave of indictments on December 7, 2010. However, in light of additional evidence obtained in support of this investigation and investigative efforts on the part of IRS the first wave of approximately 20 indictments have been pushed back another 30 days. The reasons for this include the very proactive stance the IRS has taken during the past several weeks [REDACTED] RC-3

[REDACTED] RC-3 In addition the USAO has agreed to approve the inclusion of five Federal search warrants. The additional preparation for the search warrants and [REDACTED] RC-3 coupled with available Grand Jury time, has pushed the indictment date to the week of January 10, 2011.

On December 3rd SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

List of Defendants Referred to USAO for Prosecution:



Proposed Charges:

1. Title 18, United States Code, Section 554, Smuggling Goods from the United States;
2. Title 18, United States Code, Section 922(a)(1), Dealing in Firearms without a License;
3. Title 18, United States Code, Section 922(a)(5), Transferring Firearms to a Non-Resident of the State;
4. Title 18, United States Code, Section 922(a)(6) Making a False Statement in Connection with the Acquisition of a Firearm;
5. Title 18, United States Code, Section 924(a)(1)(A) Making a False Statement in Connection with the Acquisition of a Firearm;
6. Title 18, United States Code, Section 924(n), Interstate/International Firearms Trafficking;
7. Title 18, United States Code, Sections 924(c) and 924(o), Use of a Firearm in Furtherance of a Drug Trafficking Offense/Conspiracy to Use a Firearm in Furtherance of a Drug Trafficking Offense;
8. Title 18, United States Code, Section 1343, Wire Fraud;
9. Title 18, United States Code, Section 1956, Money Laundering;
10. Title 18, United States Code, Section 371, Conspiracy to Commit any Offense Against the United States;
11. Title 21, United States Code, Sections 841 and 846, Possession/Conspiracy to Possess a Controlled Substance with Intent to Distribute;
12. Title 21, United States Code, Sections 960 and 963, Import/Conspiracy to Import a Controlled Substance;
13. Title 22, United States Code, Section 2778, Attempt/Export Munitions without a License;
14. Title 31, United States Code, Section 5324, Structuring Transactions to Evade Reporting Requirements; and
15. Title 31, United States Code, Section 5332, Bulk Cash Smuggling;

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Supplemental

On December 15/16, 2010, after the shooting death of U.S. Border Patrol Agent Brian Terry near Rio Rico, Arizona (approx 25 miles north of Nogales) Southern Arizona law enforcement officers/agents responded and conducted a search of the area. This search resulted in the arrest of four individuals. One of them, Manuel Osorio Arellances DOB 8-4-76, was shot in the exchange of gunfire ^{RC-5}
RC-5

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which a complex firearms trafficking organization acquired several hundred firearms was initiated in October 2009 and is being conducted in conjunction with ICE/HSI, IRS, DEA and the Phoenix Police Department.

Due to the "hit" in the Suspect Gun Database the Phoenix Field Division's Field Intelligence Group was notified and confirmed that the two recovered firearms were part of a sale of three Romarm/Cugir AK-47 variant rifles purchased by Jaime AVILA Jr. on January 16, 2010 from Lone Wolf Trading Company in Glendale, Arizona. Jaime Avila Jr. is one of ^{RC-5} straw firearms purchasers identified in the "Fast and Furious" investigation and recommended by ATF for prosecution to the U.S. Attorney's Office in Phoenix, Arizona.

Jaime Avila Jr. is known to have purchased a total of 52 firearms beginning in late November 2009 and ending in mid-June 2010. He had purchased 13 firearms by the time he purchased the three AK-47 variant rifles on January 16, 2010, two of which were recovered near Rio Rico, Arizona on December 16th. The 52 firearms purchased by Jaime Avila Jr. included 17 AK-47 variant rifles, 11 Fabrique National "FN57" 5.7x28mm pistols, 10 9mm pistols, 5 .45 and .40 caliber pistols, 2 Barrett .50 caliber rifles and several other assorted firearms.

Sensitive But Unclassified – For Official Use Only

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located Jaime Avila Jr. and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, Jaime Avila Jr. admitted to ATF agents that he straw purchased these firearms for an unidentified Hispanic male as well as admitted he had used an address of a residence he had not resided in for several years. This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

Jaime Avila Jr. was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).

Sensitive But Unclassified – For Official Use Only

HOCR DOJ 002881



PHOENIX DOMEX QUARTERLY REPORT



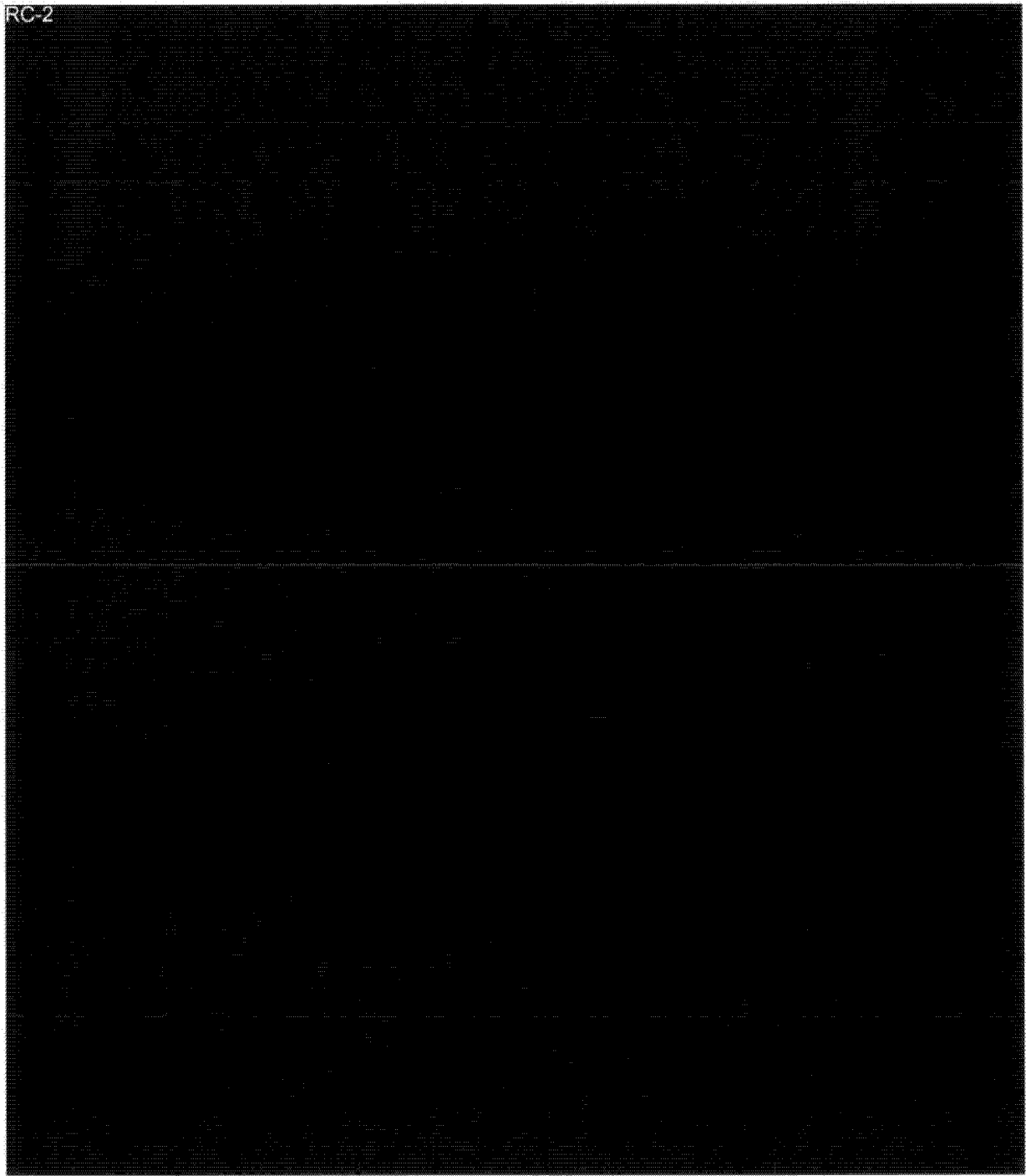
January 2011

The Phoenix DOMEX Team commenced operations on May 17, 2010. The team currently consists of 6 contract analysts, and one NDIC lead Intelligence Research Specialist (IRS). During the 1st quarter of FY-2011, the team completed 2 missions on DEA Priority Target/OCDETF investigations and 2 additional missions are in process. Each investigation contains a strong financial component with an emphasis on the identification of assets and will require additional missions by Phoenix DOMEX. Further, 6 additional PTO/OCDETF investigations have been approved for DOMEX exploitation and are pending. The following are summaries of completed, in-process, and pending Phoenix DOMEX missions:

Completed Missions:

RC-2





Strike Force/ OCDETF Operation Fast and Furious; 78511510-0004; X116708PHX (Phase 2); ATF Case Agent Hope MacAllister

This ATF Strike Force/OCDETF investigation is focused on the firearm trafficking activities of an international weapon-distribution organization based in Arizona. Direct law enforcement

intelligence indicates that this organization is a source of supply for weapons to the Sinaloa Cartel. Information developed by the ATF indicates that over the past year this organization has supplied at least 1,500 firearms to DTOs operating in Mexico. To date, the ATF has identified approximately ^{RC}₅ members and associates of this organization in the Phoenix, AZ area. Phase 2 will involve the analysis of approximately 100 ROIs documenting the purchase of firearms.

RC-1

From: Weinstein, Jason
Sent: Monday, January 03, 2011 7:40 PM
To: Trusty, James
Subject: RE: gun trafficking

RC-2

From: Trusty, James
Sent: Monday, January 03, 2011 1:34 PM
To: Weinstein, Jason
Subject: RE: gun trafficking

I think it makes sense, although I'm a little nervous about how I staff these cases. We're going to have some good gun trafficking stories very soon, with the AZ cases (including the eventual takedown of Fast and Furious) and the RC-2 case, in particular. If we can get the RC-2 charged soon (I'm looking into that) we'd have another big chunk of gun trafficking offenses.

RC-2

RC-2

Jim

From: Weinstein, Jason
Sent: Monday, January 03, 2011 12:53 PM
To: Trusty, James
Subject: gun trafficking

Hey – Lanny asked us to think about ways we can contribute to fighting violent crime in some of the cities identified in the most recent UCR data as having the biggest increase in murders and gun crime, beyond the things we already do. I'll send you the data, but beyond big cities that would never want or accept help (NY, Chicago), there are some where we may be able to help, such as Minneapolis, Madison, WI, Washington, DC, Sacramento, etc.

In any event, I thought we might be able to do two things without a tremendous drain on resources:

- 1) RC-2
- 2)

HOCR DOJ 002885

DOJ-FF-60838

RC-2



RC-2



We could start with one or two market cities as a pilot, and then go from there if it bears fruit. What do you think?

JW

Jason M. Weinstein
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

RC-1

From: Trusty, James
Sent: Tuesday, January 04, 2011 5:13 PM
To: Raman, Mythili
Subject: Re: Phoenix gun trafficking press release

Fast and Furious is usao but they've consulted with Laura and I'm trying to wriggle her in to the case. I don't want to misspeak on the other answers so let me doublecheck.

From: Raman, Mythili
To: Trusty, James; Weinstein, Jason
Sent: Tue Jan 04 17:08:42 2011
Subject: RE: Phoenix gun trafficking press release

How did the summons get issued? How many defendants were served?

Is the Fast and Furious case ours or USAOs?

From: Trusty, James
Sent: Tuesday, January 04, 2011 4:38 PM
To: Weinstein, Jason; Raman, Mythili
Subject: FW: Phoenix gun trafficking press release

To our mild surprise, some defendants in Laura Gwinn's recent indictment have been served with summons to appear in Phoenix tomorrow. This effectively ends the sealing we did on our indictment to allow its unsealing when Fast and Furious comes down. That case is apparently set for indictment 1/19, by the way. I don't think it will have any operational significance for T&F (no flight/obstruction issues stemming from our unsealing).

Call me if you have questions or concerns, but Laura Sweeney wanted me to get in touch with you two.

Jim

From: Sweeney, Laura (SMO) [mailto:[RC-1](#)]
Sent: Tuesday, January 04, 2011 4:24 PM
To: Trusty, James
Subject: FW: Phoenix gun trafficking press release

I think we need to let Jason and Mythili know this may be happening tomorrow - do you want to shoot them an email?

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 4:02 PM
To: Trusty, James (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

HOCR DOJ 002887

DOJ-FF-60840

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:52 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

You know the procedural history of your case considerably better than me or Jaffe - why don't you touch base with Patrick and let him know what is transpiring. If he wants to talk about anything on your case or F&F, tell him I am happy to chat (in fact, tell him I'm planning on calling him this week either way)

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:47 PM
To: Trusty, James; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

That's what I am thinking. Should you or Jaffe touch base with Patrick Cunningham about the change in plan? Or maybe we could just proceed **RC-2** and still do the press release at the same time as F&F?

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:35 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:34 PM
To: Sweeney, Laura (SMO); Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Sweeney, Laura (SMO) [mailto:**RC-1**]
Sent: Tuesday, January 04, 2011 1:32 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 1:27 PM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Projected withdrawal of **RC-1**

HOCR DOJ 002888

DOJ-FF-60841

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 12:08 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Hi Laura - any word from Phoenix?

From: Gwinn, Laura (CRM)
Sent: Thursday, December 30, 2010 11:26 AM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: Re: Phoenix gun trafficking press release

I haven't heard anything from Phx on Fast n Furious timing. Will try to remember to email them next week (when I get back from vacation)

Sent from Blackberry

Laura Gwinn

US Dept of Justice Gang Unit

RC-1 (c)

From: Sweeney, Laura (SMO) [mailto:RC-1]
To: Trusty, James; Gwinn, Laura
Cc: Jaffe, David; Finelli, Alisa (SMO) <RC-1>
Sent: Thu Dec 30 11:21:51 2010
Subject: RE: Phoenix gun trafficking press release

Any more updates on timing for this?

From: Trusty, James (CRM)
Sent: Tuesday, December 21, 2010 5:08 PM
To: Gwinn, Laura (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM)
Subject: RE: Phoenix gun trafficking press release

That's the Fast and Furious case, that has been "poised for indictment" for some time now, but hopefully they'll truly get to the finish line next month.

From: Gwinn, Laura
Sent: Tuesday, December 21, 2010 5:07 PM
To: Sweeney, Laura (SMO)
Cc: Jaffe, David; Trusty, James
Subject: Phoenix gun trafficking press release

Laura

RC-2 Phx USAO is going to be doing a HUGE gun trafficking indictment, perhaps near end of Jan, and they wanted to combine any press on mine with that one, since they are tangentially related. Supposedly the AG will be coming out for that big indictment. I will still send you the basics, ala the

HOCR DOJ 002889

DOJ-FF-60842

RC-2 [redacted] template you sent back to me. But there will need to be coordination with the press office here in Phx or however you do it.

Laura Gwynn
US Dept of Justice Gang Unit

RC-1 [redacted] (C)

RC-1

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 5:18 PM
To: Trusty, James
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Trusty, James
Sent: Tuesday, January 04, 2011 5:14 PM
To: Gwinn, Laura
Subject: Fw: Phoenix gun trafficking press release

Can you answer the first two to me and I will respond to Mythil.

From: Raman, Mythili
To: Trusty, James; Weinstein, Jason
Sent: Tue Jan 04 17:08:42 2011
Subject: RE: Phoenix gun trafficking press release

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Call me if you have questions or concerns, but Laura Sweeney wanted me to get in touch with you two.

Jim

From: Sweeney, Laura (SMO) [mailto:**RC-1**]
Sent: Tuesday, January 04, 2011 4:24 PM
To: Trusty, James
Subject: FW: Phoenix gun trafficking press release

I think we need to let Jason and Mythil know this may be happening tomorrow - do you want to shoot them an email?

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 4:02 PM

HOCR DOJ 002891

DOJ-FF-60844

To: Trusty, James (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:52 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

You know the procedural history of your case considerably better than me or Jaffe – why don't you touch base with Patrick and let him know what is transpiring. If he wants to talk about anything on your case or F&F, tell him I am happy to chat (in fact, tell him I'm planning on calling him this week either way)

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Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

That's what I am thinking. Should you or Jaffe touch base with Patrick Cunningham about the change in plan? Or maybe we could just proceed RC-2 and still do the press release at the same time as F&F?

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:35 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
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Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:34 PM
To: Sweeney, Laura (SMO); Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 1:32 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

HOCR DOJ 002892

DOJ-FF-60845

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 1:27 PM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Projected indictment of Jan. 19

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 12:08 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Hi Laura - any word from Phoenix?

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I haven't heard anything from Phx on Fast n Furious timing. Will try to remember to email them next weeeek (when I get back from vacation).

Sent from Blackberry

Laura Gwinn

US Dept of Justice Gang Unit

RC-1 (c)

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To: Trusty, James; Gwinn, Laura
Cc: Jaffe, David; Finelli, Alisa (SMO) <RC-1>
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Subject: RE: Phoenix gun trafficking press release

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Sent: Tuesday, December 21, 2010 5:08 PM
To: Gwinn, Laura (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM)
Subject: RE: Phoenix gun trafficking press release

That's the Fast and Furious case, that has been "posed for indictment" for some time now, but hopefully they'll truly get to the finish line next month.

From: Gwinn, Laura
Sent: Tuesday, December 21, 2010 5:07 PM
To: Sweeney, Laura (SMO)

HOCR DOJ 002893

DOJ-FF-60846

Cc: Jaffe, David; Trusty, James

Subject: Phoenix gun trafficking press release

Laura

RC-2 Phx USAO is going to be doing a HUGE gun trafficking indictment, perhaps near end of Jan, and they wanted to combine any press on mine with that one, since they are tangentially related. Supposedly the AG will be coming out for that big indictment. I will still send you the basics ala the RC-2 template you sent back to me. But there will need to be coordination with the press office here in Phx, or however you do it.

Laura Cowan

US Dept of Justice Gang Unit

RC-1 (C)

HOCR DOJ 002894

DOJ-FF-60847

RC-1

From: Trusty, James
Sent: Wednesday, January 19, 2011 1:43 PM
To: Lurie, Adam
Subject: RE: meeting with RC-1
Attachments: SWB DAG TPs 1 18 11 rev.wpd

Some TPs for the DAG meeting -- Jason said to forward. Call me when you have a second. RC-1

From: Lurie, Adam
Sent: Wednesday, January 12, 2011 8:22 PM
To: Weinstein, Jason
Cc: Trusty, James
Subject: Re: meeting with RC-1

Good idea. If there are any matters in particular that you would like him to brag about, please send it my way.

From: Weinstein, Jason
To: Lurie, Adam
Cc: Trusty, James
Sent: Wed Jan 12 20:08:38 2011
Subject: RE: meeting with RC-1

There isn't really any single document I can think of, although you can get a good overview from the press releases on the gang unit's web page. CC'ing Jim to see if he has other ideas.

From: Lurie, Adam
Sent: Wednesday, January 12, 2011 5:50 PM
To: Weinstein, Jason
Subject: meeting with RC-1

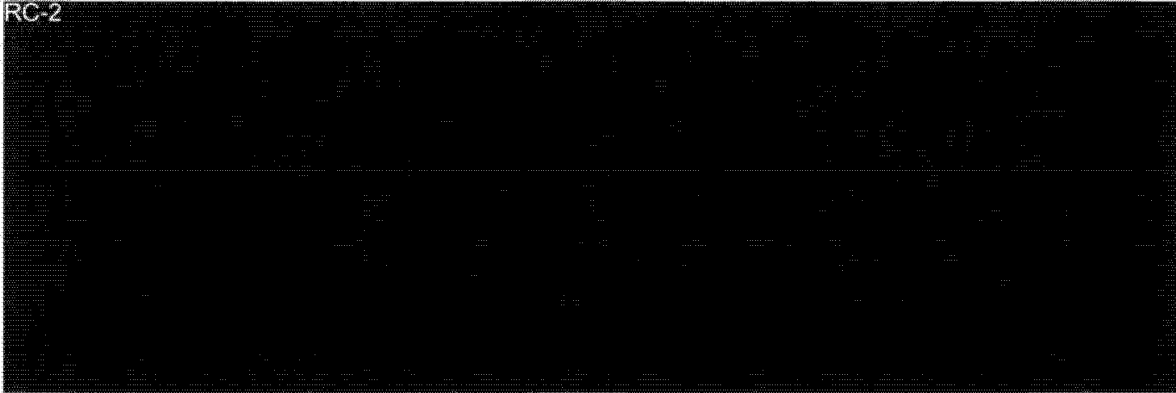
Jason,

Lanny will be meeting with RC-1 possibly next week, who has shown interest in gang prosecutions, and there is a possibility that RC-1 may ask about CRM's gang work. Any chance you can point me to a resource from which I can pull some CRM "successes"?

HOCR DOJ 002895

DOJ-FF-60848


RC-2

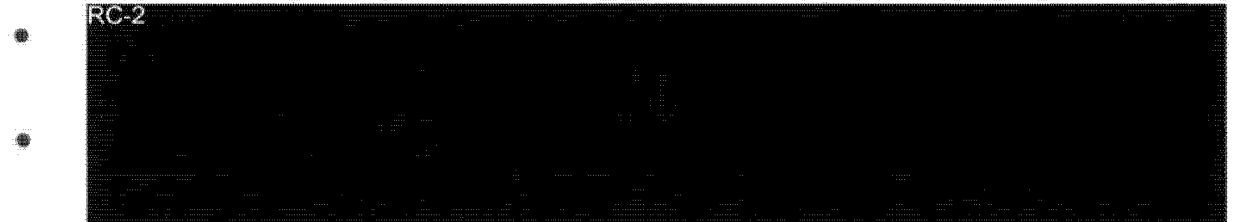


Arizona Gun Trafficking

- The Gang Unit is working closely with the USAO in Arizona on a number of gun trafficking cases, including the following:



- On Oct. 27th, we indicted 8 defendants under seal on for trafficking 228 firearms to Mexico. The sealing will likely last until such time as the Phoenix-based "Operation Fast and Furious" is ready for takedown. That investigation has spanned  and likely involved thousands of firearms. Fast and Furious indictment is set for Jan. 19th.



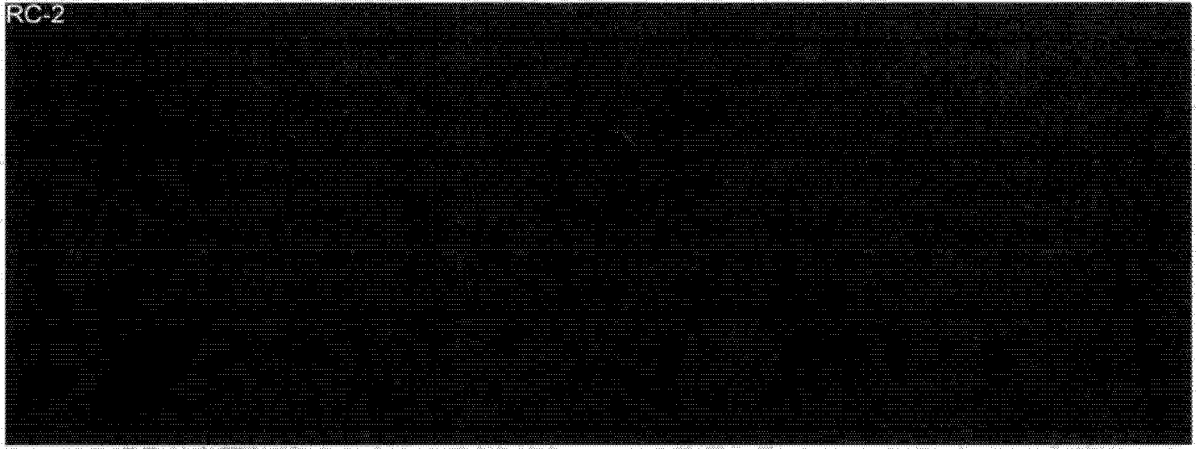
Training



1/24/11

□

RC-2



□

□

Anna

Fast & Furious

15 Δ s. = 1300 -- 6001

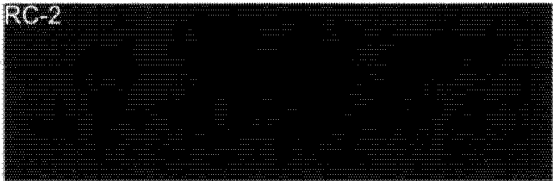
lent sack

Lucy Ann

Our case = 8 Δ s

Stems 40 Assault type weapon

RC-2



From: Weich, Ron (OLA)
To: Gaston, Molly (OLA)
Sent: 10/3/2011 9:13:38 AM
Subject: Re: Friday's production

Good, thx.

From: Gaston, Molly (OLA)
Sent: Monday, October 03, 2011 09:00 AM
To: Weich, Ron (OLA)
Subject: RE: Friday's production

DP

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 8:53 AM
To: Gaston, Molly (OLA)
Subject: Re: Friday's production

This is ODAG/CRM, right? And are we planning to send ATF wrap up letter today?

From: Gaston, Molly (OLA)
Sent: Monday, October 03, 2011 08:43 AM
To: Reich, Steven (ODAG)
Cc: Weich, Ron (OLA)
Subject: Friday's production

This was sent to Issa, Cummings, Grassley, Leahy, Smith, and Conyers staff Friday night.

Molly Gaston

Office of Legislative Affairs

U.S. Department of Justice

Office: (202) 305-9134 | Cell: (202) 532-3346

<<PRODUCED 9-30 (2801 - 2897).pdf>>

From: Gaston, Molly (OLA)
To: Weich, Ron (OLA)
Sent: 10/3/2011 11:39:41 AM
Subject: RE: pls let me know as you reach the staffers about the inaccurate CRM document.

And just talked to Grassley staff.

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 11:29 AM
To: Gaston, Molly (OLA)
Subject: RE: pls let me know as you reach the staffers about the inaccurate CRM document.

Thx.

From: Gaston, Molly (OLA)
Sent: Monday, October 03, 2011 11:27 AM
To: Weich, Ron (OLA)
Subject: RE: pls let me know as you reach the staffers about the inaccurate CRM document.

Have talked to Issa, Smith, Leahy, and Conyers staff; have left messages for Grassley and Cummings staff.

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 11:17 AM
To: Gaston, Molly (OLA)
Subject: pls let me know as you reach the staffers about the inaccurate CRM document.

From: Lumpkin, Beverley (OPA)
To: Grindler, Gary (OAG)
Sent: 10/3/2011 9:47:14 PM
Subject: Re: fyi: ATF/F&F

Sorry, I've been offline...

The lead-in was quite lurid: AG knew about FandF well before he testified based on these new memos... From NDIC (?!) and AAG Breuer. Sounded like component weekly memos.

But then they backed away halfway through and put in caveats and DOJ saying AG had heard the name of the op but knew no details.

So the headline was ugly but the story oddly lacking. I have a geek on my computer now but will try to get transcript.

From: Grindler, Gary (OAG)
Sent: Monday, October 03, 2011 07:06 PM
To: Lumpkin, Beverley (OPA)
Subject: RE: fyi: ATF/F&F

What did it say?

From: Lumpkin, Beverley (OPA)
Sent: Monday, October 03, 2011 5:58 PM
To: Grindler, Gary (OAG)
Subject: fyi: ATF/F&F

Bad story coming on CBS Evening News tonight.

From: Grindler, Gary (OAG)
To: Lumpkin, Beverley (OPA)
Sent: 10/4/2011 6:40:11 AM
Subject: RE: fyi: ATF/F&F

Thanks very much.

From: Lumpkin, Beverley (OPA)
Sent: Monday, October 03, 2011 9:47 PM
To: Grindler, Gary (OAG)
Subject: Re: fyi: ATF/F&F

Sorry, I've been offline...

The lead-in was quite lurid: AG knew about FandF well before he testified based on these new memos... From NDIC (!) and AAG Breuer. Sounded like component weekly memos.

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What did it say?

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Sent: Monday, October 03, 2011 5:58 PM
To: Grindler, Gary (OAG)
Subject: fyi: ATF/F&F

Bad story coming on CBS Evening News tonight.

From: Kellner, Kenneth E. (OLA)
To: Reich, Steven (ODAG); Burton, Faith (OLA); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Sent: 10/3/2011 4:45:09 PM
Subject: Re: Initial Draft Outline for HSGAC Briefing

I will contact DHS regarding their components.

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 04:37 PM
To: Burton, Faith (OLA); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Cc: Kellner, Kenneth E. (OLA)
Subject: RE: Initial Draft Outline for HSGAC Briefing

More than one. And, we need to have one with the other agencies that will participate.

From: Burton, Faith (OLA)
Sent: Monday, October 03, 2011 4:16 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Cc: Kellner, Kenneth E. (OLA)
Subject: Re: Initial Draft Outline for HSGAC Briefing

We shld have a pre-meet on this. Adding Ken.

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 03:34 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Subject: Initial Draft Outline for HSGAC Briefing

Set forth below is an initial draft outline for the HSGAC briefing. Please feel free to edit or revise, including topics I may have missed.

Topics to be covered:

DP

DP

Steven F. Reich

Associate Deputy Attorney General

United States Department of Justice

950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Weich, Ron (OLA)
To: Kellner, Kenneth E. (OLA)
Sent: 10/3/2011 4:47:22 PM
Subject: RE: Initial Draft Outline for HSGAC Briefing

Hold off for a bit – I'm communicating with Faith about next steps.

From: Kellner, Kenneth E. (OLA)
Sent: Monday, October 03, 2011 4:45 PM
To: Reich, Steven (ODAG); Burton, Faith (OLA); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Subject: Re: Initial Draft Outline for HSGAC Briefing

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From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 04:37 PM
To: Burton, Faith (OLA); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Cc: Kellner, Kenneth E. (OLA)
Subject: RE: Initial Draft Outline for HSGAC Briefing

More than one. And, we need to have one with the other agencies that will participate.

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Sent: Monday, October 03, 2011 4:16 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
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Sent: Monday, October 03, 2011 03:34 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Subject: Initial Draft Outline for HSGAC Briefing

Set forth below is an initial draft outline for the HSGAC briefing. Please feel free to edit or revise, including topics I may have missed.

Topics to be covered:

DP

DP

Steven F. Reich

Associate Deputy Attorney General

United States Department of Justice

950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Kellner, Kenneth E. (OLA)
To: Weich, Ron (OLA)
Sent: 10/3/2011 4:59:27 PM
Subject: Re: Initial Draft Outline for HSGAC Briefing

Okay I will stand by. I am at ATF with Molly now, so email is best to reach us.

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 04:47 PM
To: Kellner, Kenneth E. (OLA)
Subject: RE: Initial Draft Outline for HSGAC Briefing

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Sent: Monday, October 03, 2011 4:45 PM
To: Reich, Steven (ODAG); Burton, Faith (OLA); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Subject: Re: Initial Draft Outline for HSGAC Briefing

I will contact DHS regarding their components.

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950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Weich, Ron (OLA)
To: Kellner, Kenneth E. (OLA)
Sent: 10/3/2011 5:06:02 PM
Subject: RE: Initial Draft Outline for HSGAC Briefing

I spoke to Faith, and the next step is for you and I to call the HSGAC staffer. Let's do that tomorrow AM – look for me.

From: Kellner, Kenneth E. (OLA)
Sent: Monday, October 03, 2011 4:59 PM
To: Weich, Ron (OLA)
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DP

Steven F. Reich

Associate Deputy Attorney General

United States Department of Justice

950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Admin. Assistant
To: Weich, Ron (OLA); Burton, Faith (OLA); Reich, Steven (ODAG); Gaston, Molly (OLA); Richardson, Margaret (OAG); Colborn, Paul P (OLC)
Sent: 10/3/2011 6:13:13 PM
Subject: FW: DOJ Response to Chairman Issa's and Senator Grassley's Letter of 7/11
Attachments: Chairman Issa and Senator Grassley 9 30 11.pdf; PRODUCED 9-30 (2801 - 2897).pdf

FYI ... this was Friday's (9/30/11) production to HOCR. Thanks Admin. Assistant

From: Gaston, Molly (OLA)
Sent: Friday, September 30, 2011 07:37 PM
To: Castor, Stephen (Stephen.Castor@mail.house.gov) <Stephen.Castor@mail.house.gov>; 'Pinto, Ashok' <Ashok.Pinto@mail.house.gov>; 'Kerner, Henry' <Henry.Kerner@mail.house.gov>; 'Foster, Jason (Judiciary-Rep)' <Jason_Foster@judiciary-rep.senate.gov>; 'CEG (Judiciary-Rep)' <CEG@judiciary-rep.senate.gov>; 'dave.rapallo@mail.house.gov' <dave.rapallo@mail.house.gov>; 'Grooms, Susanne Sachsman' <Susanne.Grooms@mail.house.gov>; 'Sherman, Donald' <Donald.Sherman@mail.house.gov>; 'jeremy_paris@judiciary-dem.senate.gov' <jeremy_paris@judiciary-dem.senate.gov>; 'Virkstis, Matthew (Judiciary)' <Matthew_Virkstis@Judiciary-dem.senate.gov>; 'chan_park@judiciary-dem.senate.gov' <chan_park@judiciary-dem.senate.gov>; 'Maggie_Whitney@Judiciary-dem.senate.gov' <Maggie_Whitney@Judiciary-dem.senate.gov>
Cc: Burton, Faith (OLA); Kellner, Kenneth E. (OLA)
Subject: DOJ Response to Chairman Issa's and Senator Grassley's Letter of 7/11

Attached please find a letter from DOJ in response to Chairman Issa's and Senator Grassley's letter of 7/11/11, and accompanying documents.

As you review the documents, I think you'll see that there appears to be some confusion in a couple sets of talking points we're producing, and I'd welcome the opportunity to talk the issue through with you. I'm available this weekend on the cell below, or at the office on Monday.

Many thanks,
Molly

Molly Gaston

Office of Legislative Affairs

U.S. Department of Justice

Office: (202) 305-9134 | Cell: (202) 532-3346

<<Chairman Issa and Senator Grassley 9 30 11.pdf>> <<PRODUCED 9-30 (2801 - 2897).pdf>>

RC-1

From: Cooley, Joseph
Sent: Monday, March 01, 2010 1:06 PM
To: Hurley, Emory (USAAZ)
Subject: FW: Firearms Investigation

Emory,

I was just informed that you are the AUSA assigned to this case. The ATF Director asked that the DOJ Criminal Division provide assistance in the Mexican Firearms Trafficking cases. I have been assigned to this matter. Please contact me at your earliest convenience.

JAC

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell: RC-1
Office: RC-1
Fax: RC-1

From: Gillett, George T., Jr. [mailto:RC-1]
Sent: Monday, March 01, 2010 12:59 PM
To: Cooley, Joseph; Voth, David J.
Cc: O'Keefe, Kevin C.; MacAllister, Hope A.; Hurley, Emory (USAAZ)
Subject: RE: Firearms Investigation

Mr. Cooley –

The investigation you are referring to has been dubbed, "The Fast and Furious." This is an approved OCDEF investigation. I will have group supervisor David Voth coordinate with you to meet on this investigation. There is a briefing scheduled at 1:00 PM on Friday, May 5, at ATF Headquarters on this and other active, southwest border investigations. It may be most effective (if your schedule permits) to attend this briefing. However, I will have Mr. Voth contact you on your cell phone to coordinate a meeting with you before the briefing so you can be completely up to speed.

Please don't hesitate to contact me if you have further questions/concerns.

George T. Gillett
Assistant Special Agent in Charge
ATF Phoenix Field Division
Office: RC-1

From: Cooley, Joseph [mailto:RC-1]
Sent: Monday, March 01, 2010 10:43 AM
To: Gillett, George T., Jr.; Voth, David J.
Cc: O'Keefe, Kevin C.
Subject: Firearms Investigation

Carla...

HOCR DOJ 002801

DOJ-FF-60870

At the request of AFI Headquarters, Gang Unit has agreed to assist in the Firearms Trafficking into Mexico investigations. Earlier this year, I was assigned to this task. I just finished up a trial last week and I am now available to provide any assistance needed. I understand that the case agent working out the Phoenix Office is Hopa McAllister. I could not find her in the email directory. Please have her contact me at her earliest convenience.

JAC

Joseph A. Cooley

Trial Attorney

Gang Unit

Department of Justice

850 Pennsylvania Ave. N.W., Suite RC-1

Washington, DC 20530

Cell RC-1

Office RC-1

Fax RC-1

HOCR DOJ 002802

DOJ-FF-60871

RC-1

From: Carwile, Kevin
Sent: Thursday, March 04, 2010 5:35 PM
To: Weinstein, Jason; Raman, Mythili; Fagell, Steven
Subject: weekly report for Gang Unit
Attachments: Gang Unit Update_3-4-10.docx

Please see attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002803

DOJ-FF-60872



U.S. Department of Justice

Criminal Division

Gang Unit

*959 Pennsylvania Avenue, N.E.
Washington, D.C. 20530*

March 4, 2010

MEMORANDUM

TO: Jason M. Weinstein, DAAG
Mythili Raman, Principal DAAG/Chief of Staff
Steven E. Fagell, Deputy Chief of Staff

FROM: P. Kevin Carwile, Chief, Gang Unit

SUBJECT: Gang Unit Update for March 4, 2010

I. Significant Accomplishments of the Past Week:

• RC-2



II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, Including Significant Litigation Matters That Have Upcoming Court Deadlines in the Next Week or Two:

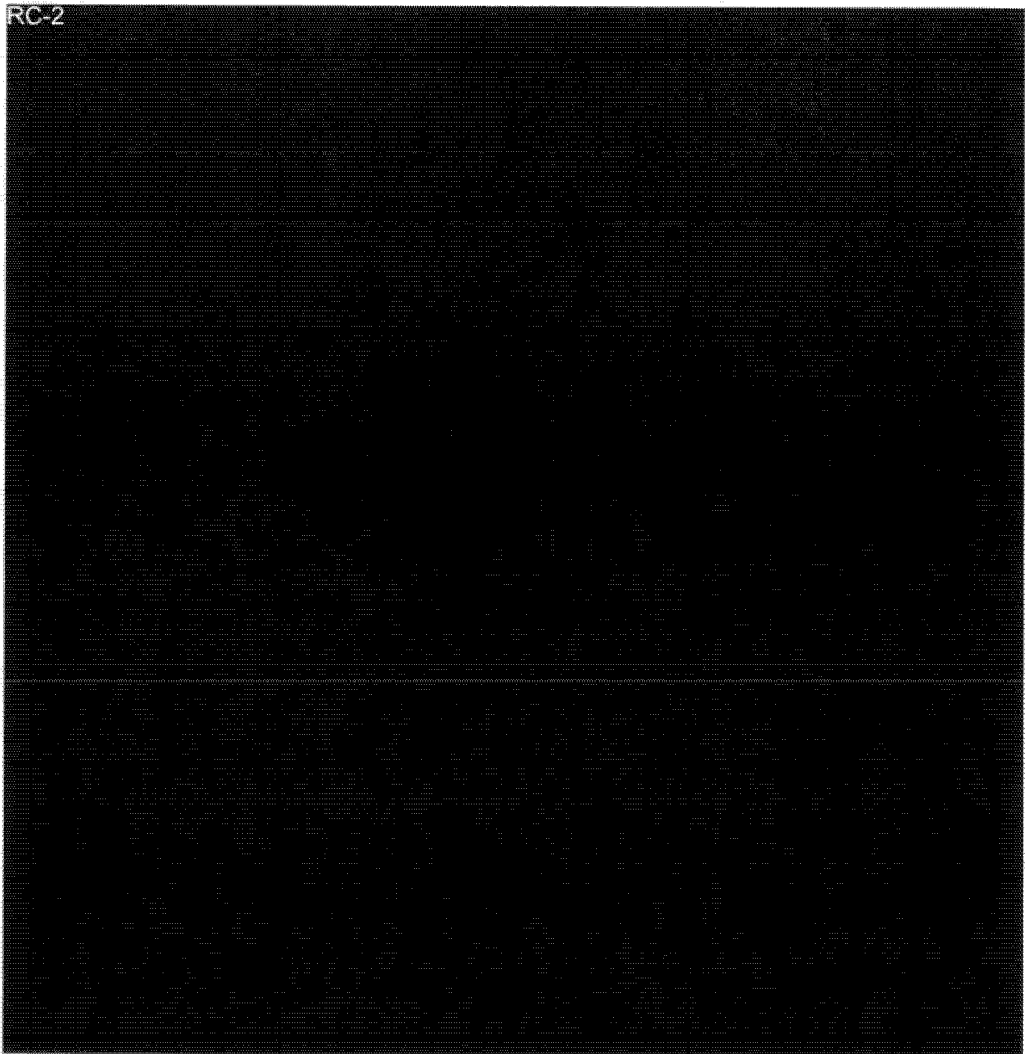
• RC-2



HOCR DOJ 002804

DOJ-FF-60873

RC-2



• **Southwest Border Firearms Initiative:** On March 1, GU met with ATF HQ to be briefed on developments in Operation *Fast and Furious* and various firearms trafficking investigations based in Phoenix, AZ. RC-2

RC-2



RC-1

From: Cooley, Joseph
Sent: Thursday, March 04, 2010 5:56 PM
To: O'Keefe, Kevin C. (ATF)
Subject: RE: Debriefing at ATF Tomorrow

Will do. Thanks.

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell RC-1
Fax

From: O'Keefe, Kevin C. [mailto:RC-1]
Sent: Thursday, March 04, 2010 5:51 PM
To: Cooley, Joseph
Subject: RE: Debriefing at ATF Tomorrow
Importance: High

Joe - my apologies for not reaching out to you personally on this, running in circles. I realize our Phoenix guys had talked to you. Yes, please stop by. Dave, along with my analysts here in HQ will be briefing. It will be much more detailed than what I gave you on Monday. We will also have VTC with our SAC in Phoenix, Dallas and Houston. It is set for 2 pm. Give me a buzz when you get here and I'll get you up to our 7th Floor Conf Room. See you tomorrow.

Kevin O'Keefe
Chief Criminal Intel Div

RC-1
From: Cooley, Joseph [mailto:RC-1]
Sent: Thursday, March 04, 2010 5:07 PM
To: O'Keefe, Kevin C.
Subject: Debriefing at ATF Tomorrow

Kevin,

I spoke with Dave Voith who indicated that he was giving a briefing tomorrow on Operation Past and Furious. He and George Gillett suggested that I attend. I wanted to run this past you to make sure it was okay. I believe it was set for 2 pm.

JAC

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell RC-1
Fax

HOCR DOJ 002806

DOJ-FF-60875

3/5/10

Bringing @ ATF

East + Tannins A2

→ 1006

1000 guns since 9/09

Shawn Stewart

(pardon and all that)

2000 → or new guns since

241

2049, —

11/20/09

woman in MX

→ 41 firearms seized

12/03/09 Noyales, A2

4 firearms
of amount

Shawn Stewart

12/09/09 Douglas, A2 - 7

12/9/09

Mexicali, Baja Cal
12 tons of money (pair)
(warehouse)

41 guns seized

12/18/09

Myrna, Baja

12/21/09 Phoenix, AZ

1/8/10

1/13/10 El Paso
again

Behind the
Acosta
Stewart trap
to El Paso

person in study down connected
w/ sandripping crew

2/21/10 Luba, AZ

Op Wide Receiver → Laura
Gowan

→ Start House

two firearms

(Epic provided GPS)

2/25/10

Pignone Bags

→ all AKs converted to
full auto

RC-1

From: Cooley, Joseph
Sent: Monday, March 08, 2010 5:34 PM
To: Reeves, Bryan N.
Subject: RE: Southwest Border Firearms Initiative

+ Southwest Border Firearms Initiative: RC-2
RC-2 On March 5, GU attended a debriefing on the developments in Operation *Fast and Furious*, an extensive firearms trafficking investigation based in Phoenix, AZ. The ATF Dallas and Houston field offices participated via teleconferencing. RC-3
RC-3 (J. Cooley)

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite 7035
Washington, DC 20530
Cell: RC-1
Fax: [REDACTED]

From: Reeves, Bryan N.
Sent: Monday, March 08, 2010 5:17 PM
To: Cooley, Joseph
Subject: Southwest Border Firearms Initiative

Please update and send back.

• Southwest Border Firearms Initiative: On March 1, GU met with ATF HQ to be briefed on developments in Operation *Fast and Furious* and various firearms trafficking investigations based in Phoenix, AZ. RC-2
RC-2 (J. Cooley)

Sincerely,

Bryan M. Reeves
United States Department of Justice
Criminal Division, Gang Unit
Telephone: RC-1
BlackBerry: [REDACTED]

From: Reeves, Bryan N.
Sent: Monday, March 08, 2010 5:07 PM
To: Cooley, Joseph
Subject: weekly update due...

HOCR DOJ 002810


DOJ-FF-60879

Can you update the paragraph below and email it back in the same format with the bolded title/header etc... this makes it easier to cut/paste your reply into the final doc. each week...

RC-2



Sincerely,

Bryan N. Reeves
United States Department of Justice
Criminal Division, Gang Unit
Telephone: RC-1
BlackBerry: 

RC-1

From: Michalic, Vivian B.
Sent: Wednesday, March 10, 2010 5:46 PM
To: Hoover, William J.; Nelson, Kenneth E.
Subject: Agenda for the DAG Meeting

Below is the proposed agenda for this Friday's meeting with the DAG.

RC-2

RC-2

Agenda for ATF and ODAG Meeting, March 12, 2010

RC-2

1.

2.

✓

✓ Phoenix Case - Update on a significant firearms trafficking case

RC-2

✓

✓

Vivian B. Michalic
Chief of Staff
Office of the Director, ATF

RC-1

RC-2

*D Operation Fast-Eunuchs - demand letter for multistate sales on long guns
already vetted through SWB strategic group*

RC-2

RC-1

From: Carwile, Kevin
Sent: Thursday, March 11, 2010 5:46 PM
To: Weinstein, Jason; Raman, Mythil; Fagell, Steven
Cc: Trusty, James
Subject: weekly report
Attachments: Gang Unit Update_3.11.10.docx

See attached

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOGR DOJ 002813

DOJ-FF-60882



U.S. Department of Justice

Criminal Division

Gang Unit

950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

March 11, 2010

MEMORANDUM

TO: Jason M. Weinstein, DAAG
Mythili Raman, Principal DAAG/Chief of Staff
Steven E. Fageil, Deputy Chief of Staff

FROM: P. Kevin Carwile, Chief, Gang Unit

SUBJECT: Gang Unit Update for March 11, 2010

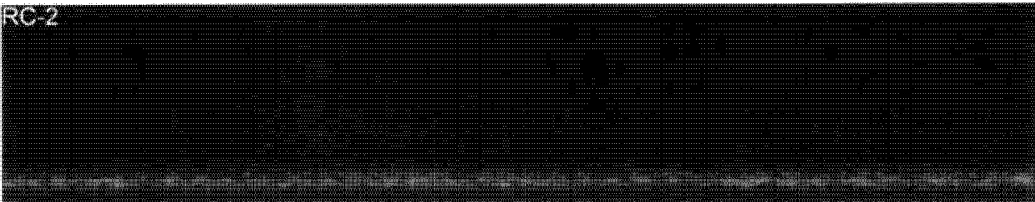
I. Significant Accomplishments of the Past Week:

• RC-2



II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, Including Significant Litigation Matters That Have Upcoming Court Deadlines in the Next Week or Two:

• RC-2



HOCR DOJ 002814

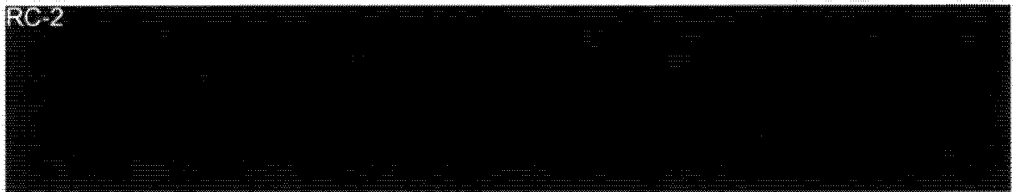
DOJ-FF-60883

RC-2



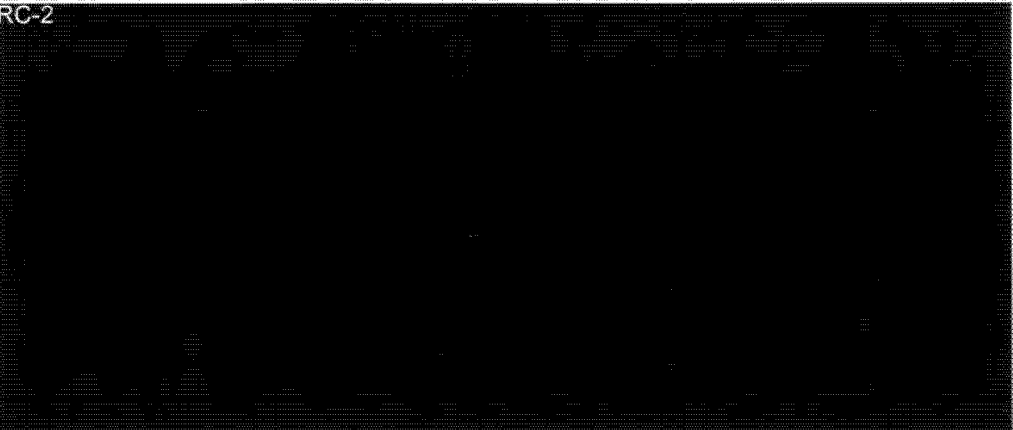
III. Expected Major Legislative or Policy Developments in Next Week or Two:

RC-2



IV. Significant Developments or Deadlines in Interagency Process:

RC-2



V. Significant Speeches or Public Events:

N/A

VI. Status of Other Major Matters/Initiatives/Issues:

- Southwest Border Firearms Initiative: RC-2
RC-2
RC-2 On March 5, GU attended a debriefing of *Operation Fast and Furious*, an extensive firearms trafficking investigation based in Phoenix, Arizona; Dallas and Houston ATF field offices participated via

teleconferencing. RC-3

RC-3

(J. Cooley)

RC-2



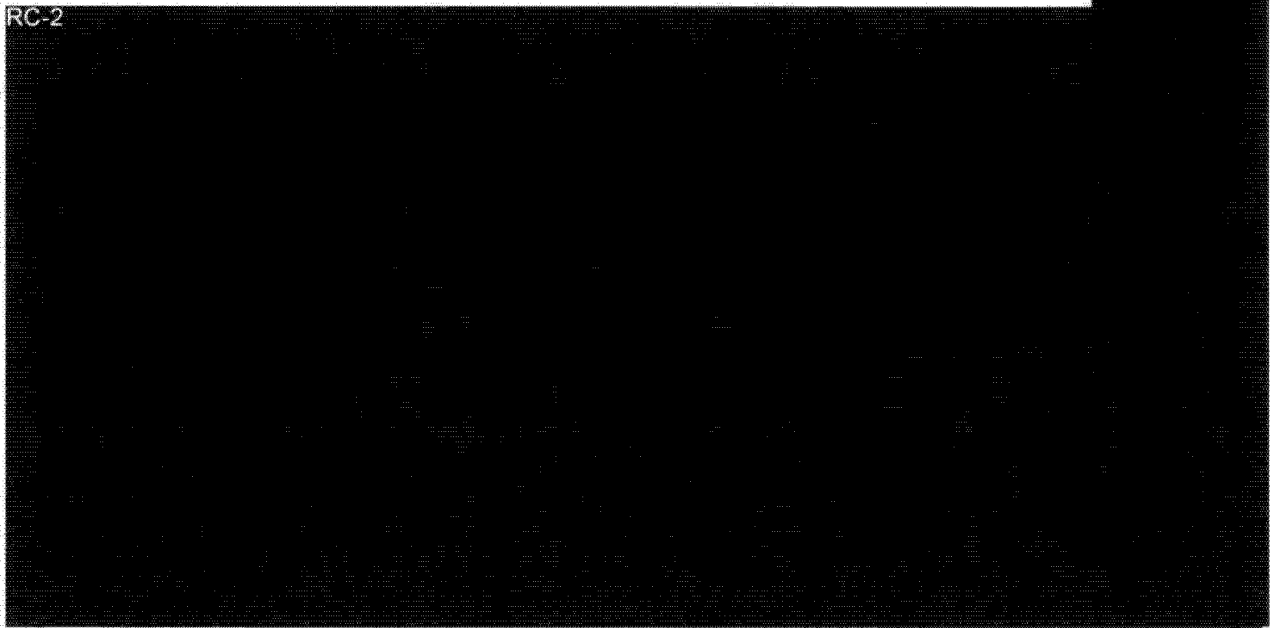
HOCR DOJ 002816

ATF Monthly Meeting
with the Acting Deputy Attorney General
Friday, March 12, 2010

AGENDA



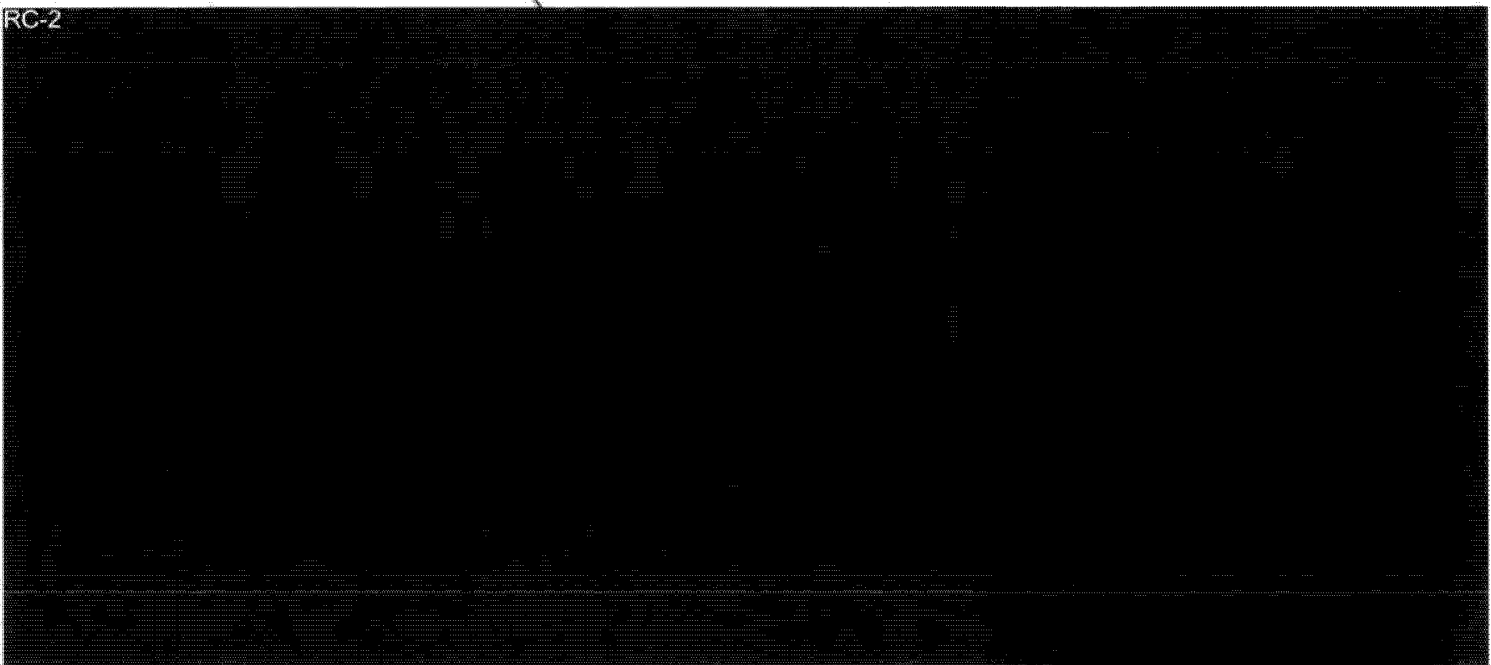
4. Phoenix Case - Update on a significant firearms trafficking case



ATF Monthly Meeting

3/12/10

RC-2



RC-2

3. Operation The Fast

Previous
Drafts

long vibs. multiple
role issues

~~Process~~



RC-2

seizure in Mexico
take 1 as predicate
to case in US
later to cartel

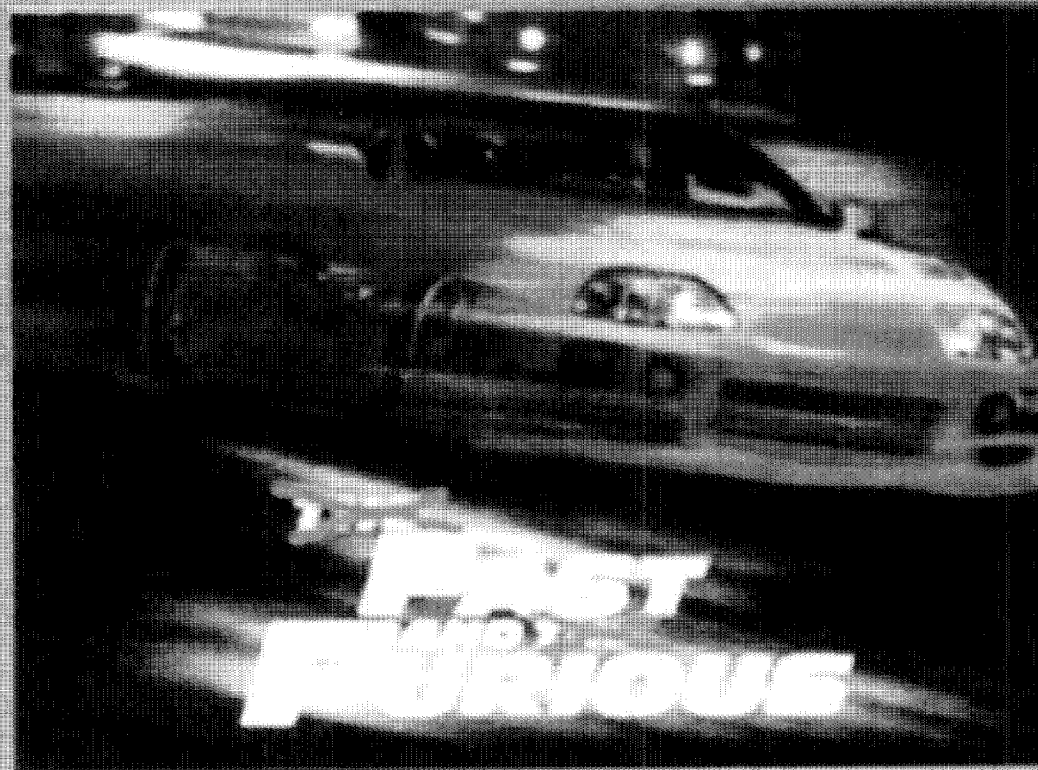
COCAINE STRIKE FORCE

Primary - Phoenix WAO

(A)

HOCR DOJ 002818

OPERATION THE FAST AND THE FURIOUS



HQGR DOJ 002819

Note: Two pages have been withheld from this seven page document because they included sensitive investigative details and information about targets/subjects.

**Total Firearms
Purchased as of
Feb 27, 2010
785115-10-0004**

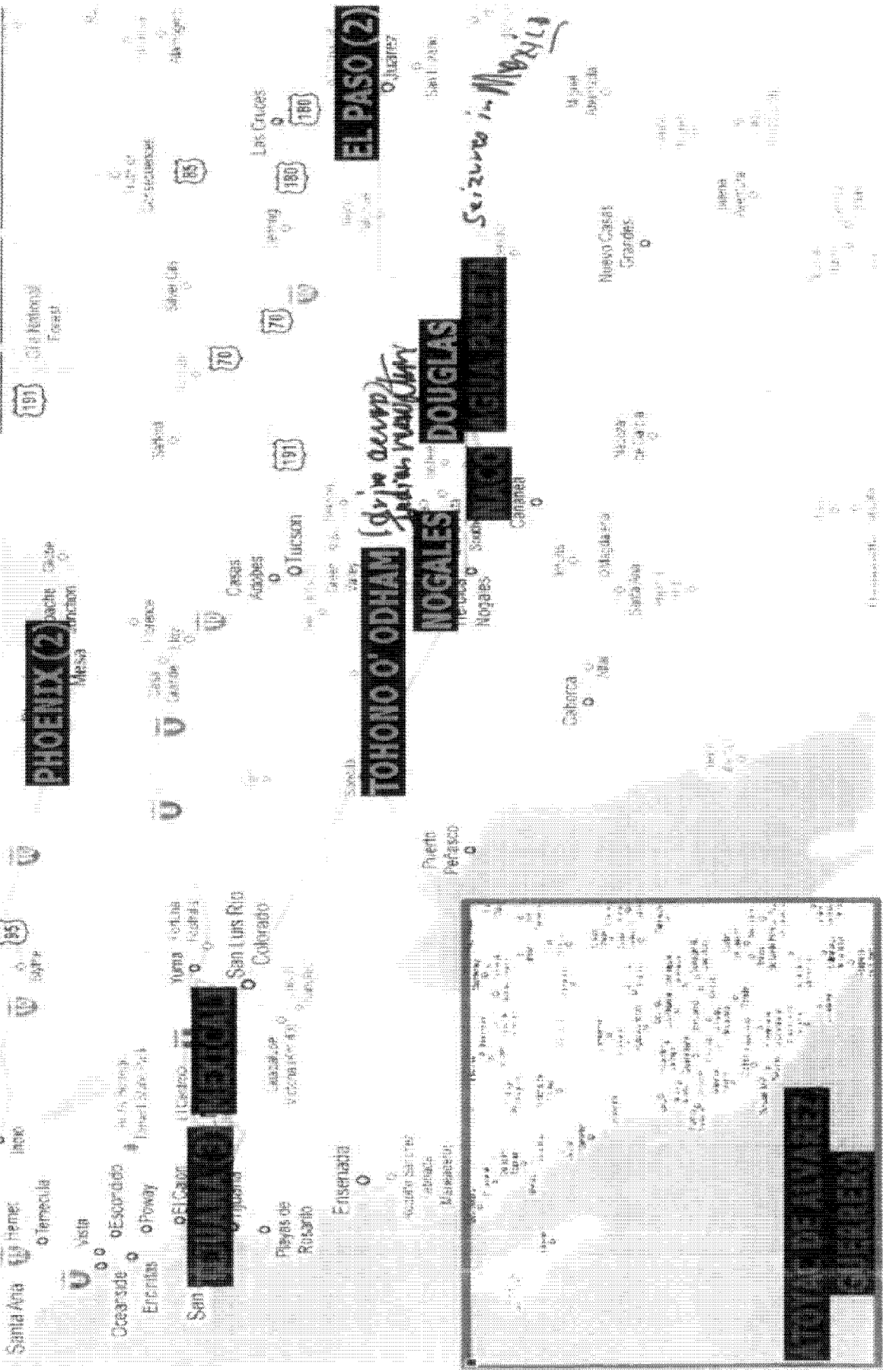
Potino	Uziel	313
Stevard	Sean	241
Moore	Joshua	116
Chambers	Jacob	68
Celis	Alfredo	58
Montgomery	Dejan	30
RC-4		
Montenegro	Jacob	28
Avillar	James	27
RC-4		
Palanco	Jose	3
RC-4		
Celis-Astora	Manuel	1
RC-4		
TOTAL		1026

All Cash
 District Vendors
 only

PURCHASE SUMMARY	NAME	AMOUNT	TOTAL	DATE
RC-4				
	Johns Valley	31,984.00	13,007.64	
RC-4				
	Alltech Cells	30,330.75	30,330.13	
	Jacob's Outfitters	16,541.78	30,330.08	
RC-4				
	Allen's Hardware	48,738.80	29,788.84	
RC-4				
	Alcove Medical Supply	7,444.37	7,330.22	
	Arden's Motors	84,861.40	84,528.08	
RC-4				
	EMR Pacific	206,100.00	213,793.87	
RC-4				
	Arden's Motors	1,170.00	1,337.02	
RC-4				
	Arden's Motors	146,506.00	140,054.18	
RC-4				
	TOTAL PURCHASES	1,818,890.00	1,248,748.88	

Total Cost of
 Firearms
 Purchased as of
 Feb 27, 2010
 785115-10-0004

785115-10-0004



HOCR DOJ 002822

Drako (spid)
MATHIS only
require report

AK
47

Drako
Travis Williams & Satash Lawrence

no
MATHIS
only
require
report
for
MATHIS
only
require
report

HOGR-DOJ-002823

RC-1

From: Cooley, Joseph
Sent: Tuesday, March 16, 2010 8:13 AM
To: Carwile, Kevin
Subject: Re: Important

Op Fast and Furious (many of the straw purchasers are members of a car club).
Joseph A. Cooley
Gang Unit, DOJ
Cell: RC-1

This message is being sent via my blackberry. Please excuse any typos.

----- Original Message -----

From: Carwile, Kevin
To: Cooley, Joseph
Sent: Tue Mar 16 08:01:53 2010
Subject: RE: Important

Thanks Joe. BTW, what is the name of the Arizona case/investigation which we thought you could join but the USAO is now handling?

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Cooley, Joseph
Sent: Tuesday, March 16, 2010 12:45 AM
To: Carwile, Kevin
Subject: RE: Important

There were two major firearm seizures in Mexico. The first seizure of approximately 100 weapons occurred in August of 2008 in the Miguel Aleman, just across the boarder from Roma, TX. The second seizure of approximately 450 weapons was seized on November 6, 2008, in Reynosa, located across the boarder from McAllen, TX. Both caches of weapons are believed to be associated with the Gulf Cartel, DTO. Of the 450 weapons seized, ATF has completed traces on approximately 300. These weapons were purchased primarily in Texas, by in excess of 40 straw purchasers. ATF believes many of these straw purchasers are relatives. GU is planning on traveling to Houston, TX the week of March 22, to meet and coordinate with the ATF case agents.

Joseph A. Cooley
U.S. Department of Justice
Criminal Division, Gang Unit
950 Pennsylvania Ave. N.W. Suite RC-1
Washington, DC 20530
Cell: RC-1
Office: RC-1
Fax: RC-1

-----Original Message-----

From: Carwile, Kevin
Sent: Monday, March 15, 2010 9:21 PM
To: Cooley, Joseph; Gwinn, Laura
Subject: Important

Sorry for this quick turnaround but the front office wants firearms related talking points. I have to throw something together by 11:00 tomm. Can both of you send me a paragraph describing your trafficking investigations? Joe, just the texas one for you. Again, sorry for the quick deadline but I was just informed. Thanks.

Rodriguez, Mary

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 10:47 AM
To: Weinstein, Jason
Subject: talking points
Attachments: FIREARMS TRAFFICKING TALKING POINTS - 031610.doc

Here is a quick page of talking points. You did not describe the intended audience. The two operations are pre-indictment so the info on these matters would need to be kept internal. See attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002826

DOJ-FF-60895

FIREARMS TRAFFICKING TALKING POINTS

RC-2



- Through an ongoing partnership, Gang Unit and ATF are developing strategies and pursuing joint operational opportunities targeting firearms trafficking organizations, as well as Mexican drug trafficking organizations possessing and using U.S.-sourced firearms. Two examples of this collaboration are the following:
 - *Operation Fast & Furious* is an extensive firearms trafficking investigation involving ATF's Phoenix, Houston, and Dallas field offices. Gang Unit is closely assisting in advising the ongoing investigation and prosecuting cases derived from this investigation. One such case in S.D. Texas involves the recovery of approximately 550 weapons during two seizures in 2008 in Mexican border towns. Both caches of weapons are believed to be affiliated with the Gulf Coast Cartel DTO. ATF has successfully traced at least 300 of these weapons to straw purchases in Texas.

○ RC-2



From: Weinstein, Jason
Sent: Tuesday, March 16, 2010 11:04 AM
To: Carwile, Kevin; Pope, Amy
Subject: FW: talking points
Attachments: FIREARMS TRAFFICKING TALKING POINTS - 031610.doc

This is helpful -- thanks. Amy, you can take out the two specific operations and just say that we have ongoing trafficking investigations involving multiple USAOs focusing on guns being trafficked to Mexico.

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 10:47 AM
To: Weinstein, Jason
Subject: talking points

Here is a quick page of talking points. You did not describe the intended audience. The two operations are pre-indictment so the info on these matters would need to be kept internal. See attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

FIREARMS TRAFFICKING TALKING POINTS

• RC-2



- Through an ongoing partnership, Gang Unit and ATF are developing strategies and pursuing joint operational opportunities targeting firearms trafficking organizations, as well as Mexican drug trafficking organizations possessing and using U.S.-sourced firearms. Two examples of this collaboration are the following:
 - *Operation Fast & Furious* is an extensive firearms trafficking investigation involving ATF's Phoenix, Houston, and Dallas field offices. Gang Unit is closely assisting in advising the ongoing investigation and prosecuting cases derived from this investigation. One such case in S.D. Texas involves the recovery of approximately 550 weapons during two seizures in 2008 in Mexican border towns. Both caches of weapons are believed to be affiliated with the Gulf Coast Cartel DTO. ATF has successfully traced at least 300 of these weapons to straw purchases in Texas.

○ RC-2



RC-1

From: Weinstein, Jason
Sent: Tuesday, March 16, 2010 8:49 PM
To: Carwile, Kevin
Subject: RE: Reminder

Fast and Furious seems a little different from X-Caliber, because we actually assigned someone to the case -- I assume that ATF HQ knew from you or Joe that Joe would be on the case, or is it possible they thought he would be playing more of a coordinating rather than a litigating role?

-----Original Message-----

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:00 AM
To: Weinstein, Jason
Subject: RE: Reminder...

There are two investigations: the first is Operation Fast and Furious (a number of the straw purchasers are in a car club). It is being worked out of the USAO in Phoenix, AZ. This was one of the two cases we were briefed on at the end of December immediately after the meetings with Ken Melson. I assigned Joe Cooley to the investigation, he got briefed and then started his Latin Kings trial. He just turned his attention back to the case and went to SOD for a briefing on the matter. That is when he learned the USAO now had the case. RC-3
RC-3. We offered to help but they said they had it under control. The second matter was the X-Caliber case. RC-2

RC-2

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Weinstein, Jason
Sent: Monday, March 15, 2010 9:59 PM
To: Carwile, Kevin
Subject: Reminder...

...to send me the names of the cases ATF HQ asked us to get involved in but which had in fact been shopped to the field.

RC-2

Jason M. Weinstein

Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

HOCR DOJ 002831

Rodriguez, Mary

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:12 PM
To: Weinstein, Jason
Subject: Re: Reminder

I agree that we should not make a big deal out of x caliber. I think they knew he was on the fast and furious case because I got him to alter his holiday plans to get briefed. My assumption is they got impatient because he was tied up on his latin kings trial in texas.

----- Original Message -----

From: Weinstein, Jason
To: Carwile, Kevin
Sent: Tue Mar 16 20:49:03 2010
Subject: RE: Reminder...

Fast and Furious seems a little different from X-Caliber, because we actually assigned someone to the case -- I assume that AIF HQ knew from you or Joe that Joe would be on the case, or is it possible they thought he would be playing more of a coordinating rather than a litigating role?

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Subject: RE: Reminder...

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RC-3 We offered to help but they said they had it under control. The second matter was the X-Caliber case. **RC-2**

RC-2

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

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From: Weinstein, Jason
Sent: Monday, March 15, 2010 9:59 PM
To: Carwile, Kevin

Subject: Reminder...

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RC-2

Jason M. Weinstein
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: The Attorney General
The Acting Deputy Attorney General

FROM: Lanny A. Breuer
Assistant Attorney General

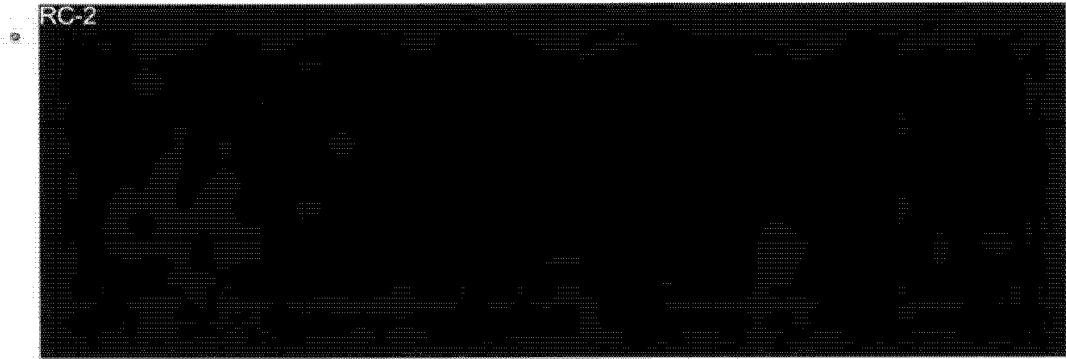
DATE: Week of October 18, 2010

RE: Weekly Report

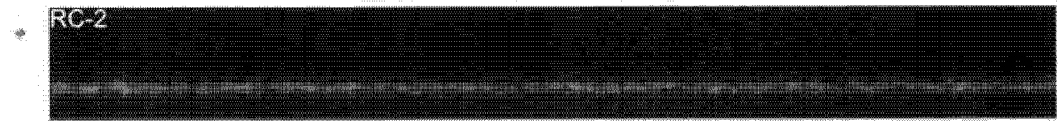
I. SIGNIFICANT UPCOMING EVENTS

A. Litigation

1. Indictments/Investigations



- *Tucson Gun Trafficking (D. Ariz.)*: On October 27, the Organized Crime and Gang Section (OCGS) plans to indict eight individuals under seal relating to the trafficking of hundreds of firearms to Mexico. The sealing will likely last until another investigation, Phoenix-based "Operation Fast and Furious," is ready for takedown.

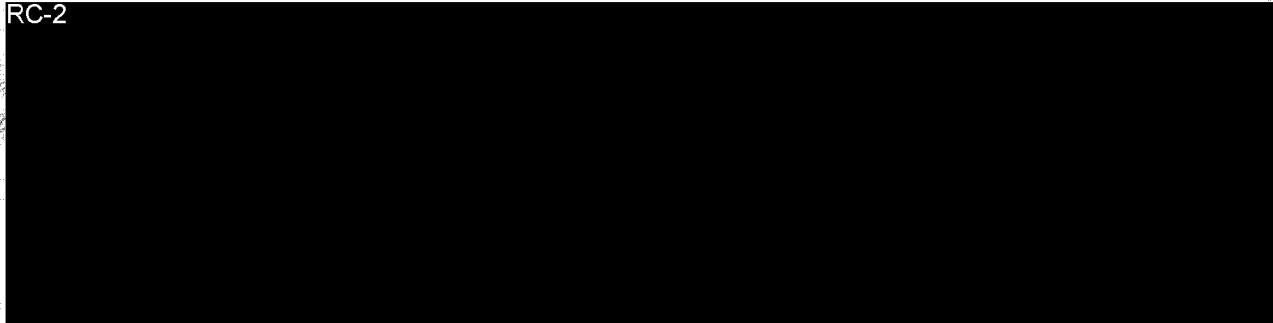


Agenda for Meeting with ODAG and ATE

April 14, 2010

RC-2

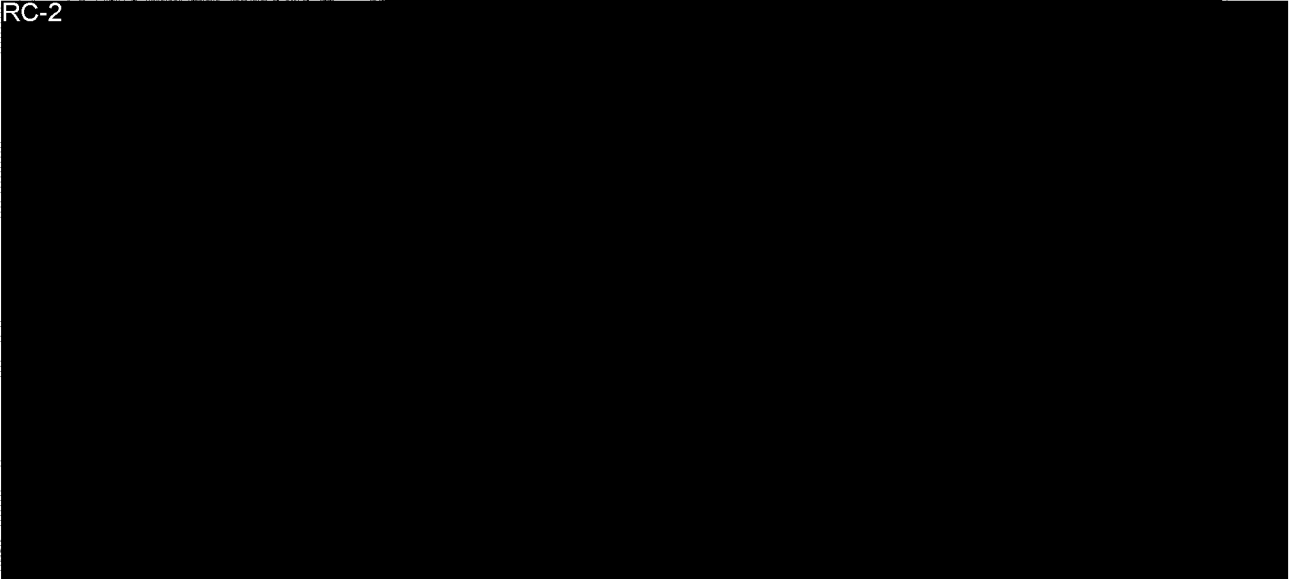
- 1.
- 2.
- 3.
- 4.



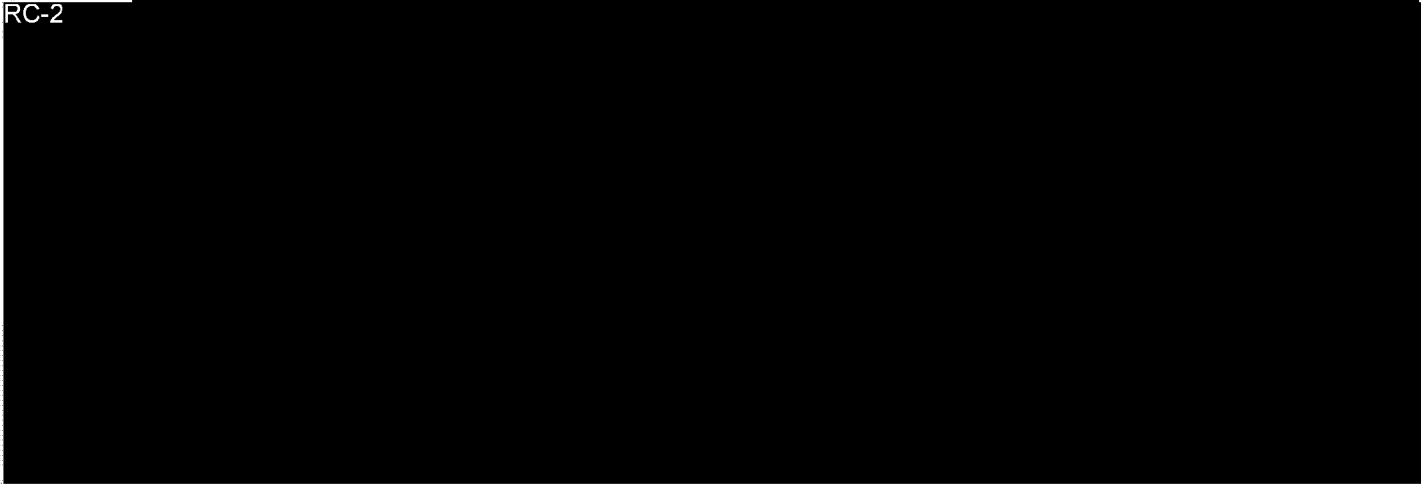
3. Arizona GRIT - Potential funding sources through Asset Forfeiture or OCDETF

*Arizona worked out to Stuart Nash. Per D.A.G. could be tied to
 RC-2 [redacted] Billy will add 2 other cases into RC-2 [redacted] Auto Business &
 4. ATF assets to Santa Maricopa County not unclerical through Tucson*

- 4.
- 5.
- 6.
- 7.



RC-2



RC-1

From: Larson, Brian (USAAZ) RC-1
Sent: Thursday, June 17, 2010 7:59 PM
To: Carwile, Kevin
Cc: Morrissey, Mike (USAAZ)
Subject: RE: firearms cases/Mexico

Kevin,

This is a go. She can begin working with Emory Hurley on the RC-3 and take the lead on the Meza case. Emory will continue on both for our office. She has Emory's contact information. Emory and his Section Chief will be sending an e-mail with the case identifiers. We will work on the other case (with AUSA Rassas) when she gets here. For your information, Emory's Section Chief is Mike Morrissey. I am copying him.

I hope this ends up being as mutually beneficial as anticipated. Let me know if you need anything further from me. Thank you.

BGL

From: Carwile, Kevin (CRM)
Sent: Thursday, June 17, 2010 12:01 PM
To: Larson, Brian (USAAZ)
Subject: RE: firearms cases/Mexico

Sounds good to me. Let me know when it is a done deal on your end so I can go back to Laura with contact info, etc.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

From: Larson, Brian (USAAZ) RC-1
Sent: Thursday, June 17, 2010 2:53 PM
To: Carwile, Kevin
Subject: Re: firearms cases/Mexico

Yes. While it is still to be confirmed, we are going in the direction of having Laura work with Emory Hurley on the two ATF cases he has right now (current RC-3 case and the Pennsylvania guns/drug case with the tie to MX). She could then work the evidence exchange in the case of two fugitives in MX that was handled by Theresa Rassas. The idea being that MX could take the prosecution. That case should not take that much time and she could consider another case. Does that sound good?

Dennis Burke has approved this and the section chief is evaluating the cases I recommended to see if those are the best ones for Laura to work on as co-counsel. She would continue working on the Tucson case. I would make sure this gets off the ground as the Strike Force atty and would keep an eye out for any other good cases to work jointly.

From: Carwile, Kevin (CRM)
To: Larson, Brian (USAAZ)
Sent: Thu Jun 17 13:48:56 2010
Subject: firearms cases/Mexico

Brian,
Any progress in identifying specific cases for Laura Gwinn to help staff along with AUSA's?

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

RC-1

From: Hoover, William J. (ATF)
Sent: Thursday, July 01, 2010 5:24 PM
To: Siskel, Edward N. (ODAG); Michalic, Mark (ODAG)
Subject: AZ seizures re guns to MX

Ed and Mark,

Just wanted to share two seizures made this week in separate cases from AZ.

1) SYNOPSIS OF INCIDENT/ACTIVITY:

RC-2



2) SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of twenty (20) AK-47 style firearms.

NARRATIVE OF INCIDENT/ACTIVITY:

HOCR DOJ 002838

On June 30, 2010 as part of an ongoing OCDETF RC-3 investigation into Southwest Border Firearms Trafficking activity ATF Phoenix Group VII agents assisted by the Phoenix Police Department conducted a traffic stop on Alfredo CELIS (a 19 year old Hispanic male.) CELIS had recently purchased twenty (20) Century International Arms, WASR-10, 7.62 caliber rifles (an AK-47 variant) from a local Phoenix FFL. CELIS was traveling in a motor vehicle for which the license plate was not valid in the State of Arizona. The vehicle was towed for impound and the above firearms were taken into ATF custody as part of this ongoing investigation. Also recovered from inside the vehicle and purchased by CELIS were twenty (20) 7.62 caliber high capacity magazines. CELIS paid a total of \$11,000.00 cash for the above items. ATF utilized a Phoenix Police Department narcotics detection canine (K-9) which alerted on the \$11,000.00 cash as being positive for the presence of narcotics residue.

Billy

William J. Hoover
Executive Assistant Director
O) RC-1

HOCR DOJ 002839

DOJ-FF-60908



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 5, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

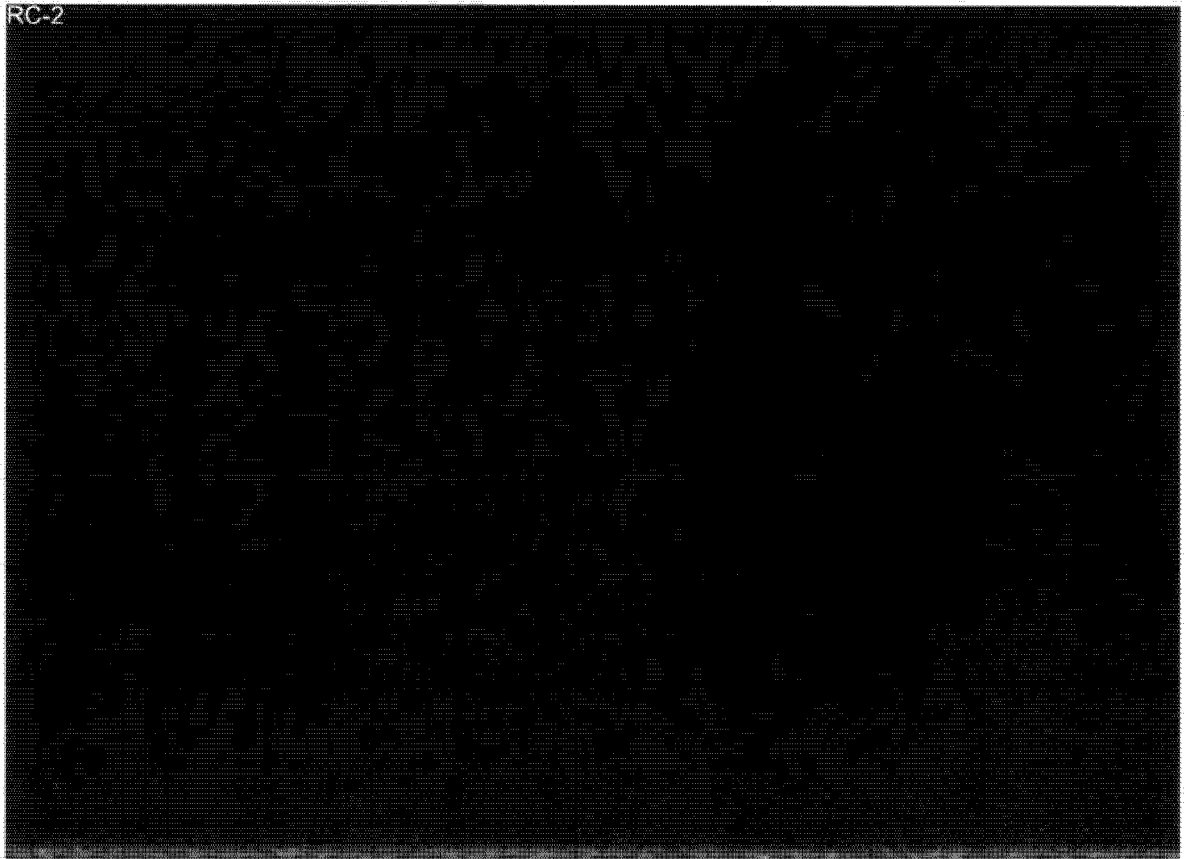
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 5 THROUGH JULY 9, 2010

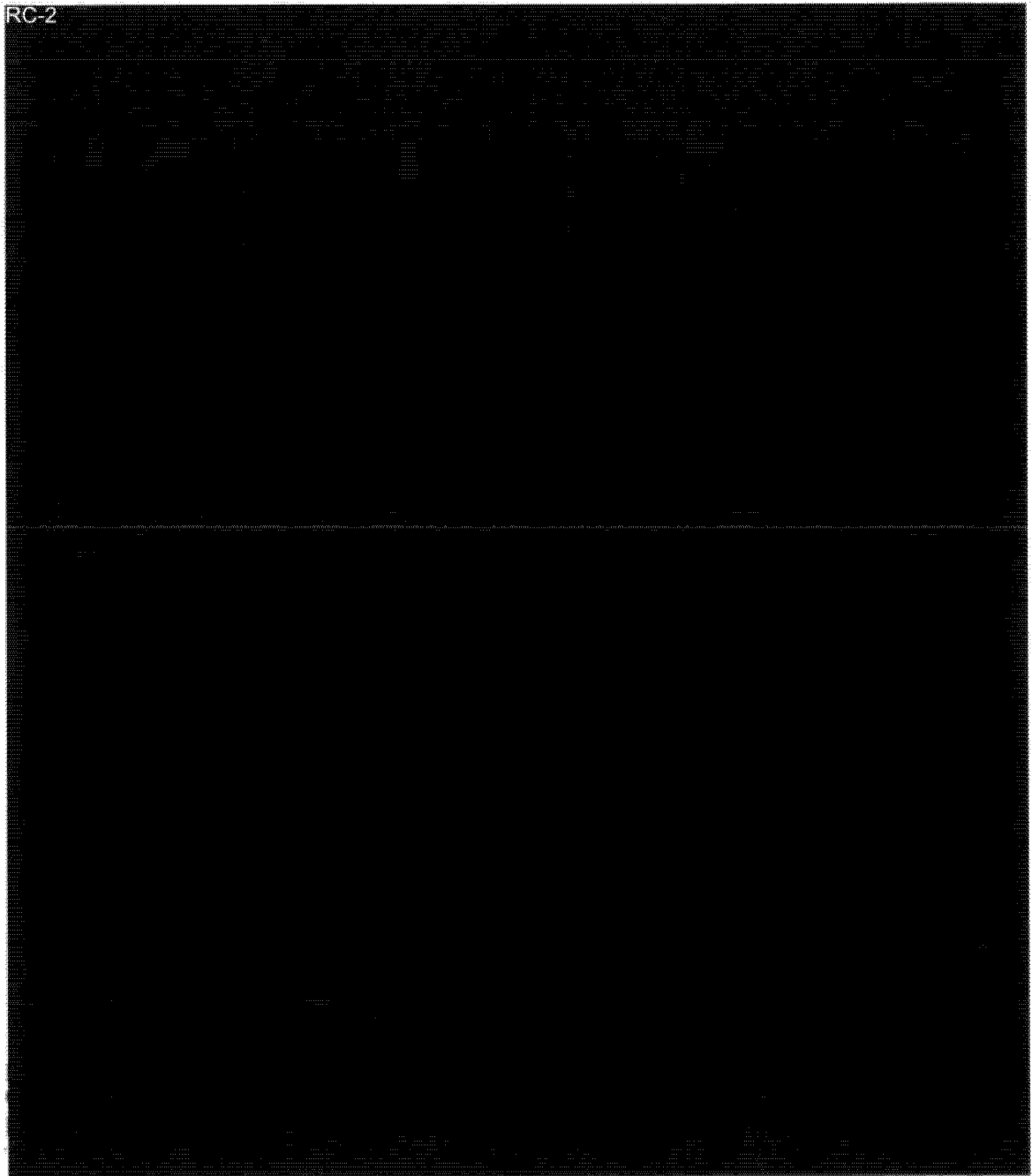
The National Drug Intelligence Center weekly report for July 5 through July 9 is as follows:

Next Week



1 of 12

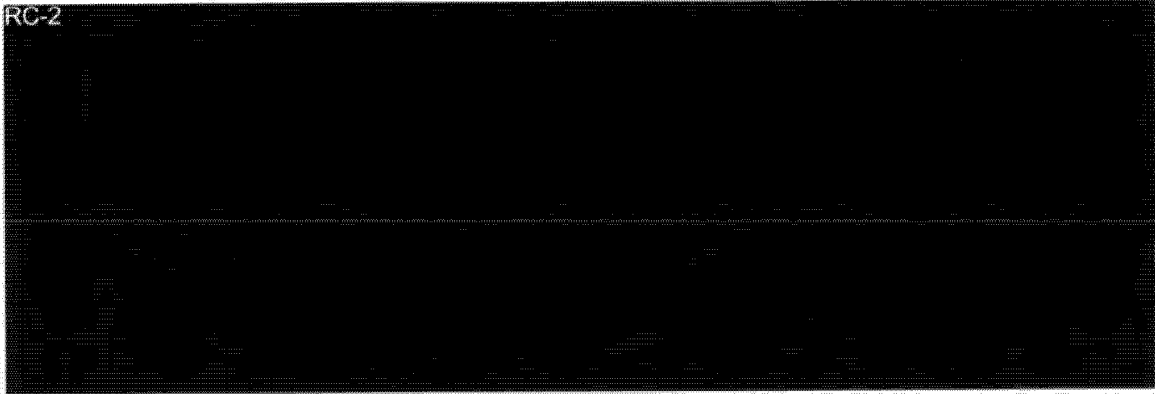
Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010



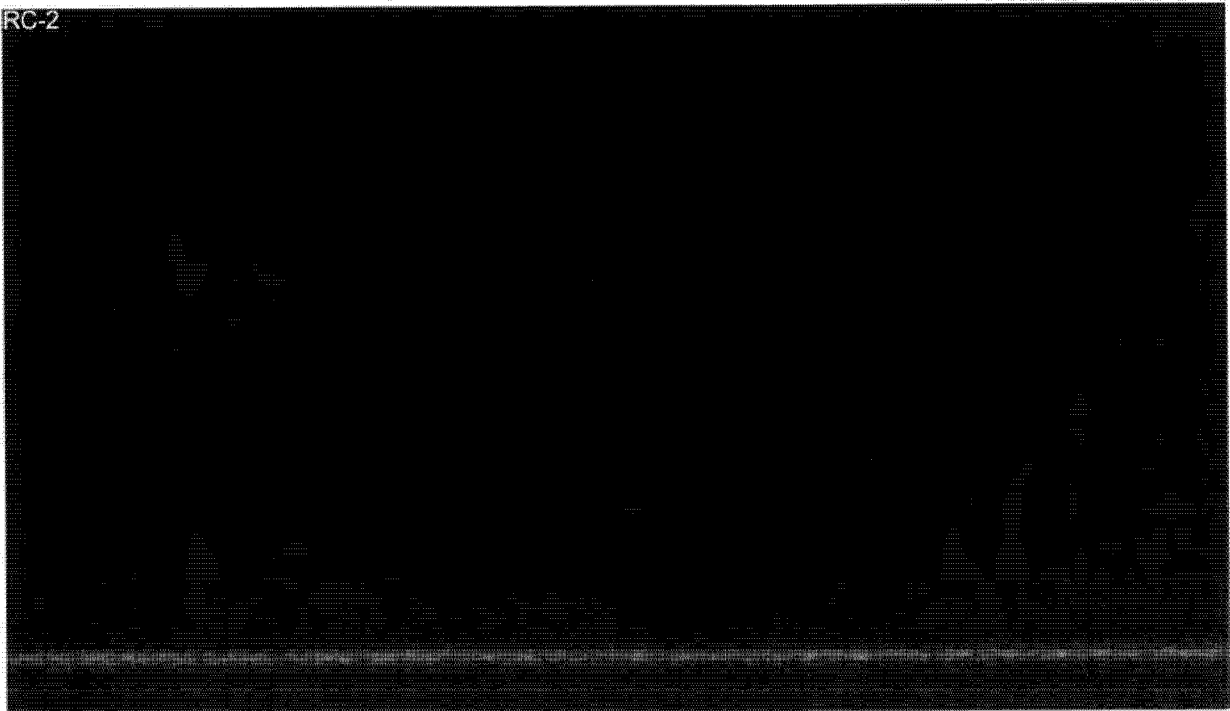
- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*
From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix

Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010

Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.



This Week



4 of 12

Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010

RC-2



- ***(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:***

From July 6 through July 9, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and [REDACTED] straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

- RC-2



Last Week

- RC-2



7 of 12



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 12, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 12 THROUGH JULY 16, 2010

The National Drug Intelligence Center weekly report for July 12 through July 16 is as follows:

Next Week

• RC-2



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Memorandum to the Attorney General from Michael F. Wither dated July 12, 2010
Subject: Weekly Report from July 12 through July 16, 2010




- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*
From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and [REDACTED] straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

Memorandum to the Attorney General from Michael F. Walther dated July 12, 2010
Subject: Weekly Report from July 12 through July 16, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-1

From: Siskel, Edward N. (ODAG)
Sent: Wednesday, July 14, 2010 6:38 PM
To: Chait, Mark R. (ATF)
Cc: Hoover, William J. (ATF)
Subject: RE: SIR

Thanks Mark. How much longer is the GRIT going to be operating in AZ? At what point after that will we know the total results of the operation and be in a position to do some public roll out along the lines of what we did in Texas?

From: Chait, Mark R. (ATF)
Sent: Wednesday, July 14, 2010 4:49 PM
To: Siskel, Edward N. (ODAG)
Cc: Hoover, William J. (ATF)
Subject: Fw: SIR

This is second significant seizure yesterday by our GRIT.
Mark R. Chait
Assistant Director
Field Operations

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

----- Original Message -----
From: Significant Activity Report
To: SAR/SIR Message Delivery
Sent: Tue Jul 13 18:55:16 2010
Subject: FW: SIR

From: Voith, David J.
Sent: Tuesday, July 13, 2010 6:54:52 PM
To: Needles, James R.; Newell, William D.; Voith, David J.;
Significant Activity Report
Subject: SIR
Auto forwarded by a Rule

DEPARTMENT OF JUSTICE - BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
SIGNIFICANT INFORMATION REPORT

DATE: July 13, 2010
FROM: Phoenix Field Division
FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785-115-10-0004
CASE TITLE: CHAMBERS, Jacoby, et al

HOCR DOJ 002847

SPECIAL AGENT Voth, David
TELEPHONE NUMBER: RC-1

SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of 20 - 7.62 rifles as part of ongoing RC-3 investigation.

NARRATIVE OF INCIDENT/ACTIVITY:

On July 12, 2010, Federal Parolee, Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case, Operation Fast & Furious, 785115-10-0004. Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later Peoria Police officers captured Thompson approximately ¼ mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment, the passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months after he entered a plea of guilty of 21 USC 846, Conspiracy to Possess Marijuana in February 2004.

During an inventory search of the vehicle, Peoria police officers recovered (20) ROMARM/CUGR, 7.62x39 caliber rifles from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, (2) pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the (20) ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. Peoria officer retained custody of the (2) pistols for further state prosecution.

This recovery adds to the total of 96 firearms recovered in the previous 24 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 19, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

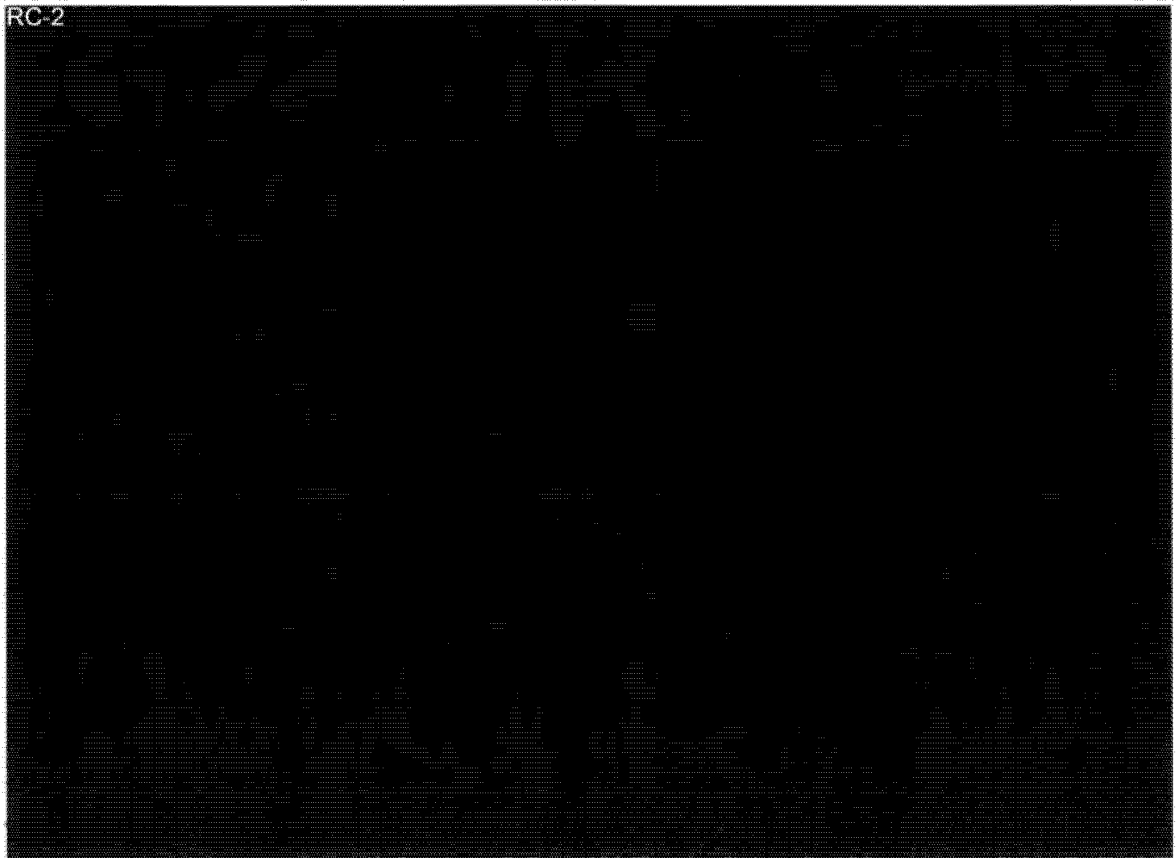
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 19 THROUGH JULY 23, 2010

The National Drug Intelligence Center weekly report for July 19 through July 23 is as follows:

Next Week




1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2



• *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 26 through July 30, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDEF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDEF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



This Week

RC-2



1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2

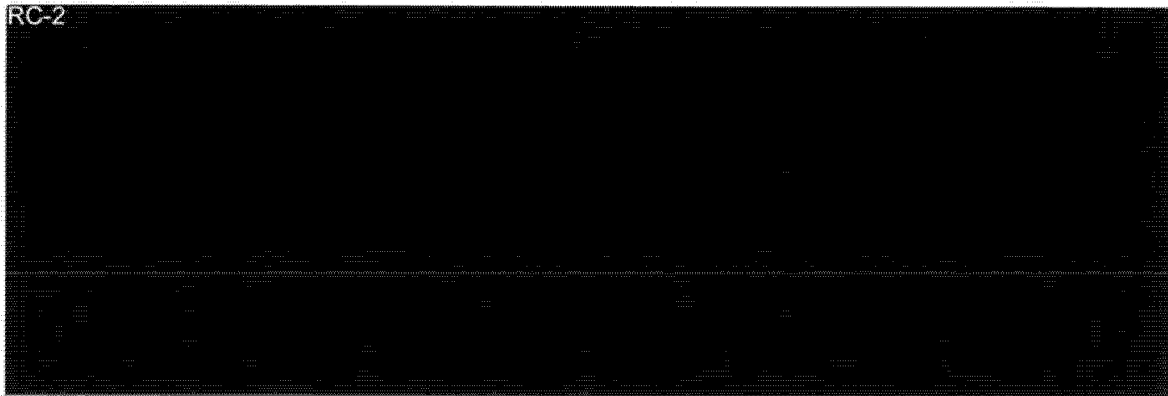


- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

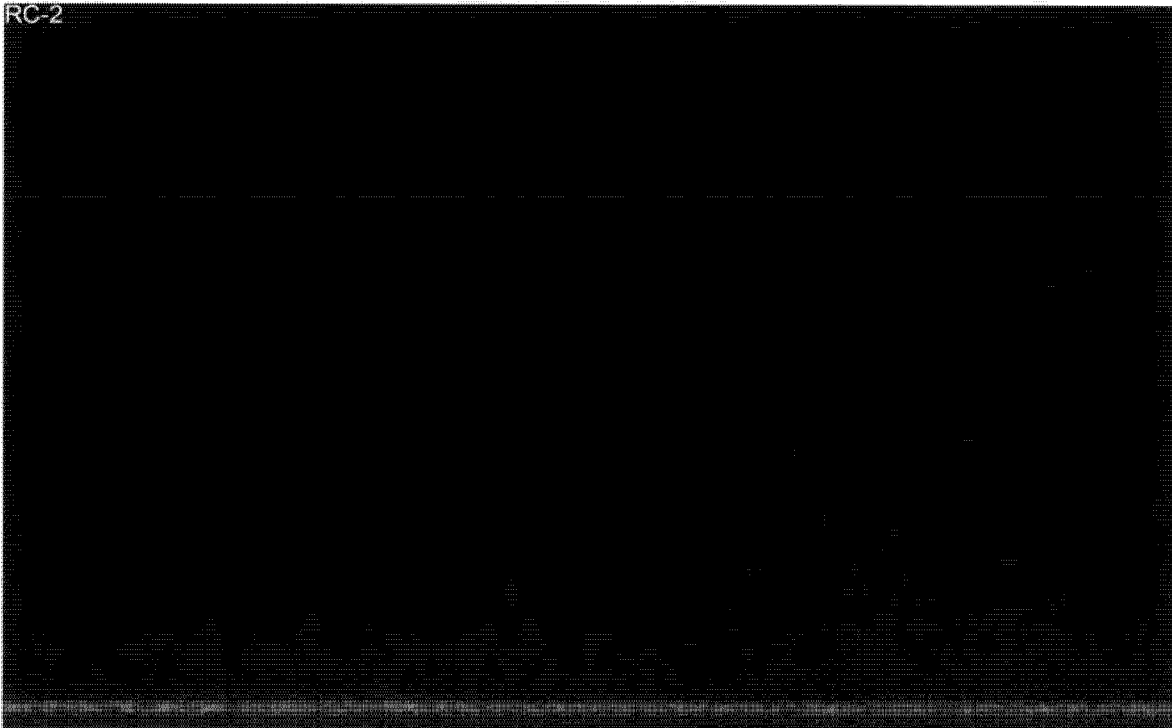
From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.



Last Week




6 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force supported the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2





U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 26, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

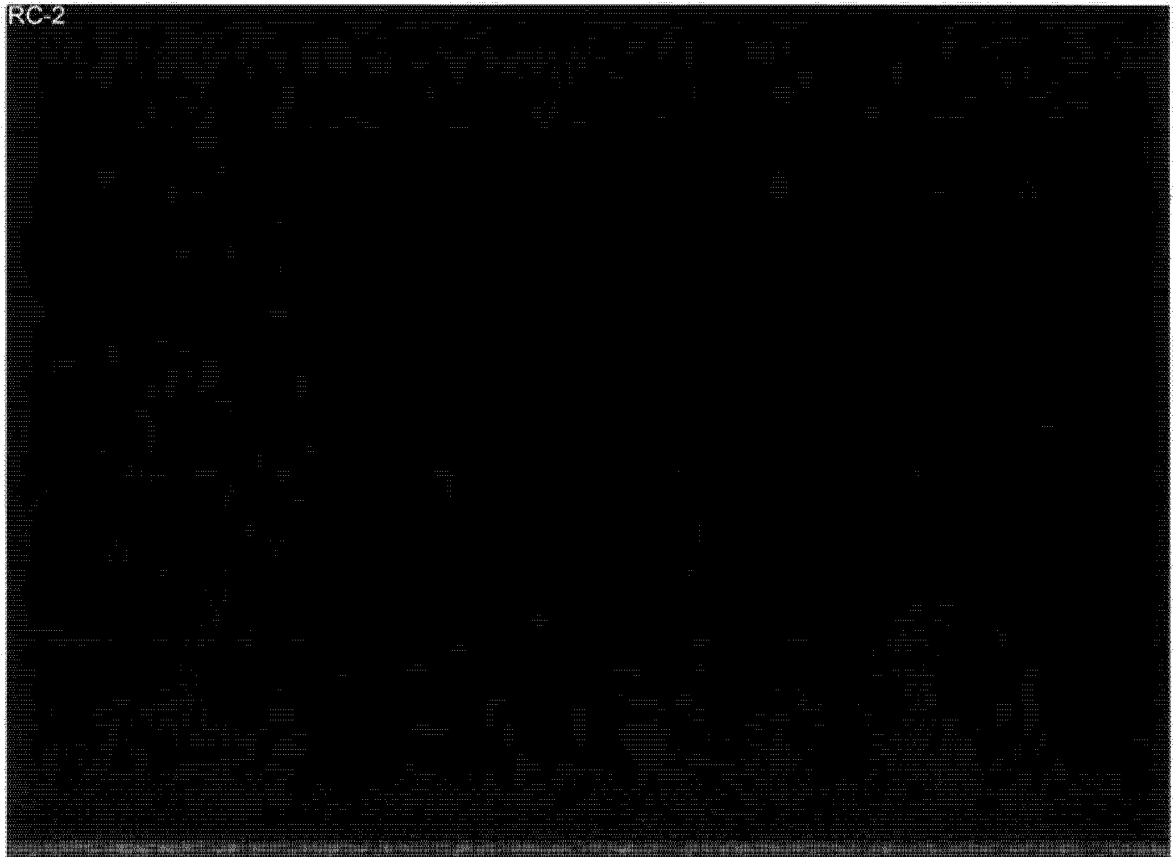
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 26 THROUGH JULY 30, 2010

The National Drug Intelligence Center weekly report for July 26 through July 30 is as follows:

Next Week



1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010.
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From August 2 through August 6, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-2} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



This Week

RC-2




Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 26 through July 30, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

- *(C) National Drug Threat Assessment 2010 Briefing to the National Guard Bureau:*


5 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force supported the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



RC-1

From: Trusty, James
Sent: Thursday, July 29, 2010 8:50 AM
To: Carwile, Kevin
Subject: RE: Do you

You mean a weekly case update that's different than our usual weekly report? No, I haven't been doing that but let me know what you were doing in that regard and I can adjust.

The only things I can think of re: Mexico are Gwinn's gun stuff and the RC-2 case. Here's Laura's info for this week:

Phoenix cross-border project: (a) RC-2

RC-2

(b) Celis-Acosta: this is the large-scale gun trafficking case involving in excess of 1500 guns purchased to date, and RC-3 I am still trying to "learn" the case through review of RC-3, a running log of overt acts and discussions with the lead attorney. A strategy session was held to determine course of action over the next couple of months. RC-3

RC-3 It is hoped that we would be in a position to consider indictment approximately early to mid-fall.

Tucson gun-trafficking case: I discussed with Emory Hurley, the lead AUSA on the Celis-Acosta case, the possibility of arresting and unsealing the indictments of the two persons who were indicted in May. Since those two appear to have no connection to the Phoenix case, it was agreed that I would contact the agent to have him determine the current location of the defendants, RC-3 and likely arrest/unseal once we confirm no connection.

RC-2

Hope this helps -

-----Original Message-----

From: Carwile, Kevin
Sent: Thursday, July 29, 2010 7:30 AM
To: Trusty, James
Subject: Do you

Have any Mexico related updates which I can relate at the meeting this morning? Are we pushing a weekly case update to the front office?

HOCR DOJ 002858

DOJ-FF-60927

P. Kevin Carville
Chief, Capital Case Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002859



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: August 9, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael E. Walther
Director
National Drug Intelligence Center

SUBJECT: NATIONAL DRUG INTELLIGENCE CENTER REPORT FOR AUGUST 9
THROUGH AUGUST 13, 2010

RC-2



STRATEGIC INTELLIGENCE

Significant Events

RC-2



LIMITED OFFICIAL USE - LAW ENFORCEMENT SENSITIVE

Memorandum to the Attorney General from Michael F. Walther dated August 9, 2010
Subject: Weekly Report from August 9 through August 13, 2010

Activity	Requesting Agency	Dates
RC-2		

Activity	Requesting Agency	Dates
RC-2		

<i>Investigation:</i>	Operation FAST AND THE FURIOUS	ATF Phoenix	July 6 -
<i>Region:</i>	Arizona, Texas, Mexico		Aug 13
<i>Targets:</i>	Manuel Celis-Acosta		
<i>Drugs/Crime:</i>	Firearms trafficking through straw purchases		
<i>Participants:</i>	ICE, Phoenix (AZ) Police Department		

TRAINING

RC-2		
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RC-1

From: Ott, Thomas
Sent: Thursday, October 14, 2010 5:58 PM
To: Ohr, Bruce; Crow, Douglas; Duvall, Deborah; Gray, Laurie; Henry, Wakeya; Keeney, John; Raman, Mythili; Tinsley, Mary; Mulkern, Patricia; Toner, Gerald; Weinstein, Jason; Andres, Greg; Trusty, James; Pope, Amy; Borella, John
Cc: Metz, Thomas R. (FBI); Stewart, Robert M. (FBI); LaPlante, Michael J. (FBI); Plichta, Michael E. (FBI); Phillips, Dean (FBI)
Subject: CCGS Weekly Report
Attachments: Weekly Report 2010_10_14.wpd

See attached. Thanks.

*Thomas P. Ott
Deputy Chief
Organized Crime & Racketeering Section
Criminal Division
U.S. Department of Justice
Washington, D.C.*

RC-1

(desk)
(cell)

HOCR DOJ 002862

DOJ-FF-60931

OCCS WEEKLY REPORT
Week of Oct 8- Oct 14, 2010

I. Significant Accomplishments of the Past Week

- RC-2 [REDACTED]
- [REDACTED]

II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, including Significant Litigation Matters that Have Court Deadlines in the Next Week or Two

- RC-2 [REDACTED]
- [REDACTED]
- *Tucson Gun Trafficking:* TA Gwinn plans to indict eight individuals under seal on Oct. 27th. The indictment will cover the trafficking of hundreds of firearms to Mexico. The sealing will likely last until such time as the Phoenix-based "Operation Fast and Furious" is ready for takedown. That investigation has spanned RC-3 [REDACTED] and likely involved hundreds, if not thousands, of firearms. In addition, Gwinn has been assigned as primary prosecutor for a related straw purchasing case where a ring of up to nine purchasers may be indicted in short order as well (L. Gwinn)

III. Expected Major Legislative, and Policy Developments in Next Week or Two

- *None expected*

RC-1

From: Trusty, James
Sent: Monday, October 18, 2010 9:21 AM
To: Weinstein, Jason
Subject: RE: OCGS Weekly Report

I think so, but the timing will be tricky, too. Looks like we'll be able to unseal the Tucson case sooner than the Fast and Furious (although this may be just the difference between Nov and Dec). It's not clear how much we're involved in the main F and F case, but we have Tucson and now a new, related case with RC-5 targets. It's not going to be any big surprise that a bunch of US guns are being used in MX, so I'm not sure how much grief we get for "guns walking." It may be more like, "Finally, they're going after people who sent guns down there..."

From: Weinstein, Jason
Sent: Sunday, October 17, 2010 11:07 PM
To: Trusty, James
Subject: FW: OCGS Weekly Report

Do you think we should try to have Lanny participate in press when Fast and Furious and Laura's Tucson case are unsealed? It's a tricky case given the number of guns that have walked, but it is a significant set of prosecutions.

From: Ott, Thomas
Sent: Thursday, October 14, 2010 5:56 PM
To: Ott, Bruce; Crow, Douglas; Duvall, Deborah; Gray, Laurie; Henry, Wakeya; Kearney, John; Raman, Mythili; Tinsley, Mary; Mulkern, Patrice; Toner, Gerald; Weinstein, Jason; Andres, Greg; Trusty, James; Pope, Amy; Buretta, John
Cc: Metz, Thomas R. (FBI); Stewart, Robert M. (FBI); LaPlante, Michael J. (FBI); Pichla, Michael F. (FBI); Phillips, Dean (FBI)
Subject: OCGS Weekly Report

See attached. Thanks.

Thomas P. Ott
Deputy Chief
Organized Crime & Racketeering Section
Criminal Division
U.S. Department of Justice
Washington, D.C.

RC-1 (tlesk)
(well)

HOCR DOJ 002864

DOJ-FF-60933

U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: The Attorney General
The Acting Deputy Attorney General

FROM: Lanny A. Breuer
Assistant Attorney General

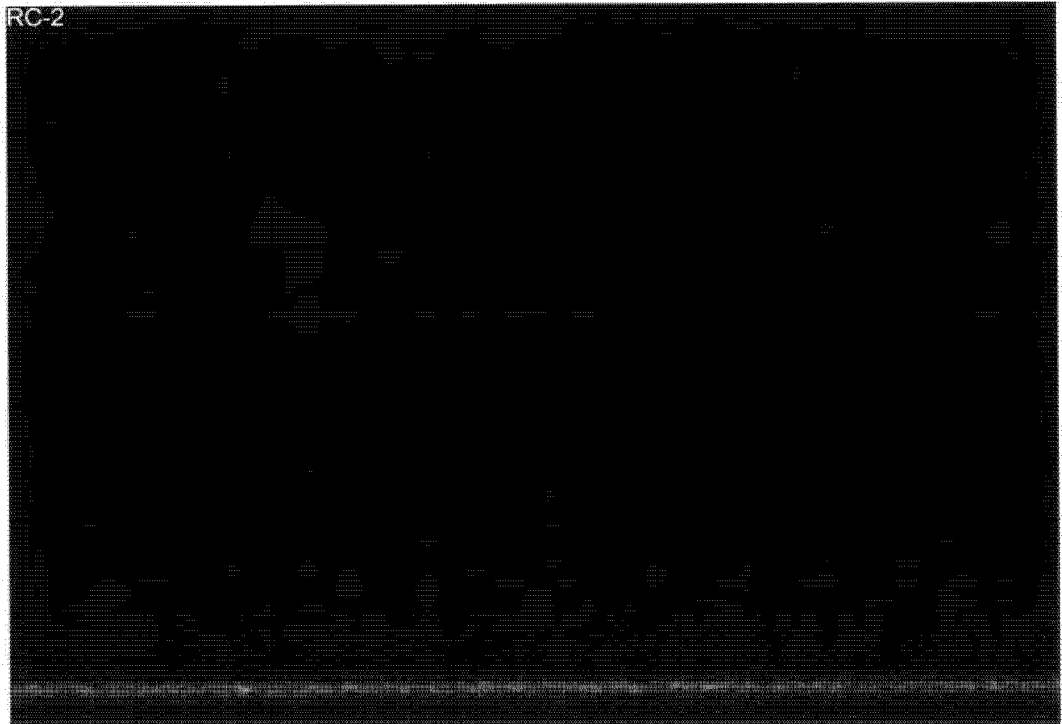
DATE: Week of November 1, 2010

RE: Weekly Report

I. SIGNIFICANT UPCOMING EVENTS

A. Litigation

1. *Indictments/Investigations*



RC-2 [Redacted]

B. Policy and Legislative Work

RC-2 [Redacted]

C. Public Events/Speeches/Presentations

RC-2 [Redacted]

II. SIGNIFICANT RECENT EVENTS

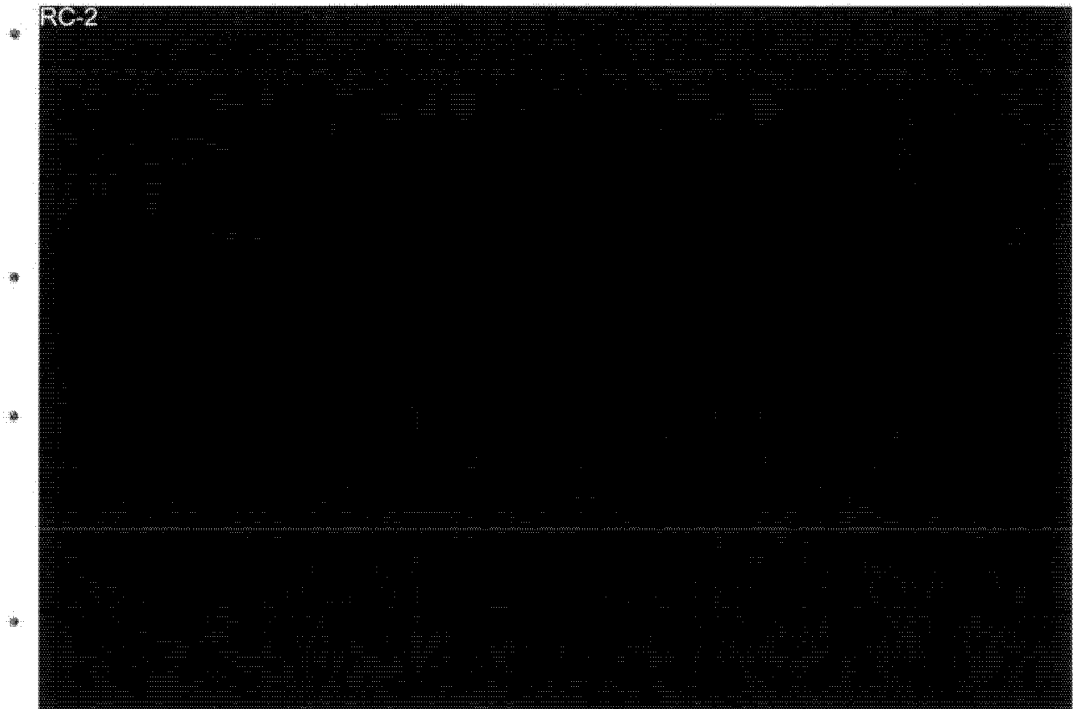
A. Litigation

1. Indictments/Investigations

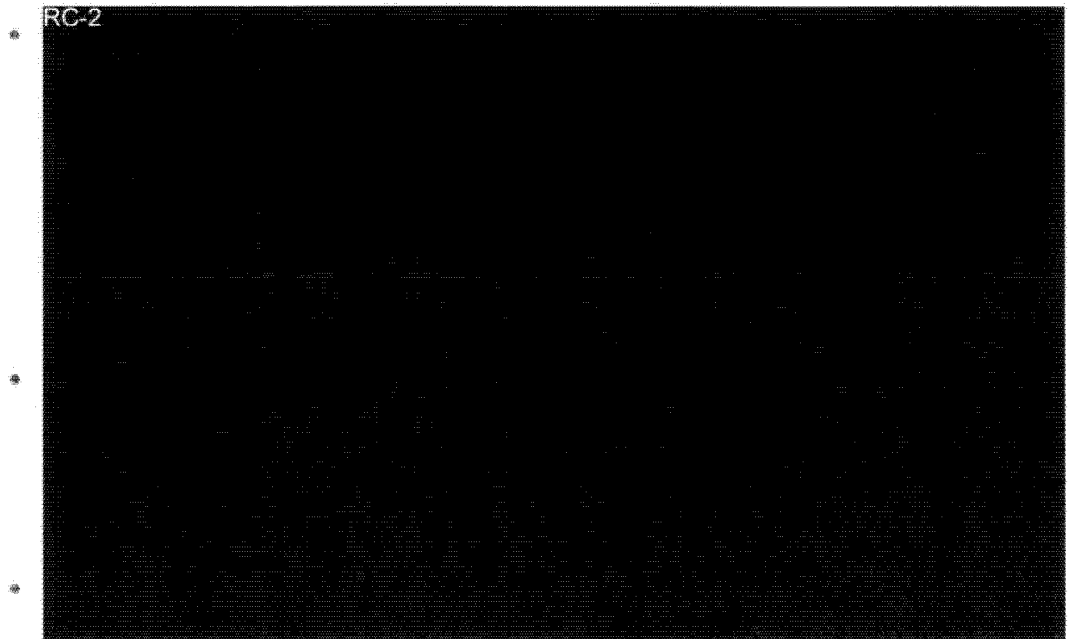
RC-2 [Redacted]

- *Tucson-Gun Trafficking (D. Ariz.):* On October 27, the Organized Crime and Gang Section (OCCS) indicted eight individuals under seal relating to the

trafficking of 228 firearms to Mexico. The sealing will likely last until another investigation, Phoenix-based "Operation Fast and Furious," is ready for takedown.



2. *Guilty Pleas*



RC-1

From: Weinstein, Jason
Sent: Monday, November 08, 2010 2:51 PM
To: Weinstein, Jason

RC-2

RC-2

Fast/Furious = 2 more months?

HOCR DOJ 002868

DOJ-FF-60937

RC-1

From: Weinstein, Jason
Sent: Monday, November 08, 2010 10:41 PM
To: Pope, Amy
Cc: Trusty, James; Raman, Mythili
Subject: RE: are you pulling together any materials

Based on my conversations with Billy, here is what the meeting with Ken and Mark Chait appears to be about:

1. Briefing on the follow-up to our Mexico trip

- RC-2
-
-
-
-
-

2. Drop-off in U.S. prosecutions for firearms trafficking

- RC-2
-
-

RC-2

[REDACTED]

- Ken is also frustrated by the pace of the USAO in AZ in bringing charges in the "Fast and Furious" gun-trafficking case (multiple RC-3 huge # of guns) -- the AUSA has apparently told the agents that it will take a couple of months to draft the indictment; it appears that the AUSA on the case is not the fastest worker, and Laura Gwinn, our prosecutor on the case, is going to try to push things along including by offering to draft the indictment

RC-2

[REDACTED]

From: Pope, Amy
Sent: Monday, November 08, 2010 4:51 PM
To: Weinstein, Jason
Subject: are you pulling together any materials

On ATF mtg for tomorrow?

Amy E. Pope - U.S. Department of Justice, Deputy Chief of Staff and Counselor to the Assistant Attorney General, Criminal Division [REDACTED] RC-1

From: Smith, Brad (ODAG) <RC-1 >
Sent: Thursday, December 16, 2010 1:50 PM
To: Hoover, William J. (ATF) <RC-1 >, Michalic, Mark (ODAG) <RC-1 >
Subject: RE: New Microsoft Office Word Document

Thanks, Billy.

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 1:48 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: FW: New Microsoft Office Word Document

Brad and Mark,

Here are two briefing papers re AZ. The first will give you an update on our Fast and Furious investigation. The second, labeled New Microsoft Word Document, gives you the information re the firearms recovered at the scene of the homicide of the CBP Officer.

Please call if you have any questions.

Billy

William J. Hoover

Deputy Director

Bureau of Alcohol, Tobacco, Firearms & Explosives

O) RC-1

From: McMahon, William G.
Sent: Thursday, December 16, 2010 1:25 PM
To: Hoover, William J.; Chait, Mark R.
Subject: FW: New Microsoft Office Word Document

Billy and Mark,

Attached are the following:

1. One pager regarding the Subject Jaime AVILA Jr. and

HOCR DOJ 002871

DOJ-FF-60940

2. The December briefing paper regarding the Fast and Furious investigation.

Thanks,

Bill

HOCR DOJ 002872

DOJ-FF-60941

From: Michalic, Mark (ODAG) <RC-1 [REDACTED]>
Sent: Thursday, December 16, 2010 2:37 PM
To: Hoover, William J. (ATF) <RC-1 [REDACTED]>, Smith, Brad (ODAG) <RC-1 [REDACTED]>
Subject: RE: New Microsoft Office Word Document

That would be greatly appreciated.

Thank you.

Mark

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 2:24 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: Re: New Microsoft Office Word Document

Brad and Mark,

I am going to have these BP's put in a better format for you to provide to the DAG if you choose to. I will get them to you later this afternoon.

Billy

William J. Hoover
Deputy Director
Bureau of Alcohol, Tobacco, Firearms & Explosives
O) RC-1 [REDACTED]

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Smith, Brad (ODAG)
To: Hoover, William J.; Michalic, Mark (ODAG)
Sent: Thu Dec 16 13:49:40 2010
Subject: RE: New Microsoft Office Word Document

Thanks, Billy

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 1:48 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: FW: New Microsoft Office Word Document

Brad and Mark,

HOCR DOJ 002873

DOJ-FF-60942

Here are two briefing papers re AZ. The first will give you an update on our Fast and Furious investigation. The second, labeled New Microsoft Word Document, gives you the information re the firearms recovered at the scene of the homicide of the CBP Officer.

Please call if you have any questions.

Billy

William J. Hoover

Deputy Director

Bureau of Alcohol, Tobacco, Firearms & Explosives

O) RC-1

From: McMahon, William G.

Sent: Thursday, December 16, 2010 1:25 PM

To: Hoover, William J.; Chait, Mark R.

Subject: FW: New Microsoft Office Word Document

Billy and Mark,

Attached are the following:

1. One pager regarding the Subject Jaime AVILA Jr. and
2. The December briefing paper regarding the Fast and Furious investigation.

Thanks,

Bill

HOCR DOJ 002874

DOJ-FF-60943

From: Smith, Brad (ODAG) <RC-1 [REDACTED]>
Sent: Friday, December 17, 2010 11:58 AM
To: Grindler, Gary (ODAG) <RC-1 [REDACTED]>; Monaco, Lisa (ODAG) <RC-1 [REDACTED]>; Luck, Stacey (ODAG) <RC-1 [REDACTED]>
Cc: Michalic, Mark (ODAG) <RC-1 [REDACTED]>; Johnston, Deborah A. (ODAG) <RC-1 [REDACTED]>
Subject: ATF Update
Attach: RC-2 [REDACTED], December Fast and Furious BP for SAC (2) (2).docx; December Fast and Furious BP Supplemental December 16 2010.docx

<<>> G <<>> a <<>> r <<>> y.

Mark and I just wanted to pass along a few quick ATF-related updates we received from Billy Hoover. We do not believe anything requires immediate action from our office, but we wanted to make sure you were aware of the issues.

RC-2 [REDACTED]

Second, you may recall that a CBP border agent was killed on Tuesday in a firefight in Arizona involving along the Mexican border. Two of the weapons recovered from the scene (AK-47 variants) have been linked to Jaime Avila Jr., a "straw firearms purchaser" that ATF and USAO for Arizona have been investigating since November 2009 as part of its larger "Fast and Furious" operation. (It is not clear if the shots that killed the CBP agent came from the weapons linked to Avila.) ATF agents, assisted by ICE, USMS, and Phoenix police, arrested Avila on Wednesday for falsification of ATF forms, and in a subsequent interview, he admitted to serving as a straw purchaser. The attached background papers, which ATF prepared, provide additional details on the case, if you are interested.

RC-2 [REDACTED]

Thanks,

Brad

HOGR DOJ 002875

DOJ-FF-60944

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Case Background

The Phoenix Group VII Field Office is leading an investigation entitled “Operation Fast & Furious” in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through “straw” purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

RC-3

and many other investigative techniques to further the investigation. Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

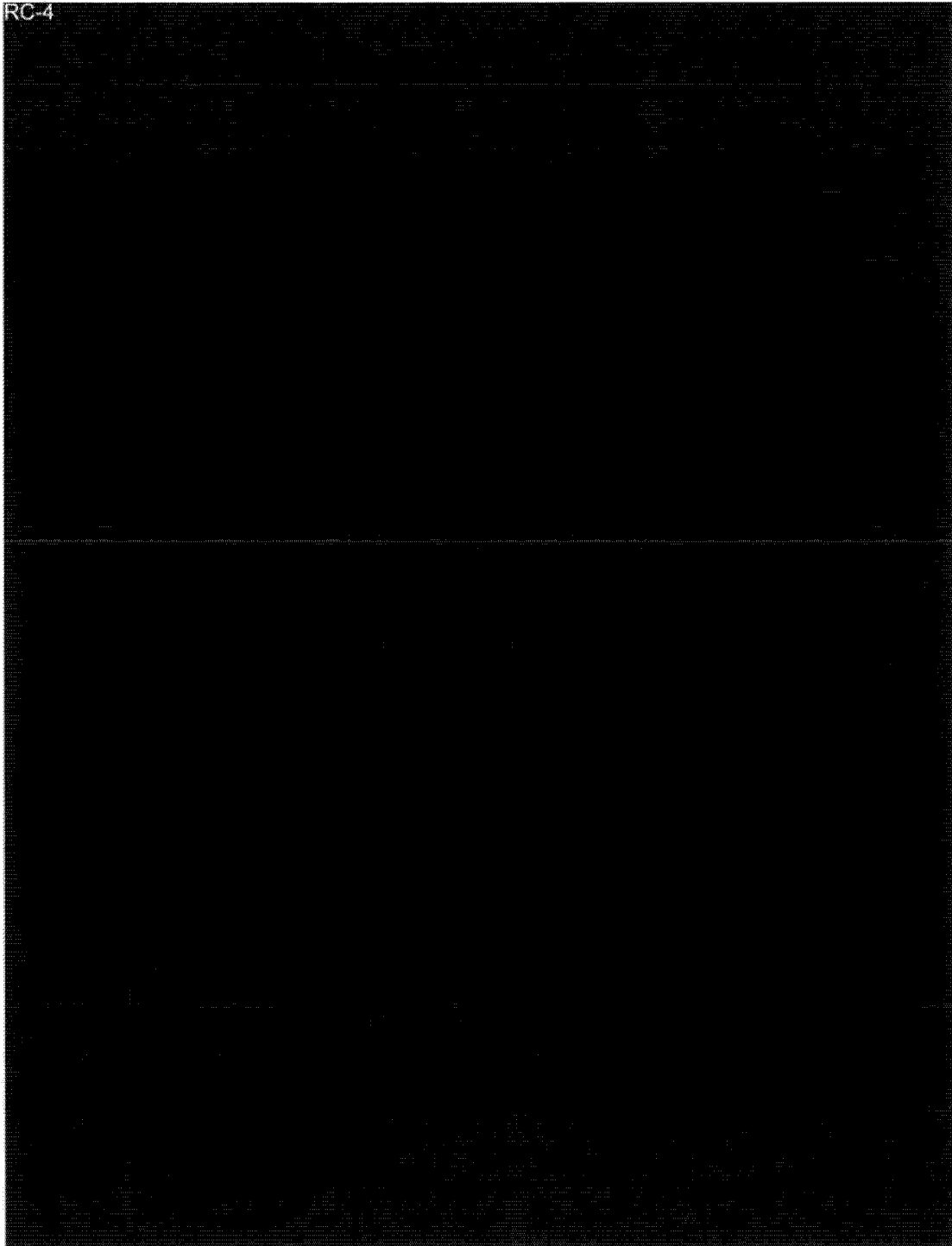
Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of [REDACTED] individuals in this investigation. Agents initially anticipated a first wave of indictments on December 7, 2010. However, in light of additional evidence obtained in support of this investigation and investigative efforts on the part of IRS the first wave of approximately 20 indictments have been pushed back another 30 days. The reasons for this include the very proactive stance the IRS has taken during the past several weeks [REDACTED] RC-3

[REDACTED] RC-3 In addition the USAO has agreed to approve the inclusion of five Federal search warrants. The additional preparation for the search warrants and [REDACTED] RC-3 coupled with available Grand Jury time, has pushed the indictment date to the week of January 10, 2011.

On December 3rd SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

List of Defendants Referred to USAO for Prosecution:



Proposed Charges:

1. Title 18, United States Code, Section 554, Smuggling Goods from the United States;
2. Title 18, United States Code, Section 922(a)(1), Dealing in Firearms without a License;
3. Title 18, United States Code, Section 922(a)(5), Transferring Firearms to a Non-Resident of the State;
4. Title 18, United States Code, Section 922(a)(6) Making a False Statement in Connection with the Acquisition of a Firearm;
5. Title 18, United States Code, Section 924(a)(1)(A) Making a False Statement in Connection with the Acquisition of a Firearm;
6. Title 18, United States Code, Section 924(n), Interstate/International Firearms Trafficking;
7. Title 18, United States Code, Sections 924(c) and 924(o), Use of a Firearm in Furtherance of a Drug Trafficking Offense/Conspiracy to Use a Firearm in Furtherance of a Drug Trafficking Offense;
8. Title 18, United States Code, Section 1343, Wire Fraud;
9. Title 18, United States Code, Section 1956, Money Laundering;
10. Title 18, United States Code, Section 371, Conspiracy to Commit any Offense Against the United States;
11. Title 21, United States Code, Sections 841 and 846, Possession/Conspiracy to Possess a Controlled Substance with Intent to Distribute;
12. Title 21, United States Code, Sections 960 and 963, Import/Conspiracy to Import a Controlled Substance;
13. Title 22, United States Code, Section 2778, Attempt/Export Munitions without a License;
14. Title 31, United States Code, Section 5324, Structuring Transactions to Evade Reporting Requirements; and
15. Title 31, United States Code, Section 5332, Bulk Cash Smuggling;

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Supplemental

On December 15/16, 2010, after the shooting death of U.S. Border Patrol Agent Brian Terry near Rio Rico, Arizona (approx 25 miles north of Nogales) Southern Arizona law enforcement officers/agents responded and conducted a search of the area. This search resulted in the arrest of four individuals. One of them, Manuel Osorio Arellances DOB 8-4-76, was shot in the exchange of gunfire ^{RC-5}

RC-5

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which a complex firearms trafficking organization acquired several hundred firearms was initiated in October 2009 and is being conducted in conjunction with ICE/HSI, IRS, DEA and the Phoenix Police Department.

Due to the "hit" in the Suspect Gun Database the Phoenix Field Division's Field Intelligence Group was notified and confirmed that the two recovered firearms were part of a sale of three Romarm/Cugir AK-47 variant rifles purchased by Jaime AVILA Jr. on January 16, 2010 from Lone Wolf Trading Company in Glendale, Arizona. Jaime Avila Jr. is one of ^{RC-5} straw firearms purchasers identified in the "Fast and Furious" investigation and recommended by ATF for prosecution to the U.S. Attorney's Office in Phoenix, Arizona.

Jaime Avila Jr. is known to have purchased a total of 52 firearms beginning in late November 2009 and ending in mid-June 2010. He had purchased 13 firearms by the time he purchased the three AK-47 variant rifles on January 16, 2010, two of which were recovered near Rio Rico, Arizona on December 16th. The 52 firearms purchased by Jaime Avila Jr. included 17 AK-47 variant rifles, 11 Fabrique National "FN57" 5.7x28mm pistols, 10 9mm pistols, 5 .45 and .40 caliber pistols, 2 Barrett .50 caliber rifles and several other assorted firearms.

Sensitive But Unclassified – For Official Use Only

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located Jaime Avila Jr. and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, Jaime Avila Jr. admitted to ATF agents that he straw purchased these firearms for an unidentified Hispanic male as well as admitted he had used an address of a residence he had not resided in for several years. This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

Jaime Avila Jr. was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).

Sensitive But Unclassified – For Official Use Only

HOCR DOJ 002881



PHOENIX DOMEX QUARTERLY REPORT



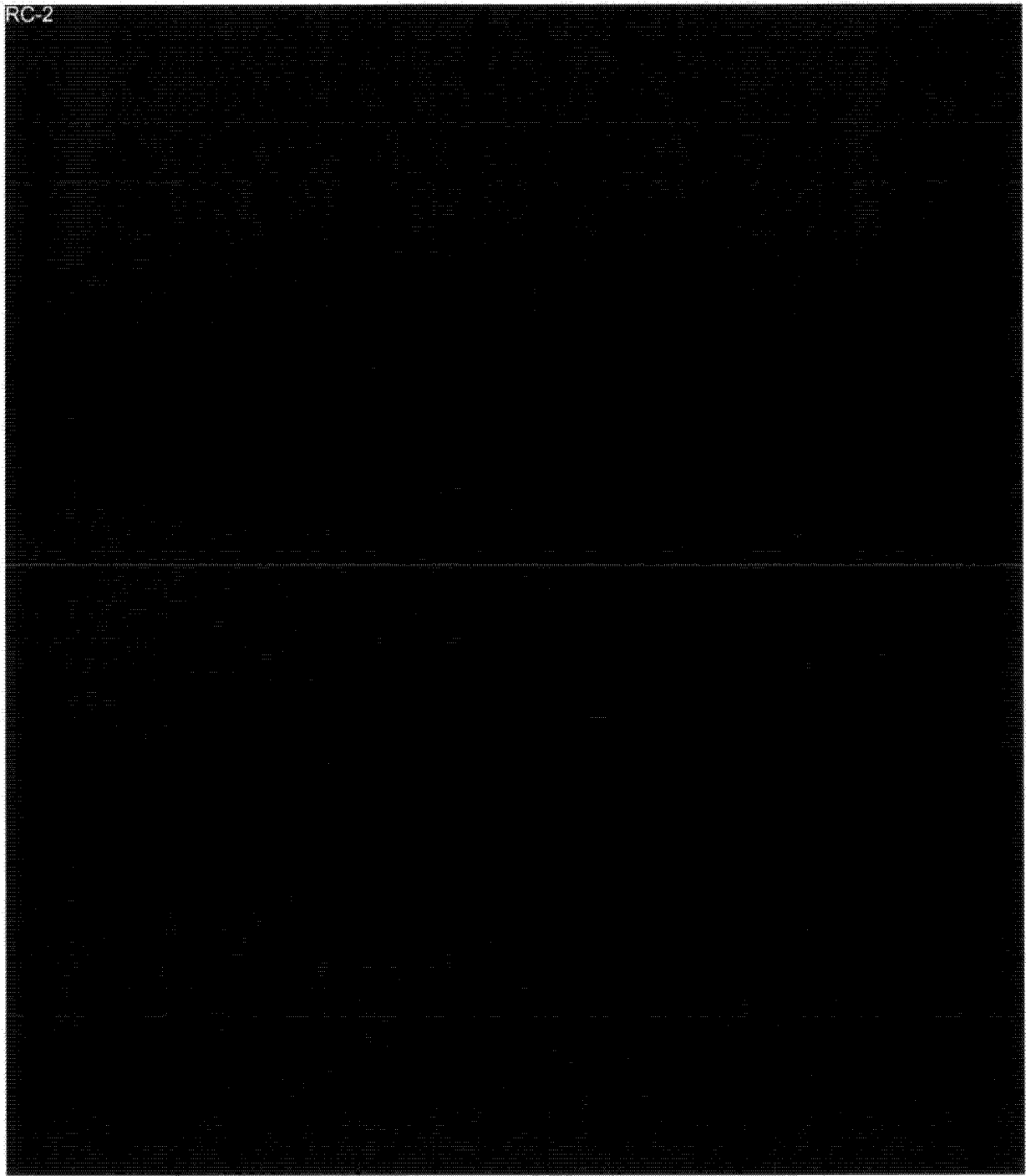
January 2011

The Phoenix DOMEX Team commenced operations on May 17, 2010. The team currently consists of 6 contract analysts, and one NDIC lead Intelligence Research Specialist (IRS). During the 1st quarter of FY-2011, the team completed 2 missions on DEA Priority Target/OCDETF investigations and 2 additional missions are in process. Each investigation contains a strong financial component with an emphasis on the identification of assets and will require additional missions by Phoenix DOMEX. Further, 6 additional PTO/OCDETF investigations have been approved for DOMEX exploitation and are pending. The following are summaries of completed, in-process, and pending Phoenix DOMEX missions:

Completed Missions:

RC-2





Strike Force/ OCDETF Operation Fast and Furious; 78511510-0004; X116708PHX (Phase 2); ATF Case Agent Hope MacAllister

This ATF Strike Force/OCDETF investigation is focused on the firearm trafficking activities of an international weapon-distribution organization based in Arizona. Direct law enforcement

intelligence indicates that this organization is a source of supply for weapons to the Sinaloa Cartel. Information developed by the ATF indicates that over the past year this organization has supplied at least 1,500 firearms to DTOs operating in Mexico. To date, the ATF has identified approximately ^{RC}₅ members and associates of this organization in the Phoenix, AZ area. Phase 2 will involve the analysis of approximately 100 ROIs documenting the purchase of firearms.

RC-1

From: Weinstein, Jason
Sent: Monday, January 03, 2011 7:40 PM
To: Trusty, James
Subject: RE: gun trafficking

RC-2

From: Trusty, James
Sent: Monday, January 03, 2011 1:34 PM
To: Weinstein, Jason
Subject: RE: gun trafficking

I think it makes sense, although I'm a little nervous about how I staff these cases. We're going to have some good gun trafficking stories very soon, with the AZ cases (including the eventual takedown of Fast and Furious) and the RC-2 case, in particular. If we can get the RC-2 charged soon (I'm looking into that) we'd have another big chunk of gun trafficking offenses.

RC-2

RC-2

Jim

From: Weinstein, Jason
Sent: Monday, January 03, 2011 12:53 PM
To: Trusty, James
Subject: gun trafficking

Hey – Lanny asked us to think about ways we can contribute to fighting violent crime in some of the cities identified in the most recent UCR data as having the biggest increase in murders and gun crime, beyond the things we already do. I'll send you the data, but beyond big cities that would never want or accept help (NY, Chicago), there are some where we may be able to help, such as Minneapolis, Madison, WI, Washington, DC, Sacramento, etc.

In any event, I thought we might be able to do two things without a tremendous drain on resources:

1)

RC-2

2)

HOCR DOJ 002885

DOJ-FF-60954

RC-2



RC-2



We could start with one or two market cities as a pilot, and then go from there if it bears fruit. What do you think?

JW

Jason M. Weinstein
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

RC-1

From: Trusty, James
Sent: Tuesday, January 04, 2011 5:13 PM
To: Raman, Mythili
Subject: Re: Phoenix gun trafficking press release

Fast and Furious is usao but they've consulted with Laura and I'm trying to wriggle her in to the case. I don't want to misspeak on the other answers so let me doublecheck.

From: Raman, Mythili
To: Trusty, James; Weinstein, Jason
Sent: Tue Jan 04 17:08:42 2011
Subject: RE: Phoenix gun trafficking press release

How did the summons get issued? How many defendants were served?

Is the Fast and Furious case ours or USAOs?

From: Trusty, James
Sent: Tuesday, January 04, 2011 4:38 PM
To: Weinstein, Jason; Raman, Mythili
Subject: FW: Phoenix gun trafficking press release

To our mild surprise, some defendants in Laura Gwinn's recent indictment have been served with summons to appear in Phoenix tomorrow. This effectively ends the sealing we did on our indictment to allow its unsealing when Fast and Furious comes down. That case is apparently set for indictment 1/19, by the way. I don't think it will have any operational significance for T&F (no flight/obstruction issues stemming from our unsealing).

Call me if you have questions or concerns, but Laura Sweeney wanted me to get in touch with you two.

Jim

From: Sweeney, Laura (SMO) [mailto:[RC-1](#)]
Sent: Tuesday, January 04, 2011 4:24 PM
To: Trusty, James
Subject: FW: Phoenix gun trafficking press release

I think we need to let Jason and Mythili know this may be happening tomorrow - do you want to shoot them an email?

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 4:02 PM
To: Trusty, James (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

HOCR DOJ 002887

DOJ-FF-60956

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:52 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

You know the procedural history of your case considerably better than me or Jaffe - why don't you touch base with Patrick and let him know what is transpiring. If he wants to talk about anything on your case or F&F, tell him I am happy to chat (in fact, tell him I'm planning on calling him this week either way)

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:47 PM
To: Trusty, James; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

That's what I am thinking. Should you or Jaffe touch base with Patrick Cunningham about the change in plan? Or maybe we could just proceed **RC-2** and still do the press release at the same time as F&F?

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:35 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:34 PM
To: Sweeney, Laura (SMO); Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Sweeney, Laura (SMO) [mailto:**RC-1**]
Sent: Tuesday, January 04, 2011 1:32 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 1:27 PM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Projected withdrawal of **RC-1**

HOCR DOJ 002888

DOJ-FF-60957

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 12:08 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Hi Laura - any word from Phoenix?

From: Gwinn, Laura (CRM)
Sent: Thursday, December 30, 2010 11:26 AM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: Re: Phoenix gun trafficking press release

I haven't heard anything from Phx on Fast n Furious timing. Will try to remember to email them next week (when I get back from vacation)
Sent from Blackberry
Laura Gwinn
US Dept of Justice Gang Unit
RC-1 (c)

From: Sweeney, Laura (SMO) [mailto:RC-1]
To: Trusty, James; Gwinn, Laura
Cc: Jaffe, David; Finelli, Alisa (SMO) <RC-1>
Sent: Thu Dec 30 11:21:51 2010
Subject: RE: Phoenix gun trafficking press release

Any more updates on timing for this?

From: Trusty, James (CRM)
Sent: Tuesday, December 21, 2010 5:08 PM
To: Gwinn, Laura (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM)
Subject: RE: Phoenix gun trafficking press release

That's the Fast and Furious case, that has been "poised for indictment" for some time now, but hopefully they'll truly get to the finish line next month.

From: Gwinn, Laura
Sent: Tuesday, December 21, 2010 5:07 PM
To: Sweeney, Laura (SMO)
Cc: Jaffe, David; Trusty, James
Subject: Phoenix gun trafficking press release

Laura

RC-2 Phx USAO is going to be doing a HUGE gun trafficking indictment, perhaps near end of Jan, and they wanted to combine any press on mine with that one, since they are tangentially related. Supposedly the AG will be coming out for that big indictment. I will still send you the basics, ala the

HOCR DOJ 002889

DOJ-FF-60958

RC-2 [redacted] template you sent back to me. But there will need to be coordination with the press office here in Phx or however you do it.

Laura Gwin
US Dept of Justice Gang Unit
RC-1 [redacted] (C)

RC-1

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 5:18 PM
To: Trusty, James
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Trusty, James
Sent: Tuesday, January 04, 2011 5:14 PM
To: Gwinn, Laura
Subject: Fw: Phoenix gun trafficking press release

Can you answer the first two to me and I will respond to Mythil.

From: Raman, Mythili
To: Trusty, James; Weinstein, Jason
Sent: Tue Jan 04 17:08:42 2011
Subject: RE: Phoenix gun trafficking press release

How did the summons get issued? How many defendants were served?

Is the Fast and Furious case ours or USAOs?

From: Trusty, James
Sent: Tuesday, January 04, 2011 4:38 PM
To: Weinstein, Jason; Raman, Mythili
Subject: FW: Phoenix gun trafficking press release

To our mild surprise, some defendants in Laura Gwinn's recent indictment have been served with summons to appear in Phoenix tomorrow. This effectively ends the sealing we did on our indictment to allow its unsealing when Fast and Furious comes down. That case is apparently set for indictment 1/19, by the way. I don't think it will have any operational significance for F&F (no flight/obstruction issues stemming from our unsealing).

Call me if you have questions or concerns, but Laura Sweeney wanted me to get in touch with you two.

Jim

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 4:24 PM
To: Trusty, James
Subject: FW: Phoenix gun trafficking press release

I think we need to let Jason and Mythil know this may be happening tomorrow - do you want to shoot them an email?

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 4:02 PM

HOCR DOJ 002891

DOJ-FF-60960

To: Trusty, James (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:52 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

You know the procedural history of your case considerably better than me or Jaffe – why don't you touch base with Patrick and let him know what is transpiring. If he wants to talk about anything on your case or F&F, tell him I am happy to chat (in fact, tell him I'm planning on calling him this week either way)

From: Gwinn, Laura
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Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

That's what I am thinking. Should you or Jaffe touch base with Patrick Cunningham about the change in plan? Or maybe we could just proceed RC-2 and still do the press release at the same time as F&F?

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Sent: Tuesday, January 04, 2011 1:32 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

HOCR DOJ 002892

DOJ-FF-60961

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 1:27 PM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Projected indictment of Jan. 19

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 12:08 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Hi Laura - any word from Phoenix?

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Sent: Thursday, December 30, 2010 11:26 AM
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I haven't heard anything from Phx on Fast n Furious timing. Will try to remember to email them next weeeek (when I get back from vacation).

Sent from Blackberry

Laura Gwinn

US Dept of Justice Gang Unit

RC-1 (c)

From: Sweeney, Laura (SMO) <RC-1>
To: Trusty, James; Gwinn, Laura
Cc: Jaffe, David; Finelli, Alisa (SMO) <RC-1>
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To: Gwinn, Laura (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM)
Subject: RE: Phoenix gun trafficking press release

That's the Fast and Furious case, that has been "posed for indictment" for some time now, but hopefully they'll truly get to the finish line next month.

From: Gwinn, Laura
Sent: Tuesday, December 21, 2010 5:07 PM
To: Sweeney, Laura (SMO)

HOCR DOJ 002893

DOJ-FF-60962

Cc: Jaffe, David; Trusty, James

Subject: Phoenix gun trafficking press release

Laura

RC-2 Phx USAO is going to be doing a HUGE gun trafficking indictment, perhaps near end of Jan, and they wanted to combine any press on mine with that one, since they are tangentially related. Supposedly the AG will be coming out for that big indictment. I will still send you the basics ala the RC-2 template you sent back to me. But there will need to be coordination with the press office here in Phx, or however you do it.

Laura Cowan

US Dept of Justice Gang Unit

RC-1 (C)

HOCR DOJ 002894

DOJ-FF-60963

RC-1

From: Trusty, James
Sent: Wednesday, January 19, 2011 1:43 PM
To: Lurie, Adam
Subject: RE: meeting with RC-1
Attachments: SWB DAG TPs 1 18 11 rev.wpd

Some TPs for the DAG meeting -- Jason said to forward. Call me when you have a second. RC-1

From: Lurie, Adam
Sent: Wednesday, January 12, 2011 8:22 PM
To: Weinstein, Jason
Cc: Trusty, James
Subject: Re: meeting with RC-1

Good idea. If there are any matters in particular that you would like him to brag about, please send it my way.

From: Weinstein, Jason
To: Lurie, Adam
Cc: Trusty, James
Sent: Wed Jan 12 20:08:38 2011
Subject: RE: meeting with RC-1

There isn't really any single document I can think of, although you can get a good overview from the press releases on the gang unit's web page. CC'ing Jim to see if he has other ideas.

From: Lurie, Adam
Sent: Wednesday, January 12, 2011 5:50 PM
To: Weinstein, Jason
Subject: meeting with RC-1

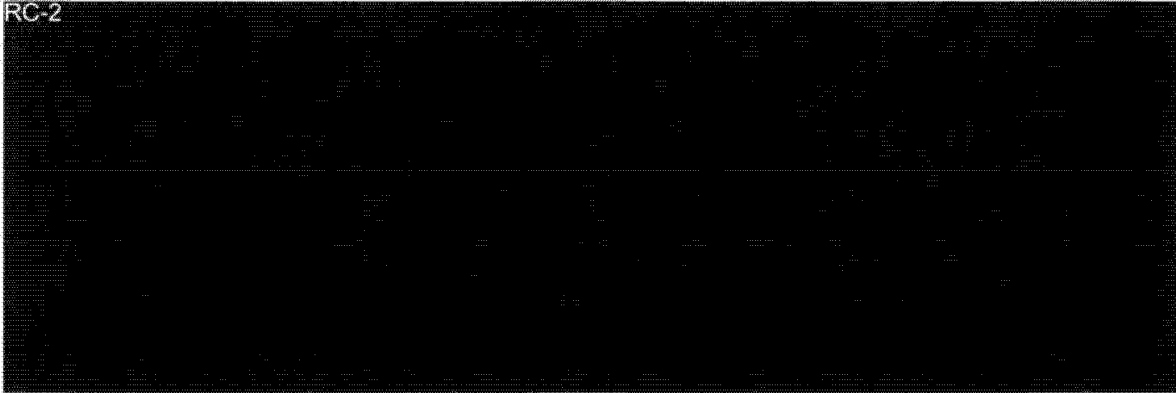
Jason,

Lanny will be meeting with RC-1 possibly next week, who has shown interest in gang prosecutions, and there is a possibility that RC-1 may ask about CRM's gang work. Any chance you can point me to a resource from which I can pull some CRM "successes"?

HOCR DOJ 002895

DOJ-FF-60964


RC-2

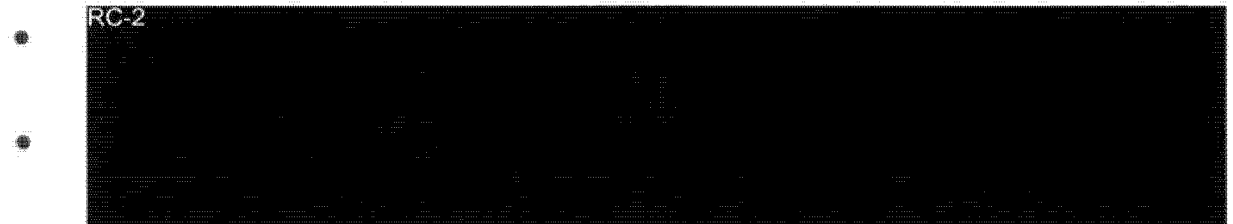


Arizona Gun Trafficking

- The Gang Unit is working closely with the USAO in Arizona on a number of gun trafficking cases, including the following:



- On Oct. 27th, we indicted 8 defendants under seal on for trafficking 228 firearms to Mexico. The sealing will likely last until such time as the Phoenix-based "Operation Fast and Furious" is ready for takedown. That investigation has spanned  and likely involved thousands of firearms. Fast and Furious indictment is set for Jan. 19th.



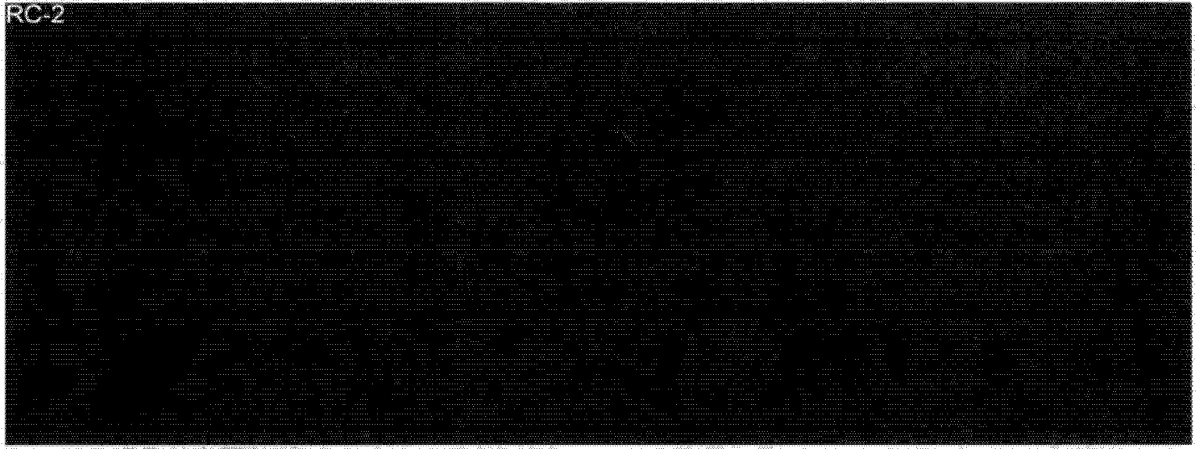
Training



1/24/11

□

RC-2



□

□

Anna

Fast & Furious

15 Δ s. = 1300 -- 6001

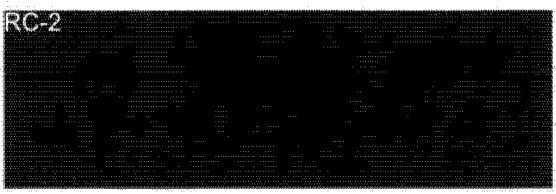
lent sack

Lucy

Our case = 8 Δ s

Stems 40 Assault type weapon

RC-2





U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

September 30, 2011

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Mr. Chairman and Senator Grassley:

This responds to your letter dated July 11, 2011, to the Attorney General requesting records relating to communications between and among twelve Department of Justice officials regarding ATF Operation Fast and Furious.

We are delivering today to your office 97 pages of material responsive to your request. These documents bear limited redactions to protect specific details about pending investigations, including text that would identify targets and sensitive techniques, plus information relating to line employees. In addition, we have redacted from multi-subject documents text that is not responsive to your request. The nature of specific redactions is indicated by a redaction code ("RC") in accordance with the enclosed list. Even with the redactions, many of these documents contain non-public material and are not appropriate for public disclosure. In response to a request from Chairman Smith, we also will provide these documents to the House Committee on the Judiciary.

We have also located an additional page of law-enforcement sensitive material that we are prepared to make available at the Department for review by staff of your respective Committees, as well as staff of the House Committee on the Judiciary. There are limited redactions of text that would identify law enforcement sensitive techniques.

Our search for records responsive to your request is ongoing, and we will supplement this response when we process additional responsive records.

The Honorable Darrell E. Issa
The Honorable Charles E. Grassley
Page 2

We hope this information is helpful and look forward to working with the Committee as this matter continues.

Sincerely,



Ronald Weich
Assistant Attorney General

Enclosures

cc: The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform

The Honorable Patrick J. Leahy
Chairman
Committee on the Judiciary

Index to Redaction Codes

- RC-1: Redaction of text for privacy purposes.
- RC-2: Redaction of text that is non-responsive.
- RC-3: Redaction of text that relates to law enforcement sensitive investigative techniques.
- RC-4: Redaction of text that relates to investigative targets or subjects.
- RC-5: Redaction of text that discloses law enforcement sensitive investigative details.

From: Lumpkin, Beverley (OPA)
To: Grindler, Gary (OAG)
Sent: 10/3/2011 9:47:14 PM
Subject: Re: fyi: ATF/F&F

Sorry, I've been offline...

DP

DP

Unrelated

will try to get transcript.

From: Grindler, Gary (OAG)
Sent: Monday, October 03, 2011 07:06 PM
To: Lumpkin, Beverley (OPA)
Subject: RE: fyi: ATF/F&F

What did it say?

From: Lumpkin, Beverley (OPA)
Sent: Monday, October 03, 2011 5:58 PM
To: Grindler, Gary (OAG)
Subject: fyi: ATF/F&F

Bad story coming on CBS Evening News tonight.

From: Weich, Ron (OLA)
To: Richardson, Margaret (OAG); Ramirez, Monica (ODAG); Colborn, Paul P (OLC); Schmalzer, Tracy (OPA); Crabb, John D. (USADC)
Sent: 10/3/2011 12:00:27 PM
Subject: FW: Friday's production of ODAG/CRM docs --
Attachments: PRODUCED 9-30 (2801 - 2897).pdf

From: Gaston, Molly (OLA)
Sent: Monday, October 03, 2011 8:43 AM
To: Reich, Steven (ODAG)
Cc: Weich, Ron (OLA)
Subject: Friday's production

This was sent to Issa, Cummings, Grassley, Leahy, Smith, and Conyers staff Friday night.

Molly Gaston
Office of Legislative Affairs
U.S. Department of Justice
Office: (202) 305-9134 | Cell: (202) 532-3346

RC-1

From: Cooley, Joseph
Sent: Monday, March 01, 2010 1:06 PM
To: Hurley, Emory (USAAZ)
Subject: FW: Firearms Investigation

Emory,

I was just informed that you are the AUSA assigned to this case. The ATF Director asked that the DOJ Criminal Division provide assistance in the Mexican Firearms Trafficking cases. I have been assigned to this matter. Please contact me at your earliest convenience.

JAC

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell: RC-1
Office: RC-1
Fax: RC-1

From: Gillett, George T., Jr. (mailto:RC-1)
Sent: Monday, March 01, 2010 12:59 PM
To: Cooley, Joseph; Voth, David J.
Cc: O'Keefe, Kevin C.; MacAllister, Hope A.; Hurley, Emory (USAAZ)
Subject: RE: Firearms Investigation

Mr. Cooley -

The investigation you are referring to has been dubbed, "The Fast and Furious." This is an approved OCDEF investigation. I will have group supervisor David Voth coordinate with you to meet on this investigation. There is a briefing scheduled at 1:00 PM on Friday, May 5, at ATF Headquarters on this and other active, southwest border investigations. It may be most effective (if your schedule permits) to attend this briefing. However, I will have Mr. Voth contact you on your cell phone to coordinate a meeting with you before the briefing so you can be completely up to speed.

Please don't hesitate to contact me if you have further questions/concerns.

George T. Gillett
Assistant Special Agent in Charge
ATF Phoenix Field Division
Office: RC-1

From: Cooley, Joseph (mailto:RC-1)
Sent: Monday, March 01, 2010 10:43 AM
To: Gillett, George T., Jr.; Voth, David J.
Cc: O'Keefe, Kevin C.
Subject: Firearms Investigation

Carla...

HOCR DOJ 002801

DOJ-FF-60972

At the request of AFI Headquarters, Gang Unit has agreed to assist in the Firearms Trafficking into Mexico investigations. Earlier this year, I was assigned to this task. I just finished up a trial last week and I am now available to provide any assistance needed. I understand that the case agent working out the Phoenix Office is Hopa McAllister. I could not find her in the email directory. Please have her contact me at her earliest convenience.

JAC

Joseph A. Cooley

Trial Attorney

Gang Unit

Department of Justice

850 Pennsylvania Ave. N.W., Suite RC-1

Washington, DC 20530

Cell RC-1

Office RC-1

Fax RC-1

HOCR DOJ 002802

DOJ-FF-60973

RC-1

From: Carwile, Kevin
Sent: Thursday, March 04, 2010 5:35 PM
To: Weinstein, Jason; Raman, Mythili; Fagell, Steven
Subject: weekly report for Gang Unit
Attachments: Gang Unit Update_3-4-10.docx

Please see attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002803

DOJ-FF-60974



U.S. Department of Justice

Criminal Division

Gang Unit

*959 Pennsylvania Avenue, N.E.
Washington, D.C. 20530*

March 4, 2010

MEMORANDUM

TO: Jason M. Weinstein, DAAG
Mythili Raman, Principal DAAG/Chief of Staff
Steven E. Fagell, Deputy Chief of Staff

FROM: P. Kevin Carwile, Chief, Gang Unit

SUBJECT: Gang Unit Update for March 4, 2010

I. Significant Accomplishments of the Past Week:

• RC-2



II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, Including Significant Litigation Matters That Have Upcoming Court Deadlines in the Next Week or Two:

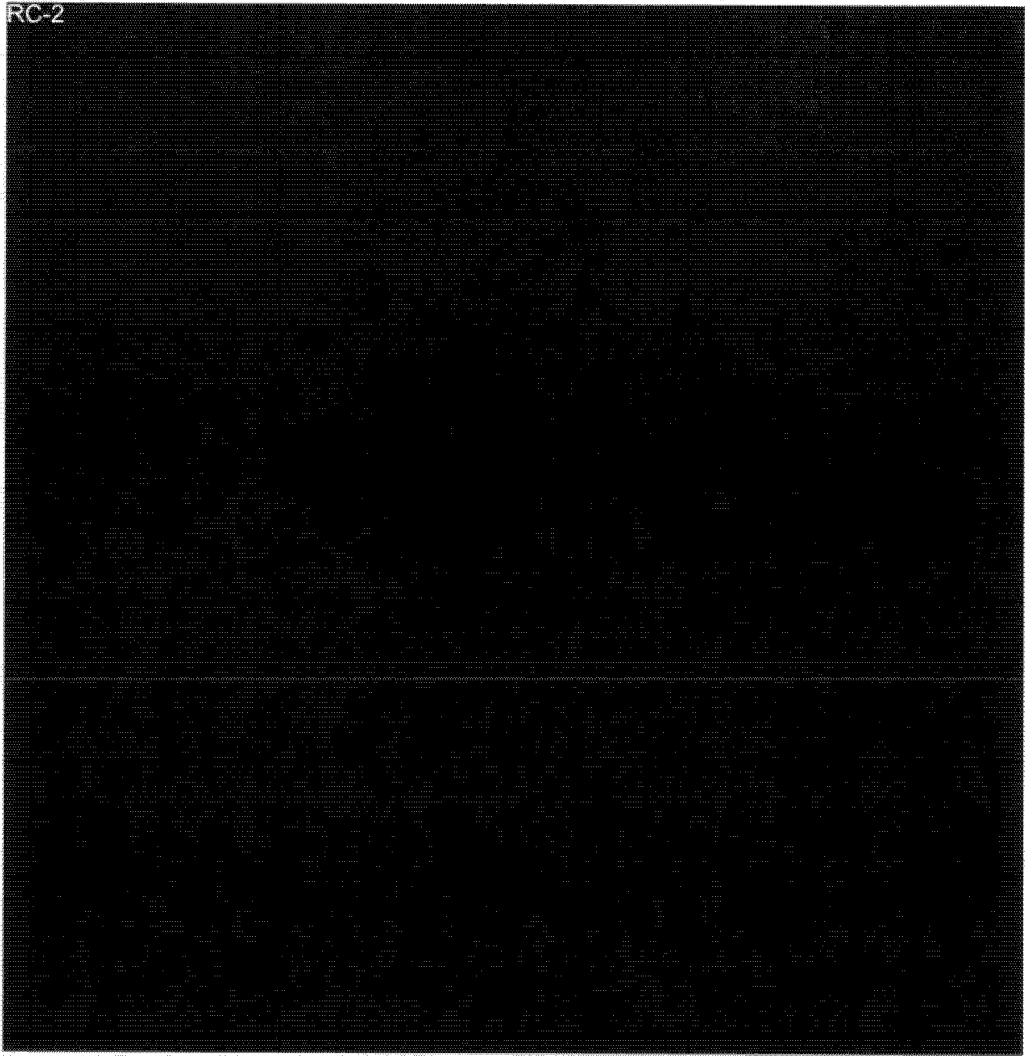
• RC-2



HOCR DOJ 002804

DOJ-FF-60975

RC-2



• **Southwest Border Firearms Initiative:** On March 1, GU met with ATF HQ to be briefed on developments in Operation *Fast and Furious* and various firearms trafficking investigations based in Phoenix, AZ. RC-2

RC-2



RC-1

From: Cooley, Joseph
Sent: Thursday, March 04, 2010 5:56 PM
To: O'Keefe, Kevin C. (ATF)
Subject: RE: Debriefing at ATF Tomorrow

Will do. Thanks.

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell RC-1
Fax

From: O'Keefe, Kevin C. [mailto:RC-1]
Sent: Thursday, March 04, 2010 5:51 PM
To: Cooley, Joseph
Subject: RE: Debriefing at ATF Tomorrow
Importance: High

Joe - my apologies for not reaching out to you personally on this, running in circles. I realize our Phoenix guys had talked to you. Yes, please stop by. Dave, along with my analysts here in HQ will be briefing. It will be much more detailed than what I gave you on Monday. We will also have VTC with our SAC in Phoenix, Dallas and Houston. It is set for 1 pm. Give me a buzz when you get here and I'll get you up to our 7th Floor Conf Room. See you tomorrow.

Kevin O'Keefe
Chief Criminal Intel Div

RC-1
From: Cooley, Joseph [mailto:RC-1]
Sent: Thursday, March 04, 2010 5:07 PM
To: O'Keefe, Kevin C.
Subject: Debriefing at ATF Tomorrow

Kevin,

I spoke with Dave Voith who indicated that he was giving a briefing tomorrow on Operation Past and Furious. He and George Gillett suggested that I attend. I wanted to run this past you to make sure it was okay. I believe it was set for 1 pm.

JAC

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite RC-1
Washington, DC 20530
Cell RC-1
Fax

HOCR DOJ 002806

DOJ-FF-60977

3/5/10

Bringing @ ATF

East + Tannins A2

→ 1006

1000 guns since 9/09

Shawn Stewart

(pardon and all that)

2000 → or new guns since

241

2049, —

11/20/09

woman in MX

→ 41 firearms seized

12/03/09 Nopalteg, A2

4 firearms

of ammo

12/09/09 Douglas, A2 - 7

Shawn Stewart

12/9/09

Mexicali, Baja Cal
12 tons of money (pair)
(warehouse)

41 guns seized

12/18/09

Myrna, Baja

12/21/09 Phoenix, AZ

1/8/10

1/13/10 El Paso
again

Behind the
Acosta
Stewart trap
to El Paso

person in study down connected
w/ sandripping crew

2/21/10 Luba, AZ

Op Wide Receiver → Laura
Gowan

→ Start House

two firearms

(Epic provided GPS)

2/25/10

Pignone

Bayo

→ all AKs converted to
full auto

RC-1

From: Cooley, Joseph
Sent: Monday, March 08, 2010 5:34 PM
To: Reeves, Bryan N.
Subject: RE: Southwest Border Firearms Initiative

+ Southwest Border Firearms Initiative: RC-2
RC-2 On March 5, GU attended a debriefing on the developments in Operation *Fast and Furious*, an extensive firearms trafficking investigation based in Phoenix, AZ. The ATF Dallas and Houston field offices participated via teleconferencing. RC-3
RC-3 (J. Cooley)

Joseph A. Cooley
Trial Attorney
Gang Unit
Department of Justice
950 Pennsylvania Ave. N.W., Suite 7035
Washington, DC 20530
Cell: RC-1
Fax: [REDACTED]

From: Reeves, Bryan N.
Sent: Monday, March 08, 2010 5:17 PM
To: Cooley, Joseph
Subject: Southwest Border Firearms Initiative

Please update and send back.

• Southwest Border Firearms Initiative: On March 1, GU met with ATF HQ to be briefed on developments in Operation *Fast and Furious* and various firearms trafficking investigations based in Phoenix, AZ. RC-2
RC-2 (J. Cooley)

Sincerely,

Bryan M. Reeves
United States Department of Justice
Criminal Division, Gang Unit
Telephone: RC-1
BlackBerry: [REDACTED]

From: Reeves, Bryan N.
Sent: Monday, March 08, 2010 5:07 PM
To: Cooley, Joseph
Subject: weekly update due...

HOGR DOJ 002810


DOJ-FF-60981

Can you update the paragraph below and email it back in the same format with the bolded title/header etc... this makes it easier to cut/paste your reply into the final doc. each week...

RC-2



Sincerely,

Bryan N. Reeves
United States Department of Justice
Criminal Division, Gang Unit
Telephone: RC-1
BlackBerry: 

RC-1

From: Michalic, Vivian B.
Sent: Wednesday, March 10, 2010 5:46 PM
To: Hoover, William J.; Nelson, Kenneth E.
Subject: Agenda for the DAG Meeting

Below is the proposed agenda for this Friday's meeting with the DAG.

RC-2

RC-2

Agenda for ATF and ODAG Meeting, March 12, 2010

RC-2

1.

2.

✓

✓ Phoenix Case - Update on a significant firearms trafficking case

RC-2

✓

✓

Vivian B. Michalic
Chief of Staff
Office of the Director, ATF

RC-1

RC-2

*D Operation Fast-Eunuchs - demand letter for multistate sales on long guns
already vetted through SWB strategic group*

RC-2

RC-1

From: Carwile, Kevin
Sent: Thursday, March 11, 2010 5:46 PM
To: Weinstein, Jason; Raman, Mythil; Fagell, Steven
Cc: Trusty, James
Subject: weekly report
Attachments: Gang Unit Update_3.11.10.docx

See attached

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOGR DOJ 002813

DOJ-FF-60984



U.S. Department of Justice

Criminal Division

Gang Unit

950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

March 11, 2010

MEMORANDUM

TO: Jason M. Weinstein, DAAG
Mythili Raman, Principal DAAG/Chief of Staff
Steven E. Fageil, Deputy Chief of Staff

FROM: P. Kevin Carwile, Chief, Gang Unit

SUBJECT: Gang Unit Update for March 11, 2010

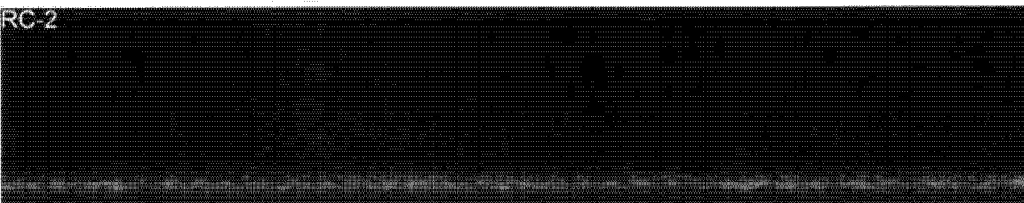
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• RC-2



II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, Including Significant Litigation Matters That Have Upcoming Court Deadlines in the Next Week or Two:

• RC-2



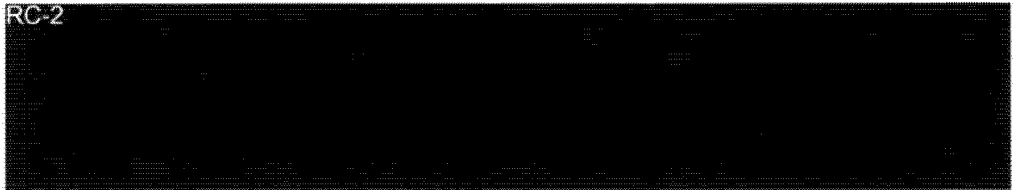
HOCR DOJ 002814

RC-2



III. Expected Major Legislative or Policy Developments in Next Week or Two:

RC-2



IV. Significant Developments or Deadlines in Interagency Process:

RC-2



V. Significant Speeches or Public Events:

N/A

VI. Status of Other Major Matters/Initiatives/Issues:

- Southwest Border Firearms Initiative: RC-2

RC-2
RC-2

On March 5, GU attended a debriefing of *Operation Fast and Furious*, an extensive firearms trafficking investigation based in Phoenix, Arizona; Dallas and Houston ATF field offices participated via

teleconferencing. RC-3

RC-3

(J. Cooley)

RC-2



HOCR DOJ 002816

DOJ-FF-60987

ATF Monthly Meeting
with the Acting Deputy Attorney General
Friday, March 12, 2010

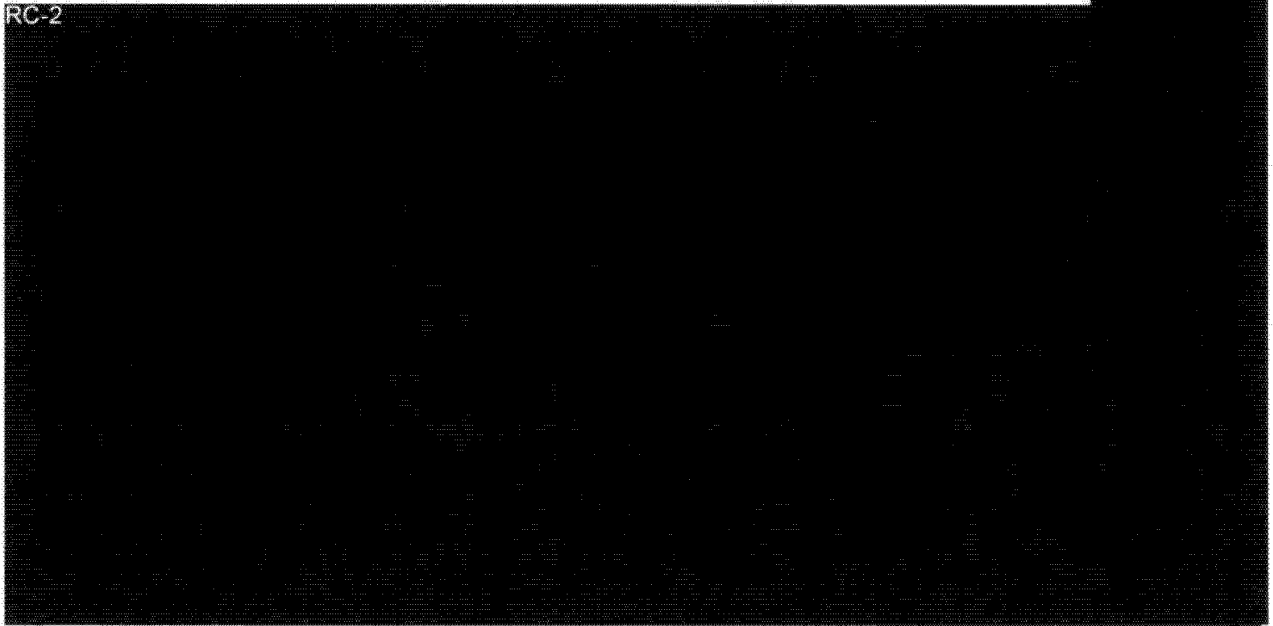
AGENDA

RC-2



Phoenix Case - Update on a significant firearms trafficking case

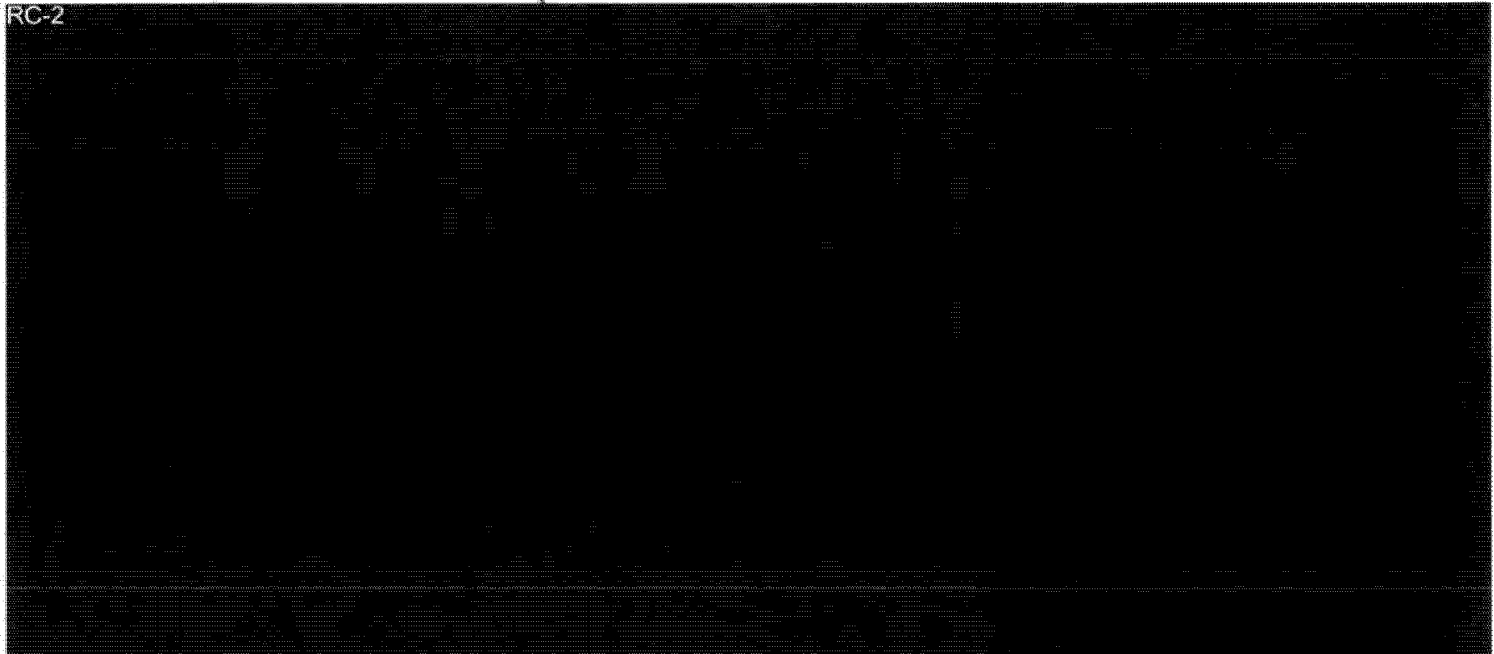
RC-2



ATF Monthly Meeting

3/12/10

RC-2



RC-2

3. Operation The First

Previous
Drafts

long vibs. multiple
role issues

~~Process~~



RC-2

seizure in Mexico
take 1 as predicate
to case in US
later to cartel

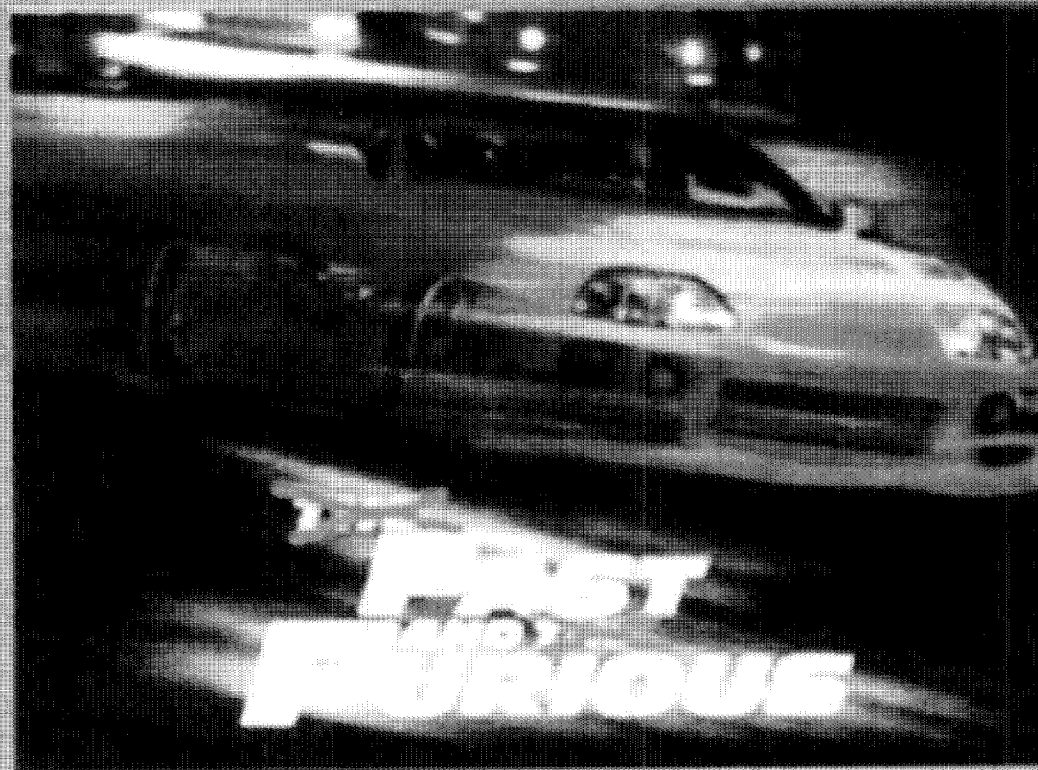
COCAINE STRIKE FORCE

Primary - Phoenix WAO

(A)

HOCR DOJ 002818

OPERATION THE FAST AND THE FURIOUS



HQGR DOJ 002819

Note: Two pages have been withheld from this seven page document because they included sensitive investigative details and information about targets/subjects.

**Total Firearms
Purchased as of
Feb 27, 2010
785115-10-0004**

Potino	Uziel	313
Stevard	Sebn	241
Moore	Joshua	116
Chambers	Jacob	68
Celis	Alfredo	58
Montgomery	Delant	30
RC-4		
Montenegro	Jacob	28
Avillar	Jame	27
RC-4		
Palanco	Jose	3
RC-4		
Celis-Antona	Juanvel	3
RC-4		
TOTAL		1026

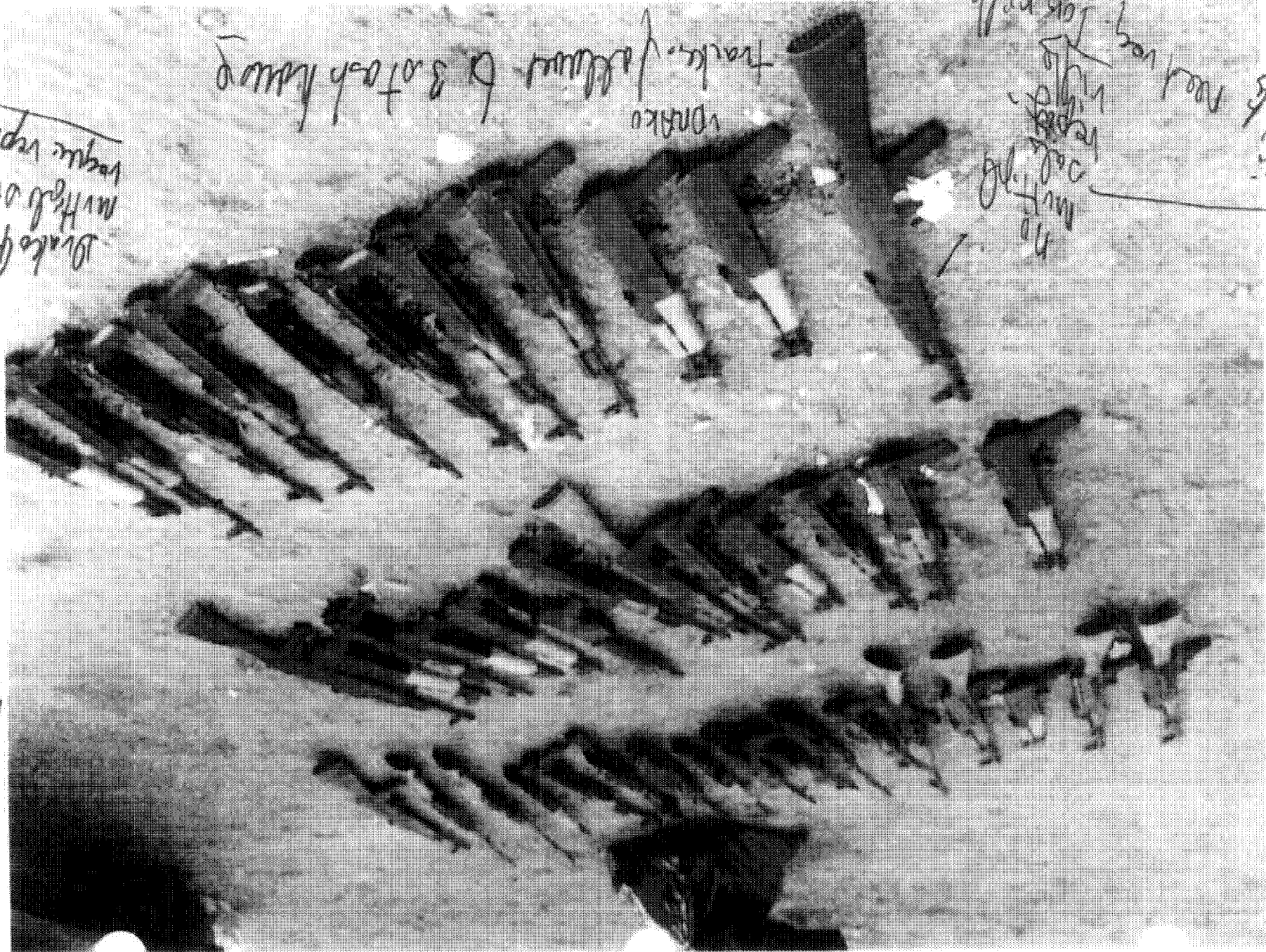
All Cash
 District Varsity
 only

PURCHASE SUMMARY	NAME	AMOUNT	TOTAL	DATE
RC-4				
RC-4	Johns & Sons	31,985.00	13,017.64	
RC-4				
RC-4	Alltech Co/Inc	30,330.75	33,323.13	
RC-4	Jacob's Gun Store	36,541.75	30,313.06	
RC-4				
RC-4	John's Hardware	48,738.80	29,728.94	
RC-4				
RC-4	Alaska Mounted Corp	7,444.37	7,336.22	
RC-4	Robert Moore	84,861.45	84,526.69	
RC-4				
RC-4	Elite Pacific	206,330.45	213,793.87	
RC-4				
RC-4	John's Hardware	1,770.36	1,397.02	
RC-4				
RC-4	John's Hardware	146,536.50	140,954.78	
RC-4				
TOTAL PURCHASES		1,818,393.87	1,848,748.33	

Total Cost of
 Firearms
 Purchased as of
 Feb 27, 2010
 785115-10-0004

Drake (spid)
MATHS only
require report

AK
47



Drake
Travis - William & Sarah
Kumar

no
MATHS
only
require
report
for
MATHS
only
require
report

AK
47
HOCR DOJ-002823

RC-1

From: Cooley, Joseph
Sent: Tuesday, March 16, 2010 8:13 AM
To: Carwile, Kevin
Subject: Re: Important

Op Fast and Furious (many of the straw purchasers are members of a car club).
Joseph A. Cooley
Gang Unit, DOJ
Cell: RC-1

This message is being sent via my blackberry. Please excuse any typos.

----- Original Message -----

From: Carwile, Kevin
To: Cooley, Joseph
Sent: Tue Mar 16 08:01:53 2010
Subject: RE: Important

Thanks Joe. BTW, what is the name of the Arizona case/investigation which we thought you could join but the USAO is now handling?

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Cooley, Joseph
Sent: Tuesday, March 16, 2010 12:45 AM
To: Carwile, Kevin
Subject: RE: Important

There were two major firearm seizures in Mexico. The first seizure of approximately 100 weapons occurred in August of 2008 in the Miguel Aleman, just across the boarder from Roma, TX. The second seizure of approximately 450 weapons was seized on November 6, 2008, in Reynosa, located across the boarder from McAllen, TX. Both caches of weapons are believed to be associated with the Gulf Cartel, DTO. Of the 450 weapons seized, ATF has completed traces on approximately 300. These weapons were purchased primarily in Texas, by in excess of 40 straw purchasers. ATF believes many of these straw purchasers are relatives. GU is planning on traveling to Houston, TX the week of March 22, to meet and coordinate with the ATF case agents.

Joseph A. Cooley
U.S. Department of Justice
Criminal Division, Gang Unit
950 Pennsylvania Ave. N.W. Suite RC-1
Washington, DC 20530
Cell: RC-1
Office: RC-1
Fax: RC-1

-----Original Message-----

From: Carwile, Kevin
Sent: Monday, March 15, 2010 9:21 PM
To: Cooley, Joseph; Gwinn, Laura
Subject: Important

Sorry for this quick turnaround but the front office wants firearms related talking points. I have to throw something together by 11:00 tomm. Can both of you send me a paragraph describing your trafficking investigations? Joe, just the texas one for you. Again, sorry for the quick deadline but I was just informed. Thanks.

Rodriguez, Mary

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 10:47 AM
To: Weinstein, Jason
Subject: talking points
Attachments: FIREARMS TRAFFICKING TALKING POINTS - 031610.doc

Here is a quick page of talking points. You did not describe the intended audience. The two operations are pre-indictment so the info on these matters would need to be kept internal. See attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002826

DOJ-FF-60997

FIREARMS TRAFFICKING TALKING POINTS

RC-2



- Through an ongoing partnership, Gang Unit and ATF are developing strategies and pursuing joint operational opportunities targeting firearms trafficking organizations, as well as Mexican drug trafficking organizations possessing and using U.S.-sourced firearms. Two examples of this collaboration are the following:
 - *Operation Fast & Furious* is an extensive firearms trafficking investigation involving ATF's Phoenix, Houston, and Dallas field offices. Gang Unit is closely assisting in advising the ongoing investigation and prosecuting cases derived from this investigation. One such case in S.D. Texas involves the recovery of approximately 550 weapons during two seizures in 2008 in Mexican border towns. Both caches of weapons are believed to be affiliated with the Gulf Coast Cartel DTO. ATF has successfully traced at least 300 of these weapons to straw purchases in Texas.

○ RC-2



From: Weinstein, Jason
Sent: Tuesday, March 16, 2010 11:04 AM
To: Carwile, Kevin; Pope, Amy
Subject: FW: talking points
Attachments: FIREARMS TRAFFICKING TALKING POINTS - 031610.doc

This is helpful -- thanks. Amy, you can take out the two specific operations and just say that we have ongoing trafficking investigations involving multiple USAOs focusing on guns being trafficked to Mexico.

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 10:47 AM
To: Weinstein, Jason
Subject: talking points

Here is a quick page of talking points. You did not describe the intended audience. The two operations are pre-indictment so the info on these matters would need to be kept internal. See attached.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

FIREARMS TRAFFICKING TALKING POINTS

• RC-2



- Through an ongoing partnership, Gang Unit and ATF are developing strategies and pursuing joint operational opportunities targeting firearms trafficking organizations, as well as Mexican drug trafficking organizations possessing and using U.S.-sourced firearms. Two examples of this collaboration are the following:

- *Operation Fast & Furious* is an extensive firearms trafficking investigation involving ATF's Phoenix, Houston, and Dallas field offices. Gang Unit is closely assisting in advising the ongoing investigation and prosecuting cases derived from this investigation. One such case in S.D. Texas involves the recovery of approximately 550 weapons during two seizures in 2008 in Mexican border towns. Both caches of weapons are believed to be affiliated with the Gulf Coast Cartel DTO. ATF has successfully traced at least 300 of these weapons to straw purchases in Texas.

○ RC-2



RC-1

From: Weinstein, Jason
Sent: Tuesday, March 16, 2010 8:49 PM
To: Carwile, Kevin
Subject: RE: Reminder

Fast and Furious seems a little different from X-Caliber, because we actually assigned someone to the case -- I assume that ATF HQ knew from you or Joe that Joe would be on the case, or is it possible they thought he would be playing more of a coordinating rather than a litigating role?

-----Original Message-----

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:00 AM
To: Weinstein, Jason
Subject: RE: Reminder...

There are two investigations: the first is Operation Fast and Furious (a number of the straw purchasers are in a car club). It is being worked out of the USAO in Phoenix, AZ. This was one of the two cases we were briefed on at the end of December immediately after the meetings with Ken Melson. I assigned Joe Cooley to the investigation, he got briefed and then started his Latin Kings trial. He just turned his attention back to the case and went to SOD for a briefing on the matter. That is when he learned the USAO now had the case RC-3. We offered to help but they said they had it under control. The second matter was the X-Caliber case. RC-2

RC-2

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Weinstein, Jason
Sent: Monday, March 15, 2010 9:59 PM
To: Carwile, Kevin
Subject: Reminder...

...to send me the names of the cases ATF HQ asked us to get involved in but which had in fact been shopped to the field.

RC-2

Jason M. Weinstein

Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

HOCR DOJ 002831

Rodriguez, Mary

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:12 PM
To: Weinstein, Jason
Subject: Re: Reminder

I agree that we should not make a big deal out of x caliber. I think they knew he was on the fast and furious case because I got him to alter his holiday plans to get briefed. My assumption is they got impatient because he was tied up on his latin kings trial in texas.

----- Original Message -----

From: Weinstein, Jason
To: Carwile, Kevin
Sent: Tue Mar 16 20:49:03 2010
Subject: RE: Reminder...

Fast and Furious seems a little different from X-Caliber, because we actually assigned someone to the case -- I assume that AIF HQ knew from you or Joe that Joe would be on the case, or is it possible they thought he would be playing more of a coordinating rather than a litigating role?

-----Original Message-----

From: Carwile, Kevin
Sent: Tuesday, March 16, 2010 9:00 AM
To: Weinstein, Jason
Subject: RE: Reminder...

There are two investigations: the first is Operation Fast and Furious (a number of the straw purchasers are in a car club). It is being worked out of the USAO in Phoenix, AZ. This was one of the two cases we were briefed on at the end of December immediately after the meetings with Ken Melson. I assigned Joe Cooley to the investigation, he got briefed and then started his latin Kings trial. He just turned his attention back to the case and went to SOD for a briefing on the matter. That is when he learned the USAO now had the case. **RC-3**

RC-3 We offered to help but they said they had it under control. The second matter was the X-Caliber case. **RC-2**

RC-2

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

-----Original Message-----

From: Weinstein, Jason
Sent: Monday, March 15, 2010 9:59 PM
To: Carwile, Kevin

Subject: Reminder...

...to send me the names of the cases ATF HQ asked us to get involved in but which had in fact been shopped to the field.

RC-2

Jason M. Weinstein
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: The Attorney General
The Acting Deputy Attorney General

FROM: Lanny A. Breuer
Assistant Attorney General

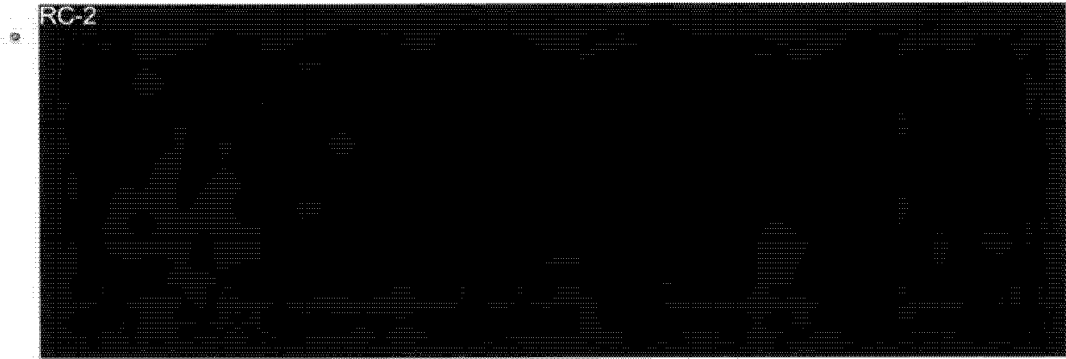
DATE: Week of October 18, 2010

RE: Weekly Report

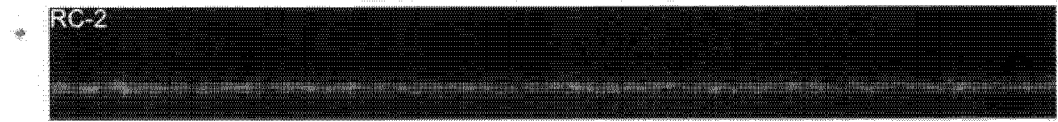
I. SIGNIFICANT UPCOMING EVENTS

A. Litigation

1. Indictments/Investigations



- *Tucson Gun Trafficking (D. Ariz.)*: On October 27, the Organized Crime and Gang Section (OCGS) plans to indict eight individuals under seal relating to the trafficking of hundreds of firearms to Mexico. The sealing will likely last until another investigation, Phoenix-based "Operation Fast and Furious," is ready for takedown.



RC-1

From: Larson, Brian (USAAZ) RC-1
Sent: Thursday, June 17, 2010 7:59 PM
To: Carwile, Kevin
Cc: Morrissey, Mike (USAAZ)
Subject: RE: firearms cases/Mexico

Kevin,

This is a go. She can begin working with Emory Hurley on the RC-3 and take the lead on the Meza case. Emory will continue on both for our office. She has Emory's contact information. Emory and his Section Chief will be sending an e-mail with the case identifiers. We will work on the other case (with AUSA Rassas) when she gets here. For your information, Emory's Section Chief is Mike Morrissey. I am copying him.

I hope this ends up being as mutually beneficial as anticipated. Let me know if you need anything further from me. Thank you.

BGL

From: Carwile, Kevin (CRM)
Sent: Thursday, June 17, 2010 12:01 PM
To: Larson, Brian (USAAZ)
Subject: RE: firearms cases/Mexico

Sounds good to me. Let me know when it is a done deal on your end so I can go back to Laura with contact info, etc.

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

From: Larson, Brian (USAAZ) RC-1
Sent: Thursday, June 17, 2010 2:53 PM
To: Carwile, Kevin
Subject: Re: firearms cases/Mexico

Yes. While it is still to be confirmed, we are going in the direction of having Laura work with Emory Hurley on the two ATF cases he has right now (current RC-3 case and the Pennsylvania guns/drug case with the tie to MX). She could then work the evidence exchange in the case of two fugitives in MX that was handled by Theresa Rassas. The idea being that MX could take the prosecution. That case should not take that much time and she could consider another case. Does that sound good?

Dennis Burke has approved this and the section chief is evaluating the cases I recommended to see if those are the best ones for Laura to work on as co-counsel. She would continue working on the Tucson case. I would make sure this gets off the ground as the Strike Force atty and would keep an eye out for any other good cases to work jointly.

From: Carwile, Kevin (CRM)
To: Larson, Brian (USAAZ)
Sent: Thu Jun 17 13:48:56 2010
Subject: firearms cases/Mexico

Brian,

Any progress in identifying specific cases for Laura Gwinn to help staff along with AUSA's?

P. Kevin Carwile
Chief, Gang Unit
Criminal Division
U.S. Department of Justice

RC-1

From: Hoover, William J. (ATF)
Sent: Thursday, July 01, 2010 5:24 PM
To: Siskel, Edward N. (ODAG); Michalic, Mark (ODAG)
Subject: AZ seizures re guns to MX

Ed and Mark,

Just wanted to share two seizures made this week in separate cases from AZ.

1) SYNOPSIS OF INCIDENT/ACTIVITY:

RC-2



2) SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of twenty (20) AK-47 style firearms.

NARRATIVE OF INCIDENT/ACTIVITY:

HOCR DOJ 002838

On June 30, 2010 as part of an ongoing OCDETF RC-3 investigation into Southwest Border Firearms Trafficking activity ATF Phoenix Group VII agents assisted by the Phoenix Police Department conducted a traffic stop on Alfredo CELIS (a 19 year old Hispanic male.) CELIS had recently purchased twenty (20) Century International Arms, WASR-10, 7.62 caliber rifles (an AK-47 variant) from a local Phoenix FFL. CELIS was traveling in a motor vehicle for which the license plate was not valid in the State of Arizona. The vehicle was towed for impound and the above firearms were taken into ATF custody as part of this ongoing investigation. Also recovered from inside the vehicle and purchased by CELIS were twenty (20) 7.62 caliber high capacity magazines. CELIS paid a total of \$11,000.00 cash for the above items. ATF utilized a Phoenix Police Department narcotics detection canine (K-9) which alerted on the \$11,000.00 cash as being positive for the presence of narcotics residue.

Billy

William J. Hoover
Executive Assistant Director
O) RC-1

HOCR DOJ 002839

DOJ-FF-61010



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 5, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

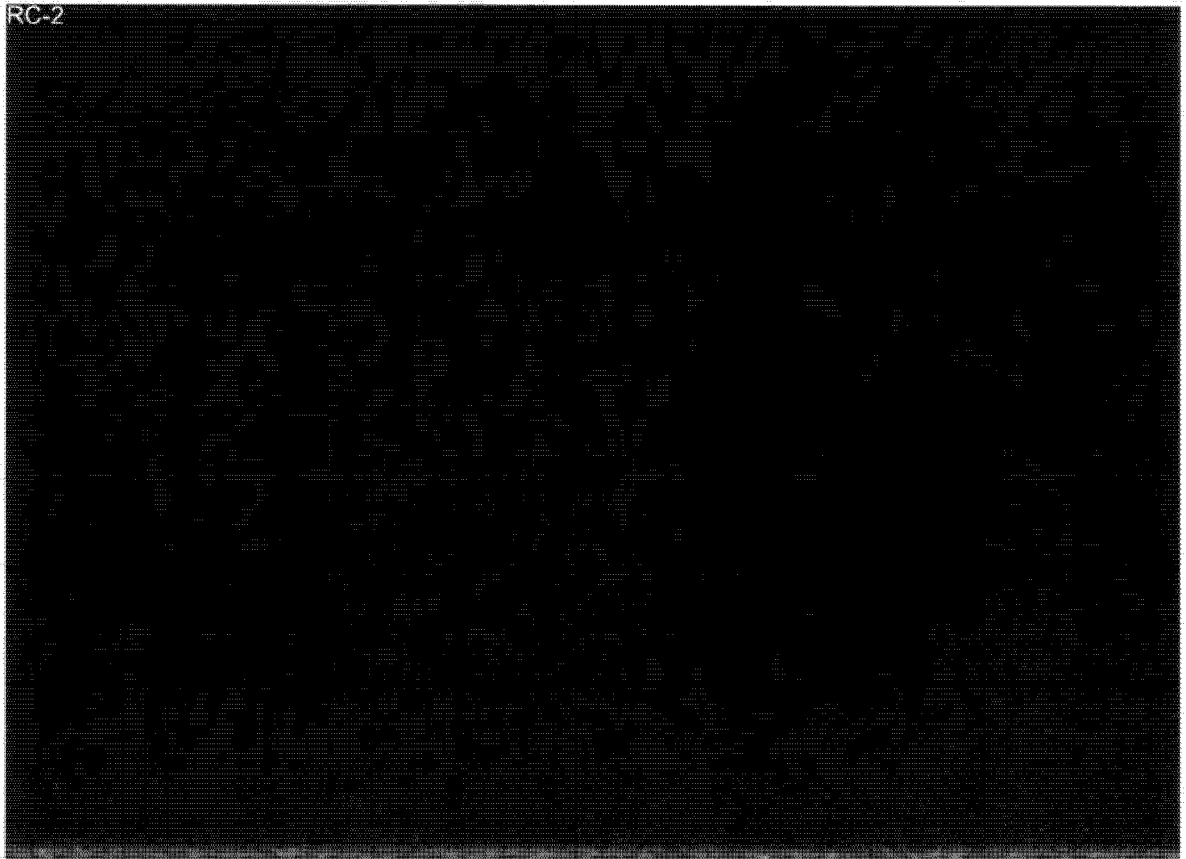
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 5 THROUGH JULY 9, 2010

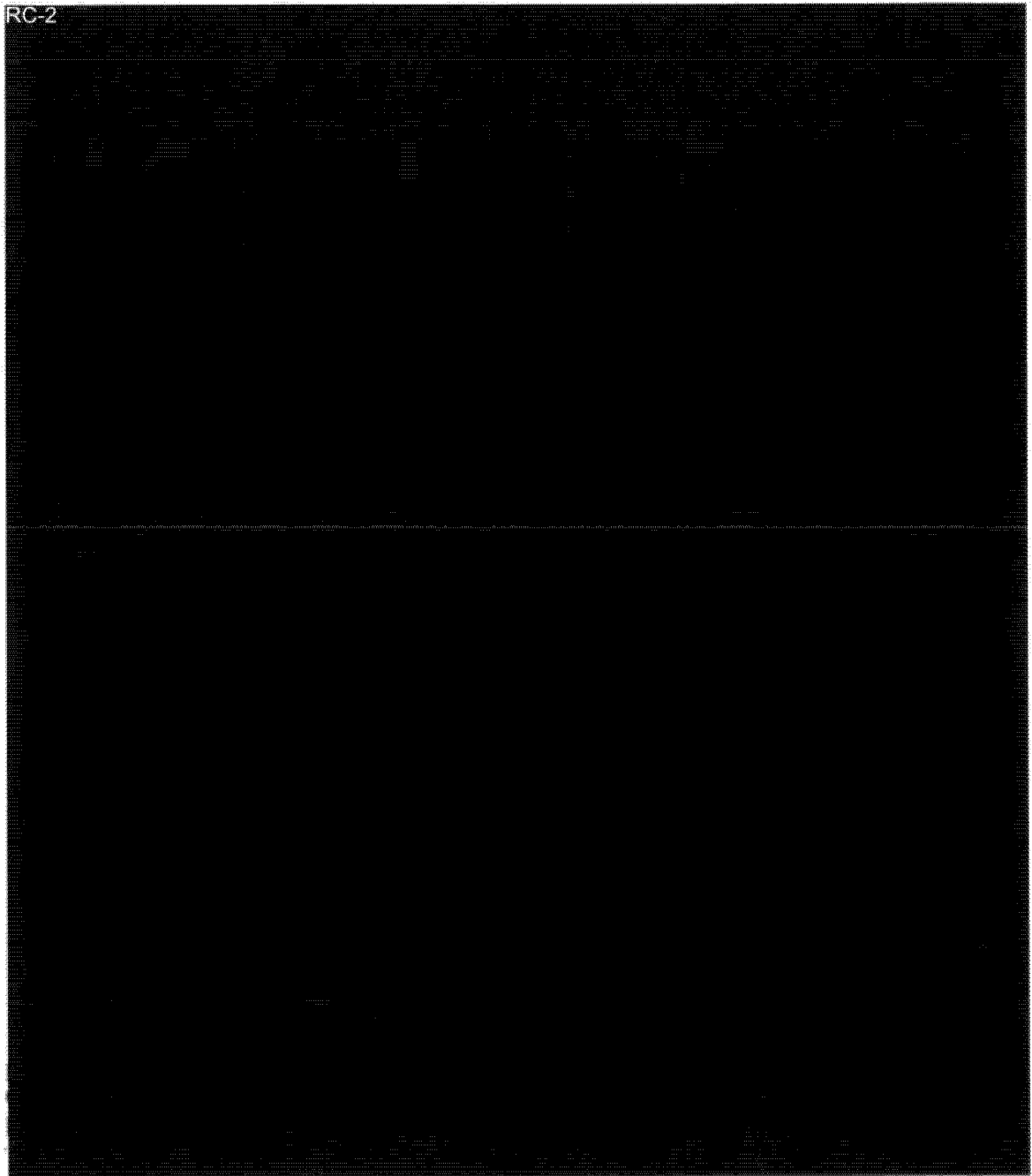
The National Drug Intelligence Center weekly report for July 5 through July 9 is as follows:

Next Week



1 of 12

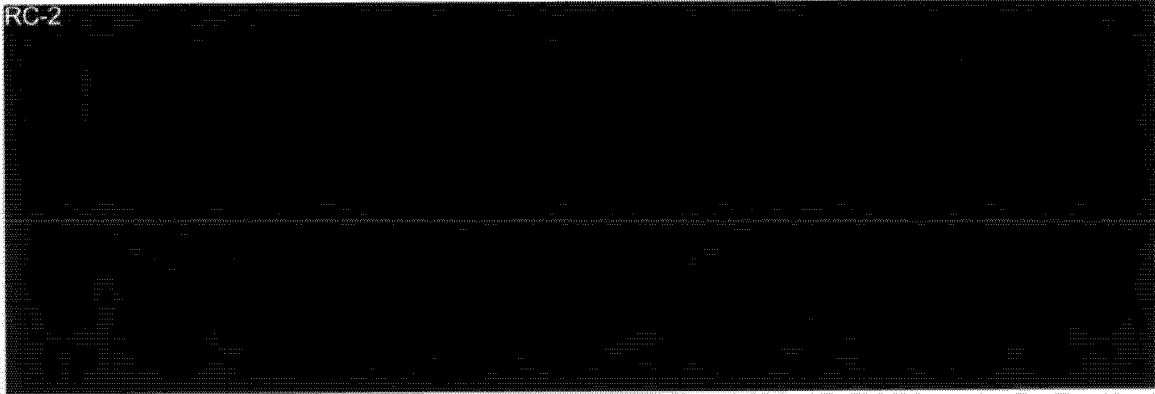
Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010



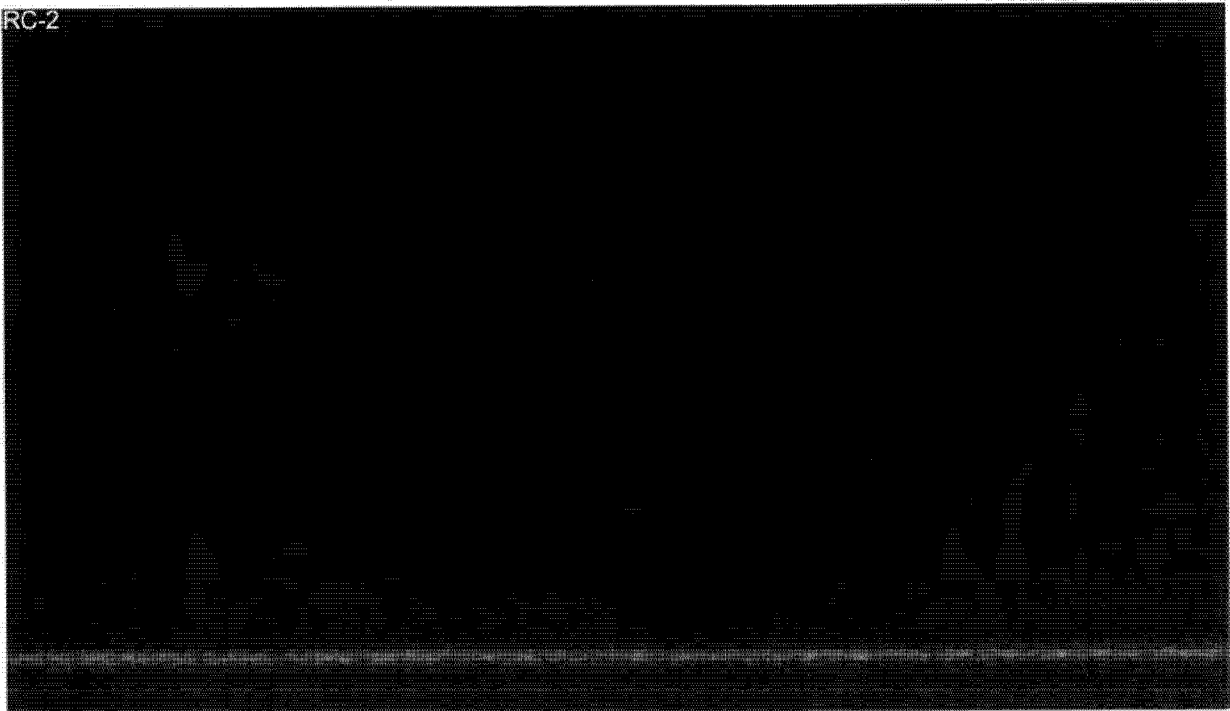
- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*
From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix

Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010

Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.



This Week



4 of 12

Memorandum to the Attorney General from Michael F. Walther dated July 5, 2010
Subject: Weekly Report from July 5 through July 9, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 6 through July 9, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and [REDACTED] straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

- RC-2



Last Week

- RC-2





U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 12, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 12 THROUGH JULY 16, 2010

The National Drug Intelligence Center weekly report for July 12 through July 16 is as follows:

Next Week

• RC-2



•

1 of 11

Memorandum to the Attorney General from Michael F. Wither dated July 12, 2010
Subject: Weekly Report from July 12 through July 16, 2010




- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*
From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and [REDACTED] straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

Memorandum to the Attorney General from Michael F. Walther dated July 12, 2010
Subject: Weekly Report from July 12 through July 16, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-1

From: Siskel, Edward N. (ODAG)
Sent: Wednesday, July 14, 2010 6:38 PM
To: Chait, Mark R. (ATF)
Cc: Hoover, William J. (ATF)
Subject: RE: SIR

Thanks Mark. How much longer is the GRIT going to be operating in AZ? At what point after that will we know the total results of the operation and be in a position to do some public roll out along the lines of what we did in Texas?

From: Chait, Mark R. (ATF)
Sent: Wednesday, July 14, 2010 4:49 PM
To: Siskel, Edward N. (ODAG)
Cc: Hoover, William J. (ATF)
Subject: Fw: SIR

This is second significant seizure yesterday by our GRIT.
Mark R. Chait
Assistant Director
Field Operations

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

----- Original Message -----
From: Significant Activity Report
To: SAR/SIR Message Delivery
Sent: Tue Jul 13 18:55:16 2010
Subject: FW: SIR

From: Voith, David J.
Sent: Tuesday, July 13, 2010 6:54:52 PM
To: Needles, James R.; Newell, William D.; Voith, David J.;
Significant Activity Report
Subject: SIR
Auto forwarded by a Rule

DEPARTMENT OF JUSTICE - BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
SIGNIFICANT INFORMATION REPORT

DATE: July 13, 2010
FROM: Phoenix Field Division
FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785-115-10-0004
CASE TITLE: CHAMBERS, Jacoby, et al

HOCR DOJ 002847

SPECIAL AGENT Voth, David
TELEPHONE NUMBER: RC-1

SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of 20 - 7.62 rifles as part of ongoing RC-3 investigation.

NARRATIVE OF INCIDENT/ACTIVITY:

On July 12, 2010, Federal Parolee, Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case, Operation Fast & Furious, 785115-10-0004. Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later Peoria Police officers captured Thompson approximately ¼ mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment, the passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months after he entered a plea of guilty of 21 USC 846, Conspiracy to Possess Marijuana in February 2004.

During an inventory search of the vehicle, Peoria police officers recovered (20) ROMARM/CUGR, 7.62x39 caliber rifles from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, (2) pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the (20) ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. Peoria officer retained custody of the (2) pistols for further state prosecution.

This recovery adds to the total of 96 firearms recovered in the previous 24 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 19, 2010

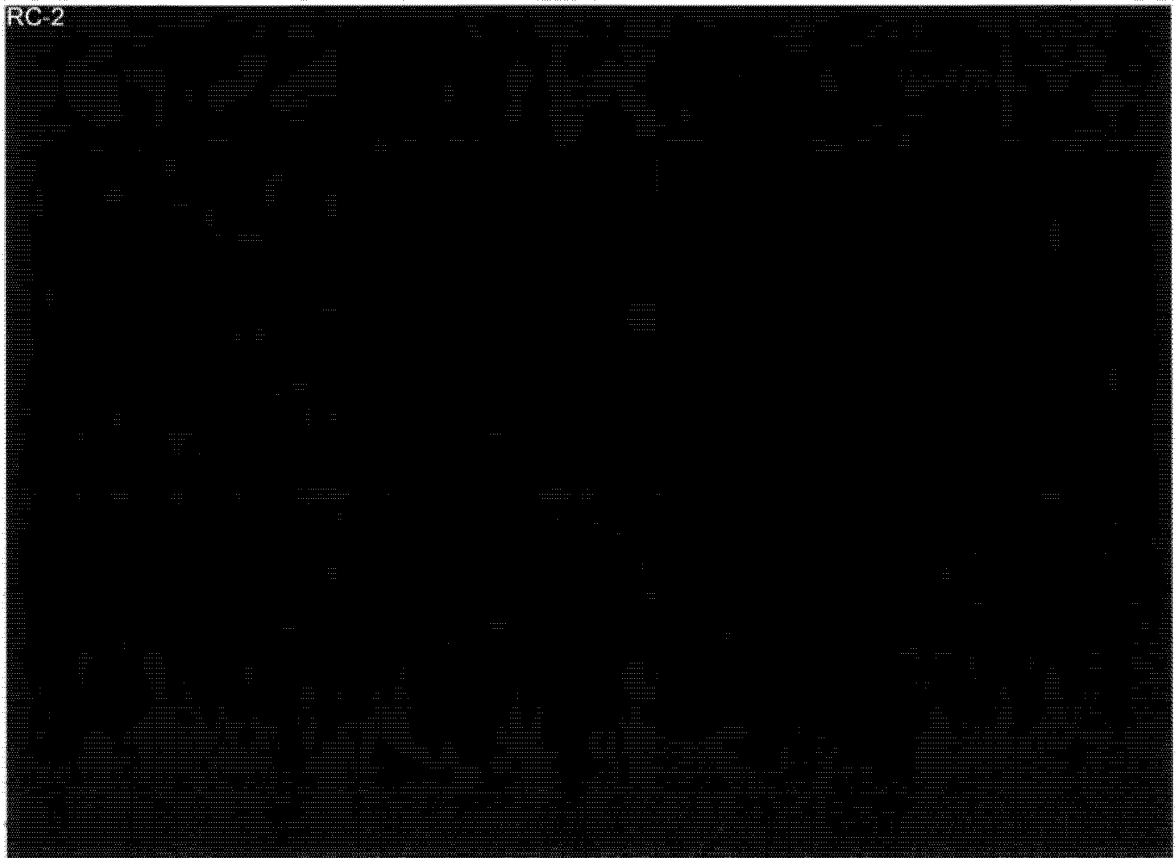
MEMORANDUM TO THE ATTORNEY GENERAL
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 19 THROUGH JULY 23, 2010

The National Drug Intelligence Center weekly report for July 19 through July 23 is as follows:

Next Week




1 of 9

Memorandum to the Attorney General from Michael E. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2



• *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 26 through July 30, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDEF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDEF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



This Week

RC-2



1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2

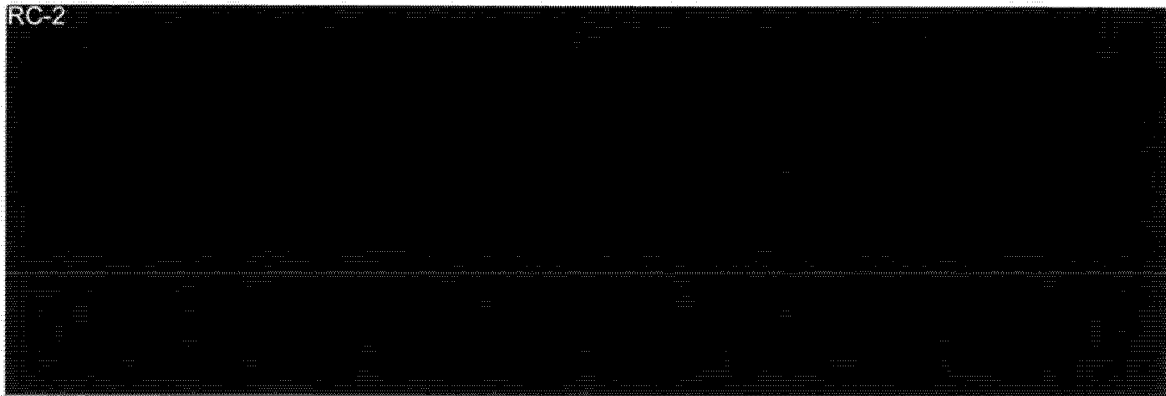


- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

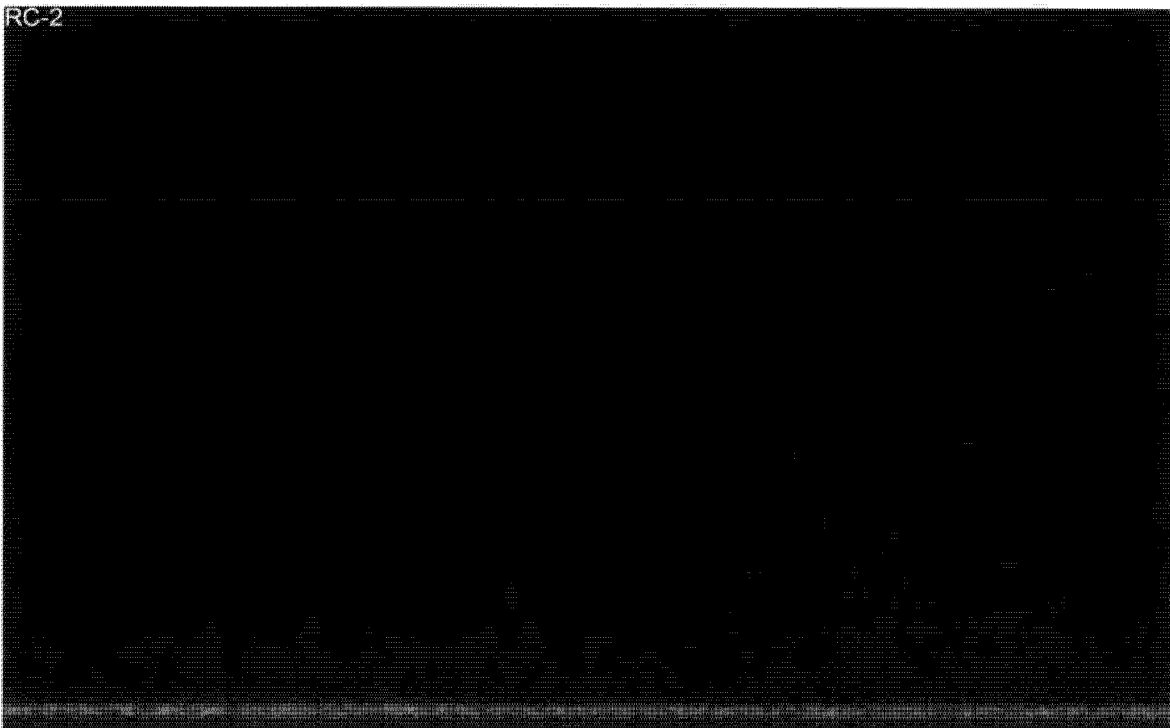
From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.



Last Week



6 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 19, 2010
Subject: Weekly Report from July 19 through July 23, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 12 through July 16, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force supported the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and ^{RC-5} straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2





U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: July 26, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

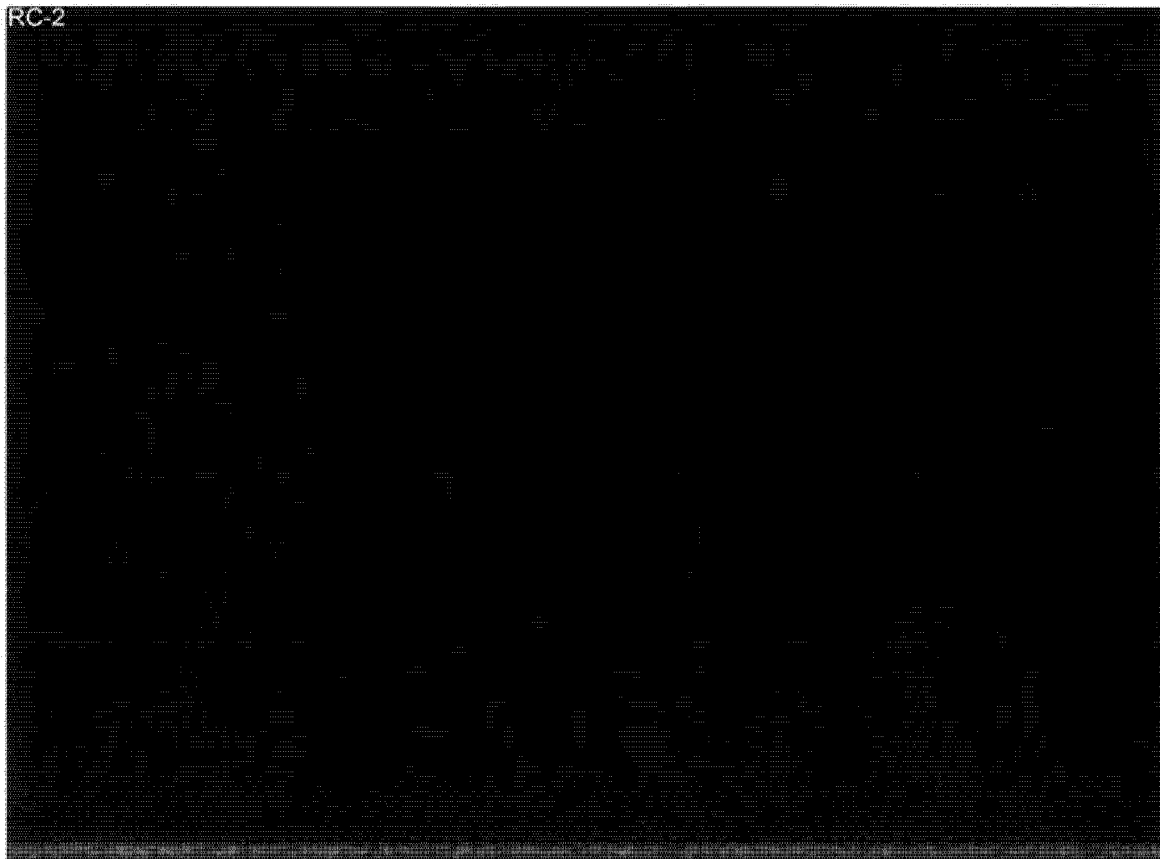
THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael F. Walther
Director
National Drug Intelligence Center

SUBJECT: WEEKLY REPORT FOR JULY 26 THROUGH JULY 30, 2010

The National Drug Intelligence Center weekly report for July 26 through July 30 is as follows:

Next Week



1 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010.
Subject: Weekly Report from July 26 through July 30, 2010

RC-2

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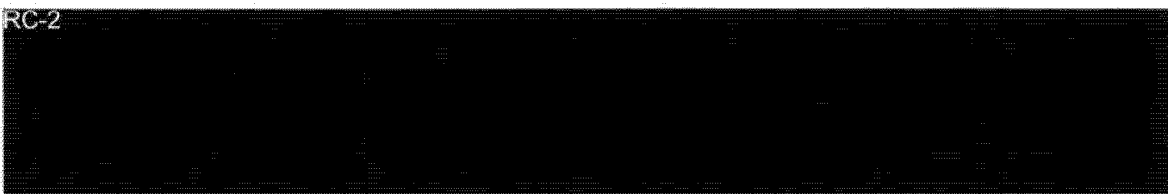


• *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From August 2 through August 6, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and RC-2 straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2

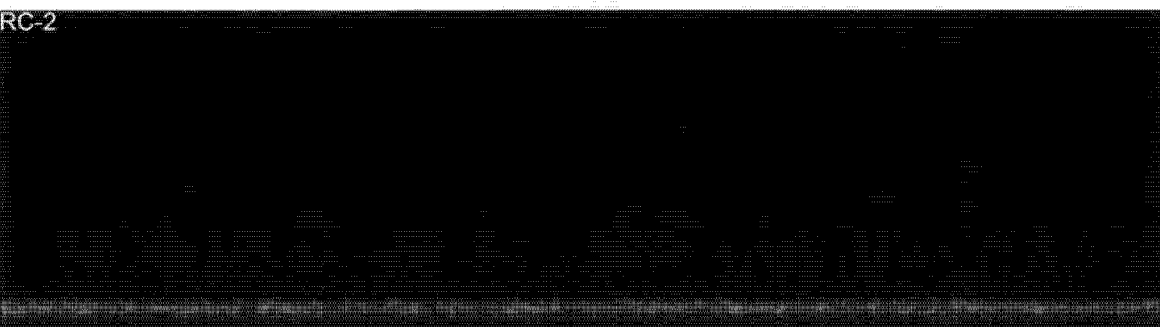
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This Week

RC-2

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Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 26 through July 30, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force will support the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and RC-5 straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

- *(C) National Drug Threat Assessment 2010 Briefing to the National Guard Bureau:*


5 of 9

Memorandum to the Attorney General from Michael F. Walther dated July 26, 2010
Subject: Weekly Report from July 26 through July 30, 2010

RC-2



- *(LOU-LES) Document and Media Exploitation Support to the Organized Crime Drug Enforcement Task Force:*

From July 19 through July 23, the National Drug Intelligence Center Document and Media Exploitation Team at the Phoenix Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force supported the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Phoenix Field Division with its investigation of Manuel Celis-Acosta as part of OCDETF Operation Fast and the Furious. This investigation, initiated in September 2009 in conjunction with the Drug Enforcement Administration, Immigration and Customs Enforcement, and the Phoenix Police Department, involves a Phoenix-based firearms trafficking ring headed by Manuel Celis-Acosta. Celis-Acosta and  straw purchasers are responsible for the purchase of 1,500 firearms that were then supplied to Mexican drug trafficking cartels. They also have direct ties to the Sinaloa Cartel which is suspected of providing \$1 million for the purchase of firearms in the greater Phoenix area.

RC-2



RC-1

From: Trusty, James
Sent: Thursday, July 29, 2010 8:50 AM
To: Carwile, Kevin
Subject: RE: Do you

You mean a weekly case update that's different than our usual weekly report? No, I haven't been doing that but let me know what you were doing in that regard and I can adjust.

The only things I can think of re: Mexico are Gwinn's gun stuff and the RC-2 case. Here's Laura's info for this week:

Phoenix cross-border project: (a) RC-2

RC-2

(b) Celis-Acosta: this is the large-scale gun trafficking case involving in excess of 1500 guns purchased to date, and RC-3 I am still trying to "learn" the case through review of RC-3, a running log of overt acts and discussions with the lead attorney. A strategy session was held to determine course of action over the next couple of months. RC-3

RC-3 It is hoped that we would be in a position to consider indictment approximately early to mid-fall.

Tucson gun-trafficking case: I discussed with Emory Hurley, the lead AUSA on the Celis-Acosta case, the possibility of arresting and unsealing the indictments of the two persons who were indicted in May. Since those two appear to have no connection to the Phoenix case, it was agreed that I would contact the agent to have him determine the current location of the defendants, RC-3 and likely arrest/unseal once we confirm no connection.

RC-2

Hope this helps -

-----Original Message-----

From: Carwile, Kevin
Sent: Thursday, July 29, 2010 7:30 AM
To: Trusty, James
Subject: Do you

Have any Mexico related updates which I can relate at the meeting this morning? Are we pushing a weekly case update to the front office?

HOCR DOJ 002858

DOJ-FF-61029

P. Kevin Carville
Chief, Capital Case Unit
Criminal Division
U.S. Department of Justice

HOCR DOJ 002859



U.S. Department of Justice

National Drug Intelligence Center

Office of the Director

DATE: August 9, 2010

MEMORANDUM TO THE ATTORNEY GENERAL

THROUGH THE ACTING DEPUTY ATTORNEY GENERAL

FROM: Michael E. Walther
Director
National Drug Intelligence Center

SUBJECT: NATIONAL DRUG INTELLIGENCE CENTER REPORT FOR AUGUST 9
THROUGH AUGUST 13, 2010

RC-2

STRATEGIC INTELLIGENCE

Significant Events

RC-2

LIMITED OFFICIAL USE - LAW ENFORCEMENT SENSITIVE

Memorandum to the Attorney General from Michael F. Walther dated August 9, 2010
Subject: Weekly Report from August 9 through August 13, 2010

Activity	Requesting Agency	Dates
RC-2		

Activity	Requesting Agency	Dates
RC-2		

<i>Investigation:</i>	Operation FAST AND THE FURIOUS	ATF Phoenix	July 6 -
<i>Region:</i>	Arizona, Texas, Mexico		Aug 13
<i>Targets:</i>	Manuel Celis-Acosta		
<i>Drugs/Crime:</i>	Firearms trafficking through straw purchases		
<i>Participants:</i>	ICE, Phoenix (AZ) Police Department		

TRAINING

RC-2		
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RC-1

From: Ott, Thomas
Sent: Thursday, October 14, 2010 5:58 PM
To: Ohr, Bruce; Crow, Douglas; Duvall, Deborah; Gray, Laurie; Henry, Wakeya; Keeney, John; Raman, Mythili; Tinsley, Mary; Mulkern, Patricia; Toner, Gerald; Weinstein, Jason; Andres, Greg; Trusty, James; Pope, Amy; Borella, John
Cc: Metz, Thomas R. (FBI); Stewart, Robert M. (FBI); LaPlante, Michael J. (FBI); Plichta, Michael E. (FBI); Phillips, Dean (FBI)
Subject: CCGS Weekly Report
Attachments: Weekly Report 2010_10_14.wpd

See attached. Thanks.

*Thomas P. Ott
Deputy Chief
Organized Crime & Racketeering Section
Criminal Division
U.S. Department of Justice
Washington, D.C.*

RC-1

(desk)
(cell)

HOCR DOJ 002862

DOJ-FF-61033

OCCS WEEKLY REPORT
Week of Oct 8- Oct 14, 2010

I. Significant Accomplishments of the Past Week

- RC-2 [REDACTED]
- [REDACTED]

II. Urgent Litigation Matters or Major Initiatives Requiring Attention in the Next Week or Two, including Significant Litigation Matters that Have Court Deadlines in the Next Week or Two

- RC-2 [REDACTED]
- [REDACTED]
- *Tucson Gun Trafficking:* TA Gwinn plans to indict eight individuals under seal on Oct. 27th. The indictment will cover the trafficking of hundreds of firearms to Mexico. The sealing will likely last until such time as the Phoenix-based "Operation Fast and Furious" is ready for takedown. That investigation has spanned RC-3 [REDACTED] and likely involved hundreds, if not thousands, of firearms. In addition, Gwinn has been assigned as primary prosecutor for a related straw purchasing case where a ring of up to nine purchasers may be indicted in short order as well (L. Gwinn)

III. Expected Major Legislative, and Policy Developments in Next Week or Two

- *None expected*

RC-1

From: Trusty, James
Sent: Monday, October 18, 2010 9:21 AM
To: Weinstein, Jason
Subject: RE: OCGS Weekly Report

I think so, but the timing will be tricky, too. Looks like we'll be able to unseal the Tucson case sooner than the Fast and Furious (although this may be just the difference between Nov and Dec). It's not clear how much we're involved in the main F and F case, but we have Tucson and now a new, related case with RC-5 targets. It's not going to be any big surprise that a bunch of US guns are being used in MX, so I'm not sure how much grief we get for "guns walking." It may be more like, "Finally, they're going after people who sent guns down there..."

From: Weinstein, Jason
Sent: Sunday, October 17, 2010 11:07 PM
To: Trusty, James
Subject: FW: OCGS Weekly Report

Do you think we should try to have Lanny participate in press when Fast and Furious and Laura's Tucson case are unsealed? It's a tricky case given the number of guns that have walked, but it is a significant set of prosecutions.

From: Ott, Thomas
Sent: Thursday, October 14, 2010 5:56 PM
To: Ott, Bruce; Crow, Douglas; Duvall, Deborah; Gray, Laurie; Henry, Wakeya; Kearney, John; Raman, Mythili; Tinsley, Mary; Mulkern, Patrice; Toner, Gerald; Weinstein, Jason; Andres, Greg; Trusty, James; Pope, Amy; Buretta, John
Cc: Metz, Thomas R. (FBI); Stewart, Robert M. (FBI); LaPlante, Michael J. (FBI); Pichla, Michael F. (FBI); Phillips, Dean (FBI)
Subject: OCGS Weekly Report

See attached. Thanks.

Thomas P. Ott
Deputy Chief
Organized Crime & Racketeering Section
Criminal Division
U.S. Department of Justice
Washington, D.C.

RC-1 (tlesk)
(well)

HOCR DOJ 002864

DOJ-FF-61035

U.S. Department of Justice

Criminal Division

Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM

TO: The Attorney General
The Acting Deputy Attorney General

FROM: Lanny A. Breuer
Assistant Attorney General

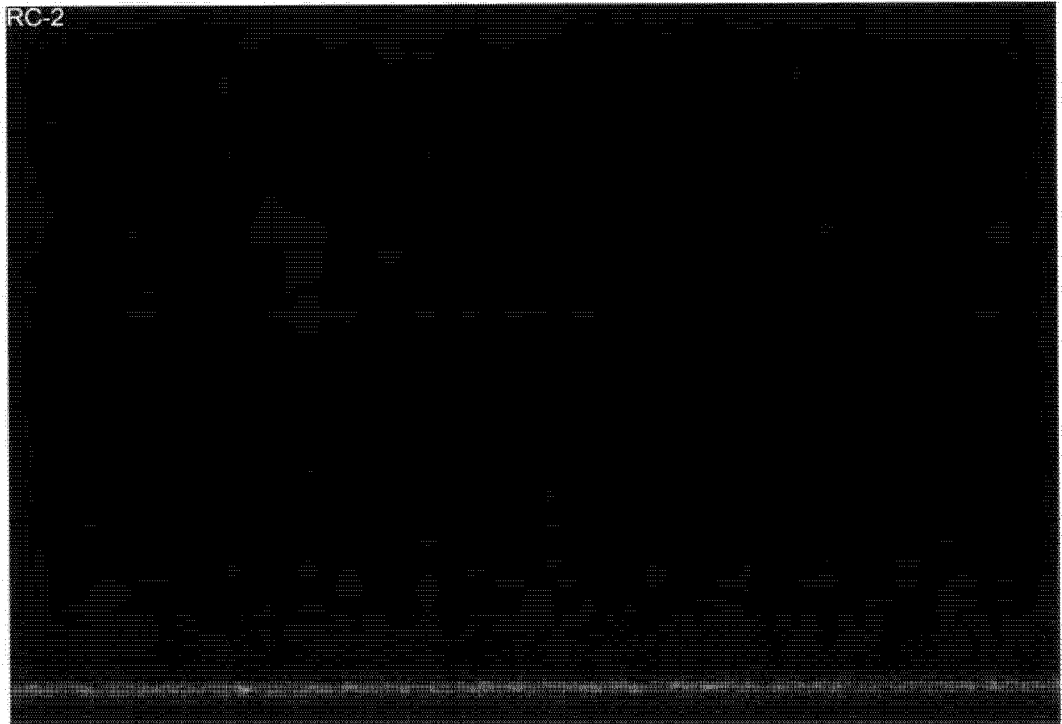
DATE: Week of November 1, 2010

RE: Weekly Report

I. SIGNIFICANT UPCOMING EVENTS

A. Litigation

1. *Indictments/Investigations*



RC-2 [Redacted]

B. Policy and Legislative Work

RC-2 [Redacted]

C. Public Events/Speeches/Presentations

RC-2 [Redacted]

II. SIGNIFICANT RECENT EVENTS

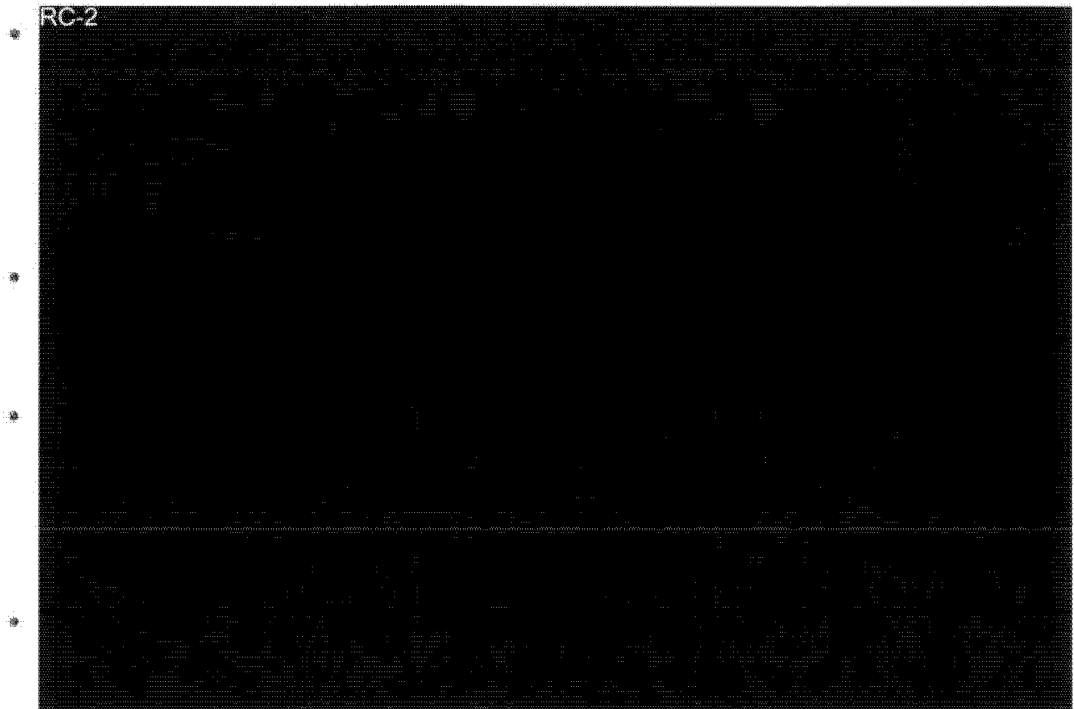
A. Litigation

1. Indictments/Investigations

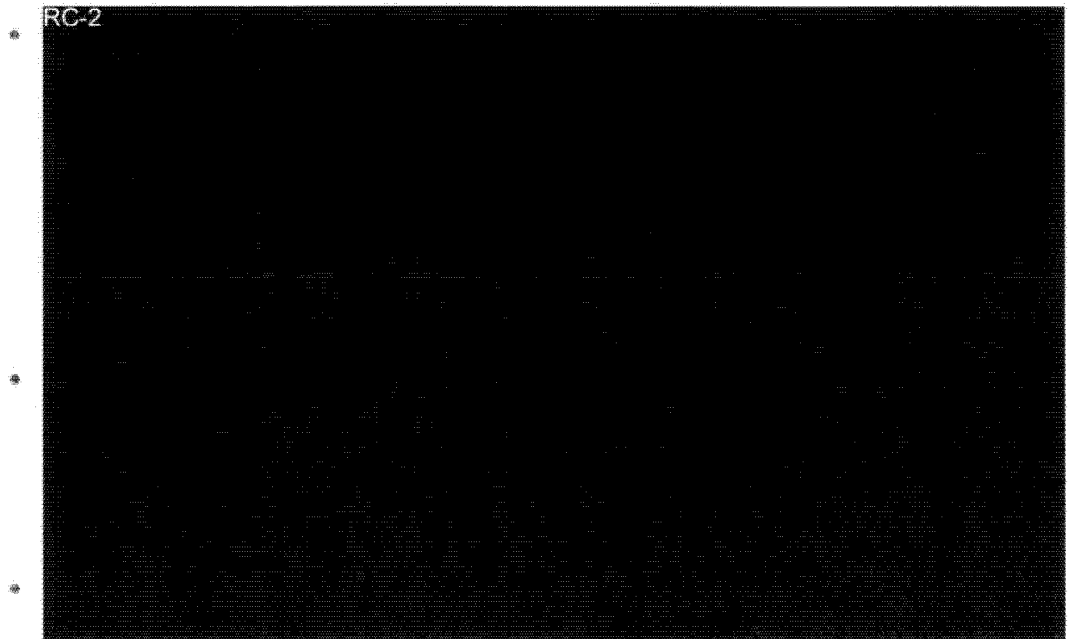
RC-2 [Redacted]

- *Tucson-Gun Trafficking (D. Ariz.):* On October 27, the Organized Crime and Gang Section (OCCS) indicted eight individuals under seal relating to the

trafficking of 228 firearms to Mexico. The sealing will likely last until another investigation, Phoenix-based "Operation Fast and Furious," is ready for takedown.



2. *Guilty Pleas*



RC-1

From: Weinstein, Jason
Sent: Monday, November 08, 2010 2:51 PM
To: Weinstein, Jason

RC-2

RC-2

Fast/Furious = 2 more months?

HOCR DOJ 002868

DOJ-FF-61039

RC-1

From: Weinstein, Jason
Sent: Monday, November 08, 2010 10:41 PM
To: Pope, Amy
Cc: Trusty, James; Raman, Mythili
Subject: RE: are you pulling together any materials

Based on my conversations with Billy, here is what the meeting with Ken and Mark Chait appears to be about:

1. Briefing on the follow-up to our Mexico trip

- RC-2
-
-
-
-
-

2. Drop-off in U.S. prosecutions for firearms trafficking

- RC-2
-
-

RC-2

[REDACTED]

- Ken is also frustrated by the pace of the USAO in AZ in bringing charges in the "Fast and Furious" gun-trafficking case (multiple RC-3 huge # of guns) -- the AUSA has apparently told the agents that it will take a couple of months to draft the indictment; it appears that the AUSA on the case is not the fastest worker, and Laura Gwinn, our prosecutor on the case, is going to try to push things along including by offering to draft the indictment.

RC-2

[REDACTED]

From: Pope, Amy
Sent: Monday, November 08, 2010 4:51 PM
To: Weinstein, Jason
Subject: are you pulling together any materials

On ATF mtg for tomorrow?

Amy E. Pope - U.S. Department of Justice, Deputy Chief of Staff and Counselor to the Assistant Attorney General, Criminal Division [REDACTED] RC-1

From: Smith, Brad (ODAG) <RC-1 [REDACTED]>
Sent: Thursday, December 16, 2010 1:50 PM
To: Hoover, William J. (ATF) <RC-1 [REDACTED]>, Michalic, Mark (ODAG) <RC-1 [REDACTED]>
Subject: RE: New Microsoft Office Word Document

Thanks, Billy.

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 1:48 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: FW: New Microsoft Office Word Document

Brad and Mark,

Here are two briefing papers re AZ. The first will give you an update on our Fast and Furious investigation. The second, labeled New Microsoft Word Document, gives you the information re the firearms recovered at the scene of the homicide of the CBP Officer.

Please call if you have any questions.

Billy

William J. Hoover

Deputy Director

Bureau of Alcohol, Tobacco, Firearms & Explosives

O) RC-1 [REDACTED]

From: McMahon, William G.
Sent: Thursday, December 16, 2010 1:25 PM
To: Hoover, William J.; Chait, Mark R.
Subject: FW: New Microsoft Office Word Document

Billy and Mark,

Attached are the following:

1. One pager regarding the Subject Jaime AVILA Jr. and

HOCR DOJ 002871

DOJ-FF-61042

2. The December briefing paper regarding the Fast and Furious investigation

Thanks,

Bill

HOCR DOJ 002872

DOJ-FF-61043

From: Michalic, Mark (ODAG) <RC-1 [REDACTED]>
Sent: Thursday, December 16, 2010 2:37 PM
To: Hoover, William J. (ATF) <RC-1 [REDACTED]>, Smith, Brad (ODAG) <RC-1 [REDACTED]>
Subject: RE: New Microsoft Office Word Document

That would be greatly appreciated.

Thank you.

Mark

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 2:24 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: Re: New Microsoft Office Word Document

Brad and Mark,

I am going to have these BP's put in a better format for you to provide to the DAG if you choose to. I will get them to you later this afternoon.

Billy

William J. Hoover
Deputy Director
Bureau of Alcohol, Tobacco, Firearms & Explosives
O) RC-1 [REDACTED]

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Smith, Brad (ODAG)
To: Hoover, William J.; Michalic, Mark (ODAG)
Sent: Thu Dec 16 13:49:40 2010
Subject: RE: New Microsoft Office Word Document

Thanks, Billy

From: Hoover, William J. (ATF)
Sent: Thursday, December 16, 2010 1:48 PM
To: Smith, Brad (ODAG); Michalic, Mark (ODAG)
Subject: FW: New Microsoft Office Word Document

Brad and Mark,

HOCR DOJ 002873

DOJ-FF-61044

Here are two briefing papers re AZ. The first will give you an update on our Fast and Furious investigation. The second, labeled New Microsoft Word Document, gives you the information re the firearms recovered at the scene of the homicide of the CBP Officer.

Please call if you have any questions.

Billy

William J. Hoover

Deputy Director

Bureau of Alcohol, Tobacco, Firearms & Explosives

O) RC-1

From: McMahon, William G.

Sent: Thursday, December 16, 2010 1:25 PM

To: Hoover, William J.; Chait, Mark R.

Subject: FW: New Microsoft Office Word Document

Billy and Mark,

Attached are the following:

1. One pager regarding the Subject Jaime AVILA Jr. and
2. The December briefing paper regarding the Fast and Furious investigation.

Thanks,

Bill

HOCR DOJ 002874

DOJ-FF-61045

From: Smith, Brad (ODAG) <RC-1 [REDACTED]>
Sent: Friday, December 17, 2010 11:58 AM
To: Grindler, Gary (ODAG) <RC-1 [REDACTED]>; Monaco, Lisa (ODAG) <RC-1 [REDACTED]>; Luck, Stacey (ODAG) <RC-1 [REDACTED]>
Cc: Michalic, Mark (ODAG) <RC-1 [REDACTED]>; Johnston, Deborah A. (ODAG) <RC-1 [REDACTED]>
Subject: ATF Update
Attach: RC-2 [REDACTED], December Fast and Furious BP for SAC (2) (2).docx; December Fast and Furious BP Supplemental December 16 2010.docx

<<>> G <<>> a <<>> r <<>> y.

Mark and I just wanted to pass along a few quick ATF-related updates we received from Billy Hoover. We do not believe anything requires immediate action from our office, but we wanted to make sure you were aware of the issues.

RC-2 [REDACTED]

Second, you may recall that a CBP border agent was killed on Tuesday in a firefight in Arizona involving along the Mexican border. Two of the weapons recovered from the scene (AK-47 variants) have been linked to Jaime Avila Jr., a "straw firearms purchaser" that ATF and USAO for Arizona have been investigating since November 2009 as part of its larger "Fast and Furious" operation. (It is not clear if the shots that killed the CBP agent came from the weapons linked to Avila.) ATF agents, assisted by ICE, USMS, and Phoenix police, arrested Avila on Wednesday for falsification of ATF forms, and in a subsequent interview, he admitted to serving as a straw purchaser. The attached background papers, which ATF prepared, provide additional details on the case, if you are interested.

RC-2 [REDACTED]

Thanks,

Brad

HOGR DOJ 002875

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Case Background

The Phoenix Group VII Field Office is leading an investigation entitled “Operation Fast & Furious” in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through “straw” purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

RC-3

and many other investigative techniques to further the investigation. Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

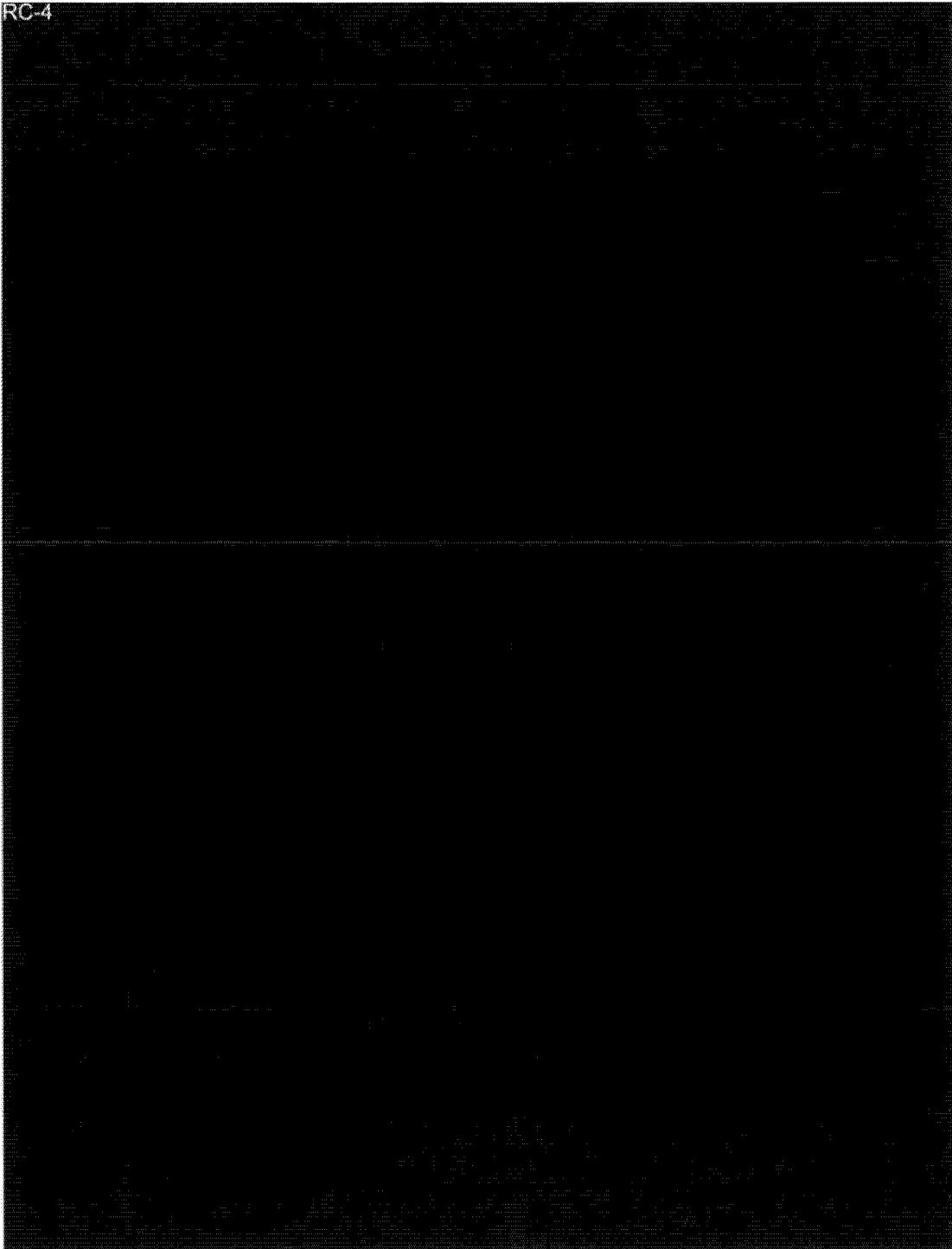
Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of [REDACTED] individuals in this investigation. Agents initially anticipated a first wave of indictments on December 7, 2010. However, in light of additional evidence obtained in support of this investigation and investigative efforts on the part of IRS the first wave of approximately 20 indictments have been pushed back another 30 days. The reasons for this include the very proactive stance the IRS has taken during the past several weeks [REDACTED]

[REDACTED] RC-3 In addition the USAO has agreed to approve the inclusion of five Federal search warrants. The additional preparation for the search warrants and [REDACTED] RC-3 coupled with available Grand Jury time, has pushed the indictment date to the week of January 10, 2011.

On December 3rd SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

List of Defendants Referred to USAO for Prosecution:



RC-4

Proposed Charges:

1. Title 18, United States Code, Section 554, Smuggling Goods from the United States;
2. Title 18, United States Code, Section 922(a)(1), Dealing in Firearms without a License;
3. Title 18, United States Code, Section 922(a)(5), Transferring Firearms to a Non-Resident of the State;
4. Title 18, United States Code, Section 922(a)(6) Making a False Statement in Connection with the Acquisition of a Firearm;
5. Title 18, United States Code, Section 924(a)(1)(A) Making a False Statement in Connection with the Acquisition of a Firearm;
6. Title 18, United States Code, Section 924(n), Interstate/International Firearms Trafficking;
7. Title 18, United States Code, Sections 924(c) and 924(o), Use of a Firearm in Furtherance of a Drug Trafficking Offense/Conspiracy to Use a Firearm in Furtherance of a Drug Trafficking Offense;
8. Title 18, United States Code, Section 1343, Wire Fraud;
9. Title 18, United States Code, Section 1956, Money Laundering;
10. Title 18, United States Code, Section 371, Conspiracy to Commit any Offense Against the United States;
11. Title 21, United States Code, Sections 841 and 846, Possession/Conspiracy to Possess a Controlled Substance with Intent to Distribute;
12. Title 21, United States Code, Sections 960 and 963, Import/Conspiracy to Import a Controlled Substance;
13. Title 22, United States Code, Section 2778, Attempt/Export Munitions without a License;
14. Title 31, United States Code, Section 5324, Structuring Transactions to Evade Reporting Requirements; and
15. Title 31, United States Code, Section 5332, Bulk Cash Smuggling;

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Supplemental

On December 15/16, 2010, after the shooting death of U.S. Border Patrol Agent Brian Terry near Rio Rico, Arizona (approx 25 miles north of Nogales) Southern Arizona law enforcement officers/agents responded and conducted a search of the area. This search resulted in the arrest of four individuals. One of them, Manuel Osorio Arellances DOB: 8-4-76, was shot in the exchange of gunfire. RC-5

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which a complex firearms trafficking organization acquired several hundred firearms was initiated in October 2009 and is being conducted in conjunction with ICE/HSI, IRS, DEA and the Phoenix Police Department.

Due to the "hit" in the Suspect Gun Database the Phoenix Field Division's Field Intelligence Group was notified and confirmed that the two recovered firearms were part of a sale of three Romarm/Cugir AK-47 variant rifles purchased by Jaime AVILA Jr. on January 16, 2010 from Lone Wolf Trading Company in Glendale, Arizona. Jaime Avila Jr. is one of straw firearms purchasers identified in the "Fast and Furious" investigation and recommended by ATF for prosecution to the U.S. Attorney's Office in Phoenix, Arizona.

Jaime Avila Jr. is known to have purchased a total of 52 firearms beginning in late November 2009 and ending in mid-June 2010. He had purchased 13 firearms by the time he purchased the three AK-47 variant rifles on January 16, 2010, two of which were recovered near Rio Rico, Arizona on December 16th. The 52 firearms purchased by Jaime Avila Jr. included 17 AK-47 variant rifles, 11 Fabrique National "FN57" 5.7x28mm pistols, 10 9mm pistols, 5 .45 and .40 caliber pistols, 2 Barrett .50 caliber rifles and several other assorted firearms.

Sensitive But Unclassified – For Official Use Only

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located Jaime Avila Jr. and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, Jaime Avila Jr. admitted to ATF agents that he straw purchased these firearms for an unidentified Hispanic male as well as admitted he had used an address of a residence he had not resided in for several years. This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

Jaime Avila Jr. was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).

Sensitive But Unclassified – For Official Use Only

HOCR DOJ 002881



PHOENIX DOMEX QUARTERLY REPORT



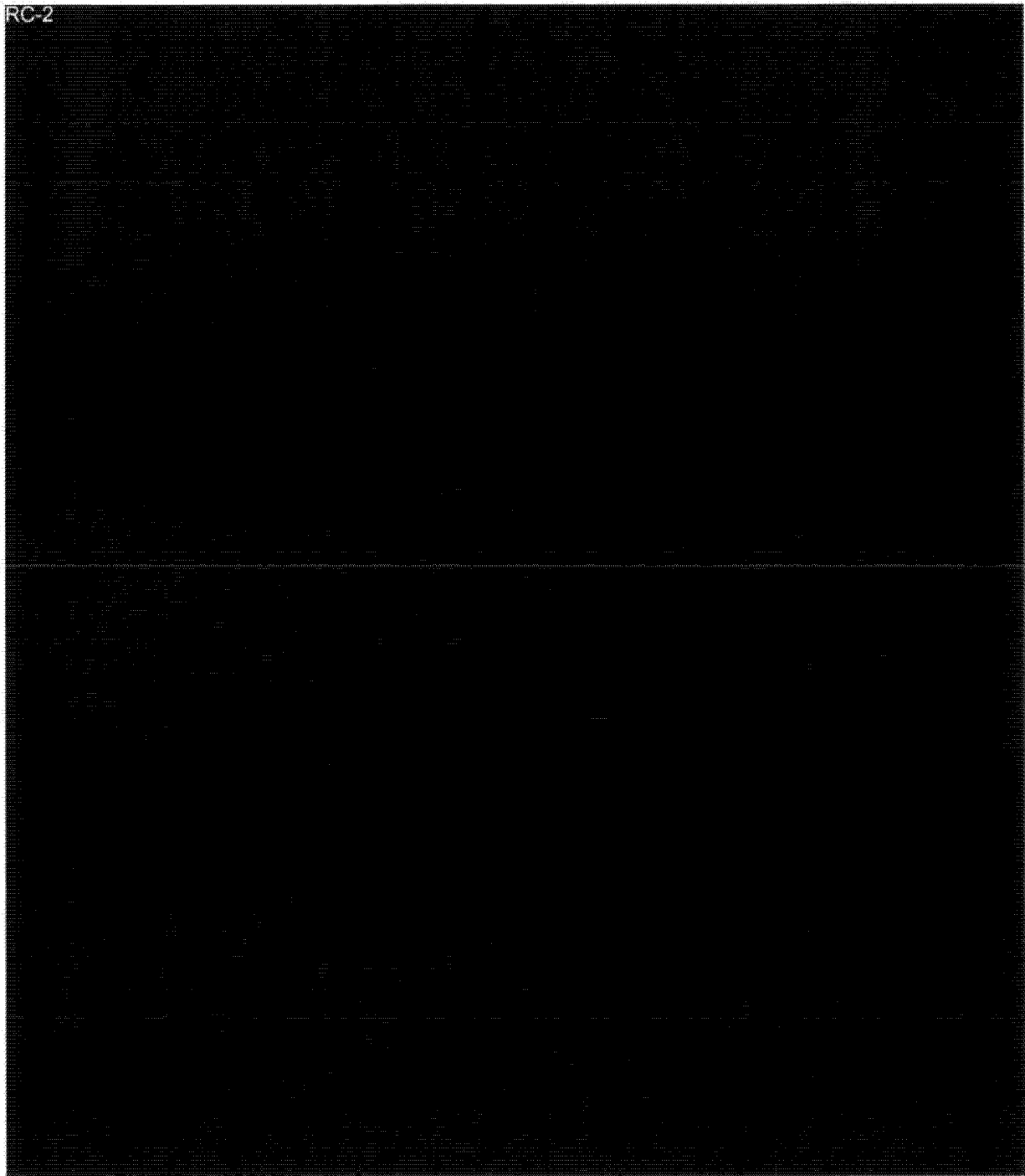
January 2011

The Phoenix DOMEX Team commenced operations on May 17, 2010. The team currently consists of 6 contract analysts, and one NDIC lead Intelligence Research Specialist (IRS). During the 1st quarter of FY-2011, the team completed 2 missions on DEA Priority Target/OCDETF investigations and 2 additional missions are in process. Each investigation contains a strong financial component with an emphasis on the identification of assets and will require additional missions by Phoenix DOMEX. Further, 6 additional PTO/OCDETF investigations have been approved for DOMEX exploitation and are pending. The following are summaries of completed, in-process, and pending Phoenix DOMEX missions:

Completed Missions:

RC-2





Strike Force/ OCDETF Operation Fast and Furious; 78511510-0004; X116708PHX (Phase 2); ATF Case Agent Hope MacAllister

This ATF Strike Force/OCDETF investigation is focused on the firearm trafficking activities of an international weapon-distribution organization based in Arizona. Direct law enforcement

intelligence indicates that this organization is a source of supply for weapons to the Sinaloa Cartel. Information developed by the ATF indicates that over the past year this organization has supplied at least 1,500 firearms to DTOs operating in Mexico. To date, the ATF has identified approximately ^{RC}₅ members and associates of this organization in the Phoenix, AZ area. Phase 2 will involve the analysis of approximately 100 ROIs documenting the purchase of firearms.

RC-1

From: Weinstein, Jason
Sent: Monday, January 03, 2011 7:40 PM
To: Trusty, James
Subject: RE: gun trafficking

RC-2

From: Trusty, James
Sent: Monday, January 03, 2011 1:34 PM
To: Weinstein, Jason
Subject: RE: gun trafficking

I think it makes sense, although I'm a little nervous about how I staff these cases. We're going to have some good gun trafficking stories very soon, with the AZ cases (including the eventual takedown of Fast and Furious) and the RC-2 case, in particular. If we can get the RC-2 charged soon (I'm looking into that) we'd have another big chunk of gun trafficking offenses.

RC-2

RC-2

Jim

From: Weinstein, Jason
Sent: Monday, January 03, 2011 12:53 PM
To: Trusty, James
Subject: gun trafficking

Hey – Lanny asked us to think about ways we can contribute to fighting violent crime in some of the cities identified in the most recent UCR data as having the biggest increase in murders and gun crime, beyond the things we already do. I'll send you the data, but beyond big cities that would never want or accept help (NY, Chicago), there are some where we may be able to help, such as Minneapolis, Madison, WI, Washington, DC, Sacramento, etc.

In any event, I thought we might be able to do two things without a tremendous drain on resources:

1)

RC-2

2)

HOCR DOJ 002885

DOJ-FF-61056

RC-2



RC-2



We could start with one or two market cities as a pilot, and then go from there if it bears fruit. What do you think?

JW

Jason M. Weinstein
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530
Office: RC-1
Cell: RC-1

RC-1

From: Trusty, James
Sent: Tuesday, January 04, 2011 5:13 PM
To: Raman, Mythili
Subject: Re: Phoenix gun trafficking press release

Fast and Furious is usao but they've consulted with Laura and I'm trying to wriggle her in to the case. I don't want to misspeak on the other answers so let me doublecheck.

From: Raman, Mythili
To: Trusty, James; Weinstein, Jason
Sent: Tue Jan 04 17:08:42 2011
Subject: RE: Phoenix gun trafficking press release

How did the summons get issued? How many defendants were served?

Is the Fast and Furious case ours or USAOs?

From: Trusty, James
Sent: Tuesday, January 04, 2011 4:38 PM
To: Weinstein, Jason; Raman, Mythili
Subject: FW: Phoenix gun trafficking press release

To our mild surprise, some defendants in Laura Gwinn's recent indictment have been served with summons to appear in Phoenix tomorrow. This effectively ends the sealing we did on our indictment to allow its unsealing when Fast and Furious comes down. That case is apparently set for indictment 1/19, by the way. I don't think it will have any operational significance for T&F (no flight/obstruction issues stemming from our unsealing).

Call me if you have questions or concerns, but Laura Sweeney wanted me to get in touch with you two.

Jim

From: Sweeney, Laura (SMO) [mailto:[RC-1](#)]
Sent: Tuesday, January 04, 2011 4:24 PM
To: Trusty, James
Subject: FW: Phoenix gun trafficking press release

I think we need to let Jason and Mythili know this may be happening tomorrow - do you want to shoot them an email?

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 4:02 PM
To: Trusty, James (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

HOCR DOJ 002887

DOJ-FF-61058

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:52 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

You know the procedural history of your case considerably better than me or Jaffe - why don't you touch base with Patrick and let him know what is transpiring. If he wants to talk about anything on your case or F&F, tell him I am happy to chat (in fact, tell him I'm planning on calling him this week either way)

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:47 PM
To: Trusty, James; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

That's what I am thinking. Should you or Jaffe touch base with Patrick Cunningham about the change in plan? Or maybe we could just proceed **RC-2** and still do the press release at the same time as F&F?

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:35 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:34 PM
To: Sweeney, Laura (SMO); Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Sweeney, Laura (SMO) [mailto:**RC-1**]
Sent: Tuesday, January 04, 2011 1:32 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 1:27 PM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Projected withdrawal of **RC-1**

HOCR DOJ 002888

DOJ-FF-61059

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 12:08 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Hi Laura - any word from Phoenix?

From: Gwinn, Laura (CRM)
Sent: Thursday, December 30, 2010 11:26 AM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: Re: Phoenix gun trafficking press release

I haven't heard anything from Phx on Fast n Furious timing. Will try to remember to email them next week (when I get back from vacation)
Sent from Blackberry
Laura Gwinn
US Dept of Justice Gang Unit
RC-1 (c)

From: Sweeney, Laura (SMO) [mailto:RC-1]
To: Trusty, James; Gwinn, Laura
Cc: Jaffe, David; Finelli, Alisa (SMO) <RC-1>
Sent: Thu Dec 30 11:21:51 2010
Subject: RE: Phoenix gun trafficking press release

Any more updates on timing for this?

From: Trusty, James (CRM)
Sent: Tuesday, December 21, 2010 5:08 PM
To: Gwinn, Laura (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM)
Subject: RE: Phoenix gun trafficking press release

That's the Fast and Furious case, that has been "poised for indictment" for some time now, but hopefully they'll truly get to the finish line next month.

From: Gwinn, Laura
Sent: Tuesday, December 21, 2010 5:07 PM
To: Sweeney, Laura (SMO)
Cc: Jaffe, David; Trusty, James
Subject: Phoenix gun trafficking press release

Laura

RC-2 Phx USAO is going to be doing a HUGE gun trafficking indictment, perhaps near end of Jan, and they wanted to combine any press on mine with that one, since they are tangentially related. Supposedly the AG will be coming out for that big indictment. I will still send you the basics ala the

HOCR DOJ 002889

DOJ-FF-61060

RC-2 [redacted] template you sent back to me. But there will need to be coordination with the press office here in Phx or however you do it.

Laura Gwin
US Dept of Justice Gang Unit

RC-1 [redacted] (C)

RC-1

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 5:18 PM
To: Trusty, James
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Trusty, James
Sent: Tuesday, January 04, 2011 5:14 PM
To: Gwinn, Laura
Subject: Fw: Phoenix gun trafficking press release

Can you answer the first two to me and I will respond to Mythil.

From: Raman, Mythili
To: Trusty, James; Weinstein, Jason
Sent: Tue Jan 04 17:08:42 2011
Subject: RE: Phoenix gun trafficking press release

How did the summons get issued? How many defendants were served?

Is the Fast and Furious case ours or USAOs?

From: Trusty, James
Sent: Tuesday, January 04, 2011 4:38 PM
To: Weinstein, Jason; Raman, Mythili
Subject: FW: Phoenix gun trafficking press release

To our mild surprise, some defendants in Laura Gwinn's recent indictment have been served with summons to appear in Phoenix tomorrow. This effectively ends the sealing we did on our indictment to allow its unsealing when Fast and Furious comes down. That case is apparently set for indictment 1/19, by the way. I don't think it will have any operational significance for F&F (no flight/obstruction issues stemming from our unsealing).

Call me if you have questions or concerns, but Laura Sweeney wanted me to get in touch with you two.

Jim

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 4:24 PM
To: Trusty, James
Subject: FW: Phoenix gun trafficking press release

I think we need to let Jason and Mythil know this may be happening tomorrow - do you want to shoot them an email?

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 4:02 PM

HOCR DOJ 002891

DOJ-FF-61062

To: Trusty, James (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:52 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

You know the procedural history of your case considerably better than me or Jaffe – why don't you touch base with Patrick and let him know what is transpiring. If he wants to talk about anything on your case or F&F, tell him I am happy to chat (in fact, tell him I'm planning on calling him this week either way)

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:47 PM
To: Trusty, James; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

That's what I am thinking. Should you or Jaffe touch base with Patrick Cunningham about the change in plan? Or maybe we could just proceed RC-2 and still do the press release at the same time as F&F?

From: Trusty, James
Sent: Tuesday, January 04, 2011 1:35 PM
To: Gwinn, Laura; Sweeney, Laura (SMO)
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Gwinn, Laura
Sent: Tuesday, January 04, 2011 1:34 PM
To: Sweeney, Laura (SMO); Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 1:32 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

RC-2

HOCR DOJ 002892

DOJ-FF-61063

From: Gwinn, Laura (CRM)
Sent: Tuesday, January 04, 2011 1:27 PM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Projected indictment of Jan. 19

RC-2

From: Sweeney, Laura (SMO) [mailto:RC-1]
Sent: Tuesday, January 04, 2011 12:08 PM
To: Gwinn, Laura; Trusty, James
Cc: Jaffe, David; Finelli, Alisa (SMO)
Subject: RE: Phoenix gun trafficking press release

Hi Laura - any word from Phoenix?

From: Gwinn, Laura (CRM)
Sent: Thursday, December 30, 2010 11:26 AM
To: Sweeney, Laura (SMO); Trusty, James (CRM)
Cc: Jaffe, David (CRM); Finelli, Alisa (SMO)
Subject: Re: Phoenix gun trafficking press release

I haven't heard anything from Phx on Fast n Furious timing. Will try to remember to email them next weeeek (when I get back from vacation).

Sent from Blackberry

Laura Gwinn

US Dept of Justice Gang Unit

RC-1 (c)

From: Sweeney, Laura (SMO) <RC-1>
To: Trusty, James; Gwinn, Laura
Cc: Jaffe, David; Finelli, Alisa (SMO) <RC-1>
Sent: Thu Dec 30 11:21:51 2010
Subject: RE: Phoenix gun trafficking press release

Any more updates on timing for this?

From: Trusty, James (CRM)
Sent: Tuesday, December 21, 2010 5:08 PM
To: Gwinn, Laura (CRM); Sweeney, Laura (SMO)
Cc: Jaffe, David (CRM)
Subject: RE: Phoenix gun trafficking press release

That's the Fast and Furious case, that has been "posed for indictment" for some time now, but hopefully they'll truly get to the finish line next month.

From: Gwinn, Laura
Sent: Tuesday, December 21, 2010 5:07 PM
To: Sweeney, Laura (SMO)

HOCR DOJ 002893

DOJ-FF-61064

Cc: Jaffe, David; Trusty, James

Subject: Phoenix gun trafficking press release

Laura

RC-2 Phx USAO is going to be doing a HUGE gun trafficking indictment, perhaps near end of Jan, and they wanted to combine any press on mine with that one, since they are tangentially related. Supposedly the AG will be coming out for that big indictment. I will still send you the basics ala the RC-2 template you sent back to me. But there will need to be coordination with the press office here in Phx, or however you do it.

Laura Cowan

US Dept of Justice Gang Unit

RC-1 (C)

HOCR DOJ 002894

DOJ-FF-61065

RC-1

From: Trusty, James
Sent: Wednesday, January 19, 2011 1:43 PM
To: Lurie, Adam
Subject: RE: meeting with RC-1
Attachments: SWB DAG TPs 1 18 11 rev.wpd

Some TPs for the DAG meeting -- Jason said to forward. Call me when you have a second. RC-1

From: Lurie, Adam
Sent: Wednesday, January 12, 2011 8:22 PM
To: Weinstein, Jason
Cc: Trusty, James
Subject: Re: meeting with RC-1

Good idea. If there are any matters in particular that you would like him to brag about, please send it my way.

From: Weinstein, Jason
To: Lurie, Adam
Cc: Trusty, James
Sent: Wed Jan 12 20:08:38 2011
Subject: RE: meeting with RC-1

There isn't really any single document I can think of, although you can get a good overview from the press releases on the gang unit's web page. CC'ing Jim to see if he has other ideas.

From: Lurie, Adam
Sent: Wednesday, January 12, 2011 5:50 PM
To: Weinstein, Jason
Subject: meeting with RC-1

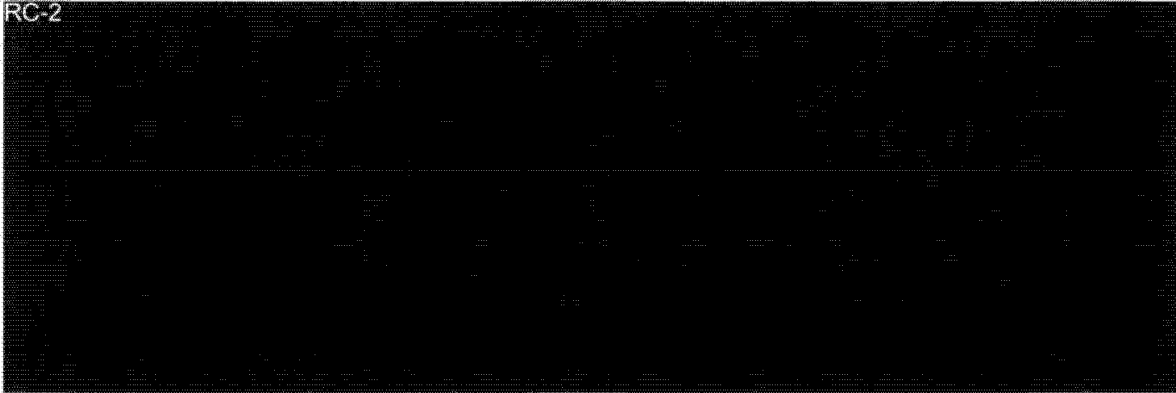
Jason,

Lanny will be meeting with RC-1 possibly next week, who has shown interest in gang prosecutions, and there is a possibility that RC-1 may ask about CRM's gang work. Any chance you can point me to a resource from which I can pull some CRM "successes"?

HOCR DOJ 002895

DOJ-FF-61066


RC-2



Arizona Gun Trafficking

- The Gang Unit is working closely with the USAO in Arizona on a number of gun trafficking cases, including the following:



- On Oct. 27th, we indicted 8 defendants under seal on for trafficking 228 firearms to Mexico. The sealing will likely last until such time as the Phoenix-based "Operation Fast and Furious" is ready for takedown. That investigation has spanned  and likely involved thousands of firearms. Fast and Furious indictment is set for Jan. 19th.



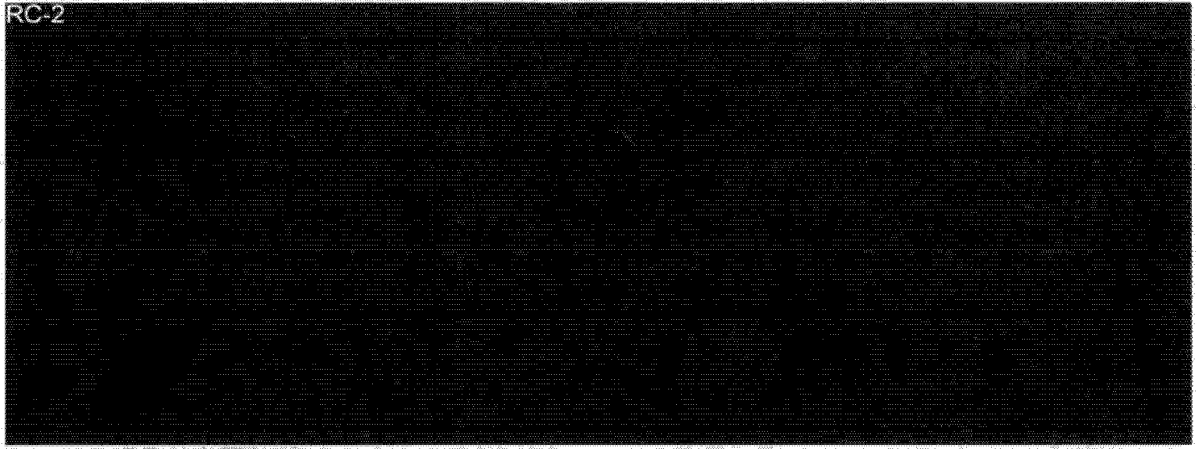
Training



1/24/11

□

RC-2



□

□

Anna

Fast & Furious

15 Δ s. = 1300 -- 6001

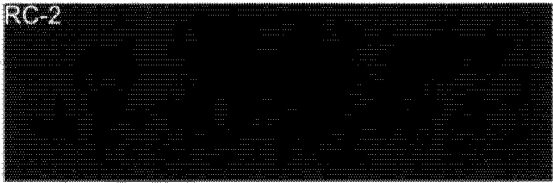
lent sack

Lucy Ann

Our case = 8 Δ s

Stems 40 Assault type weapon

RC-2



From: Ramirez, Monica (ODAG)
To: Weich, Ron (OLA)
Sent: 10/3/2011 3:01:54 PM
Subject: RE: Friday's production of ODAG/CRM docs --

Thanks, Ron!

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 12:00 PM
To: Richardson, Margaret (OAG); Ramirez, Monica (ODAG); Colborn, Paul P (OLC); Schmalzer, Tracy (OPA); Crabb, John D. (USADC)
Subject: FW: Friday's production of ODAG/CRM docs --

From: Gaston, Molly (OLA)
Sent: Monday, October 03, 2011 8:43 AM
To: Reich, Steven (ODAG)
Cc: Weich, Ron (OLA)
Subject: Friday's production

This was sent to Issa, Cummings, Grassley, Leahy, Smith, and Conyers staff Friday night.

Molly Gaston
Office of Legislative Affairs
U.S. Department of Justice
Office: (202) 305-9134 | Cell: (202) 532-3346

<< File: PRODUCED 9-30 (2801 - 2897).pdf >>

From: Weich, Ron (OLA)
To: Reich, Steven (ODAG); Burton, Faith (OLA)
Sent: 10/3/2011 6:02:59 PM
Subject: RE: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

DP

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 5:58 PM
To: Weich, Ron (OLA); Burton, Faith (OLA)
Subject: FW: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

If appropriate, can we provide copies to the other committees?

DP

DP

From: Admin. Assistant (OLA)
Sent: Monday, October 03, 2011 5:51 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Reich, Steven (ODAG); Gaston, Molly (OLA); Richardson, Margaret (OAG); Colborn, Paul P (OLC)
Subject: FW: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

FYI ...

From: Admin. Assistant (OLA)
Sent: Monday, October 03, 2011 5:50 PM
To: 'Jezierski, Crystal'; Hiller, Aaron
Cc: Burton, Faith (OLA); Gaston, Molly (OLA)
Subject: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

<< File: DOJ Response to Chairman Smith 5-3-11 Incoming.pdf >>

<< File: Enclosure - DOJ Response to Chairman Smith 5-3-11 Incoming.pdf >>

Admin. Assistant

From: Reich, Steven (ODAG)
To: Weich, Ron (OLA); Burton, Faith (OLA)
Sent: 10/3/2011 6:24:51 PM
Subject: RE: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

DP

From: Weich, Ron (OLA)
Sent: Monday, October 03, 2011 6:03 PM
To: Reich, Steven (ODAG); Burton, Faith (OLA)
Subject: RE: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

DP

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 5:58 PM
To: Weich, Ron (OLA); Burton, Faith (OLA)
Subject: FW: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

If appropriate, can we provide copies to the other committees?

DP

DP

From: Kralovec, Jamie (OLA)
Sent: Monday, October 03, 2011 5:51 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Reich, Steven (ODAG); Gaston, Molly (OLA); Richardson, Margaret (OAG); Colborn, Paul P (OLC)
Subject: FW: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

FYI ...

From: **Admin. Assistant**
Sent: Monday, October 03, 2011 5:50 PM
To: 'Jeziarski, Crystal'; Hiller, Aaron
Cc: Burton, Faith (OLA); Gaston, Molly (OLA)
Subject: DOJ Response to Chairman Smith's 5/3/11 Letter, with Enclosure

<< File: DOJ Response to Chairman Smith 5-3-11 Incoming.pdf >>

<< File: Enclosure - DOJ Response to Chairman Smith 5-3-11 Incoming.pdf >>

Admin. Assistant

Admin. Assistant

From: Schmalzer, Tracy (OPA)
To: **Attorney General**
Sent: 10/3/2011 6:30:06 PM
Subject: issa

Committee released some docs, including weekly reports from 2010 that show op was mentioned. Issa trying to make claim that b/c they were mentioned in 2010, it somehow contradicts testimony in may about becoming aware earlier this year. I've told reporters you've consistently said you became aware of the tactics earlier in 2011 and asked IG to investigate when you did -- and that's what you were referring to you in response to Issa.

It's silly semantics - he's trying to suggest b/c he asked about the operation only, it shows contradiction. I've also reminded them he was briefed in 2010 but didn't seem to have recall when the allegations about said operation came to light a year later.

To: Richardson, Margaret (OAG)[Margaret.Richardson@usdoj.gov]
Cc: Richardson, Margaret (OAG)[Margaret.Richardson@usdoj.gov]
From: Grindler, Gary (OAG)
Sent: Wed 10/5/2011 12:04:59 PM
Subject: Re:

I see on his calendar that he did meet with Grassley on January 31st and that you were there.

On Oct 5, 2011, at 8:03 AM, "Grindler, Gary (OAG)" <Gary.Grindler@usdoj.gov> wrote:

> I would like to get a copy of the January 31, 2011 letter to which Grassley is referring to in his comments yesterday. Did the AG meet with Grassley on January 31st?

From: Attorney General
To: Schmalzer, Tracy (OPA)
Sent: 10/3/2011 6:37:05 PM
Subject: Re: issa

Weekly reports from whom?

From: Schmalzer, Tracy (OPA)
Sent: Monday, October 03, 2011 06:30 PM
To: Attorney General
Subject: issa

Committee released some docs, including weekly reports from 2010 that show op was mentioned. Issa trying to make claim that b/c they were mentioned in 2010, it somehow contradicts testimony in may about becoming aware earlier this year. I've told reporters you've consistently said you became aware of the tactics earlier in 2011 and asked IG to investigate when you did -- and that's what you were referring to you in response to Issa.

It's silly semantics -- he's trying to suggest b/c he asked about the operation only, it shows contradiction. I've also reminded them he was briefed in 2010 but didn't seem to have recall when the allegations about said operation came to light a year later.

From: Attorney General
To: Schmalzer, Tracy (OPA)
Sent: 10/3/2011 6:39:54 PM
Subject: Re: issa

I generally don't read those.

From: Schmalzer, Tracy (OPA)
Sent: Monday, October 03, 2011 06:37 PM
To: Attorney General
Subject: RE: issa

NDIC and CRM

From: Attorney General
Sent: Monday, October 03, 2011 6:37 PM
To: Schmalzer, Tracy (OPA)
Subject: Re: issa

Weekly reports from whom?

From: Schmalzer, Tracy (OPA)
Sent: Monday, October 03, 2011 06:30 PM
To: Attorney General
Subject: issa

Committee released some docs, including weekly reports from 2010 that show op was mentioned. Issa trying to make claim that b/c they were mentioned in 2010, it somehow contradicts testimony in may about becoming aware earlier this year. I've told reporters you've consistently said you became aware of the tactics earlier in 2011 and asked IG to investigate when you did -- and that's what you were referring to you in response to Issa.

It's silly semantics -- he's trying to suggest b/c he asked about the operation only, it shows contradiction. I've also reminded them he was briefed in 2010 but didn't seem to have recall when the allegations about said operation came to light a year later.

From: Schmaler, Tracy (OPA)
To: Attorney General Grindler, Gary (OAG); Richardson, Margaret (OAG)
Sent: 10/3/2011 11:16:00 PM
Subject: WSJ -Justice Emails Show Officials Discussing Gun Probe

He's updating the parenthetical to say DOJ has made clear its POLICY is *not* to allow guns to walk.

OCTOBER 3, 2011, 9:11 P.M.
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By EVAN PEREZ

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The documents were released as part of a Republican congressional probe led by Rep. Darrell Issa, of California, chairman of the House Oversight and Government Reform Committee, and Sen. Charles Grassley of Iowa.

The two lawmakers have been looking into Operation Fast and Furious, a gun probe run by the Phoenix office of the Bureau of Alcohol, Tobacco, Firearms and Explosives in 2009 and 2010. It allowed sales of about 2,000 guns to suspected smugglers. The aim was to prosecute top traffickers, but many of the firearms have turned up at crime scenes in Mexico and the U.S., and hundreds more are unaccounted for.

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Congressional investigators say the email refers to Fast and Furious and shows Mr. Weinstein acknowledging the use of tactics allowing guns to "walk," or remain in the hands of suspects while an investigation continues.

The Justice Department disputes this, and says Mr. Weinstein is referring to the earlier ATF Tucson investigation, called Wide Receiver, which used similar tactics and allowed the sales of more than 400 guns to suspected smugglers from 2006 to 2008. Mr. Breuer ultimately didn't hold a news conference.

The newly released emails don't settle the dispute between the department and its Republican congressional critics over how much top Justice officials knew about ATF investigative tactics that both sides say were ill-advised.

(Justice officials have denied the ATF tactics in Fast and Furious intentionally allowed guns to "walk.")

Mr. Weinstein didn't immediately respond to a request for comment.

Other documents released Monday are briefing memorandums to senior Justice leaders, including Attorney General Eric Holder and Mr. Breuer, in March and July 2010 that mention Fast and Furious. The memos don't mention the tactics used in the operation.

Mr. Holder said at congressional hearings earlier this year that he first heard about Fast and Furious earlier this year after congressional criticism became public.

The Justice Department says the memos were routine updates that included numerous other cases. It says neither Mr. Holder nor other top officials knew of the ATF investigative tactics that allowed weapons to be smuggled to suspected traffickers.

Mr. Holder in recent months ousted the top ATF official and the top federal prosecutor in

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In response to Mr. Weinstein's email, James Trusty, acting chief of the organized crime and gang section, wrote: "It's not going to be any big surprise that a bunch of US guns are being used in MX [Mexico], so I'm not sure how much grief we get for 'guns walking.' It may be more like, 'Finally, they're going after people who sent guns down there...'

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From: **Attorney General**
To: Schmalzer, Tracy (OPA); Grindler, Gary (OAG); Richardson, Margaret (OAG)
Sent: 10/3/2011 11:30:55 PM
Subject: Re: WSJ -Justice Emails Show Officials Discussing Gun Probe

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From: Schmaler, Tracy (OPA)
To: **Attorney General** Grindler, Gary (OAG); Richardson, Margaret (OAG)
Sent: 10/3/2011 11:56:38 PM
Subject: Re: WSJ -Justice Emails Show Officials Discussing Gun Probe

Also -- Issa's preamble in his q to you at this hearing teed up the guns walking allegations making his claim of an inconsistency even less credible. (He left that out when pushing to reporters).

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From: Attorney General
To: Schmalzer, Tracy (OPA); Grindler, Gary (OAG); Richardson, Margaret (OAG)
Sent: 10/3/2011 11:57:54 PM
Subject: Re: WSJ -Justice Emails Show Officials Discussing Gun Probe

Let's look at that as well.

Have some other thoughts we can discuss.

----- Original Message -----

From: Schmalzer, Tracy (OPA)
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From: Schmalzer, Tracy (OPA)
To: Reich, Steven (ODAG); Axelrod, Matthew (ODAG)
Sent: 10/3/2011 10:49:04 AM
Subject: talking points
Attachments: F and F docs 10 03 11.doc

Can you take a look at the attached and make any edits. DP if you have it. thanks

From: Schmalzer, Tracy (OPA)
To: Reich, Steven (ODAG); Axelrod, Matthew (ODAG)
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Attachments: F and F docs 10 03 11.doc

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From: Schmaler, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/3/2011 7:07:05 PM
Subject: wide receiver

This email referred to an operation that was conducted in the previous administration, from 2006 to approximately the end of 2007, known as Operation Wide Receiver, which was handled by ATF's Tucson office and the U.S. Attorney's Office in Arizona.

Operation Wide Receiver was initiated by the ATF in 2006 after it received information about a suspicious purchase of firearms. Although the investigation was concluded in 2007, no charges were filed.

In about 2009, years after that investigation was concluded, the former Gang Unit reviewed the case for possible prosecution. During the review of the case, the Gang Unit prosecutor learned the ATF Arizona had permitted guns to be transferred to suspected gun traffickers and had not interdicted them.

Given the serious nature of the alleged gun trafficking and the available evidence, the Gang Unit prosecutor decided to bring charges against the gun traffickers, and did so. The investigation resulted in two sets of indictments that were unsealed toward the end of 2010.

Prior to the unsealing of the Wide Receiver indictments, in an email about the prosecution, DAAG Weinstein raised concerns about investigative methods in the Wide Receiver case. DAAG Weinstein's reference to a "tricky case" in which the questionable tactics were used was to Wide Receiver (also referred to as "Laura's Tucson case") and not to Fast and Furious. He mentioned Fast and Furious only because of his belief at the time that the cases would be announced in close proximity.

The only connection being made between Fast and Furious and Wide Receiver in that email was one of timing, not tactics.

The Criminal Division personnel involved in the Wide Receiver prosecution did not believe that the questionable tactics used in Wide Receiver -- an investigation conducted and concluded several years earlier in the previous administration and led by different agents in a different ATF office and supervised by a different AUSA in the Tucson -- had any connection to Fast and Furious, which was opened in 2009 out of the Phoenix.

In the Wide Receiver prosecution, the Criminal Division's effort was to ensure dangerous gun traffickers were punished for their crimes. [Five of the 10 charged defendants have pleaded guilty for their crimes], thanks to the work of these prosecutors, years after the investigation was concluded.

From: Weinstein, Jason (CRM)
To: Sweeney, Laura (OPA); Schmalzer, Tracy (OPA)
Sent: 10/3/2011 7:26:52 PM
Subject: FW: comment request

From: Perez, Evan [mailto:Evan.Perez@wsj.com]
Sent: Monday, October 03, 2011 7:26 PM
To: Weinstein, Jason
Subject: comment request

Mr. Weinstein, I'm writing about Operation Fast and Furious and an email from Oct. 2010 from you to James Trusty. The email from you discusses whether to have Lanny Breuer do press "when Fast and Furious and Laura's Tucson case are unsealed." You add: "It's a tricky case given the number of guns that have walked but it is a significant set of prosecutions."
Can you tell me which case you're referring to as having "guns that have walked"?
Please advise if you have any comment.

Thanks,

Evan Pérez
The Wall Street Journal.
Washington 202.862.9213 | Cell 305.479.7746

From: Sweeney, Laura (OPA)
To: Weinstein, Jason (CRM); Schmalder, Tracy (OPA)
Sent: 10/3/2011 7:51:46 PM
Subject: RE: comment request

Sure - calling now.

From: Weinstein, Jason (CRM)
Sent: Monday, October 03, 2011 7:42 PM
To: Schmalder, Tracy (OPA); Sweeney, Laura (OPA)
Subject: RE: comment request

Can one of you call me? 5-9827

From: Schmalder, Tracy (OPA) [mailto:Tracy.Schmalder@usdoj.gov]
Sent: Monday, October 03, 2011 7:36 PM
To: Weinstein, Jason; Sweeney, Laura (OPA) (JMD)
Subject: RE: comment request

I've already talked to him.

From: Weinstein, Jason (CRM)
Sent: Monday, October 03, 2011 7:27 PM
To: Sweeney, Laura (OPA); Schmalder, Tracy (OPA)
Subject: FW: comment request

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Washington 202.862.9213 | Cell 305.479.7746

From: Weich, Ron (OLA)
To: Burton, Faith (OLA)
Sent: 10/3/2011 4:18:53 PM
Subject: RE: Initial Draft Outline for HSGAC Briefing

See my other email on this. We can proceed in your absence, but need some guidance.

From: Burton, Faith (OLA)
Sent: Monday, October 03, 2011 4:16 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Cc: Kellner, Kenneth E. (OLA)
Subject: Re: Initial Draft Outline for HSGAC Briefing

We shld have a pre-meet on this. Adding Ken.

From: Reich, Steven (ODAG)
Sent: Monday, October 03, 2011 03:34 PM
To: Weich, Ron (OLA); Burton, Faith (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA); Ramirez, Monica (ODAG); Crabb, John D. (USADC)
Subject: Initial Draft Outline for HSGAC Briefing

Set forth below is an initial draft outline for the HSGAC briefing. Please feel free to edit or revise, including topics I may have missed.

Topics to be covered:

DP

DP

Steven F. Reich

Associate Deputy Attorney General

United States Department of Justice

950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Weich, Ron (OLA)
To: Gaston, Molly (OLA)
Sent: 10/3/2011 8:53:25 AM
Subject: Re: Friday's production

This is ODAG/CRM, right? And are we planning to send ATF wrap up letter today?

From: Gaston, Molly (OLA)
Sent: Monday, October 03, 2011 08:43 AM
To: Reich, Steven (ODAG)
Cc: Weich, Ron (OLA)
Subject: Friday's production

This was sent to Issa, Cummings, Grassley, Leahy, Smith, and Conyers staff Friday night.

Molly Gaston

Office of Legislative Affairs

U.S. Department of Justice

Office: (202) 305-9134 | Cell: (202) 532-3346

<<PRODUCED 9-30 (2801 - 2897).pdf>>

From: Weich, Ron (OLA)
To: Grindler, Gary (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Goldberg, Stuart (ODAG); Schmalzer, Tracy (OPA); Burton, Faith (OLA)
Sent: 10/4/2011 11:08:44 AM
Subject: heads-up, HJC may ask AG to testify on F+F --

Just fielded a call from Chairman Smith's staff. She said the Chairman is concerned about allegations in the stories this AM re: the AG's answers to questions at the May HJC oversight hearing about when he learned of Fast + Furious. She said Smith wants the AG to testify at a hearing on this subject in the next few weeks - possibly Fri October 14. She said Smith may make a public statement about such a hearing this afternoon.

I explained why the stories are overblown and why a hearing would be unproductive. I offered to make the AG available for a phone call with Chairman Smith to discuss this subject in lieu of a hearing. The staffer will take that offer back to Smith and will let me know.

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To: Weich, Ron (OLA)
Sent: 10/4/2011 4:51:08 PM
Subject: Re: heads-up, HJC may ask AG to testify on F+F --

Was this Crystal?

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 11:08 AM
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Just fielded a call from Chairman Smith's staff. She said the Chairman is concerned about allegations in the stories this AM re: the AG's answers to questions at the May HJC oversight hearing about when he learned of Fast + Furious. She said Smith wants the AG to testify at a hearing on this subject in the next few weeks – possibly Fri October 14. She said Smith may make a public statement about such a hearing this afternoon.

I explained why the stories are overblown and why a hearing would be unproductive. I offered to make the AG available for a phone call with Chairman Smith to discuss this subject in lieu of a hearing. The staffer will take that offer back to Smith and will let me know.

From: Weich, Ron (OLA)
To: Burton, Faith (OLA)
Sent: 10/4/2011 4:54:47 PM
Subject: RE: heads-up, HJC may ask AG to testify on F+F --

Yes Crystal, and then I spoke to Richard after.

DP

DP

From: Burton, Faith (OLA)
Sent: Tuesday, October 04, 2011 4:51 PM
To: Weich, Ron (OLA)
Subject: Re: heads-up, HJC may ask AG to testify on F+F --

Was this Crystal?

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 11:08 AM
To: Grindler, Gary (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Goldberg, Stuart (ODAG); Schmalzer, Tracy (OPA); Burton, Faith (OLA)
Subject: heads-up, HJC may ask AG to testify on F+F --

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From: Grindler, Gary (OAG)
To: Attorney General
Sent: 10/4/2011 1:56:57 PM
Subject: Fw: HEADS-UP: Smith letter to President calling for appointment of special counsel re: F+F.
Attachments: 100411 PresidentObama.pdf

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 01:25 PM
To: Grindler, Gary (OAG); Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); Reich, Steven (ODAG); Schmalzer, Tracy (OPA); Burton, Faith (OLA)
Subject: HEADS-UP: Smith letter to President calling for appointment of special counsel re: F+F.

Smith's staff says they intend to release this to the media.

LAMAR S. SMITH, Texas
CHAIRMAN

F. JAMES SENSENBRENNER, JR., Wisconsin
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TRENT FRANKS, Arizona
LDUIE GOHMERT, Texas
JIM JORDAN, Ohio
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ONE HUNDRED TWELFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

2138 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6216

(202) 225-3951

<http://www.house.gov/judiciary>

October 4, 2011

President Barack Obama
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President,

I write to urge you to instruct the Department of Justice to appoint a special counsel to determine whether Members of Congress were misled by the Attorney General during his recent testimony before the House Judiciary Committee regarding what information he knew about the Bureau of Alcohol, Tobacco, Firearms, and Explosives' (ATF) Operation Fast and Furious, which allowed straw buyers to purchase guns in the United States and transfer them across the border to Mexico. The guns were used for illegal activity and ultimately were used in the shooting death of Customs and Border Patrol Agent Brian Terry.

At a hearing before the House Judiciary Committee on May 3, 2011, Attorney General Holder testified that he first heard of "Fast and Furious" in April, 2011. Congressman Issa asked, "When did you first know about the program, officially, I believe, known as Fast and Furious? Best of your knowledge, what date?" The Attorney General responded "I'm not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

In response to ongoing Judiciary Committee oversight of Operation Fast and Furious, the Department of Justice recently provided to the Committee documents that raise significant questions about the truthfulness of the Attorney General's testimony.

Weekly updates from the National Drug Intelligence Center began briefing the Attorney General on Fast and Furious beginning, at the latest, on July 5, 2010. These updates mentioned, not only the name of the operation, but also specific details about guns being trafficked to Mexico.

An additional memo dated October 18, 2010 from Lanny Breuer to Attorney General Holder also discussed Operation Fast and Furious.

President Barack Obama

October 4, 2011

Page 2 of 2

The Department's consistent response to Congress has been that Operation Fast and Furious was a discrete law enforcement effort largely isolated to the ATF office in Phoenix. These documents appear to undermine this claim and bring into question statements made by Attorney General Holder to this Committee.

Allegations that senior Justice Department officials may have intentionally misled Members of Congress are extremely troubling and must be addressed by an independent and objective special counsel.

I urge you to appoint a special counsel who will investigate these allegations as soon as possible.

Respectfully,

A handwritten signature in cursive script that reads "Lamar Smith".

Lamar Smith
Chairman

cc: The Honorable John Conyers, Jr.

From: Weich, Ron (OLA)
To: Grindler, Gary (OAG); Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); Reich, Steven (ODAG); Schmalzer, Tracy (OPA); Burton, Faith (OLA)
Sent: 10/4/2011 1:25:46 PM
Subject: HEADS-UP: Smith letter to President calling for appointment of special counsel re: F+F. - EXTENDED 82.71 KB
Attachments: MimosoStub.html

Smith's staff says they intend to release this to the media.

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Attachment File Name: 100411 PresidentObama.pdf

Attachment File Size: 84694 (bytes)

Attachment Number : 1

Attachment URL:[100411 PresidentObama.pdf](#)

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October 4, 2011

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President Barack Obama

October 4, 2011

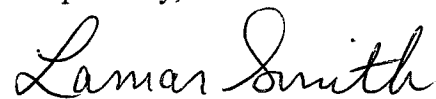
Page 2 of 2

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I urge you to appoint a special counsel who will investigate these allegations as soon as possible.

Respectfully,

A handwritten signature in cursive script that reads "Lamar Smith".

Lamar Smith
Chairman

cc: The Honorable John Conyers, Jr.

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From: Schultz, Eric
To: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 12:09:14 PM
Subject: FW: Judiciary Committee Chair Smith asks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram

Judiciary Committee Chair Smith asks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram

Smith wonders if Holder committed perjury when asked about Fast and Furious. Smith says Holder can't investigate himself.

From: Grindler, Gary (OAG)
To: Attorney General
Sent: 10/4/2011 12:24:41 PM
Subject: Fw: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 12:17 PM
To: Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Weich, Ron (OLA)
Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

From: Schultz, Eric [mailto:Eric H. Schultz]
Sent: Tuesday, October 04, 2011 12:09 PM
To: Schmaler, Tracy (OPA)
Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

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Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

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From: Schultz, Eric [mailto:Eric H. Schultz]
Sent: Tuesday, October 04, 2011 12:09 PM
To: Schmaler, Tracy (OPA)
Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

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Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram
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From: Grindler, Gary (OAG)
To: Richardson, Margaret (OAG)
Sent: 10/4/2011 12:27:05 PM
Subject: Re: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

What do the regs. Say about appointment of a special counsel?

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 12:17 PM
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Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

From: Schultz, Eric Eric Schultz
Sent: Tuesday, October 04, 2011 12:09 PM
To: Schmalzer, Tracy (OPA)
Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram <<http://twitter.com/#!/ChadPergram>> Chad Pergram

Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram <<http://twitter.com/#!/ChadPergram>> Chad Pergram

Smith wonders if Holder committed perjury when asked about Fast and Furious. Smith says Holder can't investigate himself.

From: Jarrett, Valerie
To: Attorney General
Sent: 10/4/2011 4:20:32 PM
Subject: Fast and furious

I'm sorry.

From: Jarrett, Valerie
To: Attorney General
Sent: 10/4/2011 4:25:46 PM
Subject: Re: Fast and furious

Facts always work.

----- Original Message -----

From: Attorney General
To: Jarrett, Valerie
Sent: Tue Oct 04 16:22:12 2011
Subject: Re: Fast and furious

Time to go to the mattresses. Ready for the fight. Will send some of our stuff. All I have are the facts.

E

----- Original Message -----

From: Valerie Jarret
Sent: Tuesday, October 04, 2011 04:20 PM
To: Attorney General
Subject: Fast and furious

I'm sorry.

From: Schmalzer, Tracy (OPA)
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
CC: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 9:59:51 PM
Subject: weekly report QAs - EDITS BY AM PLS
Attachments: QA on f and f weekly.testimony.10.4.11.docx

Below and attached is a QA in case AG gets questioned at the presser tomorrow in Ohio - need edits/concerns /additions by 9 am tomorrow since we're leaving mid-morning.

DP

From: Delery, Stuart F. (OAG)
To: Schmalder, Tracy (OPA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Sent: 10/5/2011 8:19:50 AM
Subject: RE: weekly report QAs - EDITS BY AM PLS

DP

From: Schmalder, Tracy (OPA)
Sent: Tuesday, October 04, 2011 10:00 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Cc: Schmalder, Tracy (OPA)
Subject: weekly report QAs - EDITS BY AM PLS
Importance: High

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Q:

A:

Q:

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DP

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DP

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A:

DP

Q:

A:

<< File: QA on f and f weekly.testimony.10.4.11.docx >>

From: Grindler, Gary (OAG)
To: Schmalzer, Tracy (OPA)
Sent: 10/5/2011 7:23:38 AM
Subject: RE: weekly report QAs - EDITS BY AM PLS

Tracy,

DP

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 10:00 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Cc: Schmalzer, Tracy (OPA)
Subject: weekly report QAs - EDITS BY AM PLS
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DP

Q:

A:

DP

Q:

A:

Q:
A:

DP

<< File: QA on f and f weekly testimony.10.4.11.docx >>

From: Kellner, Kenneth E. (OLA)
To: Burton, Faith (OLA); [REDACTED] Weich, Ron (OLA)
Sent: 10/4/2011 5:08:53 PM
Subject: RE: hsgac briefing

[REDACTED] I just left you a message. Give me a call at your convenience.

Ken

Kenneth E. Kellner
Attorney Advisor
Office of Legislative Affairs
U.S. Department of Justice

[REDACTED]

From: Burton, Faith (OLA)
Sent: Tuesday, October 04, 2011 5:05 PM
To: [REDACTED] Weich, Ron (OLA); Kellner, Kenneth E. (OLA)
Subject: Re: hsgac briefing

[REDACTED] I'm out of town right now, but Ron and Ken are working on this. Thanks.

From: [REDACTED] [mailto:\[REDACTED\]](mailto:[REDACTED])
Sent: Monday, October 03, 2011 05:36 PM
To: Burton, Faith (OLA)
Subject: hsgac briefing

Hi Faith,

I hope this finds you doing well. Are you coordinating the briefing with HSGAC regarding Fast and Furious? I just want to see what date works best on your end.

Thanks,

[REDACTED]

Office of Congressional Relations
U.S. Immigration and Customs Enforcement

[REDACTED] (Direct)

From: Schmaler, Tracy (OPA)
To: Weich, Ron (OLA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:26:08 PM
Subject: RE: ATF

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 4:22 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: Re: ATF

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From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 04:09 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: FW: ATF

Edits below -

DP

DP

From: Weich, Ron (OLA)
To: Schmaler, Tracy (OPA)
Sent: 10/4/2011 4:56:35 PM
Subject: RE: ATF

DP

Thx.

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 4:39 PM
To: Weich, Ron (OLA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: RE: ATF
Importance: High

Hate to be nudge, but deadlines are approaching and we're going to miss them – still need to run this by the boss.

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 4:22 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
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Subject: FW: ATF

Edits below –

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Sent: 10/4/2011 4:21:44 PM
Subject: Re: ATF

DP

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 04:09 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
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Sent: 10/4/2011 2:21:35 PM
Subject: RE: ATF

DP

Smith Calls for Investigation into AG's Statements at HJC Hearing

Washington, D.C. - House Judiciary Committee Chairman Lamar Smith (R-Texas) today called for the appointment of a special counsel to investigate whether comments made by Attorney General Eric Holder during

a House Judiciary Committee hearing in May 2011 were truthful. In a letter to President Obama, Chairman Smith expressed concern that Members of Congress may have been misled by the Attorney General's response to a question regarding his knowledge of the Fast and Furious program. The Attorney General stated that he first heard of the program in the weeks leading up to the May 2011 hearing. But documents released on Friday night raise significant questions about the truthfulness of the Attorney General's testimony.

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Sent: Tuesday, October 04, 2011 1:48 PM
To: Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmaler, Tracy (OPA); Weich, Ron (OLA)
Subject: RE: ATF

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DOJ-FF-61180

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To: Schmaler, Tracy (OPA)[Tracy.Schmaler@usdoj.gov]
From: Grindler, Gary (OAG)
Sent: Tue 10/4/2011 6:47:09 PM
Subject: RE: ATF

Just tried to call

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 2:41 PM
To: Grindler, Gary (OAG)
Subject: RE: ATF

Right- I think we're saying the same thing. I tried to call – give me a buzz when you're free. Not urgent. **Privacy**

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 2:37 PM
To: Schmaler, Tracy (OPA)
Subject: Re: ATF

But it communicates **DP**
DP I am focusing on **DP**

From: Schmaler, Tracy (OPA)
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From: Weich, Ron (OLA)
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
CC: Reich, Steven (ODAG)
Sent: 10/4/2011 2:49:54 PM
Subject: RE: ATF

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From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 2:32 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
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Subject: RE: ATF

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Sent: 10/4/2011 2:57:57 PM
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To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
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To: Cole, James (ODAG)[James Cole]
Cc: Goldberg, Stuart (ODAG)[Stuart.Goldberg@usdoj.gov]
From: O'Neil, David (ODAG)
Sent: Tue 10/4/2011 6:28:25 PM
Subject: Fw: ATF

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Smith Calls for Investigation into AG's Statements at HJC Hearing

Washington, D.C. – House Judiciary Committee Chairman Lamar Smith (R-Texas) today called for the appointment of a special counsel to investigate whether comments made by Attorney General Eric Holder during a House Judiciary Committee hearing in May 2011 were truthful. In a letter to President Obama, Chairman Smith expressed concern that Members of Congress may have been misled by the Attorney General's response to a question regarding his knowledge of the Fast and Furious program. The Attorney General stated that he first heard of the program in the weeks leading up to the May 2011 hearing. But documents released on Friday night raise significant questions about the truthfulness of the Attorney General's testimony.

Chairman Smith: "The Department's consistent response to Congress has been that Operation Fast and Furious was a discrete law enforcement effort largely isolated to the ATF office in Phoenix. These documents appear to undermine this claim and bring into question statements made by Attorney General Holder to this Committee.

"Allegations that senior Justice Department officials may have intentionally misled Members of Congress are extremely troubling and must be addressed by an independent and objective special counsel. I urge you to appoint a special counsel who will investigate these allegations as soon as possible."

The full text of the letter from Chairman Smith can be found at:

<http://judiciary.house.gov/news/pdfs/Special%20Counsel%20for%20Fast%20and%20Furious.pdf>

From: Delery, Stuart F. (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Weich, Ron (OLA)
Subject: RE: ATF

I am as well.

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: Re: ATF

I'm available then.

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 01:45 PM
To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

To: Schmaler, Tracy (OPA)[Tracy.Schmaler@usdoj.gov]
From: Grindler, Gary (OAG)
Sent: Tue 10/4/2011 6:47:09 PM
Subject: RE: ATF

Just tried to call

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 2:41 PM
To: Grindler, Gary (OAG)
Subject: RE: ATF

Right- I think we're saying the same thing. I tried to call – give me a buzz when you're free. Not urgent. 305-1920.

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 2:37 PM
To: Schmaler, Tracy (OPA)
Subject: Re: ATF

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 02:34 PM
To: Grindler, Gary (OAG)
Subject: RE: ATF

Thanks – I will. Understand your point,

DP

DP

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 2:29 PM

To: Schmalzer, Tracy (OPA)
Subject: Re: ATF

I have shared this draft with the AG. One point--

DP

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DP

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 02:21 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG);
Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Subject: RE: ATF

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"Allegations that senior Justice Department officials may have intentionally misled Members of Congress are extremely troubling and must be addressed by an independent and objective special counsel. I urge you to appoint a special counsel who

will investigate these allegations as soon as possible.”

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Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

From: Grindler, Gary (OAG)
To: Lumpkin, Beverley (OPA)
Sent: 10/4/2011 6:40:11 AM
Subject: RE: fyi: ATF/F&F

Thanks very much.

From: Lumpkin, Beverley (OPA)
Sent: Monday, October 03, 2011 9:47 PM
To: Grindler, Gary (OAG)
Subject: Re: fyi: ATF/F&F

Sorry, I've been offline.

DP

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Unrelated

will try to get transcript.

From: Grindler, Gary (OAG)
Sent: Monday, October 03, 2011 07:06 PM
To: Lumpkin, Beverley (OPA)
Subject: RE: fyi: ATF/F&F

What did it say?

From: Lumpkin, Beverley (OPA)
Sent: Monday, October 03, 2011 5:58 PM
To: Grindler, Gary (OAG)
Subject: fyi: ATF/F&F

Bad story coming on CBS Evening News tonight.

From: Grindler, Gary (OAG)
To: Schmaler, Tracy (OPA)
Sent: 10/4/2011 2:37:30 PM
Subject: Re: ATF

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 02:34 PM
To: Grindler, Gary (OAG)
Subject: RE: ATF

Thanks – I will. Understand your point.

DP

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Subject: ATF

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From: Grindler, Gary (OAG)
To: Schmalder, Tracy (OPA)
Sent: 10/4/2011 2:29:27 PM
Subject: Re: ATF

I have shared this draft with the AG. One point-

DP

DP

DP

From: Schmalder, Tracy (OPA)
Sent: Tuesday, October 04, 2011 02:21 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
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From: Delery, Stuart F. (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Weich, Ron (OLA)
Subject: RE: ATF

I am as well.

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: Re: ATF

I'm available then.

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Sent: Tuesday, October 04, 2011 01:45 PM
To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

From: Grindler, Gary (OAG)
To: Richardson, Margaret (OAG)
Sent: 10/4/2011 12:27:06 PM
Subject: Re: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

DP

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 12:17 PM
To: Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Weich, Ron (OLA)
Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

From: Schultz, Eric [mailto:[Eric H. Schultz](mailto:Eric.H.Schultz)]
Sent: Tuesday, October 04, 2011 12:09 PM
To: Schmalzer, Tracy (OPA)
Subject: FW: Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram
Judiciary Committee Chair Smith aks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram
Smith wonders if Holder committed perjury when asked about Fast and Furious. Smith says Holder can't investigate himself.

From: O'Neil, David (ODAG)
To: Cole, James (ODAG); Goldberg, Stuart (ODAG)
Sent: 10/4/2011 1:55:35 PM
Subject: Fw: ATF

DP

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 01:45 PM
To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

From: Reich, Steven (ODAG)
To: Weich, Ron (OLA); Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 2:57:57 PM
Subject: RE: ATF

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 2:50 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Cc: Reich, Steven (ODAG)
Subject: RE: ATF

I just spoke to Smith's staffer again. Smith's letter is NOT in lieu of a hearing, but they have decided against a public announcement of a hearing.

DP

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 2:32 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Cc: Reich, Steven (ODAG)
Subject: RE: ATF

Adding Steve R to this chain.

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 2:22 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Subject: RE: ATF

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Subject: RE: ATF

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(OAG); Weich, Ron (OLA)

Subject: ATF

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From: Admin. Assistant (OLA)
To: Richardson, Margaret (OAG); Weich, Ron (OLA)
Sent: 10/5/2011 9:07:37 AM
Subject: RE:
Attachments: Grassley 1-27-11 Incoming.pdf; Grassley 1-31-11 Incoming.pdf; Grassley 2-9-11 Incoming.pdf

Margaret:

Attaching Senator Grassley's first three letters to DOJ on F+F, with letter descriptions below.

Thanks,

Admin. Assistant

RMM Grassley 1/27/11 Incoming re: Project Gunrunner - Death of CBP Agent

Requests information about ATF operation "Gunrunner" and allegations that assault weapons sold to suspected straw purchasers led to the death of CBP Agent Brian Terry. Requests staff briefing, as well.

OLA Response - 2/4/11

RMM Grassley 1/31/11 Incoming re: Alleged Whistleblowers

Follows up on 1/27/11 letter with additional concerns about the protection of alleged whistleblowers in the ATF Phoenix office.

OLA Response - 2/4/11

RMM Grassley 2/9/11 Incoming re: Project Gunrunner - Death of CBP Agent

Follows up on 1/27/11 and 1/31/11 letters and states that his allegations about operation "Gunrunner" are supported by documentation from alleged whistleblowers, including 9 attachments to the letter.

OLA Response - 3/2/11

-----Original Message-----

From: Richardson, Margaret (OAG)
Sent: Wednesday, October 05, 2011 7:43 AM
To: Weich, Ron (OLA)
Cc: Admin. Assistant (OLA)
Subject: Re:

Yes, please. Thank you.

----- Original Message -----

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 10:51 PM
To: Richardson, Margaret (OAG)
Cc: Admin. Assistant (OLA)
Subject: RE:

You mean the very first one he sent on F+F? Admin. Assistant can send it in the AM.

-----Original Message-----

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 10:24 PM
To: Weich, Ron (OLA)
Subject:

Can you send a copy of the Grassley letter from January on the allegations by the whistleblowers?

Thank you,
Margaret

United States Senate

WASHINGTON, DC 20510

January 31, 2011

Via Electronic Transmission

Kenneth E. Melson
Acting Director
Bureau of Alcohol, Tobacco, Firearms, and Explosives
99 New York Avenue, NE
Washington, DC 20226

Dear Acting Director Melson:

As you know, I wrote to you on Thursday, January 27, regarding serious allegations associated with Project Gunrunner and the death of Customs and Border Protection Agent Brian Terry. Although the staff briefing I requested has not yet been scheduled, it appears that the ATF is reacting in less productive ways to my request. I understand that Assistant Special Agent in Charge (ASAC) George Gillette of the ATF's Phoenix office questioned one of the individual agents who answered my staff's questions about Project Gunrunner. ASAC Gillette allegedly accused the agent of misconduct related to his contacts with the Senate Judiciary Committee. This is exactly the wrong sort of reaction for the ATF. Rather than focusing on retaliating against whistleblowers, the ATF's sole focus should be on finding and disclosing the truth as soon as possible.

Whistleblowers are some of the most patriotic people I know—men and women who labor, often anonymously, to let Congress and the American people know when the Government isn't working so we can fix it. As such, it would be prudent for you to remind ATF management about the value of protected disclosures to Congress and/or Inspectors General in accordance with the whistleblower protection laws. Absent such a clear communication from you, ATF management might be able to intimidate whistleblowers to prevent them from providing information to Congress.

As you may be aware, obstructing a Congressional investigation is a crime.¹ Additionally, denying or interfering with employees' rights to furnish information to

¹ 18 U.S.C. § 1505 states, in pertinent part:

Whoever corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States, or the due and proper exercise of the power of inquiry under which any inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress--

Shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both.

Congress is also against the law.² Federal officials who deny or interfere with employees' rights to furnish information to Congress are not entitled to have their salaries paid by taxpayers' dollars.³ Finally, ATF personnel have Constitutional rights to express their concerns to Congress under the First Amendment.

ATF employees have the right to talk to Congress and to provide Congress with information free and clear of agency interference. Further, these employees have the right to be free from fear of retaliation or reprisal for doing so. Please ensure that ATF employees are aware of their rights and whistleblower protections and that ATF managers are accountable for respecting any protected disclosures.

If you have any questions please contact my Committee staff, Jason Foster at (202) 224-5225. Any formal correspondence should be sent electronically in PDF searchable format to Brian_Downey@judiciary-rep.senate.gov.

Sincerely,



Charles E. Grassley
Ranking Member

cc: The Honorable Eric H. Holder, Jr.
Attorney General of the United States

² 5 U.S.C. § 7211 states:

The right of employees, individually or collectively, to petition Congress or a Member of Congress, or to furnish information to either House of Congress, or to a committee or Member thereof, may not be interfered with or denied.

³ P.L. 111 -117 § 714 states:

No part of any appropriation contained in this or any other Act shall be available for the payment of the salary of any officer or employee of the Federal Government, who -

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any other officer or employee of the Federal Government, or attempts or threatens to commit any of the foregoing actions with respect to such other officer or employee, by reason of any communication or contact of such other officer or employee with any Member, committee, or subcommittee of the Congress as described in paragraph (1).

Johnson, Ebony (JMD)

From: Admin. Assistant (SMO)
Sent: Monday, January 31, 2011 3:40 PM
To: DOJExecSec (JMD)
Cc: Tolson, Kimberly G (JMD); Wells, Barbara A (JMD)
Subject: FW: A Letter from Ranking Member Charles E. Grassley
Attachments: 2011-01-31 Letter to ATF.pdf

Pls log attached ltr. Thanks.

From: Admin. Assistant (JMD)
Sent: Monday, January 31, 2011 2:06 PM
To: Admin. Assistant (SMO)
Cc: Admin. Assistant (SMO)
Subject: FW: A Letter from Ranking Member Charles E. Grassley
Importance: High

Shirley: Please log in. Thanks, Jamie

From: Weich, Ron (SMO)
Sent: Monday, January 31, 2011 2:05 PM
To: Admin. Assistant (JMD)
Subject: FW: A Letter from Ranking Member Charles E. Grassley
Importance: High

Please have Shirley log in etc.

From: ATF (ATF)
Sent: Monday, January 31, 2011 12:42 PM
To: Weich, Ron (SMO); Agrast, Mark D. (SMO)
Cc: Burton, Faith (SMO); Gonzales, Mary (OLA); Admin. Assistant (JMD); McDermond, James E. (ATF); Hickson, Ernest E. (ATF)
Subject: FW: A Letter from Ranking Member Charles E. Grassley
Importance: High

Fyi.

ATF

DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives

ATF

202. (mobile1)
202. **ATF** (mobile2)
202. (office)
202.648.9708 (fax)

From: Downey, Brian (Judiciary-Rep) [mailto:Brian_Downey@judiciary-rep.senate.gov]
Sent: Monday, January 31, 2011 12:19 PM
To: Melson, Kenneth E.; Hoover, William J.; Michalic, Vivian B; **ATF**
Cc: Foster, Jason (Judiciary-Rep); Hoover, William J.
Subject: A Letter from Ranking Member Charles E. Grassley
Importance: High

Hello,

Please find attached a letter from Ranking Member Grassley. Please confirm receipt, thank you.

Sincerely,

Brian

Brian M. Downey
Investigative Assistant
U.S. Committee on the Judiciary
Ranking Member Charles E. Grassley
U.S. Senate
Washington, DC
(P) 202-224-5225

United States Senate

WASHINGTON, DC 20510

February 9, 2011

Via Electronic Transmission

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530

Dear Attorney General Holder:

During our meeting on January 31, I provided you with copies of my recent letters to Acting ATF Director Kenneth E. Melson. I had received serious allegations from ATF whistleblowers. ATF agents told my staff that the agency allowed the sale of assault rifles to known and suspected straw purchasers for an illegal trafficking ring near the southwest border. Authorities allegedly recovered two of those weapons at the scene of a fire near the southwest border on December 14, 2010. Customs and Border Protection Agent Brian Terry lost his life in that fire and may have been killed with one of those two rifles. That is why I requested nearly two weeks ago that the ATF brief my staff as soon as possible.

Unfortunately, the reaction to my request has, so far, been little more than delay and denial. I finally received a letter at close of business on Friday, February 4, in response to my request. It came not from the ATF, but from the Justice Department. In that letter, the Department categorically denied that the ATF “knowingly allowed the sale of assault weapons to a straw purchaser...” The Department said the ATF makes “every effort to interdict weapons that have been purchased illegally and prevent their transportation into Mexico.”

However, as I explained in my initial letter to Acting Director Melson, the allegations I received are supported by documentation. It is already public record that federal agents arrested Jaime Avila on December 15, 2010—the very same day that CBP Agent Terry died. The ATF had been tracking Avila’s firearms purchases because Avila was a suspected trafficker since at least November 2009.¹ According to the whistleblowers, at least one gun dealer wanted to stop participating in sales like those to Avila sometime around October 2009. However, the ATF allegedly encouraged the dealer to continue selling to suspected traffickers and asked the dealer to forward information about the sales to the Bureau.

¹ Bureau of Alcohol, Tobacco, and Firearms, “Multiple Sale Summary,” Nov 25, 2009 (Attachment 1).

The dealer who sold the weapons allegedly recovered at the scene of Agent Terry's death met with both ATF representatives and Assistant U.S. Attorneys as early as December 17, 2009 to "discuss his role as [a Federal Firearms Licensee] FFL during this investigation."² On January 9, 2010, Jaime Avila bought three more firearms at the same Glendale, Arizona gun dealer and his purchase was entered into an ATF database two days later.³ By January 13, ATF added Avila to a suspect person database for the investigation.⁴ On January 14, ATF entered the firearms Avila purchased five days earlier into the National Tracing Center's Suspect Gun Database.⁵

On January 16, 2010, Avila bought three AK-47 variant, Romanian WASR-10 assault rifles from the same dealer with the serial numbers 1983AH3977, 1979IS1530, and 1971CZ3775.⁶ ATF entered these weapons into the National Tracing Center's Suspect Gun Database three days later.⁷ Over the next several months, ATF continued to track Avila's multiple firearms purchases in near real-time, including two purchases of .50 caliber rifles in June 2010.⁸

After the shooting of CBP Agent Terry, law enforcement officials recovered from the scene two assault rifles.⁹ On December 16, 2010, ATF's trace results confirmed that serial numbers 1983AH3977 and 1971CZ3755 match two of the three rifles purchased by Avila and tracked by the ATF nearly a year earlier.¹⁰ In addition to these specific weapons, the indictment of Avila and others references approximately 769 firearms. Of those, the indictment refers to the recovery of only about 103 weapons. So, where are the other approximately 666 weapons referenced in the indictment? Why did the ATF not seize them?

The Justice Department's reply asked that Committee staff stop speaking to law enforcement personnel about these matters. However, if not for the bravery and patriotism of law enforcement personnel who were willing to put their careers on the line, this Committee would have been forced to rely on nothing more than rumors in the blogosphere and a Justice Department denial to resolve these allegations. We need more than that. To be an effective check on Executive Branch power, we need cold, hard facts. We will seek them from whatever source is necessary.

Unfortunately, the Justice Department's letter suggested that my attempts to seek information about these matters might be politically motivated. I understand the Department needs to "protect ... law enforcement personnel ... from inappropriate

² Bureau of Alcohol, Tobacco, and Firearms, "Management Log for Case: 785115-10-[redacted]," Dec 17, 2009 (Attachment 2).

³ Bureau of Alcohol, Tobacco, and Firearms, "Multiple Sale Summary," Jan 11, 2010 (Attachment 3).

⁴ E-mail from ATF Program Analyst to ATF Agents, Jan 13, 2010 (Attachment 4).

⁵ Bureau of Alcohol, Tobacco, and Firearms, "Suspect Gun Summary," Jan 14, 2010 (Attachment 5).

⁶ Bureau of Alcohol, Tobacco, and Firearms, "Suspect Gun Summary," Jan 19, 2010 (Attachment 6).

⁷ *Id.*

⁸ Bureau of Alcohol, Tobacco, and Firearms, "Suspect Gun Summary," Jun 8 and Jun 16, 2010 (Attachment 7).

⁹ Bureau of Alcohol, Tobacco, and Firearms, "Significant Information Report," Dec 16, 2010 (Attachment 8).

¹⁰ Bureau of Alcohol, Tobacco, and Firearms, "Firearms Trace Summaries," Dec 16, 2010 (Attachment 9).

political influence.”¹¹ However, there is a difference between inappropriate political influence and appropriately holding officials accountable to the American people. I try to conduct non-partisan oversight of the Executive Branch. Regardless of which party controls the White House or the Congress, I do my best to ask tough questions. If you have any evidence that there is anything “inappropriate” about my motives in this matter, please let me know. Otherwise, I respectfully request that the Department avoid such implications in the future.

Finally, I want to share with you a portion of an e-mail from Carolyn Terry, Agent Terry’s stepmother. She wrote yesterday:

It’s hard to accept that our son was shot and murdered with a gun that was bought in the U.S. We have not had any contact from the Border Patrol or any other agents since returning home on the 22nd of [January]. Our calls are not returned. I truly feel that our son’s death is a cover-up and they hope that we will go away. That will not happen. We want to know who allowed the sale of that gun that murdered our son. Any help will [be] appreciated. We are the victims of this case and we want some answers.¹²

The Terry family deserves answers. The whistleblowers have expressed a desire to honor Agent Terry’s memory by disclosing this information. The Justice Department should work to do the same. The best way to honor his memory is to come clean.

Sincerely,



Charles E. Grassley
Ranking Member

cc: The Honorable Patrick Leahy
Chairman
United States Senate Committee on the Judiciary

The Honorable Robert S. Mueller, III
Director
Federal Bureau of Investigation

Kenneth E. Melson
Acting Director
Bureau of Alcohol, Tobacco, Firearms, and Explosives

The Honorable Alan D. Bersin
Commissioner
United States Customs and Border Protection

¹¹ Letter from the Justice Department to Senator Charles E. Grassley, Jan 31, 2011.

¹² E-mail from Carolyn Terry, Feb 8, 2011.

ATTACHMENT 1

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
NATIONAL TRACING CENTER



Phone: (800) [REDACTED] Fax: (800) [REDACTED]

MULTIPLE SALE SUMMARY

Multiple Sale Number: M20090200525

Entered Date: November 25, 2009

Field Division: PHOENIX

DEALER INFORMATION

Business Name:
Licensee Name: LONE WOLF TRADING COMPANY
LLC
Address: 5140 W PEORIA AVE STE 110
GLENDALE, AZ 85302
Phone: (623) [REDACTED] Ext:
FFL Number: 98602353

PURCHASER INFORMATION

Purchase Date: 11/24/2009
Name: JAIME NMN AVILA JR
Address: [REDACTED]
PHOENIX, AZ 85035
DOB: [REDACTED] Race: HISPANI Sex: Male
C
POB: LOS ANGELES, CA UNITED STATES
ID 1: AR DRIVER'S LICENSE #: [REDACTED]
ID 2: #:

Purchaser may be associated with other trace(s)/multiple sale(s).

Weapon Summary

Manufacturer	Model	Caliber	Serial Number	Type	Importer	Origin
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386195549	PISTOL		BG
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386195544	PISTOL		BG
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386194225	PISTOL		BG
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386195542	PISTOL		BG
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386193543	PISTOL		BG

ATTACHMENT 2

Management Log for Case: 785115-10

Case Title: [REDACTED]

Date: 01/04/2010

User: [REDACTED]

Log Date	Log Type	Mgmt Log Text
12/14/2009	INTER AGENCY CONTACT	Notified via email and telephone by DEA SA [REDACTED] and [REDACTED] who spoke with [REDACTED] case agent SA [REDACTED] and [REDACTED] for case related to [REDACTED]
12/15/2009	INVESTIGATIVE ACTIVITY	[REDACTED]
12/15/2009	ADMINISTRATIVE ACTIVITY	[REDACTED]
12/15/2009	MEETING/CONTACT (SE)	CS Voith, SA [REDACTED] and MacAllister met with DEA personnel related to respective investigations. Agreed to communicate with each other. DEA to focus on the charges and ATF on the charges.
12/16/2009	INVESTIGATIVE ACTIVITY	[REDACTED]
12/16/2009	INVESTIGATIVE ACTIVITY	[REDACTED]
12/16/2009	INVESTIGATIVE ACTIVITY	[REDACTED]
12/17/2009	STATE/LOCAL OVERTURE	[REDACTED]
12/17/2009	AUSA/DA CONTACT	AUSA Hurley and another AU SA along with CS Voith and SA MacAllister met with FLA dro Howard to discuss his role as an FBI during this investigation.
12/17/2009	INTER AGENCY CONTACT	[REDACTED]
12/17/2009	INTER AGENCY CONTACT	On December 10, 2009 SA MacAllister [REDACTED] and CS Voith met with ICE Agent [REDACTED] and [REDACTED] regarding their participation in this case.
12/21/2009	INVESTIGATIVE ACTIVITY	[REDACTED]
12/23/2009	INTER AGENCY CONTACT	[REDACTED]
12/23/2009	INTER AGENCY CONTACT	[REDACTED]
12/24/2009	AUSA/DA CONTACT	[REDACTED]
12/24/2009	FIELD SUPPORT - GENERAL	[REDACTED]
12/24/2009	FIELD SUPPORT - GENERAL	[REDACTED]
12/24/2009	INTER AGENCY CONTACT	[REDACTED]
12/29/2009	INVESTIGATIVE ACTIVITY	[REDACTED]

ATTACHMENT 3

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES



NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

MULTIPLE SALE SUMMARY

Multiple Sale Number: M20100004614

Entered Date: January 11, 2010

Field Division: PHOENIX

DEALER INFORMATION

Business Name:
Licensee Name: LONE WOLF TRADING COMPANY LLC
Address: 5140 W PEORIA AVE STE 110
GLENDALE, AZ 85302
Phone: (623) [REDACTED] Ext:
FFL Number: 98602353

PURCHASER INFORMATION

Purchase Date: 01/09/2010
Name: JAIME NMN AVILA JR
Address: [REDACTED]
PHOENIX, AZ 85035
DOB: [REDACTED] Race: HISPANI Sex: Male
C
POB: LOS ANGELES, CA UNITED STATES
ID 1: AZ DRIVER'S LICENSE #: [REDACTED]
ID 2: #:
Purchaser may be associated with 9 other trace(s)/multiple sale(s).

Weapon Summary

Manufacturer	Model	Caliber	Serial Number	Type	Importer	Origin
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386203502	PISTOL		BG
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386203809	PISTOL		BG
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386206115	PISTOL		BG

Unclassified Controlled Information

ATTACHMENT 4

From: [REDACTED]
Sent: Wednesday, January 13, 2010 10:39 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Suspect Person Entries - IN# 785115-10-[REDACTED] (VCAB#[REDACTED])
Attachments: Suspect Person Entries - IN# 785115-10-[REDACTED] (VCAB#[REDACTED]).pdf, FTS Queries - IN# 785115-10-[REDACTED] (VCAB#[REDACTED]).pdf, OSII-Survey Form (3) (2).pdf, FIREARMSDATARESTRICTIONS - FY09.pdf

Dear [REDACTED],

Per your request, 42 subjects have been added to the Suspect Person Database for IN# 785115-10-[REDACTED]. Attached are PDF files based on queries executed in the Firearms Tracing System (FTS), and a Suspect Person Information Report revealing the information currently entered into the Suspect Person Database for this investigation. Please see below for a summary of the information found within the FTS.

By entering these subjects into the Suspect Person Database, queries of the FTS will be conducted on a monthly basis and any new associations will be forwarded to you. If you should have any questions or need assistance, please feel free to contact me at the number below.

When information is provided by e-mail, a copy is also provided to the Intelligence Group Supervisor and designated FIST (Field Intelligence Support Team) member.

Last Name	First Name	Middle Name	DOB	Traces	Multiple Sale Reports	# of Firearms in M/S	Suspect Gun Reports	# of Suspect Guns
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	4	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	3	2	20	2	20
Avila	Jaime	[REDACTED]	[REDACTED]	0	2	8	2	10
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	5	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	5	2	8	2	8
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	5	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	4	0	0	1	15
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	1	1
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	9	68
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	4	0	0	1	3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	2	13
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	6	0	0	1	4
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	0	0	4	36
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	18	1	3	0	0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	0	1	10	2	20

0	0	0	0	0
1	0	0	1	1
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1	0	0	0	0
5	0	0	12	109
0	0	0	0	0
15	14	60	20	133
1	0	0	2	5
2	0	0	1	1
0	0	0	0	0
1	0	0	0	0
0	5	53	11	238
0	0	0	0	0
0	0	0	0	0
7	0	0	4	25
0	0	0	2	16

Please be advised that the Consolidated Appropriations Act of 2009, Public L. 111-8, which became effective on March 12, 2009, restricts the disclosure of any part of the contents of the Firearms Tracing System or any information required to be kept by Federal Firearms Licensees pursuant to 18 USC 923(g), or required to be reported pursuant to 18 USC 923(g)(3) and 923(g)(7).

The information, which is being provided per your request, is for official law enforcement use only and may only be disseminated by the Bureau of Alcohol, Tobacco, Firearms and Explosives to a Federal, State, local, tribal, or foreign law enforcement agency, or a Federal, State, or local prosecutor, solely in connection with and for use in a criminal investigation or prosecution; or a Federal agency for a national security or intelligence purpose. This disclosure restriction shall not be construed to prevent the sharing or exchange of such information among and between Federal, State, local, or foreign law enforcement agencies, Federal, State, or local prosecutors, and Federal national security, intelligence, or counterterrorism officials; or the publication of statistical aggregate data regarding firearms traffickers and trafficking channels, firearms misuse, felons, and trafficking investigations. If you have questions regarding these restrictions please contact ATF legal counsel prior to disclosing any of the information provided in this correspondence outside of ATF.

Please complete the attached OSII Customer Satisfaction Survey form. Click on the "Mail" box located at the bottom of the form and then click on "Send".

Sincerely,

[Redacted]
 Program Analyst
 Bureau of Alcohol, Tobacco, Firearms and Explosives
 Office of Strategic Intelligence and Information
 Violent Crime Intelligence Division
 Violent Crime Analysis Branch
 Main Office #: (304) [Redacted]
 Direct #: (304) [Redacted]
 Fax #: (304) [Redacted]

ATTACHMENT 5

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
NATIONAL TRACING CENTER



Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

SUSPECT GUN SUMMARY

Suspect Gun Number: S20100000059 Entered Date: January 14, 2010

[REDACTED]
PHOENIX FD GROUP VII
201 E WASHINGTON ST STE 940
PHOENIX, AZ 85004

Badge No:

Investigation No: 785115-10 [REDACTED]

DEALER INFORMATION

Business Name:
Licensee Name: LONE WOLF TRADING COMPANY
LLC
Address: 5140 W PEORIA AVE STE 110
GLENDALE, AZ 85302
Phone: (623) [REDACTED] Ext:
FFL Number: 98602353
Invoice #:

INDIVIDUAL INFORMATION

Name: NAIME NMINA VELA JR
Address: [REDACTED]
PHOENIX, AZ 85035
DOB: [REDACTED] Race: HISPANIC Sex: Male
Height: [REDACTED] Weight: [REDACTED] Date: 01/09/2010
ID # AZ DRIVER'S LICENSE #: [REDACTED]
RD #: [REDACTED]

NOTICE

The firearm(s) listed below was entered into the Firearms Tracing System as a suspect gun. You have requested NTC maintain a lookout for the firearm(s). If any of the suspect guns in this report are traced by another agency and/or individual, your Division's Firearms Trafficking Coordinator (FTC) will be notified in writing by the NTC. The notification will include the identity of the officer and/or agency requesting the trace. It will be incumbent upon the FTC or yourself to contact the firearms trace requestor. The NTC will not release any information concerning your suspect gun(s).

Weapon Summary

Weapon Count: 3

Manufacturer	Model	Caliber	Serial Number	Type	Importer
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386203502	PISTOL	FNH USA LLC, FREDERICKSBURG VA
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386203509	PISTOL	FNH USA LLC, FREDERICKSBURG VA
F.N. (FN HERSTAL)	FIVE-SEVEN	57	386206115	PISTOL	FNH USA LLC, FREDERICKSBURG VA

ATTACHMENT 6

**DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
NATIONAL TRACING CENTER**



Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

SUSPECT GUN SUMMARY

Suspect Gun Number: S20100000088 Entered Date: January 19, 2010

[REDACTED]
PHOENIX FD GROUP VII
201 E WASHINGTON ST STE 940
PHOENIX, AZ 85004

Badge No:
Investigation No: 785115-10 [REDACTED]

DEALER INFORMATION

Business Name:
Licensee Name: LONE WOLF TRADING COMPANY
LLC
Address: 5140 W PEORIA AVE STE 110
GLENDALE, AZ 85302
Phone: (623) [REDACTED] Ext:
FFL Number: 98602353
Invoice #:

INDIVIDUAL INFORMATION

Name: JAIME AVILA JR
Address: [REDACTED]
PHOENIX, AZ 85035
DOB: [REDACTED] Race: HISPANIC Sex: Male
Height: [REDACTED] Weight: [REDACTED] Date: 01/16/2010
ID 1: [REDACTED] #:
ID 2: [REDACTED] #:

NOTICE

The firearm(s) listed below was entered into the Firearms Tracing System as a suspect gun. You have requested NTC maintain a lookout for the firearm(s). If any of the suspect guns in this report are traced by another agency and/or individual, your Division's Firearms Trafficking Coordinator (FTC) will be notified in writing by the NTC. The notification will include the identity of the officer and/or agency requesting the trace. It will be incumbent upon the FTC or yourself to contact the firearms trace requestor. The NTC will not release any information concerning your suspect gun(s).

Weapon Summary

Weapon Count: 3

Manufacturer	Model	Caliber	Serial Number	Type	Importer
ROMARM/CUGIR	WASR-10	762	1983AH3977	RIFLE	CENTURY ARMS INC (CAI), ST. ALBANS, VT
ROMARM/CUGIR	WASR-10	762	1979IS1530	RIFLE	CENTURY ARMS INC (CAI), ST. ALBANS, VT
ROMARM/CUGIR	WASR-10	762	1971CZ3775	RIFLE	CENTURY ARMS INC (CAI), ST. ALBANS, VT

ATTACHMENT 7

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
NATIONAL TRACING CENTER



Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

SUSPECT GUN SUMMARY

Suspect Gun Number: S20100000905 Entered Date: June 08, 2010

PHOENIX FD GROUP VII
201 E WASHINGTON ST STE 940
PHOENIX, AZ 85004

Badge No:

Investigation No: 785115-10 [REDACTED]

DEALER INFORMATION

Business Name: SCOTTSDALE GUN CLUB

Licensee Name: SGC, LLC

Address: [REDACTED]
SCOTTSDALE, AZ 85260

Phone: (480) [REDACTED] Ext:

FFL Number: 98601053

Invoice #:

INDIVIDUAL INFORMATION

Name: JAIME AVILA JR

Address: [REDACTED]
PHOENIX, AZ 85035

DOB: [REDACTED] Race: HISPANIC Sex: Male

Height: [REDACTED] Weight: [REDACTED] Date: 06/04/2010

ID # AZ DRIVER'S LICENSE # [REDACTED]
ID # [REDACTED] # [REDACTED]

NOTICE

The firearm(s) listed below was entered into the Firearms Tracing System as a suspect gun. You have requested NTC maintain a lookout for the firearm(s). If any of the suspect guns in this report are traced by another agency and/or individual, your Division's Firearms Trafficking Coordinator (FTC) will be notified in writing by the NTC. The notification will include the identity of the officer and/or agency requesting the trace. It will be incumbent upon the FTC or yourself to contact the firearms trace requestor. The NTC will not release any information concerning your suspect gun(s).

Weapon Summary

Weapon Count: 1

Manufacturer	Model	Caliber	Serial Number	Type	Importer
BARRETT FIREARMS MFG CO	[REDACTED]	50 BMG	14775	RIFLE	

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
NATIONAL TRACING CENTER



Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

SUSPECT GUN SUMMARY

Suspect Gun Number: S20100000978

Entered Date: June 16, 2010

[REDACTED]
PHOENIX FD GROUP VII
201 E WASHINGTON ST STE 940
PHOENIX, AZ 85004

Badge No:

Investigation No: 785115-10 [REDACTED]

DEALER INFORMATION

Business Name: SCOTTSDALE GUN CLUB
Licensee Name: SGC, LLC
Address: 14860 N NORTHSIGHT BLVD
SCOTTSDALE, AZ 85260
Phone: (480) [REDACTED] Ext: [REDACTED]
FFL Number: 98604053
Invoice #:

INDIVIDUAL INFORMATION

Name: JAIME AVILA JR
Address: [REDACTED]
PHOENIX, AZ 85035
DOB: [REDACTED] Race: HISPANIC Sex: Male
IC
Height: [REDACTED] Weight: [REDACTED] Date: 06/15/2010
ID 1: AZ DRIVER'S LICENSE # [REDACTED]
ID 2: [REDACTED] # [REDACTED]

NOTICE

The firearm(s) listed below was entered into the Firearms Tracing System as a suspect gun. You have requested NTC maintain a lookout for the firearm(s). If any of the suspect guns in this report are traced by another agency and/or individual, your Division's Firearms Trafficking Coordinator (FTC) will be notified in writing by the NTC. The notification will include the identity of the officer and/or agency requesting the trace. It will be incumbent upon the FTC or yourself to contact the firearms trace requestor. The NTC will not release any information concerning your suspect gun(s).

Weapon Summary

Weapon Count: 1

Manufacturer	Model	Caliber	Serial Number	Type	Importer
BARRETT FIREARMS MFG CO	[REDACTED]	50 BMG	14753	RIFLE	

ATTACHMENT 8

DATE: 12/16/2010

FROM: Phoenix Field Division

FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785115-10- [REDACTED]

CASE TITLE: [REDACTED]

SPECIAL AGENT:

Voth, Davitt

TELEPHONE NUMBER:

(602) [REDACTED]

SYNOPSIS OF INCIDENT/ACTIVITY

Arrest of Jaime AVILA.

NARRATIVE OF INCIDENT/ACTIVITY

On January 16, 2010, Jaime AVILA purchased three (3) AK-47 variant rifles from a Phoenix area FFL. On December 15, 2010, after the shooting death of a U.S. Border Patrol agent in Southern Arizona law enforcement officers/agents conducted a search of the area. Two (2) of the AK-47 variant rifles purchased by AVILA on 01/16/2010 were recovered in the area during this search.

On December 15, 2010, ATF agents located AVILA and subsequently interviewed and arrested him on charges stemming from this January 16, 2010, firearm purchase. In summary AVILA admitted to ATF agents that he straw-purchased these firearms for an unidentified Hispanic male.

AVILA was held overnight and ATF agents have prepared a criminal complaint for Jaime AVILA on firearm charges relating to the straw purchase of three (3) AK-47 variant rifles on 01/16/2010 and are presenting it to a Federal Magistrate today (12/16/10).

ATTACHMENT 9

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES



NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

FIREARMS TRACE SUMMARY

Trace Number: T20100289614 Request Date: December 15, 2010 Completion Date: December 16, 2010

FIREARM INFORMATION

[REDACTED]
INTEL GROUP IV PHOENIX
201 EAST WASHINGTON ST STE 940
PHOENIX, AZ 85004
PHONE: (602) [REDACTED] Ext:
FAX (602) [REDACTED]

Manufacturer: ROMARM/CUGIR
Model: GP WASR 10/63
Caliber: 762
Serial Number: 1971CZ3775
Type: RIFLE
Country: ROMANIA
Importer: CENTURY ARMS INC (CAI),
ST

Badge No:
Investigation No: 785070-10 [REDACTED]

Obliterated:
Identifying Marks:
NIBIN:
Gang Name:

RECOVERY INFORMATION

Recovery Date: 12/15/2010
Time to Crime:

RIORICO, AZ 85648
Possessor:
DOB:
POB:

ADMINISTRATIVE INFORMATION

SUMMARY OF RESULTS

THE NATIONAL TRACING CENTER (NTC) HAS EXPERIENCED A DELAY IN OBTAINING THE INFORMATION ON THE HISTORY OF THE FIREARM YOU ARE REQUESTING TO BE TRACED.

Additional Remarks:

The information in this report must be validated prior to use in any criminal proceedings.

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES



NATIONAL TRACING CENTER

Phone: (800) [REDACTED] Fax: (800) [REDACTED]

Print Date: [REDACTED]

FIREARMS TRACE SUMMARY

Trace Number: T20100289612 Request Date: December 15, 2010 Completion Date: December 16, 2010

[REDACTED]
INTEL GROUP IV PHOENIX
201 EAST WASHINGTON ST STE 940
PHOENIX, AZ 85004
PHONE: (602) [REDACTED] Ext:
FAX (602) [REDACTED]

Badge No:
Investigation No: 785070-10-[REDACTED]

FIREARM INFORMATION

Manufacturer: ROMARM/CUGIR
Model: GP WASR 10/63
Caliber: 762
Serial Number: I983AH3977
Type: RIFLE
Country: ROMANIA
Importer: CENTURY ARMS INC (CAI),
ST

Obliterated:
Identifying Marks:
NIBIN:
Gang Name:

RECOVERY INFORMATION

Recovery Date: 12/15/2010
Time to Crime:

RIO RICO, AZ 85648
Possessor:
DOB:
POB:

ADMINISTRATIVE INFORMATION

SUMMARY OF RESULTS

THE NATIONAL TRACING CENTER (NTC) HAS EXPERIENCED A DELAY IN OBTAINING THE INFORMATION ON THE HISTORY OF THE FIREARM YOU ARE REQUESTING TO BE TRACED.

Additional Remarks:

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United States Senate

WASHINGTON, DC 20510

January 27, 2011

Via Electronic Transmission

Kenneth E. Melson
Acting Director
Bureau of Alcohol, Tobacco, Firearms, and Explosives
99 New York Avenue, NE
Washington, DC 20226

Dear Acting Director Melson:

It is my understanding that the ATF is continually conducting operations along the southwestern United States border to thwart illegal firearm trafficking. I am specifically writing you concerning an ATF operation called "Project Gunrunner." There are serious concerns that the ATF may have become careless, if not negligent, in implementing the Gunrunner strategy.

Members of the Judiciary Committee have received numerous allegations that the ATF sanctioned the sale of hundreds of assault weapons to suspected straw purchasers, who then allegedly transported these weapons throughout the southwestern border area and into Mexico. According to the allegations, one of these individuals purchased three assault rifles with cash in Glendale, Arizona on January 16, 2010. Two of the weapons were then allegedly used in a firefight on December 14, 2010 against Customs and Border Protection (CBP) agents, killing CBP Agent Brian Terry. These extremely serious allegations were accompanied by detailed documentation which appears to lend credibility to the claims and partially corroborates them.

On Tuesday, according to press reports, the ATF arrested 17 suspects in a Project Gunrunner bust. William Newell, the Special Agent in Charge of the ATF's Phoenix Field Office was quoted as saying, "We strongly believe we took down the entire organization from top to bottom that operated out of the Phoenix area." However, if the 17 individuals were merely straw purchasers of whom the ATF had been previously aware before Agent Terry's death, then that raises a host of serious questions that the ATF needs to address immediately.

As you know, the Department of Justice Office of Inspector General (OIG) released a review of ATF's Project Gunrunner in November of 2010, in which the OIG concluded that Project Gunrunner has been unsuccessful, in large part because:

Project Gunrunner's investigative focus has largely remained on gun dealer inspections and straw purchaser investigations, rather than targeting higher-level traffickers and smugglers. As a result, ATF has not made full use of the

intelligence, technological, and prosecutorial resources that can help ATF's investigations reach into the higher levels of trafficking rings.¹

Therefore, in order to gain a more complete understanding of ATF activities in Project Gunrunner, I request that you arrange for my staff to be briefed by knowledgeable ATF supervisors no later than February 3, 2011. Please contact Jason Foster or Brian Downey at (202) 224-5225 to schedule the briefing. All formal correspondence should be sent electronically in PDF format to Brian_Downey@judiciary-rep.senate.gov or via facsimile to (202) 224-3799.

Sincerely,



Charles E. Grassley
Ranking Member

¹ *Review of ATF's Project Gunrunner, Evaluation and Inspections Report I-2011-001*, November 2010, available at <http://www.justice.gov/oig/reports/ATF/e1101.pdf>

Johnson, Ebony (JMD)

From: Admin. Assistant (SMO)
Sent: Friday, February 04, 2011 8:20 AM
To: DOJExecSec (JMD)
Cc: Tolson, Kimberly G (JMD); Wells, Barbara A (JMD)
Subject: FW: A Letter from Ranking Member Charles E. Grassley re: ATF matter
Attachments: 2011-01-27 Letter to ATF.pdf

DP

Thanks.

From: Weich, Ron (SMO)
Sent: Thursday, January 27, 2011 4:27 PM
To: Admin. Assistant (SMO)
Cc: Admin. Assistant (JMD); Agrast, Mark D. (SMO); Gonzales, Mary (OLA)
Subject: FW: A Letter from Ranking Member Charles E. Grassley re: ATF matter
Importance: High

DP

From: ATF (ATF)
Sent: Thursday, January 27, 2011 2:42 PM
To: Weich, Ron (SMO); Agrast, Mark D. (SMO)
Cc: Burton, Faith (SMO); Admin. Assistant (JMD); McDermond, James E. (ATF)
Subject: A Letter from Ranking Member Charles E. Grassley
Importance: High

We need to discuss this very sensitive issue ASAP.

DP

ATF
DOJ- Bureau of Alcohol, Tobacco, Firearms & Explosives
ATF
ATF (mobile1)
ATF (mobile2)
202.648.9708 (office)
202.648.9708 (fax)

From: Downey, Brian (Judiciary-Rep) [mailto:Brian_Downey@judiciary-rep.senate.gov]
Sent: Thursday, January 27, 2011 2:01 PM
To: ATF
Subject: FW: A Letter from Ranking Member Charles E. Grassley
Importance: High

From: Downey, Brian (Judiciary-Rep)
Sent: Thursday, January 27, 2011 11:59 AM
To: 'ken.melson@atf.gov'; 'william.hoover@atf.gov'; 'vivian.michalic@atf.gov'
Cc: Foster, Jason (Judiciary-Rep); 'william.hoover@atf.gov'
Subject: A Letter from Ranking Member Charles E. Grassley
Importance: High

Hello,

Please find attached a letter from Ranking Member Grassley. Please confirm receipt, thank you.

Sincerely,

Brian

Brian M. Downey
Investigative Assistant
U.S. Committee on the Judiciary
Ranking Member Charles E. Grassley
U.S. Senate
Washington, DC
(P) 202-224-5225

From: Richardson, Margaret (OAG)
To: Schmaler, Tracy (OPA); Weich, Ron (OLA); Delery, Stuart F. (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:41:20 PM
Subject: RE: ATF

I have some additional edits below in red.

DP

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 4:26 PM
To: Weich, Ron (OLA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: RE: ATF

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 4:22 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: Re: ATF

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 04:09 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: FW: ATF

Edits below –

DP

DP

From: Schmalzer, Tracy (OPA)
To: Grindler, Gary (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Goldberg, Stuart (ODAG); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:12:33 PM
Subject: AP sources: Bush-era probe involved guns 'walking'

AP sources: Bush-era probe involved guns 'walking'

By PETE YOST, Associated Press - 1 hour ago

WASHINGTON (AP) — The federal government under the Bush administration ran an operation that allowed hundreds of guns to be transferred to suspected arms traffickers — the same tactic that congressional Republicans have criticized President Barack Obama's administration for using, two federal law enforcement officials said Tuesday.

Rep. Darrell Issa, R-Calif., Sen. Chuck Grassley, R-Iowa, and other Republicans have been hammering the Obama Justice Department over the practice known as "letting guns walk," or leave law enforcement custody to trace their sales. Their target has been Operation Fast and Furious, which was designed to track small-time gun buyers at several Phoenix-area gun shops up the chain to make cases against major weapons traffickers.

When Bush, a Republican, was president, the Bureau of Alcohol, Tobacco, Firearms and Explosives in Tucson, Ariz., used a similar enforcement tactic in a program it called Operation Wide Receiver. The fact that there were two such ATF investigations years apart in separate administrations raises the possibility that agents in still other cases may have allowed guns to "walk" rather than seizing them.

Federal law enforcement officials familiar with the matter say Operation Wide Receiver began in 2006 after the agency received information about a suspicious purchase of firearms. The investigation concluded in 2007 without any charges being filed.

After Obama took office, the Justice Department reviewed Wide Receiver and discovered that ATF had permitted guns to be transferred to suspected gun traffickers, according to the officials, who spoke on condition of anonymity because the practice is under investigation by Congress and the Justice Department inspector general's office.

In a statement, Grassley, the ranking Republican on the Senate Judiciary Committee, said that "whether it's Operation Fast and Furious, Operation Wide Receiver, or both, it's clear that guns were walked, and people high in the Justice Department knew about it. There's no excuse for walking guns, and if there are more operations like this, Congress and the American people need to know."

Following the discovery that agents in Tucson let the guns "walk," a tactic which has long been against Justice Department policy, the department under Obama decided to bring charges against those who had come under investigation in 2006.

To date in Wide Receiver, nine people have been charged with making false statements in acquisition of firearms and illicit transfer, shipment or delivery of firearms. Two of the nine defendants have pleaded guilty and a plea hearing is scheduled for Oct. 13 for two other defendants.

Last October, a Justice Department lawyer, Jason Weinstein, raised concerns about investigative methods in Operation Wide Receiver and about the timing of announcing indictments in both Wide Receiver and Fast and Furious.

"It's a tricky case given the number of guns that have walked, but it is a significant set of prosecutions," Weinstein wrote in a Justice Department email turned over to Congress, which released the document.

Weinstein raised the question in asking whether Lanny Breuer, the assistant attorney general who runs the Justice Department's criminal division, should participate in a news conference when indictments in Fast and Furious and the case resulting from Wide Receiver were unsealed.

The two federal law enforcement officials said Weinstein's language about "a tricky case" referred to Wide Receiver, not Fast and Furious.

In an emailed reply to Weinstein, James Trusty, at the time deputy chief in the gang unit at the Justice Department, said "it's not going to be any big surprise that a bunch of US guns are being used in MX (Mexico), so I'm not sure how much grief we get for 'guns walking.' It may be more like, 'Finally, they're going after people who sent guns down there.'"

The two law enforcement officials said the language of Trusty's email also refers to the Tucson case, not Fast and Furious.

Trusty's email adds "I think so" on the question of whether Breuer should participate in a press conference, but Trusty adds that "timing will be tricky too."

It continued: "Looks like we'll be able to unseal the Tucson case sooner than the Fast and Furious (although this may be just the difference between Nov and Dec). It's not clear how much we're involved in the main F and F case, but we have Tucson and now a new, related case with (deleted) targets."

The Justice Department blacked out the number of targets in this apparent related third case before turning the email over to congressional investigators on the House Oversight and Government Reform Committee.

Fast and Furious was a response to longstanding criticism of ATF for concentrating on small-time gun violations and failing to attack the kingpins of weapons trafficking. A congressional investigation of the program has turned up evidence that ATF lost track of many of the more than 2,000 guns linked to the operation.

Operation Fast and Furious came to light after two assault rifles purchased by a now-indicted small-time buyer under scrutiny in the operation turned up at a shootout in Arizona where Customs and Border Protection agent Brian Terry was killed.

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From: Schmalzer, Tracy (OPA)
To: **Attorney General**
Sent: 10/4/2011 4:11:41 PM
Subject: AP sources: Bush-era probe involved guns 'walking'

AP sources: Bush-era probe involved guns 'walking'

By PETE YOST, Associated Press - 1 hour ago

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From: Schmalzer, Tracy (OPA)
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:09:25 PM
Subject: FW: ATF

Edits below –

DP

To: Richardson, Margaret (OAG)[Margaret.Richardson@usdoj.gov]; Reich, Steven (ODAG)[Steven.Reich@usdoj.gov]; Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov]; Weich, Ron (OLA)[Ron.Weich@usdoj.gov]
From: Schmalzer, Tracy (OPA)
Sent: Tue 10/4/2011 4:17:08 PM
Subject: FW: Judiciary Committee Chair Smith asks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

From: Schultz, Eric [mailto:[Eric H. Schultz](mailto:Eric.H.Schultz)]
Sent: Tuesday, October 04, 2011 12:09 PM
To: Schmalzer, Tracy (OPA)
Subject: FW: Judiciary Committee Chair Smith asks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram

Judiciary Committee Chair Smith asks POTUS to appoint special counsel to probe Holder over what he knew when with Fast and Furious.

ChadPergram Chad Pergram

Smith wonders if Holder committed perjury when asked about Fast and Furious. Smith says Holder can't investigate himself.

From: Schmalzer, Tracy (OPA)
To: Delery, Stuart F. (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); O'Neil, David (ODAG); Grindler, Gary (OAG)
Sent: 10/4/2011 4:27:00 PM
Subject: FW: TPM Blog - 'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

Raises the key points on tactics vs. investigation and notes Smith's affinity for calling for special counsel.

TPMMuckraker

'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

Ryan J. Reilly | October 4, 2011, 3:50PM

Fmr. Attorney General Alberto Gonzales and President George W. Bush

[Read More](#)

[ATF](#), [Alberto Gonzales](#), [Bureau of Alcohol Tobacco Firearms and Explosives](#), [Darrell Issa](#), [Eric Holder](#), [George Bush](#), [Justice Department](#), [Lamar Smith](#), [Operation Wide Receiver](#), [Project Gunrunner](#)

Know how Republicans have been [blaming the Obama administration](#) for a local ATF office's decision to let thousands of guns "walk" into Mexico? Turns out the Bush administration had a "gun walking" program of their very own.

Republicans on Tuesday called for a special prosecutor to look into whether Attorney General Eric Holder perjured himself during testimony before the House Judiciary Committee on ATF's [Fast and Furious](#) scandal.

Holder had testified on May 3 that he was "not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

Documents have now emerged showing that the "Fast and Furious" program came up in the course of a couple of Holder's extensive weekly reports on ongoing developments in the Justice Department and its components in July 2010 and again in October 2010.

In the wake of that evidence, Judiciary Committee Chairman Rep. Lamar Smith (R-TX) -- who has left most of the investigation into "Fast and Furious" to Oversight Committee Chairman Darrell Issa (R-CA) -- sent a letter to President Barack Obama asking for a special counsel to be appointed. **This isn't Smith's first time at the requesting special counsel rodeo: he's also asked for someone to look into ACORN, the New Black Panther Party case and the White House's interaction with Rep. Joe Sestak.**

Let's take a step back here. It's unsurprising that Holder got a couple brief updates which broadly outlined "Fast and Furious." After all, the program wasn't controversial at the time of the briefings because whistleblowers didn't come forward until early 2011. Nor would it be surprising that Holder would forget a brief mention of a case in one of his weekly updates, which include news from about 24 offices and components and weigh in at over 100 pages.

What would matter is if he had known about the controversial tactic -- instructing agents not to intercept weapons in suspicious sales and allowing them to "walk" over the border -- and did nothing about it. There's no evidence that he did, and when the complaints began emerging, he asked the DOJ's Inspector General to launch an investigation.

"These are routine reports that provide general overviews and status updates on issues, policies, cases and investigations from offices and components across the country," a Justice Department official tells TPM and other media outlets. "None of these reports referenced the controversial tactics of that allowed guns to cross the border."

The official continued: "Chairman [Darrell] Issa, of all people, should be familiar with the difference between knowing about an investigation and being aware of questionable tactics employed in that investigation since documents provided to his committee show he was given a briefing that included the fast and furious operation in 2010 - a year before the controversy emerged."

'Operation Wide Receiver'

What's also fascinating about the documents turned over to investigators is that they reference a little-known ATF operation called "Operation Wide Receiver", which just like "Fast and Furious," let guns "walk" to Mexico.

The operation, run by ATF's Tucson office and the U.S. Attorney for Arizona, started in 2006 -- when George W. Bush's Attorney General Alberto Gonzales was running the show -- and ran until the end of 2007. No charges were filed.

Fast forward to 2009, when the Obama administration took over the Justice Department. The former Gang Unit inside DOJ's Criminal Division (it later merged with the Organized Crime and Racketeering Section) reviewed the case for possible prosecution. At that time, a federal prosecutor in the unit "learned the ATF Arizona had permitted guns to be transferred to suspected gun traffickers and had not interdicted them," according to a DOJ official.

DOJ eventually issued two indictments that grew out of the Bush-era "Wide Receiver" investigation, which were unsealed towards the end of 2010.

Before the indictments were unsealed, however, deputy assistant attorney general Jason Weinstein raised concerns about investigative methods used in the Wide Receiver case. That's what comes up in the email.

"Do you think we should try to have Lanny [Breuer] participate in press when Fast and Furious and Laura's Tucson [the Wide Receiver investigation] are unsealed?" Weinstein wrote in an email. "It's a tricky case given the number of guns that have walked but is a significant set of prosecutions."

Deputy Chief of the National Gang Unit James Trusty replied that he wasn't sure "how much grief we get for 'guns walking.' It may be more like, 'Finally they're going after people who sent guns down there.'"

The DOJ official said that Weinstein's reference to the "tricky case" in which the questionable tactics were used referenced the Wide Receiver case, not Fast and Furious. "He mentioned Fast and Furious only because of his belief at the time that the cases would be announced in close proximity," the official said.

There's still the question of why -- given how "tricky" the "Wide Receiver" case was -- DOJ didn't take any steps to ensure that ATF officials weren't using the same types of methods. But the Republican contention that Holder or other high-level DOJ officials knew about the controversial tactics being used before the beginning of 2011? That still hasn't been proven.

From: Attorney General
To: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 11:52:52 PM
Subject: Re: Greta

I know her from Superior Court- I was a judge when she was at PDS. She once said I was the fairest judge she ever appeared before. Payback? (Didn't see it. Did see Coats. Unreal)

----- Original Message -----

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 10:29 PM
To: Attorney General
Subject: Greta

That may have been the most reasonable I've EVER seen her ...

Sari (WaPo reporter) was good - pointed out Issa previous briefing, that weekly reports didn't reveal tactics and noted previous op in Bush Admin.

From: Schmaler, Tracy (OPA)
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Sent: 10/4/2011 2:21:34 PM
Subject: RE: ATF

DP

Smith Calls for Investigation into AG's Statements at HJC Hearing

Washington, D.C. – House Judiciary Committee Chairman Lamar Smith (R-Texas) today called for the appointment of a special counsel to investigate whether comments made by Attorney General Eric Holder during a House Judiciary Committee hearing in May 2011 were truthful. In a letter to President Obama, Chairman Smith expressed concern that Members of Congress may have been misled by the Attorney General's response to a question regarding his knowledge of the Fast and Furious program. The Attorney General stated that he first heard of the program in the weeks leading up to the May 2011 hearing. But documents released on Friday night raise significant questions about the truthfulness of the Attorney General's testimony.

Chairman Smith: "The Department's consistent response to Congress has been that Operation Fast and Furious was a discrete law enforcement effort largely isolated to the ATF office in Phoenix. These documents appear to undermine this claim and bring into question statements made by Attorney General Holder to this Committee.

"Allegations that senior Justice Department officials may have intentionally misled Members of Congress are extremely troubling and must be addressed by an independent and objective special counsel. I urge you to appoint a special counsel who will investigate these allegations as soon as possible."

The full text of the letter from Chairman Smith can be found at: <http://judiciary.house.gov/news/pdfs/Special%20Counsel%20for%20Fast%20and%20Furious.pdf>

From: Delery, Stuart F. (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Weich, Ron (OLA)
Subject: RE: ATF

I am as well.

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: Re: ATF

I'm available then.

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 01:45 PM
To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

From: Schmaler, Tracy (OPA)
To: Weich, Ron (OLA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:26:08 PM
Subject: RE: ATF

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 4:22 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: Re: ATF

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 04:09 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: FW: ATF

Edits below –

DP

From: Schmalzer, Tracy (OPA)
To: Weich, Ron (OLA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:39:13 PM
Subject: RE: ATF

Hate to be nudge, but deadlines are approaching and we're going to miss them – still need to run this by the boss.

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 4:22 PM
To: Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: Re: ATF

DP

From: Schmalzer, Tracy (OPA)
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To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: FW: ATF

Edits below –

DP

DP

From: Schmaler, Tracy (OPA)
To: Richardson, Margaret (OAG); Weich, Ron (OLA); Delery, Stuart F. (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
CC: Schmaler, Tracy (OPA)
Sent: 10/4/2011 5:06:49 PM
Subject: RE: ATF

Based on edits from OAG and ODAG – going to run this by AG.

DP

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 4:41 PM
To: Schmaler, Tracy (OPA); Weich, Ron (OLA); Delery, Stuart F. (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: RE: ATF

I have some additional edits below in red.

DP

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 4:26 PM
To: Weich, Ron (OLA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: RE: ATF

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 4:22 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)

Subject: Re: ATF

DP

From: Schmalzer, Tracy (OPA)

Sent: Tuesday, October 04, 2011 04:09 PM

To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG);
Goldberg, Stuart (ODAG); O'Neil, David (ODAG)

Subject: FW: ATF

Edits below –

DP

From: Schmaler, Tracy (OPA)
To: Grindler, Gary (OAG)
Sent: 10/4/2011 2:41:26 PM
Subject: RE: ATF

Right- I think we're saying the same thing. I tried to call – give me a buzz when you're free. Not urgent. 305-1920.

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 2:37 PM
To: Schmaler, Tracy (OPA)
Subject: Re: ATF

DP

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 02:34 PM
To: Grindler, Gary (OAG)
Subject: RE: ATF

Thanks – I will. Understand your point, but that

DP

DP

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 2:29 PM
To: Schmaler, Tracy (OPA)
Subject: Re: ATF

I have shared this draft with the AG. One point--

DP

DP

DP

You should review it.

From: Schmaler, Tracy (OPA)
Sent: Tuesday, October 04, 2011 02:21 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Subject: RE: ATF

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Chairman Smith: "The Department's consistent response to Congress has been that Operation Fast and Furious was a discrete law enforcement effort largely isolated to the ATF office in Phoenix. These documents appear to undermine this claim and bring into question statements made by Attorney General Holder to this Committee.

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The full text of the letter from Chairman Smith can be found at: <http://judiciary.house.gov/news/pdfs/Special%20Counsel%20for%20Fast%20and%20Furious.pdf>

From: Delery, Stuart F. (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Weich, Ron (OLA)
Subject: RE: ATF

I am as well.

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: Re: ATF

I'm available then.

From: Grindler, Gary (OAG)

Sent: Tuesday, October 04, 2011 01:45 PM

To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)

Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

From: Schmaler, Tracy (OPA)
To: Grindler, Gary (OAG)
Sent: 10/4/2011 2:34:18 PM
Subject: RE: ATF

Thanks – I will. Understand your point.

DP

DP

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 2:29 PM
To: Schmaler, Tracy (OPA)
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From: Schmalzer, Tracy (OPA)
To: **Attorney General** Grindler, Gary (OAG)
Sent: 10/4/2011 4:25:35 PM
Subject: TPM Blog - 'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

Raises the key points on tactics vs. investigation and notes Smith's affinity for calling for special counsel.

TPM Muckraker

'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

Ryan J. Reilly | October 4, 2011, 3:50PM

Fmr. Attorney General Alberto Gonzales and President George W. Bush

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[ATF](#), [Alberto Gonzales](#), [Bureau of Alcohol Tobacco Firearms and Explosives](#), [Darrell Issa](#), [Eric Holder](#), [George Bush](#), [Justice Department](#), [Lamar Smith](#), [Operation Wide Receiver](#), [Project Gunrunner](#)
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Know how Republicans have been blaming the Obama administration for a local ATF office's decision to let thousands of guns "walk" into Mexico? Turns out the Bush administration had a "gun walking" program of their very own.

Republicans on Tuesday called for a special prosecutor to look into whether Attorney General Eric Holder perjured himself during testimony before the House Judiciary Committee on ATF's Fast and Furious scandal.

Holder had testified on May 3 that he was "not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

Documents have now emerged showing that the "Fast and Furious" program came up in the course of a couple of Holder's extensive weekly reports on ongoing developments in the Justice Department and its components in July 2010 and again in October 2010.

In the wake of that evidence, Judiciary Committee Chairman Rep. Lamar Smith (R-TX) -- who has left most of the investigation into "Fast and Furious" to Oversight Committee Chairman Darrell Issa (R-CA) -- sent a letter to President Barack Obama asking for a special counsel to be appointed. **This isn't Smith's first time at the requesting special counsel rodeo: he's also asked for someone to look into ACORN, the New Black Panther Party case and the White House's interaction with Rep. Joe Sestak.**

Let's take a step back here. It's unsurprising that Holder got a couple brief updates which broadly outlined "Fast and Furious." After all, the program wasn't controversial at the time of the briefings because whistleblowers didn't come forward until early 2011. Nor would it be surprising that Holder would forget a brief mention of a case in one of his weekly updates, which include news from about 24 offices and components and weigh in at over 100 pages.

What *would* matter is if he had known about the controversial tactic -- instructing agents not to intercept weapons in suspicious sales and allowing them to "walk" over the border -- and did nothing about it. There's no evidence that he did, and when the complaints began emerging, he asked the DOJ's Inspector General to launch an investigation.

"These are routine reports that provide general overviews and status updates on issues, policies, cases and investigations from offices and components across the country," a Justice Department official tells TPM and other media outlets. "None of these reports referenced the controversial tactics of that allowed guns to cross the border."

The official continued: "Chairman [Darrell] Issa, of all people, should be familiar with the difference between knowing about an investigation and being aware of questionable tactics employed in that investigation since documents provided to his committee show he was given a briefing that included the fast and furious operation in 2010 - a year before the controversy emerged."

'Operation Wide Receiver'

What's also fascinating about the documents turned over to investigators is that they reference a little-known ATF operation called "Operation Wide Receiver", which just like "Fast and Furious," let guns "walk" to Mexico.

The operation, run by ATF's Tucson office and the U.S. Attorney for Arizona, started in 2006 -- when George W. Bush's Attorney General Alberto Gonzales was running the show -- and ran until the end of 2007. No charges were filed.

Fast forward to 2009, when the Obama administration took over the Justice Department. The former Gang Unit inside DOJ's Criminal Division (it later merged with the Organized Crime and Racketeering Section) reviewed the case for possible prosecution. At that time, a federal prosecutor in the unit "learned the ATF Arizona had permitted guns to be transferred to suspected gun traffickers and had not interdicted them," according to a DOJ official.

DOJ eventually issued two indictments that grew out of the Bush-era "Wide Receiver" investigation, which were unsealed towards the end of 2010.

Before the indictments were unsealed, however, deputy assistant attorney general Jason Weinstein raised concerns about investigative methods used in the Wide Receiver case. That's what comes up in the email.

"Do you think we should try to have Lanny [Breuer] participate in press when Fast and Furious and Laura's Tucson [the Wide Receiver investigation] are unsealed?" Weinstein wrote in an email. "It's a tricky case given the number of guns that have walked but is a significant set of prosecutions."

Deputy Chief of the National Gang Unit James Trusty replied that he wasn't sure "how much grief we get for 'guns walking.' It may be more like, 'Finally they're going after people who sent guns down there.'"

The DOJ official said that Weinstein's reference to the "tricky case" in which the questionable tactics were used referenced the Wide Receiver case, not Fast and Furious. "He mentioned Fast and Furious only because of his belief at the time that the cases would be announced in close proximity," the official said.

There's still the question of why -- given how "tricky" the "Wide Receiver" case was -- DOJ didn't take any steps to ensure that ATF officials weren't using the same types of methods. But the Republican contention that Holder or other high-level DOJ officials knew about the controversial tactics being used before the beginning of 2011? That still hasn't been proven.

From: Schmalzer, Tracy (OPA)
To: **Attorney General**
CC: Grindler, Gary (OAG)
Sent: 10/4/2011 5:15:41 PM
Subject: updated response

DP

From: Schmalzer, Tracy (OPA)
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
CC: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 9:59:51 PM
Subject: weekly report QAs - EDITS BY AM PLS
Attachments: QA on f and f weekly.testimony.10.4.11.docx

Below and attached is a QA in case AG gets questioned at the presser tomorrow in Ohio - need edits/concerns /additions by 9 am tomorrow since we're leaving mid-morning.

DP

From: Schmalzer, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/4/2011 4:13:20 PM
Subject: FW: AP sources: Bush-era probe involved guns 'walking'

AP sources: Bush-era probe involved guns 'walking'

By PETE YOST, Associated Press - 1 hour ago

WASHINGTON (AP) — The federal government under the Bush administration ran an operation that allowed hundreds of guns to be transferred to suspected arms traffickers — the same tactic that congressional Republicans have criticized President Barack Obama's administration for using, two federal law enforcement officials said Tuesday.

Rep. Darrell Issa, R-Calif., Sen. Chuck Grassley, R-Iowa, and other Republicans have been hammering the Obama Justice Department over the practice known as "letting guns walk," or leave law enforcement custody to trace their sales. Their target has been Operation Fast and Furious, which was designed to track small-time gun buyers at several Phoenix-area gun shops up the chain to make cases against major weapons traffickers.

When Bush, a Republican, was president, the Bureau of Alcohol, Tobacco, Firearms and Explosives in Tucson, Ariz., used a similar enforcement tactic in a program it called Operation Wide Receiver. The fact that there were two such ATF investigations years apart in separate administrations raises the possibility that agents in still other cases may have allowed guns to "walk" rather than seizing them.

Federal law enforcement officials familiar with the matter say Operation Wide Receiver began in 2006 after the agency received information about a suspicious purchase of firearms. The investigation concluded in 2007 without any charges being filed.

After Obama took office, the Justice Department reviewed Wide Receiver and discovered that ATF had permitted guns to be transferred to suspected gun traffickers, according to the officials, who spoke on condition of anonymity because the practice is under investigation by Congress and the Justice Department inspector general's office.

In a statement, Grassley, the ranking Republican on the Senate Judiciary Committee, said that "whether it's Operation Fast and Furious, Operation Wide Receiver, or both, it's clear that guns were walked, and people high in the Justice Department knew about it. There's no excuse for walking guns, and if there are more operations like this, Congress and the American people need to know."

Following the discovery that agents in Tucson let the guns "walk," a tactic which has long been against Justice Department policy, the department under Obama decided to bring charges against those who had come under investigation in 2006.

To date in Wide Receiver, nine people have been charged with making false statements in acquisition of firearms and illicit transfer, shipment or delivery of firearms. Two of the nine defendants have pleaded guilty and a plea hearing is scheduled for Oct. 13 for two other defendants.

Last October, a Justice Department lawyer, Jason Weinstein, raised concerns about investigative methods in Operation Wide Receiver and about the timing of announcing indictments in both Wide Receiver and Fast and Furious.

"It's a tricky case given the number of guns that have walked, but it is a significant set of prosecutions," Weinstein wrote in a Justice Department email turned over to Congress, which released the document.

Weinstein raised the question in asking whether Lanny Breuer, the assistant attorney general who runs the Justice Department's criminal division, should participate in a news conference when indictments in Fast and Furious and the case resulting from Wide Receiver were unsealed.

The two federal law enforcement officials said Weinstein's language about "a tricky case" referred to Wide Receiver, not Fast and Furious.

In an emailed reply to Weinstein, James Trusty, at the time deputy chief in the gang unit at the Justice Department, said "it's not going to be any big surprise that a bunch of US guns are being used in MX (Mexico), so I'm not sure how much grief we get for 'guns walking.' It may be more like, 'Finally, they're going after people who sent guns down there.'"

The two law enforcement officials said the language of Trusty's email also refers to the Tucson case, not Fast and Furious.

Trusty's email adds "I think so" on the question of whether Breuer should participate in a press conference, but Trusty adds that "timing will be tricky too."

It continued: "Looks like we'll be able to unseal the Tucson case sooner than the Fast and Furious (although this may be just the difference between Nov and Dec). It's not clear how much we're involved in the main F and F case, but we have Tucson and now a new, related case with (deleted) targets."

The Justice Department blacked out the number of targets in this apparent related third case before turning the email over to congressional investigators on the House Oversight and Government Reform Committee.

Fast and Furious was a response to longstanding criticism of ATF for concentrating on small-time gun violations and failing to attack the kingpins of weapons trafficking. A congressional investigation of the program has turned up evidence that ATF lost track of many of the more than 2,000 guns linked to the operation.

Operation Fast and Furious came to light after two assault rifles purchased by a now-indicted small-time buyer under scrutiny in the operation turned up at a shootout in Arizona where Customs and Border Protection agent Brian Terry was killed.

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From: Schultz, Eric
To: Schmaler, Tracy (OPA)
Sent: 10/4/2011 2:44:52 PM
Subject: RE: Smith Calls for Investigation into AG's Statements at HJC Hearing
Attachments: image001.jpg

7/22/10: Rep. Smith "Has Sent A Letter To President Obama Urging The Administration To Appoint A Special Prosecutor To Investigate The Unexplained Dismissal Of Voter Intimidation Charges Against The New Black Panther Party And Some Of Its Members." "House Judiciary Committee Ranking Member Lamar Smith (R-Texas) has sent a letter to President Obama urging the Administration to appoint a special prosecutor to investigate the unexplained dismissal of voter intimidation charges against the New Black Panther Party and some of its members. Ranking Member Smith also requested that the review include whether the Department has adopted a policy of enforcing voting rights laws in a racially discriminatory manner. Ranking Member Smith: 'The Department's initial decision to drop the New Black Panther Party case created significant controversy, since the Justice Department had effectively won an injunction against the defendants. Its continued refusal to give any legitimate reason for the dismissal has only increased suspicions that race and politics played a role in the decision.'" [House Judiciary Committee, [7/22/10](#)]

5/18/10: Smith, On Need For Appointing Special Prosecutor In Sestak Investigation: "Quite Frankly, The Reason For This Need For An Independent Investigation Is Because All We Have Now Is The President's Lawyer Saying That No Wrongdoing Occurred." "COLBY: Have you heard from the Justice Department, too, on whether or not a special prosecutor would be appointed?
SMITH: Right. Well, of course, the Justice Department, we feel, is politicized. They never seem to want to investigate their own administration, unfortunately, so that's why we've gone to the FBI. Typically, the FBI is not going to say whether they're investigating or not. And quite frankly, the reason for this need for an independent investigation is because all we have now is the president's lawyer saying that no wrongdoing occurred. Well, it's really not up to the White House to make that determination. Of course, they're going to say no wrongdoing occurred. So that's why we need that independent investigation.
COLBY: Now, they did not make a statement for a very long period of time. We only got it today.
SMITH: Right." [Fox On The Record With Greta Van Susteren, 5/28/10]

10/7/09: Rep. Smith "Is Calling On Attorney General Eric Holder To Appoint A Special Prosecutor To Investigate ACORN." "Rep. Lamar Smith (R., Tex.) is calling on Attorney General Eric Holder to appoint a special prosecutor to investigate ACORN. 'There are obvious conflicts of interest in the Department of Justice doing any type of investigation itself,' Smith tells *NRO*. 'Just look at all the ties President Obama has to ACORN, starting off with how he trained ACORN members, served on boards and foundations that gave to ACORN, and paid \$830,000 to an ACORN subsidiary during his presidential campaign to get out the vote...Then we have a letter from the Obama campaign's attorney telling the Department of Justice to ignore Republican assertions that there has been voter-registration fraud by ACORN representatives,' says Smith. 'All of these ties, together, raise clear questions about a conflict of interest and further show how necessary it is for the administration to avoid impropriety.'" [NRO, 10/7/09]

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Tuesday, October 04, 2011 2:37 PM
To: Schultz, Eric
Subject: FW: Smith Calls for Investigation into AG's Statements at HJC Hearing

Call me 305-1920



FOR IMMEDIATE RELEASE: October 4, 2011

CONTACT: Kim Smith Hicks, (202) 225-3951

DOJ-FF-61292

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UNITED STATES HOUSE OF REPRESENTATIVES

JUDICIARY COMMITTEE

Chairman Lamar Smith (TX-21)

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Sent: Tuesday, October 04, 2011 2:37 PM
To: Schultz, Eric
Subject: FW: Smith Calls for Investigation into AG's Statements at HJC Hearing

Call me 305-1920



FOR IMMEDIATE RELEASE: October 4, 2011

CONTACT: Kim Smith Hicks, (202) 225-3951

DOJ-FF-61295

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UNITED STATES HOUSE OF REPRESENTATIVES

JUDICIARY COMMITTEE

Chairman Lamar Smith (TX-21)

To: Delery, Stuart F. (OAG)[Stuart.F.Delery@usdoj.gov]; Goldberg, Stuart (ODAG)[Stuart.Goldberg@usdoj.gov]; Richardson, Margaret (OAG)[Margaret.Richardson@usdoj.gov]; Reich, Steven (ODAG)[Steven.Reich@usdoj.gov]; Weich, Ron (OLA)[Ron.Weich@usdoj.gov]; O'Neil, David (ODAG)[David.O'Neil@usdoj.gov]; Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov]
From: Schmalzer, Tracy (OPA)
Sent: Tue 10/4/2011 8:27:00 PM
Subject: FW: TPM Blog - 'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

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TPMMuckraker

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Ryan J. Reilly | October 4, 2011, 3:50PM



Fmr. Attorney General Alberto Gonzales and President George W. Bush

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[ATF](#), [Alberto Gonzales](#), [Bureau of Alcohol Tobacco Firearms and Explosives](#), [Darrell Issa](#), [Eric Holder](#), [George Bush](#), [Justice Department](#), [Lamar Smith](#), [Operation Wide Receiver](#), [Project Gunrunner](#)

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Republicans on Tuesday called for a special prosecutor to look into whether Attorney General Eric Holder perjured himself during testimony before the House Judiciary Committee on ATF's [Fast and Furious](#) scandal.

Holder had testified on May 3 that he was "not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

Documents have now emerged showing that the "Fast and Furious" program came up in the course of a couple of Holder's extensive weekly reports on ongoing developments in the Justice

Department and its components in July 2010 and again in October 2010.

In the wake of that evidence, Judiciary Committee Chairman Rep. Lamar Smith (R-TX) -- who has left most of the investigation into "Fast and Furious" to Oversight Committee Chairman Darrell Issa (R-CA) -- sent a letter to President Barack Obama asking for a special counsel to be appointed. This isn't Smith's first time at the requesting special counsel rodeo: he's also asked for someone to look into ACORN, the New Black Panther Party case and the White House's interaction with Rep. Joe Sestak.

Let's take a step back here. It's unsurprising that Holder got a couple brief updates which broadly outlined "Fast and Furious." After all, the program wasn't controversial at the time of the briefings because whistleblowers didn't come forward until early 2011. Nor would it be surprising that Holder would forget a brief mention of a case in one of his weekly updates, which include news from about 24 offices and components and weigh in at over 100 pages.

What would matter is if he had known about the controversial tactic -- instructing agents not to intercept weapons in suspicious sales and allowing them to "walk" over the border -- and did nothing about it. There's no evidence that he did, and when the complaints began emerging, he asked the DOJ's Inspector General to launch an investigation.

"These are routine reports that provide general overviews and status updates on issues, policies, cases and investigations from offices and components across the country," a Justice Department official tells TPM and other media outlets. "None of these reports referenced the controversial tactics of that allowed guns to cross the border."

The official continued: "Chairman [Darrell] Issa, of all people, should be familiar with the difference between knowing about an investigation and being aware of questionable tactics employed in that investigation since documents provided to his committee show he was given a briefing that included the fast and furious operation in 2010 - a year before the controversy emerged."

'Operation Wide Receiver'

What's also fascinating about the documents turned over to investigators is that they reference a little-known ATF operation called "Operation Wide Receiver", which just like "Fast and Furious," let guns "walk" to Mexico.

The operation, run by ATF's Tucson office and the U.S. Attorney for Arizona, started in 2006 -- when George W. Bush's Attorney General Alberto Gonzales was running the show -- and ran until the end of 2007. No charges were filed.

Fast forward to 2009, when the Obama administration took over the Justice Department. The former Gang Unit inside DOJ's Criminal Division (it later merged with the Organized Crime and Racketeering Section) reviewed the case for possible prosecution. At that time, a federal prosecutor in the unit "learned the ATF Arizona had permitted guns to be transferred to suspected gun traffickers and had not interdicted them," according to a DOJ official.

DOJ eventually issued two indictments that grew out of the Bush-era "Wide Receiver" investigation, which were unsealed towards the end of 2010.

Before the indictments were unsealed, however, deputy assistant attorney general Jason Weinstein raised concerns about investigative methods used in the Wide Receiver case. That's

what comes up in the email.

"Do you think we should try to have Lanny [Breuer] participate in press when Fast and Furious and Laura's Tucson [the Wide Receiver investigation] are unsealed?" Weinstein wrote in an email. "It's a tricky case given the number of guns that have walked but is a significant set of prosecutions."

Deputy Chief of the National Gang Unit James Trusty replied that he wasn't sure "how much grief we get for 'guns walking.' It may be more like, "Finally they're going after people who sent guns down there."

The DOJ official said that Weinstein's reference to the "tricky case" in which the questionable tactics were used referenced the Wide Receiver case, not Fast and Furious. "He mentioned Fast and Furious only because of his belief at the time that the cases would be announced in close proximity," the official said.

There's still the question of why -- given how "tricky" the "Wide Receiver" case was -- DOJ didn't take any steps to ensure that ATF officials weren't using the same types of methods. But the Republican contention that Holder or other high-level DOJ officials knew about the controversial tactics being used before the beginning of 2011? That still hasn't been proven.



From: Schmalzer, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/4/2011 4:31:52 PM
Subject: FW: TPM Blog - 'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal
Attachments: 1-DIBImage.bmp

Raises the key points on tactics vs. investigation and notes Smith's affinity for calling for special counsel.

TPMMuckraker

'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

[Ryan J. Reilly](#) | October 4, 2011, 3:50PM

Fmr. Attorney General Alberto Gonzales and President George W. Bush

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[ATF](#), [Alberto Gonzales](#), [Bureau of Alcohol Tobacco Firearms and Explosives](#), [Darrell Issa](#), [Eric Holder](#), [George Bush](#), [Justice Department](#), [Lamar Smith](#), [Operation Wide Receiver](#), [Project Gunrunner](#)

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From: Richardson, Margaret (OAG)
To: Grindler, Gary (OAG)
Sent: 10/5/2011 8:53:59 AM
Subject: RE:

Yes. I've checked my files and I don't have a hard copy of the letter but I asked Ron last night to send one this morning.

-----Original Message-----

From: Grindler, Gary (OAG)
Sent: Wednesday, October 05, 2011 8:05 AM
To: Richardson, Margaret (OAG)
Cc: Richardson, Margaret (OAG)
Subject: Re:

I see on his calendar that he did meet with Grassley on January 31st and that you were there.

On Oct 5, 2011, at 8:03 AM, "Grindler, Gary (OAG)" <Gary.Grindler@usdoj.gov> wrote:

> I would like to get a copy of the January 31, 2011 letter to which Grassley is referring to in his comments yesterday. Did the AG meet with Grassley on January 31st?

From: Schultz, Eric
To: Schmaler, Tracy (OPA)
Sent: 10/4/2011 11:18:02 AM
Subject: RE: No stories

Can you quickly send me what you all have said on the record about the memos to Holder? We're getting a lot of press interest.

-----Original Message-----

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Tuesday, October 04, 2011 10:20 AM
To: Schultz, Eric
Subject: RE: No stories

We can chat --

DP

-----Original Message-----

From: Schultz, Eric [mailto:**Eric H. Schultz**]
Sent: Tuesday, October 04, 2011 10:19 AM
To: Schmaler, Tracy (OPA)
Subject: RE: No stories

DP

-----Original Message-----

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Tuesday, October 04, 2011 10:18 AM
To: Schultz, Eric
Subject: RE: No stories

DP

-----Original Message-----

From: Schultz, Eric [mailto:**Eric H. Schultz**]
Sent: Tuesday, October 04, 2011 10:10 AM
To: Schmaler, Tracy (OPA)
Subject: RE: No stories

DP

-----Original Message-----

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Tuesday, October 04, 2011 10:09 AM
To: Schultz, Eric
Subject: RE: No stories

DP

-----Original Message-----

From: Schultz, Eric [mailto:**Eric H. Schultz**]
Sent: Tuesday, October 04, 2011 10:01 AM
To: Schmaler, Tracy (OPA)
Subject: RE: No stories

DP

-----Original Message-----

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Tuesday, October 04, 2011 8:54 AM
To: Schultz, Eric
Subject: RE: No stories

The new ones are below -- others are just shuffling. (may see a familiar face in the leg shop from schumer days, but it's not sealed yet so likely not coming today.)

* Thomas Brandon will become deputy director. He most recently served as special agent in charge (SAC) of the ATF Phoenix Field Division. Prior to that assignment he was the SAC of the ATF Detroit Field Division from January 2008 to August 2011.

* W. Larry Ford will become assistant director (AD) of the Office of Field Operations (FO). He most recently served as the AD of the Office of Strategic Intelligence and Information (OSII). Prior to that assignment he was the AD of the Office of Public and Governmental Affairs (PGA) from December 2004 to August 2010.

* Greg Gant will become the AD of PGA. Most recently he was assigned to PGA as the deputy assistant director (DAD). Prior to that he was the SAC of the ATF Atlanta Field Division from August 2008 to August 2011.

-----Original Message-----

From: Schultz, Eric [mailto:[Eric H. Schultz](mailto:Eric.H.Schultz)]
Sent: Tuesday, October 04, 2011 8:49 AM
To: Schmalder, Tracy (OPA)
Subject: RE: No stories

Who's the team?

-----Original Message-----

From: Schmalder, Tracy (OPA) [mailto:Tracy.Schmalder@usdoj.gov]
Sent: Tuesday, October 04, 2011 8:43 AM
To: Schultz, Eric
Subject: RE: No stories

On this topic- new ATF director is announcing his new team today and doing a pen and pad w. select reporters to talk about vision going forward.

-----Original Message-----

From: Schultz, Eric [mailto:[Eric H. Schultz](mailto:Eric.H.Schultz)]
Sent: Tuesday, October 04, 2011 8:15 AM
To: Schmalder, Tracy (OPA)
Subject: Re: No stories

And I sent NJ's Susan Davis your way. She's writing on Issa/FandF and I said you could load her up on the leaks, etc.

----- Original Message -----

From: Schmalder, Tracy (OPA) <Tracy.Schmalder@usdoj.gov>
To: Schultz, Eric
Sent: Tue Oct 04 08:14:03 2011
Subject: RE: No stories

I know .. .I spent much of last night explaining to everyone it's a bullshit accusation.

-----Original Message-----

From: Schultz, Eric [mailto:[Eric H. Schultz](mailto:Eric.H.Schultz)]
Sent: Tuesday, October 04, 2011 8:13 AM
To: Schmalder, Tracy (OPA)
Subject: Re: No stories

Good. Her piece was really bad for AG.

Why do you think nobody else wrote? Were they not fed the docs?

----- Original Message -----

From: Schmalder, Tracy (OPA) <Tracy.Schmalder@usdoj.gov>
To: Schultz, Eric
Sent: Tue Oct 04 07:46:06 2011
Subject: No stories

From NYT, AP, Reuters, WaPo, NBC, Bloomberg ...

I'm also calling Sharryl's editor and reaching out to Scheiffer. She's out of control

From: Schmalzer, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/4/2011 10:05:30 AM
Subject: RE: Politico: Docs put Holder on the spot in Fast & Furious

DP

-----Original Message-----

From: Eric H. Schultz
Sent: Tuesday, October 04, 2011 9:59 AM
To: Schmalzer, Tracy (OPA)
Subject: FW: Politico: Docs put Holder on the spot in Fast & Furious

DP

DP

Docs put Holder on the spot in Fast & Furious
By: Tim Mak
October 4, 2011 08:40 AM EDT
<http://www.politico.com/news/stories/1011/65083.html>

Attorney General Eric Holder knew about the Fast and Furious gun program as far back as July 2010, which may contradict his statements to Congress, new documents suggest.

Under the program, weapons were allowed to be illegally purchased in the Phoenix area so that they could be tracked to gun traffickers and drug cartel leaders. But the ATF lost track of these firearms, and many were allowed to cross into Mexico.

The documents, leaked to CNN<<http://www.cnn.com/2011/10/04/politics/holder-fast-and-furious/index.html>>, CBS <http://www.cbsnews.com/8301-31727_162-20115038-10391695.html> and other news organizations on Capitol Hill, indicate that Holder knew about the program well before he said he first became aware of it in testimony to Congress.

The documents include a memo to Holder from Michael F. Walter, Director of the National Drug Intelligence Center, dated July 5, 2010, that mentions Fast and Furious.

But in May 2011, Holder told a House committee hearing that he had only recently learned about Fast and Furious.

"When did you first know about the program, officially known as Fast and Furious?" asked Congressman Darrell Issa (R-CA), chair of the House Committee on Oversight and Government Reform.

"I'm not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks," Holder replied.

The Justice Department strongly disputed any suggestion that Holder misled Congress.

A senior DoJ official told POLITICO that while Holder knew that an operation was going on in 2010, he was not aware until early 2011 of the controversial tactics used in Fast and Furious.

The Justice Department claims Issa's question referred to the controversial tactics of Fast and Furious and not the overall operation itself.

"The Attorney General has consistently said he became aware of the questionable tactics in

this operation in early 2011 when ATF agents first raised them publicly, and then asked the IG to investigate the matter," said the DoJ official.

The DoJ added that Issa, whose committee is conducting an investigation into the Fast and Furious program, was also informed of the operation in 2010.

"Chairman Issa, of all people, should be familiar with the difference between knowing about an investigation and being aware of the use of questionable tactics employed in that investigation since documents provided to his committee show he was given a briefing that included the Fast and Furious operation in 2010 - a year before the controversy emerged," said the senior DoJ official.

Meanwhile, other leaked documents show that senior Justice Department officials were aware of Fast and Furious in 2010. In an October 2010 email, Jason Weinstein, deputy attorney general in the DoJ's criminal division, wrote an email to Lanny Breuer, head of the criminal division about Fast and Furious, referencing "the number of guns that have walked."

Weapons linked to the program were later linked to the December 2010 shooting death of U.S. Border Patrol Agent Brian Terry. Two undercover police officers in Arizona were later allegedly assaulted <<http://www.politico.com/news/stories/0911/63068.html>> by men with firearms tied to the program back in March 2010.

Holder admitted in September that the Bureau of Alcohol, Tobacco Firearms' operation "was clearly a flawed enforcement effort."

From: Schultz, Eric
To: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 11:29:44 AM
Subject: RE: here you go --

Thanks. Any way we can fix Fox?

From: Schmalzer, Tracy (OPA) [mailto:Tracy.Schmalzer@usdoj.gov]
Sent: Tuesday, October 04, 2011 11:28 AM
To: Schultz, Eric
Subject: here you go --

Let me know who you hear from. I've talked to NYT, NBC and NPR – gave them all this. NBC not likely to go. Still waiting on other two.

Points–

DP

DP

DP

DP

Transcript from 5/3 hearing

REPRESENTATIVE DARRELL ISSA (R-CA): Mr. Attorney General, we have two Border Patrol agents who are dead, who were killed by guns that were allowed, as far as we can tell, to deliberately walk out of gun shops under the program often called Fast and Furious. This program, as you know -- and the president's been asked about it; you've been asked about it -- allowed for weapons to be sold to straw purchasers, and ultimately many of those weapons are today in the hands of drug cartels and other criminals. When did you first know about the program, officially, I believe, called Fast and Furious? To the best of your knowledge, what date?

ATTY. GEN. HOLDER: I'm not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks.

###

Transcript form 3/10 hearing

HEARING OF THE SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES OF THE SENATE APPROPRIATIONS

DOJ-FF-61344

COMMITTEE

SEN. HUTCHISON: Yes, thank you, Madame Chairman. I'll try to also -- I will stick to the five-minute rule.

Let me ask you about the ATF issue that I mentioned in my opening statement, that there are reports that there was actually a knowledge of the ATF, of the sales that were going on, of the arms out of America, illegally out of America, into Mexico, purportedly, I think, to be able to trace them, but after the shooting of the agent in Mexico traced to those arms and also the shooting of the agent in Arizona. What is your view now on that particular program? And I know that you've asked for an IG study of it, but tell me if you think that that program should be continued. Is it the correct use of the Project Gunrunner subprogram, I guess? Because it -- of course, it's a great concern.

ATTY GEN. HOLDER: Well, first, I'd say that, you know, the mission of ATF and the mission to which they are dedicated is to stop the flow of guns into Mexico and to people who shouldn't have guns here in the United States. And that is the focus of ATF, and it is why ATF agents serve bravely in Mexico and in this country, and I think do a great job. It is true that there have been concerns expressed by ATF agents about the way in which this operation was conducted -- (inaudible) -- and I took those allegations, those concerns, very seriously, and asked the inspector general to try to get to the bottom of it. An investigation, an inquiry, is now under way.

I've also made clear to people in the department that letting guns walk -- I guess that's the term that the people use -- that letting guns walk is not something that is acceptable. Guns are different than drug cases or cases where we're trying to follow where money goes. We cannot have a situation where guns are allowed to walk, and I've made that clear to the United States attorneys as well as the agents in charge in the various ATF offices.

From: Schmaler, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/4/2011 11:36:14 AM
Subject: RE: here you go --

Fix is a strong word, but sent her this.

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Subject: RE: here you go --

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From: Schmalzer, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/4/2011 6:04:18 PM
Subject: response

This is what I'm sending out.

DP

From: Schmalzer, Tracy (OPA)
To: Axelrod, Matthew (ODAG)
Sent: 10/4/2011 11:49:37 AM
Subject: FW: REVISED DRAFT: News Release and Employee Message
Attachments: NR-Staffchanges-110930 djw.doc; ATF Exec Moves 110930 djw.doc

From: Thomasson, Scot L. (ATF)
Sent: Friday, September 30, 2011 5:13 PM
To: Schmalzer, Tracy (OPA)
Cc: [REDACTED] ATF Gant, Gregory K. (ATF)
Subject: FW: REVISED DRAFT: News Release and Employee Message

Tracy,

Here are the two announcements we are going to use on Tuesday.

I am still working on the Bio portion and these are in Draft form, with a very close hold.

I'll send the Q&As and Talkers for the Pen and Pad for Friday next week Tuesday or Wednesday of next week as we discussed.

Have a good weekend

Scot

Scot L. Thomasson

Chief

ATF Public Affairs Division

Washington, DC

Desk 202-648-7089

Cell 206-730-0005

NOTICE: This e-mail message and any attached files are intended solely for the use of the addressee(s) named above in connection with official business. This communication may contain Sensitive But Unclassified information that may be statutorily or otherwise prohibited from being released without appropriate approval. Any review, use, or dissemination of this e-mail message and any attached file(s) in any form outside of the Bureau of Alcohol, Tobacco, Firearms & Explosives or

the Department of Justice without express authorization is strictly prohibited.

From: **ATF**
Sent: Friday, September 30, 2011 5:05 PM
To: **ATF** Thomasson, Scot L.
Subject: REVISED DRAFT: News Release and Employee Message

Scot:

Just got some add'l info. Here are the two attachments per you request.

- **ATF**

ATF

Deputy Chief

ATF - Public Affairs Division

Direct) 202-648-8301

Main) 202-648-8500

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From: **ATF**
Sent: Friday, September 30, 2011 4:45 PM
To: Thomasson, Scot L.
Subject: DRAFT: News Release and Employee Message

Two attachments, per your request.

ATF

Deputy Chief

ATF - Public Affairs Division

ATF

Direct) 202-648-8301

Mobile) 202-327-4187

Main) 202-648-8500

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From: Schmalzer, Tracy (OPA)
To: **Attorney General**
CC: Grindler, Gary (OAG)
Sent: 10/4/2011 5:15:42 PM
Subject: updated response

DP

From: Schultz, Eric
To: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 10:52:28 AM
Subject: Can you get this toned down

<http://www.foxnews.com/politics/2011/10/03/documents-suggest-holder-knew-about-fast-and-furious-earlier-than-claimed/>

From: Schultz, Eric
To: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 4:26:57 PM
Subject: RE: AP sources: Bush-era probe involved guns 'walking'

Great stuff. For your reference: <http://www.politico.com/news/stories/1110/44648.html>

From: Schmalzer, Tracy (OPA) [<mailto:Tracy.Schmalzer@usdoj.gov>]
Sent: Tuesday, October 04, 2011 4:13 PM
To: Schultz, Eric
Subject: FW: AP sources: Bush-era probe involved guns 'walking'

AP sources: Bush-era probe involved guns 'walking'

By PETE YOST, Associated Press – 1 hour ago

WASHINGTON (AP) — The federal government under the Bush administration ran an operation that allowed hundreds of guns to be transferred to suspected arms traffickers — the same tactic that congressional Republicans have criticized President Barack Obama's administration for using, two federal law enforcement officials said Tuesday.

Rep. Darrell Issa, R-Calif., Sen. Chuck Grassley, R-Iowa, and other Republicans have been hammering the Obama Justice Department over the practice known as "letting guns walk," or leave law enforcement custody to trace their sales. Their target has been Operation Fast and Furious, which was designed to track small-time gun buyers at several Phoenix-area gun shops up the chain to make cases against major weapons traffickers.

When Bush, a Republican, was president, the Bureau of Alcohol, Tobacco, Firearms and Explosives in Tucson, Ariz., used a similar enforcement tactic in a program it called Operation Wide Receiver. The fact that there were two such ATF investigations years apart in separate administrations raises the possibility that agents in still other cases may have allowed guns to "walk" rather than seizing them.

Federal law enforcement officials familiar with the matter say Operation Wide Receiver began in 2006 after the agency received information about a suspicious purchase of firearms. The investigation concluded in 2007 without any charges being filed.

After Obama took office, the Justice Department reviewed Wide Receiver and discovered that ATF had permitted guns to be transferred to suspected gun traffickers, according to the officials, who spoke on condition of anonymity because the practice is under investigation by Congress and the Justice Department inspector general's office.

In a statement, Grassley, the ranking Republican on the Senate Judiciary Committee, said that "whether it's Operation Fast and Furious, Operation Wide Receiver, or both, it's clear that guns were walked, and people high in the Justice Department knew about it. There's no excuse for walking guns, and if there are more operations like this, Congress and the American people need to know."

Following the discovery that agents in Tucson let the guns "walk," a tactic which has long been against Justice Department policy, the department under Obama decided to bring charges against those who had come under investigation in 2006.

To date in Wide Receiver, nine people have been charged with making false statements in acquisition of firearms and illicit transfer, shipment or delivery of firearms. Two of the nine defendants have pleaded guilty and a plea hearing is scheduled for Oct. 13 for two other defendants.

Last October, a Justice Department lawyer, Jason Weinstein, raised concerns about investigative methods in Operation Wide Receiver and about the timing of announcing indictments in both Wide Receiver and Fast and Furious.

"It's a tricky case given the number of guns that have walked, but it is a significant set of prosecutions," Weinstein

wrote in a Justice Department email turned over to Congress, which released the document.

Weinstein raised the question in asking whether Lanny Breuer, the assistant attorney general who runs the Justice Department's criminal division, should participate in a news conference when indictments in Fast and Furious and the case resulting from Wide Receiver were unsealed.

The two federal law enforcement officials said Weinstein's language about "a tricky case" referred to Wide Receiver, not Fast and Furious.

In an emailed reply to Weinstein, James Trusty, at the time deputy chief in the gang unit at the Justice Department, said "it's not going to be any big surprise that a bunch of US guns are being used in MX (Mexico), so I'm not sure how much grief we get for 'guns walking.' It may be more like, 'Finally, they're going after people who sent guns down there.'"

The two law enforcement officials said the language of Trusty's email also refers to the Tucson case, not Fast and Furious.

Trusty's email adds "I think so" on the question of whether Breuer should participate in a press conference, but Trusty adds that "timing will be tricky too."

It continued: "Looks like we'll be able to unseal the Tucson case sooner than the Fast and Furious (although this may be just the difference between Nov and Dec). It's not clear how much we're involved in the main F and F case, but we have Tucson and now a new, related case with (deleted) targets."

The Justice Department blacked out the number of targets in this apparent related third case before turning the email over to congressional investigators on the House Oversight and Government Reform Committee.

Fast and Furious was a response to longstanding criticism of ATF for concentrating on small-time gun violations and failing to attack the kingpins of weapons trafficking. A congressional investigation of the program has turned up evidence that ATF lost track of many of the more than 2,000 guns linked to the operation.

Operation Fast and Furious came to light after two assault rifles purchased by a now-indicted small-time buyer under scrutiny in the operation turned up at a shootout in Arizona where Customs and Border Protection agent Brian Terry was killed.

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From: Sullivan, Bill (JMD)
To: Axelrod, Matthew (ODAG)
Sent: 10/4/2011 11:57:12 AM
Subject: FW: F&F

Here's what OPA sent me, which was helpful. Thanks for the call.

Points On AG -

The Attorney General has consistently said he became aware of the questionable tactics in this operation in early 2011 when ATF agents first raised them publicly, and then promptly asked the IG to investigate the matter.

In testimony in March 2011 before the Senate Appropriations Subcommittee, he provided the same answer - that he had recently become aware of the concerns with the operation and asked the IG to look into the matter. So when Chairman Issa asked about the operation, including the controversial tactics, months later in May 2011, the AG provided the same response. (see transcript below)

Transcript from 5/3 hearing

REPRESENTATIVE DARRELL ISSA (R-CA): Mr. Attorney General, we have two Border Patrol agents who are dead, who were killed by guns that were allowed, as far as we can tell, to deliberately walk out of gun shops under the program often called Fast and Furious. This program, as you know -- and the president's been asked about it; you've been asked about it -- allowed for weapons to be sold to straw purchasers, and ultimately many of those weapons are today in the hands of drug cartels and other criminals. When did you first know about the program, officially, I believe, called Fast and Furious? To the best of your knowledge, what date?

ATTY. GEN. HOLDER: I'm not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks.

#

Transcript form 3/10 hearing

HEARING OF THE SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES OF THE SENATE
APPROPRIATIONS COMMITTEE

DOJ-FF-61360

SEN. HUTCHISON: Yes, thank you, Madame Chairman. I'll try to also -- I will stick to the five-minute rule.

Let me ask you about the ATF issue that I mentioned in my opening statement, that there are reports that there was actually a knowledge of the ATF, of the sales that were going on, of the arms out of America, illegally out of America, into Mexico, purportedly, I think, to be able to trace them, but after the shooting of the agent in Mexico traced to those arms and also the shooting of the agent in Arizona. What is your view now on that particular program? And I know that you've asked for an IG study of it, but tell me if you think that that program should be continued. Is it the correct use of the Project Gunrunner subprogram, I guess? Because it -- of course, it's a great concern.

ATTY GEN. HOLDER: Well, first, I'd say that, you know, the mission of ATF and the mission to which they are dedicated is to stop the flow of guns into Mexico and to people who shouldn't have guns here in the United States. And that is the focus of ATF, and it is why ATF agents serve bravely in Mexico and in this country, and I think do a great job. It is true that there have been concerns expressed by ATF agents about the way in which this operation was conducted -- (inaudible) -- and I took those allegations, those concerns, very seriously, and asked the inspector general to try to get to the bottom of it. An investigation, an inquiry, is now under way.

I've also made clear to people in the department that letting guns walk -- I guess that's the term that the people use -- that letting guns walk is not something that is acceptable. Guns are different than drug cases or cases where we're trying to follow where money goes. We cannot have a situation where guns are allowed to walk, and I've made that clear to the United States attorneys as well as the agents in charge in the various ATF offices.

Points on Email-

This email referred to an operation that was conducted in the previous administration, from 2006 to approximately the end of 2007, known as Operation Wide Receiver, which was handled by ATF's Tucson office.

Operation Wide Receiver was initiated by the ATF in 2006 after it received information about a suspicious purchase of firearms. Although the investigation was concluded in 2007, no charges were filed. In about 2009, years after that investigation was concluded, the former Gang Unit reviewed the case for possible prosecution. During the review of the case, the Gang Unit prosecutor learned the ATF Arizona had permitted guns to be transferred to suspected gun traffickers and had not interdicted them.

Given the serious nature of the alleged gun trafficking and the available evidence, the Gang Unit prosecutor decided to bring charges against the gun traffickers, and did so. The investigation resulted in two sets of indictments that were unsealed toward the end of 2010.

Prior to the unsealing of the Wide Receiver indictments, in an email about the prosecution, a deputy assistant attorney general raised concerns about investigative methods in the Wide Receiver case. His reference to a "tricky case" in which the questionable tactics were used was to Wide Receiver (also referred to as "Laura's Tucson case") and not to Fast and Furious. He mentioned Fast and Furious only because of his belief at the time that the cases would be announced in close proximity.

The only connection made between Fast and Furious and Wide Receiver at the time was one of timing, not tactics.

The Criminal Division personnel involved in the Wide Receiver prosecution did not believe that the questionable tactics used in Wide Receiver -- an investigation conducted and concluded several years earlier in the previous administration and led by different agents in a different ATF office and supervised by a different AUSA in the Tucson U.S. Attorney's Office -- had any connection to Fast and Furious, which was opened in 2009 out of the Phoenix.

From: Attorney General
To: Schmalzer, Tracy (OPA)
CC: Swartz, Bruce (CRM)
Sent: 10/4/2011 4:18:42 PM
Subject: RE: AP sources: Bush-era probe involved guns 'walking'

WOW!

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 4:12 PM
To: Attorney General
Subject: AP sources: Bush-era probe involved guns 'walking'

AP sources: Bush-era probe involved guns 'walking'

By PETE YOST, Associated Press - 1 hour ago

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When Bush, a Republican, was president, the Bureau of Alcohol, Tobacco, Firearms and Explosives in Tucson, Ariz., used a similar enforcement tactic in a program it called Operation Wide Receiver. The fact that there were two such ATF investigations years apart in separate administrations raises the possibility that agents in still other cases may have allowed guns to "walk" rather than seizing them.

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After Obama took office, the Justice Department reviewed Wide Receiver and discovered that ATF had permitted guns to be transferred to suspected gun traffickers, according to the officials, who spoke on condition of anonymity because the practice is under investigation by Congress and the Justice Department inspector general's office.

In a statement, Grassley, the ranking Republican on the Senate Judiciary Committee, said that "whether it's Operation Fast and Furious, Operation Wide Receiver, or both, it's clear that guns were walked, and people high in the Justice Department knew about it. There's no excuse for walking guns, and if there are more operations like this, Congress and the American people need to know."

Following the discovery that agents in Tucson let the guns "walk," a tactic which has long been against Justice Department policy, the department under Obama decided to bring charges against those who had come under investigation in 2006.

To date in Wide Receiver, nine people have been charged with making false statements in acquisition of firearms and illicit transfer, shipment or delivery of firearms. Two of the nine defendants have pleaded guilty and a plea hearing is scheduled for Oct. 13 for two other defendants.

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Fast and Furious was a response to longstanding criticism of ATF for concentrating on small-time gun violations and failing to attack the kingpins of weapons trafficking. A congressional investigation of the program has turned up evidence that ATF lost track of many of the more than 2,000 guns linked to the operation.

Operation Fast and Furious came to light after two assault rifles purchased by a now-indicted small-time buyer under scrutiny in the operation turned up at a shootout in Arizona where Customs and Border Protection agent Brian Terry was killed.

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From: Swartz, Bruce (CRM)
To: Attorney General Schmalzer, Tracy (OPA)
Sent: 10/4/2011 11:08:00 PM
Subject: Re: AP sources: Bush-era probe involved guns 'walking'

Great

From: Attorney General
To: Schmalzer, Tracy (OPA) (JMD)
Cc: Swartz, Bruce
Sent: Tue Oct 04 16:18:41 2011
Subject: RE: AP sources: Bush-era probe involved guns 'walking'

WOW!

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 4:12 PM
To: Privacy
Subject: AP sources: Bush-era probe involved guns 'walking'

AP sources: Bush-era probe involved guns 'walking'

By PETE YOST, Associated Press – 1 hour ago

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From: Admin. Assistant (OAG)
To: Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Weich, Ron (OLA); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Reich, Steven (ODAG); Schmalder, Tracy (OPA)
Sent: 10/4/2011 2:26:43 PM
Subject: Canceled: ATF

When: Tuesday, October 04, 2011 6:15 PM-6:45 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Conference Room 5228

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

**AG WILL SEND CALENDAR INVITE FOR THIS MEETING TO BE HELD IN
AG CONFERENCE ROOM**

DOJ: Gary Grindler, Margaret Richardson, Stuart Delery, Ron Weich, Stuart Goldberg, David O'Neil, Steve Reich, Tracy Schmalder

From: Weich, Ron (OLA)
To: Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
CC: Reich, Steven (ODAG)
Sent: 10/4/2011 2:32:10 PM
Subject: RE: ATF

Adding Steve R to this chain.

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 2:22 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Subject: RE: ATF

DP

DP

what

about this:

DP

Smith Calls for Investigation into AG's Statements at HJC Hearing

Washington, D.C. – House Judiciary Committee Chairman Lamar Smith (R-Texas) today called for the appointment of a special counsel to investigate whether comments made by Attorney General Eric Holder during a House Judiciary Committee hearing in May 2011 were truthful. In a letter to President Obama, Chairman Smith expressed concern that Members of Congress may have been misled by the Attorney General's response to a question regarding his knowledge of the Fast and Furious program. The Attorney General stated that he first heard of the program in the weeks leading up to the May 2011 hearing. But documents released on Friday night raise significant questions about the truthfulness of the Attorney General's testimony.

Chairman Smith: “The Department’s consistent response to Congress has been that Operation Fast and Furious was a discrete law enforcement effort largely isolated to the ATF office in Phoenix. These documents appear to undermine this claim and bring into question statements made by Attorney General Holder to this Committee.

“Allegations that senior Justice Department officials may have intentionally misled Members of Congress are extremely troubling and must be addressed by an independent and objective special counsel. I urge you to appoint a special counsel who will investigate these allegations as soon as possible.”

The full text of the letter from Chairman Smith can be found at: <http://judiciary.house.gov/news/pdfs/Special%20Counsel%20for%20Fast%20and%20Furious.pdf>

From: Delery, Stuart F. (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Weich, Ron (OLA)
Subject: RE: ATF

I am as well.

From: Richardson, Margaret (OAG)
Sent: Tuesday, October 04, 2011 1:48 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: Re: ATF

I'm available then.

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 01:45 PM
To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: ATF

I would like to convene a meeting later today to discuss how we should be dealing with the events of the day. I am unable to do this before 6:00 p.m. What is your availability?

From: Weich, Ron (OLA)
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
CC: Reich, Steven (ODAG)
Sent: 10/4/2011 2:49:54 PM
Subject: RE: ATF

I just spoke to Smith's staffer again. Smith's letter is NOT in lieu of a hearing, but they have decided against a public announcement of a hearing. DP

DP

From: Weich, Ron (OLA)
Sent: Tuesday, October 04, 2011 2:32 PM
To: Schmaler, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
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Subject: Re: ATF

I'm available then.

From: Grindler, Gary (OAG)
Sent: Tuesday, October 04, 2011 01:45 PM
To: Richardson, Margaret (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG); Schmalder, Tracy (OPA); Delery, Stuart F. (OAG); Weich, Ron (OLA)
Subject: ATF

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From: Schmalzer, Tracy (OPA)
To: 'Schultz, Eric'
Sent: 10/5/2011 7:49:23 PM
Subject: QA

We didn't need it today since there were no q's ...

DP

DP

Jay did well today, I thought.

DP

From: Delery, Stuart F. (OAG)
To: Schmalzer, Tracy (OPA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Sent: 10/5/2011 8:19:50 AM
Subject: RE: weekly report QAs - EDITS BY AM PLS

DP

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 10:00 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Cc: Schmalzer, Tracy (OPA)
Subject: weekly report QAs - EDITS BY AM PLS
Importance: High

Below and attached is a QA in case AG gets questioned at the presser tomorrow in Ohio - need edits/concerns /additions by 9 am tomorrow since we're leaving mid-morning.

DP

DP

From: Grindler, Gary (OAG)
To: Schmalzer, Tracy (OPA)
Sent: 10/5/2011 7:23:38 AM
Subject: RE: weekly report QAs - EDITS BY AM PLS

Tracy, these are very good.

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 10:00 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Cc: Schmalzer, Tracy (OPA)
Subject: weekly report QAs - EDITS BY AM PLS
Importance: High

DP

DP

From: Weich, Ron (OLA)
To: Schmalzer, Tracy (OPA)
Sent: 10/4/2011 11:00:04 PM
Subject: RE: weekly report QAs - EDITS BY AM PLS

Looks good to me.

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 10:00 PM
To: Grindler, Gary (OAG); Goldberg, Stuart (ODAG); Richardson, Margaret (OAG); Delery, Stuart F. (OAG); Reich, Steven (ODAG); O'Neil, David (ODAG); Weich, Ron (OLA)
Cc: Schmalzer, Tracy (OPA)
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To: Schmalzer, Tracy (OPA); Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Sent: 10/4/2011 4:21:44 PM
Subject: Re: ATF

DP

From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 04:09 PM
To: Delery, Stuart F. (OAG); Richardson, Margaret (OAG); Reich, Steven (ODAG); Weich, Ron (OLA); Grindler, Gary (OAG); Goldberg, Stuart (ODAG); O'Neil, David (ODAG)
Subject: FW: ATF

Edits below –

DP

From: Weich, Ron (OLA)
To: Attorney General
CC: Grindler, Gary (OAG); Richardson, Margaret (OAG)
Sent: 10/4/2011 6:53:51 PM
Subject: draft talking points for possible Smith call attached, per request.
Attachments: SmithTPsreF+F10-11.docx

To: Sharon Malone
From: Attorney General
Sent: Tue 10/4/2011 8:31:33 PM
Subject: FW: TPM Blog - 'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

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From: Schmalzer, Tracy (OPA)
Sent: Tuesday, October 04, 2011 4:26 PM
To: Attorney General Grindler, Gary (OAG)
Subject: TPM Blog - 'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

Raises the key points on tactics vs. investigation and notes Smith's affinity for calling for special counsel.

TPMMuckraker

'Operation Wide Receiver': The Bush Administration Had Its Very Own ATF 'Gun Walking' Scandal

Ryan J. Reilly | October 4, 2011, 3:50PM



Fmr. Attorney General Alberto Gonzales and President George W. Bush

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Know how Republicans have been blaming the Obama administration for a local ATF office's decision to let thousands of guns "walk" into Mexico? Turns out the Bush administration had a "gun walking" program of their very own.

Republicans on Tuesday called for a special prosecutor to look into whether Attorney General Eric Holder perjured himself during testimony before the House Judiciary Committee on ATF's Fast and Furious scandal.

Holder had testified on May 3 that he was "not sure of the exact date, but I probably heard about Fast and Furious for the first time over the last few weeks."

Documents have now emerged showing that the "Fast and Furious" program came up in the course of a couple of Holder's extensive weekly reports on ongoing developments in the Justice Department and its components in July 2010 and again in October 2010.

In the wake of that evidence, Judiciary Committee Chairman Rep. Lamar Smith (R-TX) -- who has left most of the investigation into "Fast and Furious" to Oversight Committee Chairman Darrell Issa (R-CA) -- sent a letter to President Barack Obama asking for a special counsel to be appointed. **This isn't Smith's first time at the requesting special counsel rodeo: he's also asked for someone to look into ACORN, the New Black Panther Party case and the White House's interaction with Rep. Joe Sestak.**

Let's take a step back here. It's unsurprising that Holder got a couple brief updates which broadly outlined "Fast and Furious." After all, the program wasn't controversial at the time of the briefings because whistleblowers didn't come forward until early 2011. Nor would it be surprising that Holder would forget a brief mention of a case in one of his weekly updates, which include news from about 24 offices and components and weigh in at over 100 pages.

What *would* matter is if he had known about the controversial tactic -- instructing agents not to intercept weapons in suspicious sales and allowing them to "walk" over the border -- and did nothing about it. There's no evidence that he did, and when the complaints began emerging, he asked the DOJ's Inspector General to launch an investigation.

"These are routine reports that provide general overviews and status updates on issues, policies, cases and investigations from offices and components across the country," a Justice Department official tells TPM and other media outlets. "None of these reports referenced the controversial tactics of that allowed guns to cross the border."

The official continued: "Chairman [Darrell] Issa, of all people, should be familiar with the difference between knowing about an investigation and being aware of questionable tactics employed in that investigation since documents provided to his committee show he was given a briefing that included the fast and furious operation in 2010 - a year before the controversy emerged."

'Operation Wide Receiver'

What's also fascinating about the documents turned over to investigators is that they reference a little-known ATF operation called "Operation Wide Receiver", which just like "Fast and Furious," let guns "walk" to Mexico.

The operation, run by ATF's Tucson office and the U.S. Attorney for Arizona, started in 2006 -- when George W. Bush's Attorney General Alberto Gonzales was running the show -- and ran until the end of 2007. No charges were filed.

Fast forward to 2009, when the Obama administration took over the Justice Department. The former Gang Unit inside DOJ's Criminal Division (it later merged with the Organized Crime and Racketeering Section) reviewed the case for possible prosecution. At that time, a federal prosecutor in the unit "learned the ATF Arizona had permitted guns to be transferred to suspected gun traffickers and had not interdicted them," according to a DOJ official.

DOJ eventually issued two indictments that grew out of the Bush-era "Wide Receiver" investigation, which were unsealed towards the end of 2010.

Before the indictments were unsealed, however, deputy assistant attorney general Jason Weinstein raised concerns about investigative methods used in the Wide Receiver case. That's what comes up in the email.

"Do you think we should try to have Lanny [Breuer] participate in press when Fast and Furious and Laura's Tucson [the Wide Receiver investigation] are unsealed?" Weinstein wrote in an email. "It's a tricky case given the number of guns that have walked but is a significant set of prosecutions."

Deputy Chief of the National Gang Unit James Trusty replied that he wasn't sure "how much grief we get for 'guns walking.' It may be more like, "Finally they're going after people who sent guns down there."

The DOJ official said that Weinstein's reference to the "tricky case" in which the questionable tactics were used referenced the Wide Receiver case, not Fast and Furious. "He mentioned Fast and Furious only because of his belief at the time that the cases would be announced in close proximity," the official said.

There's still the question of why -- given how "tricky" the "Wide Receiver" case was -- DOJ didn't take any steps to ensure that ATF officials weren't using the same types of methods. But the Republican contention that Holder or other high-level DOJ officials knew about the controversial tactics being used before the beginning of 2011? That still hasn't been proven.

From: Schmalzer, Tracy (OPA)
To: Attorney General; Richardson, Margaret (OAG); Grindler, Gary (OAG)
Sent: 10/5/2011 6:54:24 PM
Subject: WH briefing - q's on f and f

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Sent: 10/5/2011 7:46:28 PM
Subject: RE: WH briefing - q's on f and f

Right- I sent over the QA we had for today so if

DP

DP

From: **Attorney General**
Sent: Wednesday, October 05, 2011 7:37 PM
To: Schmaler, Tracy (OPA); Richardson, Margaret (OAG); Grindler, Gary (OAG)
Subject: Re: WH briefing - q's on f and f

Well done.

DP

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To: Schmaler, Tracy (OPA); Attorney General; Richardson, Margaret (OAG)
Sent: 10/5/2011 7:17:38 PM
Subject: Re: WH briefing - q's on f and f

Good

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From: Grindler, Gary (OAG)
To: Richardson, Margaret (OAG)
Sent: 10/5/2011 8:03:18 AM
Subject:

I would like to get a copy of the January 31, 2011 letter to which Grassley is referring to in his comments yesterday. Did the AG meet with Grassley on January 31st?

From: Schmaler, Tracy (OPA)
To: 'Lehrich, Matt'
Sent: 10/5/2011 6:32:44 PM
Subject: RE: Press Briefing #82 by Jay Carney

Thanks - Just looked at it.

DP

DP

From: Lehrich, Matt [mailto:[Matthew A. Lehrich](mailto:Matthew.A.Lehrich)]
Sent: Wednesday, October 05, 2011 6:24 PM
To: Schmaler, Tracy (OPA)
Subject: FW: Press Briefing #82 by Jay Carney

This hasn't gone out to press yet, but here's our internal copy.

From: Nielsen, Jennifer D. (Contractor)
Sent: Wednesday, October 05, 2011 6:09 PM
Subject: Press Briefing #82 by Jay Carney

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 5, 2011

PRESS BRIEFING

BY PRESS SECRETARY JAY CARNEY

James S. Brady Press Briefing Room

1:51 P.M. EDT

MR. CARNEY: Good afternoon, ladies and gentlemen. Thanks for coming to your daily briefing at the White House. I have no announcements, so I go to the Associated Press.

DOJ-FF-61438

Q Thank you. Given that White House officials have said that you worked with Senate Democrats on their millionaire surtax proposal, has the White House also been working with congressional Republicans on changes to the pay-fors?

MR. CARNEY: I'm not even sure -- that question doesn't make a lot of sense to me. We are interested in Congress taking up, in the Senate and in the House, the American Jobs Act. We are pleased, obviously, that the Senate will be taking up the President's American Jobs Act next week. We hope that the House will do the same.

And we are -- to answer your question broadly, as I've said before, we are in communication with Congress -- both parties, both houses; leadership, both parties, both houses -- in general about the agenda going forward this fall. And the primary -- the highest priority on the President's agenda is the American Jobs Act.

So regarding the Senate bill, or the process in the Senate -- and this would apply to the House -- we have said all along, from the very beginning, that we are open to different ways of paying for the very important, broadly supported measures in the American Jobs Act that would grow the economy and create jobs, and of course we've worked with the Senate as they've settled on a way to pay for it.

That would be true, too, in the House. If the House -- if the obstacle in the House to taking up the full measure is coming up with a way to pay for it, we're certainly open to that, as I've said many times from this podium, and we'll have those discussions, as long as -- but the principles have to be met here. It has to be paid for in a way that is balanced and fair; that doesn't put the burden on the middle class, which has borne such a substantial burden, both of the Great Recession and the essentially middle-class -- what was essentially middle-class stagnation for the decade prior to it -- or on seniors through voucherization of Medicare or any other segment of society.

The President's belief and approach is based on the idea that those who have succeeded in this country, in this great country of ours, should pay their fair share. And when we have to make choices between taking measures that create jobs and put teachers back to work and construction workers back to work and put -- through tax cuts, put money in every working American's pocket and give tax cuts to small businesses so that they can grow and hire, or giving preferential tax treatment to the wealthiest Americans -- the President thinks the choice is clear.

So if there's a way that the House wants to approach this that reflects those principles, we are more than willing to have that discussion.

Q I just want to make sure I'm clear, though. When you said that the White House has also been in discussions with Republican leaders, does that mean that the White House has talked with McConnell about -- or Boehner about the millionaire surtax?

MR. CARNEY: I'm not going to get into specific conversations. There is an obsession with --

Q But we know that you have been in conversations with Democrats.

MR. CARNEY: -- with process that the American people, the consumers of your product, do not care very much about. What they want is --

Q It's not about process, though.

MR. CARNEY: It is process.

Q It's not, though, because there's an impression -- if all we know is that the White House is dealing with Democrats and not Republicans, then it gives off an impression that the objective is to rally a unified Democratic Party and set the Republicans --

MR. CARNEY: Well, let me just -- let me just -- no, no. I said the other day, we would be elated if the result of this process were passage of the American Jobs Act, in its entirety, all the component parts --

Q What process?

MR. CARNEY: What's that?

Q What process? You said the result of this process.

MR. CARNEY: No, but if the idea that our goal here is to use this as a political weapon -- it's not. Our goal is to take action to put Americans back to work and to deal with our economy.

Look, we can't be casual. We can't be sitting back, hoping that things get better. This President believes that we are in a precarious situation in our

economy as we continue to struggle to recover from the worst recession since the Great Depression. We have an employment crisis that continues to need to be -- needs to be addressed. And it is simply not an option to do nothing. And it's not an option to pass measures that, even if they were all the right things to do -- and we certainly debate that, but I'm talking about the House Republican proposals -- no economist -- serious economist, independent economist, would suggest that those measures would have a direct, immediate impact on growth or job creation.

The problem is, we need to take measures to address our short -- medium-term and long-term economic health and fiscal health, but we also have to do things right now to address our short-term problems.

So to back up again, we are -- we will, as this process goes forward, be more than willing to have discussions with the leaders in the House, of both parties, about how we can move this legislation forward in the House. And we look forward to those discussions.

Q Are you waiting for them to come to you?

MR. CARNEY: But the -- look, the Majority Leader of the House, as the President noted yesterday, declared preemptively that he wasn't even going to bring it up to a vote. Well, we just think that's unacceptable. What is it that he opposes in this bill?

Q Where's the process? To go back to his question.

MR. CARNEY: Why not -- well, look, bring it up for a vote, and if we then get to a point where we can -- where we need to move on individual provisions within the jobs act, then let's do that. And as we've said in the past, as long as they're paid for in a way that meets the President's principles, he will sign them into law and then say, where's the rest? Because all of these provisions are essential for the health of the economy.

I mean, we're not -- we are aggressively pursuing this because we think it is absolutely the best thing for the American economy.

Q Jay, can I just ask one question on the substance of the Senate Democrats' proposal? It sounds like this surtax would start January 1, 2012. Is the President comfortable with the idea of raising taxes on a percentage of Americans at a time of economic uncertainty?

MR. CARNEY: Well, I haven't -- I confess that I haven't studied the provision to that level of detail. So I would just say in general that we

believe that the jobs provisions, the economic growth provisions in the American Jobs Act need to be paid for -- that was the principle the President set out from the beginning, and that's why the legislation he sent up contained within it provisions that paid for it entirely -- and that in doing so, you need to do it in a way that's fair and balanced, and that puts the burden not on the middle class and not on seniors and other sectors of our society who have borne such a heavy burden in the recent past. So we're open to different ideas. The Senate has put forward -- Senate Democrats have put forward a different idea that we think would work.

The important part -- the important aspect of this is, is that the bill they will vote on is the President's bill in its entirety, in terms of putting teachers back to work, up to 280,000 laid-off teachers around the country, up to a total of 400,000 teachers overall; putting construction workers who are idle back to work building bridges, rebuilding schools, highways; putting \$1,500 on average into working Americans' pockets next year through the payroll tax cut and expansion; a tax cut for small business so that they can grow and hire; incentives for small business -- rather, for all businesses to hire our incredibly talented and experienced veterans returning from Iraq and Afghanistan.

These are all provisions that will be contained in what the Senate votes on, and we think should get 100 votes in the Senate, because they are all -- first of all, they'll be paid for in a way that's fair, that the vast majority of the American people support. And there are provisions that absolutely make sense at this time of economic need -- when we need to grow the economy and create jobs.

Yes.

Q The Senate is expected to take up -- to vote on the China currency bill tomorrow. You have said several times that the administration shares the goal of China letting its currency appreciate, but the House Speaker has called it a dangerous overreach by Congress.

Does the administration share that concern, that this might -- compelling another country to appreciate its currency might be an overstep? And where are you on the -- is the administration on its review? When can we expect that to be completed?

MR. CARNEY: Let me answer this way -- that we share the goal, as you noted, of this legislation in taking action to ensure that our workers and businesses have a more level playing field with the Chinese, including addressing the undervaluation of their currency.

It is also the case that aspects of this legislation do, however, raise concerns about consistency with our international obligations. And we are in the process of discussing those issues with members of Congress. If this legislation were to advance, those concerns should be addressed.

So to restate: We share the goals, we share the concern about the need for our workers and businesses to be able to compete on a level playing field; we have, from the beginning, as an administration, worked on the issue of the undervalued Chinese currency, and it has appreciated to some degree as a result, we think, of those efforts. More needs to be done, and we certainly also have concerns about this particular legislation and whether or not it would create consistency issues with our international obligations.

Q Could you explain more about the consistency issue? What do you mean by that?

MR. CARNEY: Well, I think we have a series of international obligations that we adhere to, and that we wouldn't want legislation that would be less than effective because it conflicted with our international obligations.

Q Is there a concern that this could lead to a trade war, as the Chinese have said it might?

MR. CARNEY: Well, that's speculation that I don't want to engage in. I think that we're talking with members of Congress about it. We will -- if this legislation were to advance and emerge from Congress, we would continue to talk with members about the need to address these concerns.

Q So the review is done, and this is the --

MR. CARNEY: Well, I think the process is ongoing, obviously, as it's ongoing in Congress. And our conversations about it will continue.

Q And so, what was -- sorry, one other quick subject. The Nobel Peace Prize will be announced in coming days. The President said when he was awarded his Nobel Peace Prize, in October 2009, that he was humbled by it, that he felt it was more of a call to action than a reward for actions that he had actually taken. Does the President feel that at this stage he has earned his Nobel, given the current --

MR. CARNEY: I can assure you that that is not a conversation probably any of us have had with him, because he does not think about it in those terms at

all. He's focused -- as concerns matters of war and peace, and of national security and the need to protect the United States and advance our interests around the globe, he takes an approach that he thinks increases American stature, enhances our security, and enhances our opportunities to affect events globally in a way that increases the prospects for peoples around the world to enjoy democracy and peace and freedom.

That is the approach he's taken with the uprisings in the Middle East, in the Arab Spring. It is the approach he's taken around the world. And it is a component part of the approach that he's taken to ensuring that he does everything he can, as President of the United States and Commander-in-Chief, to take the fight to those who would do harm to Americans and the United States and our allies, principally al Qaeda, and to ensure that we are, through all our means, advancing American interests around the globe in a way that both protects us and improves our cooperative relationships with our allies and partners.

Q He feels like he has promoted peace in the two years since he was awarded --

MR. CARNEY: I think he has promoted a foreign policy and a national security policy that he believes has been in the best interests of the American people, and judgments about -- like that, he'll leave to others to make when he leaves office in about six years.

Yes. (Laughter.)

Q The President -- and the White House in general -- are not talking to Republicans in the way they did during the --

MR. CARNEY: Do you guys all get a memo in the morning to, like -- "Remember to ask Jay about meetings that should be happening"?

Q I'm not talking about -- I'm not even -- I'm just -- I'm not trying to get processy. But if there aren't -- if there isn't the outreach that we saw in the past on trying to avert a government shutdown or increase the debt ceiling -- I mean, you have to read into that. Why the change?

MR. CARNEY: We've been very candid and transparent about the approach that we're taking in promoting the American Jobs Act and trying to get Congress to act on it, because it's in the interest of the American people.

Someone I think on the Republican side suggested yesterday or the day

before that it's somehow a problem or wrong that the President is out there talking about the American Jobs Act with the American people as opposed to sitting in a room with members of Congress. His responsibility as President is to have these conversations with the American people, to take his message out and explain the approach he's taking, and, in this case, and to urge Americans who believe, as he does, that Congress needs to act, that Washington needs to act, to take action to grow the economy and create jobs, to make their voices heard with their representatives, their senators and congressmen that they've sent to Washington.

But one does not preclude the other. I mean, the fact of the matter is, we are now going to have the Senate vote on the President's jobs bill. So something is working. And we believe that the approach we're taking will hopefully get the House to --

Q But it won't pass. But it won't pass. It likely won't pass. So how is that anything more than setting up a political argument of Republicans are protecting the wealthy, which it seems the White House is doing?

MR. CARNEY: I think, again, our goal, our highest priority, is to pass this bill and all the elements within it. If we were to get only some of the bill, that would be a good thing; it would not be enough, and we would keep up the fight.

If, in the end, we get all of it, whether in whole or in part, by the end, if we get it all, that would be a victory for the American people. We would be very satisfied with that if Congress took that action in that way.

So I think that predictions about what Congress will do -- I think a couple days ago folks were predicting that the Senate wasn't going to vote on it, and that looks not to have been a wise forecast.

So we'll see how this plays out. When it does get to the Senate, I think that every -- if 100 senators will not vote yes, then those who vote no will have to explain what is it they oppose, and why, and what priorities are they balancing if they're revenue increases on the wealthiest Americans to pay for legislation that would put teachers back to work and construction workers back to work and would give a tax cut to every working American, 150 million Americans, \$1,500 next year for the average American family. They don't want to do that because they don't think -- they think that the choice is not fair, that the most successful and affluent Americans shouldn't pay more, shouldn't pay their fair share, then they ought to say so.

And if, then, we come to a point where we get pieces of the legislation, if your grim predictions prove true that we don't get the entire bill here at the

White House to be signed in whole, then we will ask that question as each piece is passed and others are left behind, because we think that there is enormous widespread, bipartisan support out in the country for the provisions contained within the bill, and there is an enormous need here.

I mean, you've heard what people are saying about where our economy is right now. We need to take action. This is not -- it's really not an option to just sit on the sidelines and say, well, I hope it gets better. Certainly that's not the way that the American people feel.

So we think Congress needs to take action. We're going to continue to press for Congress to take action. We're gratified by the progress being made in the Senate, and we hope that we see the same kind of progress in the House.

Q So the President is okay with --

MR. CARNEY: And we will meet -- we will discuss and meet with leaders, as well as take the -- take this discussion out among the American people, which we certainly think is a worthwhile thing to do.

Q So the President is what with the 5 percent surcharge?

MR. CARNEY: We have said all along that we put forward our proposal that we thought was the best way to pay for it, that alternatives --

Q But these are (inaudible) Senate Democrats' alternatives.

MR. CARNEY: Yes, alternatives to pay for it were obviously available. Remember that our provision for the pay-fors was designed so that we could submit to Congress specific legislation that if it passed in a vacuum would be paid for, and nothing else happened. But as you know, within our legislation, it's linked to action by the super committee, and it would, if passed, would compel the super committee to extend or increase the amount of its savings in order to pay for this. It was basically a trigger-off provision.

So if the super committee found alternative means to pay for the jobs bill that were different from our pay-fors, then it would trigger off, turn off the pay-fors we had.

So what is important to us in the bill are the job-creating, economy-growing measures. The pay-fors, as long as they're -- they meet the principles

the President has set forward, are up to Congress to decide.

Q And sorry to monopolize your time, but you said that Republicans would need to say why they don't stand for it. Mitch McConnell has actually already told our Hill producer, Ted Barrett, that he would be against the surcharge because raising taxes during a recession is not a good idea. Your response?

MR. CARNEY: I would simply say that that's unfortunate; that the American people are making it very clear that they want action on the economy, they want action on jobs. The American people are very clear that they feel that an appropriate way to pay for the necessary action on the economy and jobs is to ask the wealthiest Americans to pay a little more, and those who disagree obviously have to explain that to their constituents.

I don't expect that we'll get every Senator; it sounds like we've lost one and I suppose we'll lose more. But this President is focused on a proposition here that has broad support in the American public. And it's just -- again, what's the alternative? Whatever you think of -- I mean, the jobs proposal that -- or so-called jobs proposal that has been put forward, for example, by the Republicans on the House side contains within it some provisions that this President fully supports and actually has acted on -- free trade agreements which, as you know, are moving through Congress as we speak; the patent reform bill which this President signed into law recently, and we expect and hope will unleash innovation in this country, which in turn will help create jobs.

But what that -- those proposals don't do, separated from the free trade and patent reform, is address the immediate problem. Even if you agree that everything in that proposal was the right thing to do -- and we certainly take issue with that -- but even if you did, I don't think anybody who's seriously looked at it as an economist would suggest that it would have the kind of impact on our economic growth and employment in 2012 that the President's proposal has -- not even close.

So what's the answer that those who oppose the American Jobs Act have for the problem that we have? The President agrees that we have medium- and long-term issues that we need to address. That's why he put forward his sweeping proposal for significantly greater deficit reduction than is mandated by Congress to the super committee. He agrees. And he put forward a balanced approach. He also believes we have a short-term immediate problem that we need to act on now, and we need to do things that have an effect on the economy and that accelerate hiring now. And what we haven't seen yet are proposals from others in Congress that would do that -- alternative proposals. So if they aren't available, let's vote on the jobs act, pass it, make it law.

Mr. Tapper.

Q I assume you know that the quote she said about raising taxes during a recession is not a good idea is pretty much a word-for-word quote of something President Obama said in 2009.

MR. CARNEY: I do. I think the context is different. And, again, I don't know the -- I'm hesitant to make comments on the specifics of the Senate pay-for proposal because I haven't examined it.

The fact of the matter is, if low taxes on millionaires were the answer to economic growth, what exactly happened in 2007, 2008 and 2009? Is that the answer? Because we had our lowest tax rates on the wealthiest Americans --

Q I'm not the one that said it, the President is.

MR. CARNEY: -- and we experienced a catastrophic recession.

Q So he's changed his mind?

MR. CARNEY: No. Again, I'm not going to -- this goes to what happens with the Senate provision, and I'm just not familiar with it so I don't want to address it.

This is about choices. The President thinks that if it's a choice between millionaires whose successes are a blessing of being American and being part of this great country and the opportunities that it provides, should pay a little more to help this economy move forward, to put teachers back to work and construction workers back to work and give a tax cut to working Americans, then, yes, he thinks that tradeoff is sensible.

Q It's actually -- I mean, I think it's actually more a question of timing, in some ways, because the President's proposal raises taxes, but as he has pointed during his barnstorming tour, not until 2013, and the Democrats' proposal actually would raise taxes, I believe, as of the first of the year. So is the President going to stop saying that in his speech?

MR. CARNEY: Again, I would have to look at the provision here. I think that --

Q I'm telling you what it --

MR. CARNEY: Well, I would --

Q You don't trust me. (Laughter.)

MR. CARNEY: I do trust you, Jake, but the problem is I wouldn't want to comment if there were specifics that I'm missing here, and -- but look, the broad point stands -- the second broad point also stands, that if we have to make choices here, that this trade-off is an acceptable one, whenever the revenue increases kick in, because of the urgent need we face to address an economic problem.

Q Okay. So since you had your briefing last, a couple bits of news have come out. One is, the House Democrats released some emails about the Solyndra controversy, and specifically about the Department of Energy's vetting process. And as you know, there are a lot of officials at the Department of the Office of Management and Budget who are concerned about the vetting process at the Department of Energy -- the word "oblivious" was used. Another OMB official said that -- I forget the exact language -- but implied that the Solyndra case is just the tip of the iceberg -- "Bad days are ahead."

Has the administration gone back to the Department of Energy to make sure that this vetting process for these taxpayers' dollars -- billions in taxpayer dollars -- is as rigorous as is necessary?

MR. CARNEY: I got a version of this question a few days ago and I can tell you that as this process has moved along, from the beginning -- and this is a program, as you know, that existed in the Bush administration before we took over; its funding increased through the Recovery Act but it was an existing program where loan applications, loan guarantee applications were reviewed by career experts, and that --

Q They were (inaudible) at Solyndra, though --

MR. CARNEY: And that is -- well, no. They sent back the application. And the person who headed that office under President Bush, for a large part of President Bush's two terms in office, has said that he might have made the very same call on Solyndra.

There is no question -- I think you have to step back and say, look, if you're going to do a loan guarantee program, a loan guarantee program has within it a risk. There is no guarantee -- the reason why you're backing up these loans is because there's no guarantee of success, but you believe, as a matter of policy, that these investments are worthwhile because you believe that the industries represented by these investments are essential to the economic future

of the country.

The Chinese certainly believe that, and they're investing billions and billions of dollars in clean energy technologies and it --

Q I'm talking about the officials in OMB who are saying that the guys that manage the department aren't doing due diligence.

MR. CARNEY: I understand that there was -- there were differing opinions here. What is also true is that -- and there is substantial data on this about all the people who thought that this was a bet, and -- but a worthwhile one, including all sorts of private investors who thought it was worthwhile, as well as assessments made by The Wall Street Journal and others about the potential for this company as an innovative company.

It is obvious that not every investment is going to succeed, and we are disappointed that this one didn't. But the overall program continues to succeed. And what we refuse to buy into is the defeatist attitude that was expressed just the other day -- yesterday, I think, maybe the day before -- by the Chairman of the Energy Committee in the House who said, we can't compete; the United States cannot compete with China in the solar energy field or the wind turbine field.

Really? So that's it? For the next -- I mean, in these vital industries we're just going to be buying our technology and our products from China? I don't think that's an approach that the American people want to hear from Washington. Because we're the United States of America. These are vital industries. We should be investing in them, helping them grow so that they can create jobs here and they can enhance our energy independence.

Because don't forget, if we're reliant on foreign countries for the technology for renewable energy, we're only -- then we just become reliable -- even as our reliance on oil decreases, we rely on imports for other forms of energy. And that's just -- that's not sensible national security policy, and it's not sensible economic policy. So we remain --

Q Is the vetting any more rigorous? That's really just the question.

MR. CARNEY: I'm sorry. But the -- and I think I addressed it, and I addressed it in the past -- it has been evaluated and adjustments have been made -- not in the last few weeks or months because of these stories -- but all along, from the beginning. And that's my understanding. And for more specifics

I would refer you to the Department of Energy. But it's important to just step back and look at why this program is worthwhile, why folks in the previous administration thought it was worthwhile, why people who understand the vital importance of the clean energy industry, in general, to the 21st century, believe it's worthwhile. And the President remains committed to it.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011, when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

Yes.

Q On Solyndra for just a second before we get back to the --

MR. CARNEY: Sure -- urgent need to create jobs and grow the economy.

Q -- urgent need to create jobs. The question was never whether you were going to lose money on venture capital. Of course you can. The question was whether this particular program was properly vetted and whether the

technology itself was vetted properly in addition to the financial arrangements. I mean -- and that's the question.

MR. CARNEY: Well, sure. And I think that -- that is a question. One question has been about was the -- was there undue, inappropriate influence. And there is no evidence to suggest there was because -- precisely because career experts at the Department of Energy were evaluating these loan applications and recommended that we move forward on Solyndra.

The fact that people knew that, as you would expect --

Q But the people at OMB raised questions about this, as you very well know.

MR. CARNEY: Again, and the experts -- rather than here at the White House, the experts at the Department of Energy made that judgment. But to say that every -- if these things were absolutely, patently obvious and clear, and 100 percent everybody agreed, then they wouldn't be in an industry that requires the kind of investments that we're talking about. The reason why you have these loan guarantee programs is because you need to help seed these industries so that they then can grow and attract private capital, which you understand.

Q Sure, but there are also questions raised about the kind -- the particular kind of solar technology --

MR. CARNEY: No, actually, the questions were raised -- this has to do with Chinese actions on the pricing of solar panels and subsidies and that kind of thing. The technology itself, as I understand it, was widely celebrated within the community --

Q There were questions raised about the particular kind of technology Solyndra was --

MR. CARNEY: Well, again --

Q Anyway --

MR. CARNEY: That's a process that was evaluated by -- over at the Department of Energy. And for more details on that, you can -- I refer you to them.

Q So you're aggressively pursuing the American Jobs Act. What does that mean apart from the President going out every couple of days and saying "pass this bill"?

MR. CARNEY: Well, there is an extraordinary amount of contempt expressed here and apparently on Capitol Hill for the idea that the President of the United States should actually go out and meet and talk with the American people.

Q No, I'm not expressing contempt for that at all.

MR. CARNEY: I find that rather surprising because --

Q I'm just asking if that's all you're doing.

MR. CARNEY: First of all, he's spending a lot of time focusing on this, as he should be, because it is the number-one priority of this administration, this President, and this American public. And he is engaging -- it's another way of asking what kind of conversations is he having with members of Congress.

And he's having those conversations, and he will continue to have those conversations. His senior team here will continue to have those conversations, and eventually I'm sure negotiations as we move forward. But I simply reject the idea that there is not a compelling reason for him to go out and talk about this --

Q I didn't suggest there wasn't.

MR. CARNEY: -- in Texas, or Ohio. In Kentucky or Virginia. All over the country -- Seattle, California. This is the urgent priority the American people have made clear they have, so I think Presidents deserve to hear from -- rather, the American people deserve to hear from their President.

Q Senate Democrats were not going to vote on this bill until they're ready, which is sometime next week. Durbin himself said --

MR. CARNEY: Six days is not --

Q No, Durbin himself said -- Durbin himself said last Friday --

MR. CARNEY: -- soon enough for you?

Q -- they didn't have the votes, and yet the President is ragging on the Republican House to vote.

MR. CARNEY: Here's what I'll tell you, Bill. First of all, the Senate, as you know, today announced that it's moving forward and will have a vote on this legislation. I am confident --

Q Right. They didn't say when.

MR. CARNEY: No, they said next Tuesday. Pretty soon.

Secondly, I am absolutely confident that the overwhelming majority of Democrats who have an opportunity to vote on the American Jobs Act will vote yes. And I hope that that would be true of the Republicans as well. So, I mean, there's no question where this President stands, where Democrats stand, and outside of the hothouse of Congress, where Americans stand who identify themselves as independents, Democrats and even Republicans about what we need to do to address our economic problems.

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago, I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.

Q Last thing. There were some riots in Greece today, and Mayor Bloomberg recently suggested that because of high unemployment there could be riots in the streets of the United States. And right now we don't have riots

but there's the Occupy Wall Street movement that's going on. What's the White House view about Occupy Wall Street, and what do you think about the riots in Greece and whether or not something like that could happen here?

MR. CARNEY: Well, I'll leave aside the comparison to Greece. The fact is that there are Americans out there who are understandably frustrated with the economy, with their difficulty in finding a job or holding onto a job. I mean, this is exactly why the President is -- despite Bill's contempt -- barnstorming around the country arguing for the urgent need for Congress to act on the American Jobs Act.

So I think that it's understandable that there's frustration. And need I remind you that this President fought -- and it wasn't always pretty -- to make sure that we passed sweeping consumer protections in the Financial Reform Act that was opposed by Congress, and that which members -- I mean, Congress, by Republicans in Congress -- Republicans now who want to repeal it.

Why? I mean, in part because millions and millions of dollars are being spent to lobby against it by the industries who don't like it. But the -- look, we got into an awful mess because of in part some of the actions that were taken by Wall Street. And two things are true about the actions this President took in the wake of that, when he took office during the worst recession since the Great Depression -- a catastrophic contraction in the economy, catastrophic job loss.

One, he had to ensure that we stopped the bleeding and we prevented a depression. He also wanted to make sure that we -- he believes very strongly in capitalism and the absolute need for the United States of America to have a vibrant, strong financial sector. And he took actions that weren't necessarily popular to make sure that that remained the case -- and he's got the scars to prove it.

He also believes that that industry needs to be held to account, and that we need to take actions to ensure that the kind of things -- the kinds of things, the kinds of actions and behaviors that helped cause this incredible crisis can't happen again. And that's why he fought to pass the Financial Reform Act. And it provides protections to consumers that are vital, and lays out some rules of the road that Wall Street should follow, and that, again, the vast majority of Americans agree with him on this.

Q Jay, over the last couple of days, a plot to assassinate Hamid Karzai was apparently foiled. Mr. Rabbani, the designated peacemaker, was assassinated about two weeks ago. President Karzai has suspended talks with elements of the Taliban who may or may not have been willing to lay down their arms. And now the Pew Research Center has a poll out this morning saying one in three American veterans -- post-9/11 veterans say the wars in Iraq and Afghanistan are not worth it.

Given everything that's going on and all the corners that have been turned in Afghanistan only to lead to wide alleys, what does the President say to those veterans?

MR. CARNEY: Thank you. Because their country asked them to do heroic, extraordinary things. And for the veterans who came back, we honor their service every day.

This President's position on Iraq, which was the principle preoccupation of the previous administration in terms of these wars, was clear during the campaign, and his promises are being kept. He is ending that war, has ended it. And we are on track to remove all troops from Iraq by the end of the year. And we are doing it -- we're ending that war in a responsible way.

On Afghanistan, he made clear during the campaign that partly because of the preoccupation and focus on Iraq, the effort in Afghanistan was neglected. He has kept his promise to refocus our attention on Afghanistan and to make clear that our objective and primary goal there is to defeat al Qaeda, the enemy that attacked us on September 11, 2001.

He is meeting those objectives and he is keeping those promises. As you know, the drawdown from the surge forces is underway. It will be complete. And then we will -- by next year, next summer, I believe -- and then we will continue to draw down forces to the point where we turn over security lead to the Afghans by the end of 2014.

These are hard fights, and the sacrifice is immense and tremendous. And, again, to go back to the beginning, he is extraordinarily grateful -- we all are, and everyone I believe here -- for their sacrifice and service.

Q A final question. When you -- when the President unveiled his stimulus/not a stimulus, the \$450 billion jobs plan, the Buffett rule was only a principle. Now Senate leaders have gone further than simply a principle and probably further than the principle that was enunciated, as I understood it, anyway, to make sure that millionaires pay their fair tax -- Warren Buffett pays the same rate as his secretary.

The President has been criticized in the past over the course of his administration for ceding leadership to Congress and elsewhere on health care and ending up with sort of half a loaf. Core Democratic supporters even say that.

MR. CARNEY: I don't actually think so. Let me stop you there. I think achieving health care reform --

Q I mean, is he ceding leadership again on this issue?

MR. CARNEY: -- after 100 years of effort, ensuring that 30 million Americans get ensured, ensuring that people with preexisting conditions get insurance coverage, ensuring that, as we've already seen, millions of young Americans get to stay on their parents' policies -- that's a lot more than half a loaf.

Q Did the President misread Congress on the pay-fors in this issue?

MR. CARNEY: No. I'll go back, Mike, to what I said. The pay-fors are incidental, if you will. The meat of this legislation, the President's proposal, is, are the provisions that put teachers back to work, put construction workers to work, that cut taxes for working Americans, incentivize small business to grow and hire and increase their wages. And that will be voted on.

How you pay for it we've always said was something we were hoping to negotiate and debate as long as it meets the President's principles. And the Senate is taking action accordingly.

As you know -- and we had this discussion as we were trying to explain the complexity of it -- when we put forward the American Jobs Act with the pay-fors in it, we explained that they were isolated portions of what the President would put forward in his very broad deficit reduction plan, the revenue increases from that, that we were attaching to this provision to make is a standalone piece of legislation.

There was -- within it was always the possibility, because of the link with the super committee, that if other means were found to pay for it through the super committee, the pay-fors that we put in the bill would be turned off and not used.

So I think that makes clear that from the beginning we were focused on the job-creating and economy-growing provisions, and not the specific means to pay for it, as long as those means meet the President's principles.

Yes.

Q The other day the President said that he was opposed to the Bank of America new debit fee, and that this was -- the government should do something to stop it. Is there anything the administration --

MR. CARNEY: I'm not sure he said that. I think that -- two points about that. One, let's be clear that the consumer protections -- the financial reform that passed contains within it no compulsion, no provision that compels banks to do this -- quite the opposite. It protects consumers from hidden fees.

And the other point is, obviously, that banks have to decide how they adjust to the provisions within that act, and consumers have to decide what they're going to do in reaction to that. I mean, that's how the system works. But there's nothing in the legislation that was passed -- financial reform -- that compels banks to do this.

Q Right. So is it -- is this fee a legitimate fee, albeit one that consumers may want to take into account when choosing their bank? Is this a legitimate fee that the government has no particular cause to try and stop?

MR. CARNEY: Well, it's up to the companies -- the banks, in this case -- to decide what approach they want to take, and I think that then consumers to judge accordingly. Again, this is not -- what the provision with regard to the bank swipe -- I mean, to the card swipe fee that is in the legislation has to do with insuring that small enterprises are able to -- are not gouged by the companies, the credit card companies, and therefore so that they are able to accept debit cards from consumers and customers.

How the banks decide to deal with the overall legislation is up to them. It's not a matter of compulsion that the government might engage in.

Q In his interview with ABC, he said, regarding the debit fees, "You can stop it," meaning the government could stop these fees -- and, presumably, he favored they would. And he also said that the government can tell the banks, "You don't have some inherent right to just, you know, get a certain amount of profit if your customers are being mistreated."

So does Bank of America have the inherent right to get the profit it's going to get from this \$5 fee or no?

MR. CARNEY: I think that the point is, is that there's not an inherent right. If they make decisions, they make decisions. And customers, the market reacts accordingly. We can -- he can, or anybody can, express an opinion that

they think it's excessive or unfair, and some have done that.

But the point is, they didn't have to do this. And other -- different institutions will take different actions.

Q So you're saying that there's no plans, and the President has not directed any way for any agency of the government to try to stop or --

MR. CARNEY: Correct.

Q -- this fee.

MR. CARNEY: Yes.

Q Getting back to paying for the job creation bill, Jay. You said the Senate Democrats have put out an idea that we think will work. Have you now concluded that this is the best way to pay for this thing?

MR. CARNEY: Well, we put forward what we thought was the best or a good way to pay for it. Again, going back -- and I won't repeat them -- all my comments about the relative --

Q Thanks. (Laughter.)

MR. CARNEY: You hurt my feelings -- (laughter) -- but the relative importance of --

Q Nothing personal. You're a veteran --

MR. CARNEY: That's right, I can take it. I got thick skin. The relative importance of the job provisions and economic growth provisions versus how you pay for it. So we're interested in the President's bill, the American Jobs Act, moving through Congress, being voted on. The Senate is going to do that. We've said from the beginning that there may be adjustments or changes in the pay-fors. Looks like they're doing that; that's ok with us. Again, it's about meeting the principles and then getting a vote, and hopefully a law that allows for these tax cuts to go into effect and for all the provisions that will put teachers back to work and veterans and construction workers back to work.

Q A quick logistical thing I've been asked to ask you about: Is the President going to be part of this ceremony with Captain Kelly and Congresswoman Giffords tomorrow in the Vice President's office? Is he going to see them at all?

MR. CARNEY: I'll have to get back to you. Not that I'm aware of.

Q Okay.

MR. CARNEY: I don't know.

Yes.

Q All right, thanks. If you would.

Q Just to clarify. You said DOE vetting has been evaluated. Is that since Solyndra, or before?

MR. CARNEY: I think -- well, what do you mean by -- I mean, Solyndra was a program that was --

Q Since the controversy.

MR. CARNEY: Okay. I think I addressed that and said that the process is, as I understand it -- and I would refer most of these questions to those who know the details at the Department of Energy -- has been evaluated and adjusted throughout. But not in reactions to stories in the last few weeks, but throughout the two years plus that it's been under our watch.

Q And any calls to European leaders in the past couple of days?

MR. CARNEY: I don't believe so. I can check that. We'll get back to you if there were.

Q And one final thing. Can you confirm that al-Asiri and Samir Khan were killed in the Awlaki --

MR. CARNEY: I don't think we've confirmed any death from that incident beyond Awlaki.

Q It's been reported in a lot of places.

MR. CARNEY: I understand that. But I think we've confirmed Awlaki's death.

Q Jay, you sound as if the President is agnostic about what the pay-fors are.

MR. CARNEY: I can restate it. It has to meet his principles, but yes.

Q Right. But it's not one of his principles. The substantive tax cuts and spending are the principles, but the pay-fors are just -- you're saying making the rich pay is a principle, but whether it -- when it kicks in is not a principle.

MR. CARNEY: Ensuring it is balanced and fair, or fair and balanced, you might say, in its pay-fors is -- those are his principles, as regards how you pay for the legislation, which would put Americans back to work.

Q Right. But you're saying you're agnostic as to when the pay-fors would kick in.

MR. CARNEY: Again, I'm hesitant to engage in a discussion about the Senate proposed pay-for when I'm not familiar with the details of when it would kick in.

Q It's just that on the campaign trail since he's been going around the country he says nobody is talking about raising taxes right now. That's one of his selling points.

MR. CARNEY: Again -- well, I know, because you were sitting there, that you heard the discussion I just had. I just -- I'm not familiar with, in enough detail, to comment on that difference. And, again, the overall approach is one that we feel meets the President's principles.

Q But as part of economic policy it seems important.

MR. CARNEY: And as a matter of tradeoffs, we think those tradeoffs are worthwhile. But, again, without addressing when it would take effect, because I haven't -- I don't have the information, I'm happy to take that question tomorrow.

Q But it seems like as a matter of economic policy whether you think there should be tax hikes now or later is kind of important.

MR. CARNEY: Well, I mean, the President said what he said. Again, I will address the issue of the Senate provision when I have more information about it.

Q One other question about this. I know that in the weeks past you've been asked various versions of this, but the package itself, as you point out over and over again, is very popular. It's the pay-fors that are controversial.

MR. CARNEY: The pay-fors are very popular, too.

Q Well, it seems like the pay-fors are opposed by enough Democrats that it's allowed Republicans to point out the difference between the President and his own Democrats on this issue. So I guess my question is, why not --

MR. CARNEY: If you're saying -- and, again, this is hypothetical -- the fact that 100 percent of Republicans in the Senate presumably, if that's what they're saying, oppose something that the vast majority of the American people support, and 90 to 95 or 98 percent of Democrats support what the American people support, I think --

Q Well, whatever --

MR. CARNEY: -- who's on whose side is pretty clear.

Q -- the Democrats is not enough for you to get it passed.

MR. CARNEY: It's a -- well, the reality of the way that the Senate has been functioning is that you need 60 votes, which is why -- not a majority, but 60, for anything; naming a post office, practically -- we are going to work hard to try to convince Republican senators about the wisdom of putting teachers back

to work in their states, construction workers back to work in their states, giving an expanded payroll tax cut to the citizens of their state.

So the reality of this system in the Senate is that what you need exceeds even 100 percent "yes" votes from the Democrats. But we are confident that the overwhelming majority of Democrats support this provision.

Mark.

Q Jay, just one -- just one question.

MR. CARNEY: I'm going to Mark, Lester.

Q Excuse me. And, Jay, that leads directly to my question, which is: You and the President were both really scathing over the summer about the whole idea of holding votes on things that can't pass.

MR. CARNEY: I don't remember that.

Q Excuse me?

MR. CARNEY: Look --

Q Can I just finish my question?

MR. CARNEY: Sure.

Q I mean, seriously, you were talking about how the Republicans insisted on putting their -- the House Republicans had their deficit plan that could -- the President had threatened a veto; it wasn't going to become law -- why do it? Do you still -- even with that history, do you want the House Republicans to vote on the President's plan, even though Eric Cantor says, I know my guys are not going to vote for it; it won't pass. And you don't want Harry Reid to hold a vote on the whole package, even though, when the appointed hour comes, he may well not have enough to get past a filibuster? You want that to go ahead?

MR. CARNEY: We do, Mark. And we were engaged in obvious negotiations. There were provisions that -- the absolute important difference is that the

things that you were talking about that were being voted on in the House, that had no chance of clearing Congress, let alone being signed into law by the President, were overwhelmingly unpopular, unsupported by the American people. Voucherizing Medicare -- check your data -- not popular. The kind of approach that was represented in the House Republican budget -- not -- this was not something that had the American people's support.

What we know about the American Jobs Act and the provisions within it is not only does it have the support of the American people, every provision in it has been supported -- or similar provisions to it -- the kinds of provisions that are in the American Jobs Act have been supported overwhelmingly by Republicans in the past, including Mitch McConnell.

So that's a big -- that's a huge difference. When you talk about -- and it's a huge difference when you talk about the admittedly difficult task, but possible task, of convincing members of Congress to actually vote with the people they represent, to vote in line with how they voted in the past. So I would say that distinction is pretty significant.

Q So a symbolic vote is okay --

MR. CARNEY: I don't think it has to be symbolic.

Q -- if it polls well.

MR. CARNEY: I don't think it has to be symbolic. And I think that we need to take urgent action on the economy, and that's what the American people are saying. There wasn't a groundswell of the American people saying, you know what? What we need right now is to dismantle Medicare, charge seniors \$6,000 more per year, and that will answer all our problems. I can guarantee you that wasn't what we were hearing from the American people.

Carrie.

Q Jay -- Jay, I was next.

MR. CARNEY: Carrie.

Q I was next.

MR. CARNEY: I'm afraid --

Q One question.

MR. CARNEY: I'm afraid the Washington Post was next.

Carrie.

Q Thanks, Jay.

MR. CARNEY: Now Politico is next.

Q I was confused for a second. Shifting gears a little bit to the super committee, does the President believe that the Pentagon can take -- handle any more cuts above the \$350 billion that was prescribed in the Budget Control Act? Does he think that the Pentagon can take any more cuts as part of any kind of next phase of this deficit deal?

MR. CARNEY: Well, I don't want to get into sort of incremental stuff. I think that one essential truth about the trigger --

Q I'm not asking about the trigger.

MR. CARNEY: Well -- but is that those cuts, with regard to defense spending, are significant and not ones that we think are the right way to go, which is just another reason for the super committee to avoid that outcome and take action that represents a balanced approach to deficit and debt reduction.

Q But there is that possibility of a figure that's lower than the \$600 billion that could -- just the Pentagon could take --

MR. CARNEY: What we think --

Q -- does the President think that that should be on the table, even an amount less than \$600 billion?

MR. CARNEY: Well, I don't want to get into drawing lines about what dollar figure is acceptable. The President put forward his proposals and contained -- and those proposals contain within them reductions in spending, as well as cuts in entitlement costs and revenue increases.

He believes that's the right approach to take, and that you don't need to do anything dramatic to entitlements, to defense, certainly to non-defense discretionary if you approach this in a balanced way. You can achieve significant long-term deficit and debt reduction on the order of the \$3 trillion he put forward, in addition to the \$1 trillion already agreed upon, if you do it in a balanced way that doesn't put the burden unduly on any sector of the government and its responsibilities, including national security, or on any segment of society.

Q And I just have one follow-up question on the -- or I'm sorry, the \$1 million threshold that you were talking about. The Senate Democrats -- talking about the surtax, the President in his principle seems to start at \$1 million or above millionaires. Why is -- is there an attempt to back away from the \$250,000 level? I mean, is there any kind of now protected status for people under \$1 million? Has it changed at all, or is this just something --

MR. CARNEY: This President supports the expiration of the Bush tax cuts for the highest-income earners, those making more than \$250,000. That has not changed. Full stop.

He also supports tax reform that would as a guiding principle contain within it the Buffett rule, and those things coexist happily, as does the Senate approach to this. One does not cancel out the other. But, again, the Buffett rule -- or Buffett principle is an approach that he believes should guide Congress as it deals with the complex issues of tax reform.

Let me go to April. Yes.

Q Jay, there's been a groundswell on the issue of voter suppression. What is the White House and the Justice Department doing to look into issues of voter suppression to include the voter ID issue?

MR. CARNEY: April, it's a good question. Those kinds of things are handled by the Department of Justice. I mean, we obviously believe that the right to vote is a fundamental right of every American citizen that should be honored and upheld and certainly not suppressed. But I don't have any details about what Justice might be doing to look into those issues, but it's a vital principle.

Q I know it was -- I know early on the White House said it was basically a state issue. But because it's become more of an issue, has the White House called, worked with Justice on this?

MR. CARNEY: I don't know the answer to that. Again, Justice would be working on it if there was actions of any kind, so I would refer you there.

Q And I want to ask you one more question. As you are actively involved in campaigning now, 13 months out -- the administration, President, to include the campaign has said this is going to be a hard-fought election. Has there been attacks on this President or the presidency in regards to issues of race? Do you think it's both? Or do you think it's just one?

MR. CARNEY: Honestly, April, we're just not focused on that, not because it's not a question that you might ask, but because this President firmly believes that Americans out there have serious challenges and problems that need to be addressed. And he's been hired to lead the country and to address these challenges, and he's not worried about himself at all. He's worried about a recovery that's not moving quick enough, unemployment that's unacceptably high. And he feels like if he puts forward ideas and articulates them well and convinces Congress to take them up and pass them, and that, in turn, results in some much needed help for the American people, some much needed help for this economy, and for those who are looking for work, that that -- that would be a big success, and that's why he's focused on that.

So he doesn't -- I mean, campaigning is one thing. And he's obviously going to engage in the campaign, and he's -- and he has campaign events. But, I mean, I just know, from spending so much time with him, this is not about him. It is not at all about him. It is about the reason he got in to begin with, which was he saw leadership in Washington that had sort of taken its eye off the ball, both on our domestic issues and our national security issues; that we were -- that the middle class was falling behind; that in a decade where the wealthiest Americans had seen their incomes and their share of the country's wealth expand dramatically, the middle class had been running in place or falling behind.

And so that's what he really is focused on. He doesn't -- we don't spend any time talking about the kinds of issues that you're raising.

Q But wait a minute, what we're seeing -- and many people have remarked we've seen attacks on this President that we have not seen with other presidents before. And this is a question -- if you attack him with his race, is that an attack on the presidency? Because he is the President of the United States.

MR. CARNEY: I think, again, we're just -- it's not the kind of thing we're focused on. Politics is -- can be a rough-and-tumble business, but it's a business that, at its best, is engaged in doing right by the American people. So that's what he's focused on.

Thanks very much, guys.

Q Thank you.

END 2:55 P.M. EDT

From: Lehrich, Matt
To: Schmaler, Tracy (OPA)
Sent: 10/5/2011 6:25:37 PM
Subject: RE: Press Briefing #82 by Jay Carney

Oh. And you have a cameo (though not by name I don't think). Congrats or sorry or something.

From: Lehrich, Matt
Sent: Wednesday, October 05, 2011 6:24 PM
To: 'Schmaler, Tracy (OPA)'
Subject: FW: Press Briefing #82 by Jay Carney

This hasn't gone out to press yet, but here's our internal copy.

From: Nielsen, Jennifer D. (Contractor)
Sent: Wednesday, October 05, 2011 6:09 PM
Subject: Press Briefing #82 by Jay Carney

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 5, 2011

PRESS BRIEFING

BY PRESS SECRETARY JAY CARNEY

James S. Brady Press Briefing Room

1:51 P.M. EDT

MR. CARNEY: Good afternoon, ladies and gentlemen. Thanks for coming to your daily briefing at the White House. I have no announcements, so I go to the Associated Press.

Q Thank you. Given that White House officials have said that you worked with Senate Democrats on their millionaire surtax proposal, has the White House also been working with congressional Republicans on changes to the pay-fors?

DOJ-FF-61471

MR. CARNEY: I'm not even sure -- that question doesn't make a lot of sense to me. We are interested in Congress taking up, in the Senate and in the House, the American Jobs Act. We are pleased, obviously, that the Senate will be taking up the President's American Jobs Act next week. We hope that the House will do the same.

And we are -- to answer your question broadly, as I've said before, we are in communication with Congress -- both parties, both houses; leadership, both parties, both houses -- in general about the agenda going forward this fall. And the primary -- the highest priority on the President's agenda is the American Jobs Act.

So regarding the Senate bill, or the process in the Senate -- and this would apply to the House -- we have said all along, from the very beginning, that we are open to different ways of paying for the very important, broadly supported measures in the American Jobs Act that would grow the economy and create jobs, and of course we've worked with the Senate as they've settled on a way to pay for it.

That would be true, too, in the House. If the House -- if the obstacle in the House to taking up the full measure is coming up with a way to pay for it, we're certainly open to that, as I've said many times from this podium, and we'll have those discussions, as long as -- but the principles have to be met here. It has to be paid for in a way that is balanced and fair; that doesn't put the burden on the middle class, which has borne such a substantial burden, both of the Great Recession and the essentially middle-class -- what was essentially middle-class stagnation for the decade prior to it -- or on seniors through voucherization of Medicare or any other segment of society.

The President's belief and approach is based on the idea that those who have succeeded in this country, in this great country of ours, should pay their fair share. And when we have to make choices between taking measures that create jobs and put teachers back to work and construction workers back to work and put -- through tax cuts, put money in every working American's pocket and give tax cuts to small businesses so that they can grow and hire, or giving preferential tax treatment to the wealthiest Americans -- the President thinks the choice is clear.

So if there's a way that the House wants to approach this that reflects those principles, we are more than willing to have that discussion.

Q I just want to make sure I'm clear, though. When you said that the White House has also been in discussions with Republican leaders, does that mean that the White House has talked with McConnell about -- or Boehner about the millionaire surtax?

MR. CARNEY: I'm not going to get into specific conversations. There is an obsession with --

Q But we know that you have been in conversations with Democrats.

MR. CARNEY: -- with process that the American people, the consumers of your product, do not care very much about. What they want is --

Q It's not about process, though.

MR. CARNEY: It is process.

Q It's not, though, because there's an impression -- if all we know is that the White House is dealing with Democrats and not Republicans, then it gives off an impression that the objective is to rally a unified Democratic Party and set the Republicans --

MR. CARNEY: Well, let me just -- let me just -- no, no. I said the other day, we would be elated if the result of this process were passage of the American Jobs Act, in its entirety, all the component parts --

Q What process?

MR. CARNEY: What's that?

Q What process? You said the result of this process.

MR. CARNEY: No, but if the idea that our goal here is to use this as a political weapon -- it's not. Our goal is to take action to put Americans back to work and to deal with our economy.

Look, we can't be casual. We can't be sitting back, hoping that things get better. This President believes that we are in a precarious situation in our economy as we continue to struggle to recover from the worst recession since the Great Depression. We have an employment crisis that continues to need to be -- needs to be addressed. And it is simply not an option to do nothing. And it's not an option to pass measures that, even if they were all the right things to

do -- and we certainly debate that, but I'm talking about the House Republican proposals -- no economist -- serious economist, independent economist, would suggest that those measures would have a direct, immediate impact on growth or job creation.

The problem is, we need to take measures to address our short -- medium-term and long-term economic health and fiscal health, but we also have to do things right now to address our short-term problems.

So to back up again, we are -- we will, as this process goes forward, be more than willing to have discussions with the leaders in the House, of both parties, about how we can move this legislation forward in the House. And we look forward to those discussions.

Q Are you waiting for them to come to you?

MR. CARNEY: But the -- look, the Majority Leader of the House, as the President noted yesterday, declared preemptively that he wasn't even going to bring it up to a vote. Well, we just think that's unacceptable. What is it that he opposes in this bill?

Q Where's the process? To go back to his question.

MR. CARNEY: Why not -- well, look, bring it up for a vote, and if we then get to a point where we can -- where we need to move on individual provisions within the jobs act, then let's do that. And as we've said in the past, as long as they're paid for in a way that meets the President's principles, he will sign them into law and then say, where's the rest? Because all of these provisions are essential for the health of the economy.

I mean, we're not -- we are aggressively pursuing this because we think it is absolutely the best thing for the American economy.

Q Jay, can I just ask one question on the substance of the Senate Democrats' proposal? It sounds like this surtax would start January 1, 2012. Is the President comfortable with the idea of raising taxes on a percentage of Americans at a time of economic uncertainty?

MR. CARNEY: Well, I haven't -- I confess that I haven't studied the provision to that level of detail. So I would just say in general that we believe that the jobs provisions, the economic growth provisions in the American Jobs Act need to be paid for -- that was the principle the President set out from the beginning, and that's why the legislation he sent up contained within it provisions that paid for it entirely -- and that in doing so, you need to do

it in a way that's fair and balanced, and that puts the burden not on the middle class and not on seniors and other sectors of our society who have borne such a heavy burden in the recent past. So we're open to different ideas. The Senate has put forward -- Senate Democrats have put forward a different idea that we think would work.

The important part -- the important aspect of this is, is that the bill they will vote on is the President's bill in its entirety, in terms of putting teachers back to work, up to 280,000 laid-off teachers around the country, up to a total of 400,000 teachers overall; putting construction workers who are idle back to work building bridges, rebuilding schools, highways; putting \$1,500 on average into working Americans' pockets next year through the payroll tax cut and expansion; a tax cut for small business so that they can grow and hire; incentives for small business -- rather, for all businesses to hire our incredibly talented and experienced veterans returning from Iraq and Afghanistan.

These are all provisions that will be contained in what the Senate votes on, and we think should get 100 votes in the Senate, because they are all -- first of all, they'll be paid for in a way that's fair, that the vast majority of the American people support. And there are provisions that absolutely make sense at this time of economic need -- when we need to grow the economy and create jobs.

Yes.

Q The Senate is expected to take up -- to vote on the China currency bill tomorrow. You have said several times that the administration shares the goal of China letting its currency appreciate, but the House Speaker has called it a dangerous overreach by Congress.

Does the administration share that concern, that this might -- compelling another country to appreciate its currency might be an overstep? And where are you on the -- is the administration on its review? When can we expect that to be completed?

MR. CARNEY: Let me answer this way -- that we share the goal, as you noted, of this legislation in taking action to ensure that our workers and businesses have a more level playing field with the Chinese, including addressing the undervaluation of their currency.

It is also the case that aspects of this legislation do, however, raise concerns about consistency with our international obligations. And we are in the process of discussing those issues with members of Congress. If this legislation were to advance, those concerns should be addressed.

So to restate: We share the goals, we share the concern about the need for our workers and businesses to be able to compete on a level playing field; we have, from the beginning, as an administration, worked on the issue of the undervalued Chinese currency, and it has appreciated to some degree as a result, we think, of those efforts. More needs to be done, and we certainly also have concerns about this particular legislation and whether or not it would create consistency issues with our international obligations.

Q Could you explain more about the consistency issue? What do you mean by that?

MR. CARNEY: Well, I think we have a series of international obligations that we adhere to, and that we wouldn't want legislation that would be less than effective because it conflicted with our international obligations.

Q Is there a concern that this could lead to a trade war, as the Chinese have said it might?

MR. CARNEY: Well, that's speculation that I don't want to engage in. I think that we're talking with members of Congress about it. We will -- if this legislation were to advance and emerge from Congress, we would continue to talk with members about the need to address these concerns.

Q So the review is done, and this is the --

MR. CARNEY: Well, I think the process is ongoing, obviously, as it's ongoing in Congress. And our conversations about it will continue.

Q And so, what was -- sorry, one other quick subject. The Nobel Peace Prize will be announced in coming days. The President said when he was awarded his Nobel Peace Prize, in October 2009, that he was humbled by it, that he felt it was more of a call to action than a reward for actions that he had actually taken. Does the President feel that at this stage he has earned his Nobel, given the current --

MR. CARNEY: I can assure you that that is not a conversation probably any of us have had with him, because he does not think about it in those terms at all. He's focused -- as concerns matters of war and peace, and of national security and the need to protect the United States and advance our interests around the globe, he takes an approach that he thinks increases American stature, enhances our security, and enhances our opportunities to affect events globally in a way that increases the prospects for peoples around the world to

enjoy democracy and peace and freedom.

That is the approach he's taken with the uprisings in the Middle East, in the Arab Spring. It is the approach he's taken around the world. And it is a component part of the approach that he's taken to ensuring that he does everything he can, as President of the United States and Commander-in-Chief, to take the fight to those who would do harm to Americans and the United States and our allies, principally al Qaeda, and to ensure that we are, through all our means, advancing American interests around the globe in a way that both protects us and improves our cooperative relationships with our allies and partners.

Q He feels like he has promoted peace in the two years since he was awarded --

MR. CARNEY: I think he has promoted a foreign policy and a national security policy that he believes has been in the best interests of the American people, and judgments about -- like that, he'll leave to others to make when he leaves office in about six years.

Yes. (Laughter.)

Q The President -- and the White House in general -- are not talking to Republicans in the way they did during the --

MR. CARNEY: Do you guys all get a memo in the morning to, like -- "Remember to ask Jay about meetings that should be happening"?

Q I'm not talking about -- I'm not even -- I'm just -- I'm not trying to get processy. But if there aren't -- if there isn't the outreach that we saw in the past on trying to avert a government shutdown or increase the debt ceiling -- I mean, you have to read into that. Why the change?

MR. CARNEY: We've been very candid and transparent about the approach that we're taking in promoting the American Jobs Act and trying to get Congress to act on it, because it's in the interest of the American people.

Someone I think on the Republican side suggested yesterday or the day before that it's somehow a problem or wrong that the President is out there talking about the American Jobs Act with the American people as opposed to sitting in a room with members of Congress. His responsibility as President is to have these conversations with the American people, to take his message out and explain the approach he's taking, and, in this case, and to urge Americans

who believe, as he does, that Congress needs to act, that Washington needs to act, to take action to grow the economy and create jobs, to make their voices heard with their representatives, their senators and congressmen that they've sent to Washington.

But one does not preclude the other. I mean, the fact of the matter is, we are now going to have the Senate vote on the President's jobs bill. So something is working. And we believe that the approach we're taking will hopefully get the House to --

Q But it won't pass. But it won't pass. It likely won't pass. So how is that anything more than setting up a political argument of Republicans are protecting the wealthy, which it seems the White House is doing?

MR. CARNEY: I think, again, our goal, our highest priority, is to pass this bill and all the elements within it. If we were to get only some of the bill, that would be a good thing; it would not be enough, and we would keep up the fight.

If, in the end, we get all of it, whether in whole or in part, by the end, if we get it all, that would be a victory for the American people. We would be very satisfied with that if Congress took that action in that way.

So I think that predictions about what Congress will do -- I think a couple days ago folks were predicting that the Senate wasn't going to vote on it, and that looks not to have been a wise forecast.

So we'll see how this plays out. When it does get to the Senate, I think that every -- if 100 senators will not vote yes, then those who vote no will have to explain what is it they oppose, and why, and what priorities are they balancing if they're revenue increases on the wealthiest Americans to pay for legislation that would put teachers back to work and construction workers back to work and would give a tax cut to every working American, 150 million Americans, \$1,500 next year for the average American family. They don't want to do that because they don't think -- they think that the choice is not fair, that the most successful and affluent Americans shouldn't pay more, shouldn't pay their fair share, then they ought to say so.

And if, then, we come to a point where we get pieces of the legislation, if your grim predictions prove true that we don't get the entire bill here at the White House to be signed in whole, then we will ask that question as each piece is passed and others are left behind, because we think that there is enormous widespread, bipartisan support out in the country for the provisions contained within the bill, and there is an enormous need here.

I mean, you've heard what people are saying about where our economy is right now. We need to take action. This is not -- it's really not an option to just sit on the sidelines and say, well, I hope it gets better. Certainly that's not the way that the American people feel.

So we think Congress needs to take action. We're going to continue to press for Congress to take action. We're gratified by the progress being made in the Senate, and we hope that we see the same kind of progress in the House.

Q So the President is okay with --

MR. CARNEY: And we will meet -- we will discuss and meet with leaders, as well as take the -- take this discussion out among the American people, which we certainly think is a worthwhile thing to do.

Q So the President is what with the 5 percent surcharge?

MR. CARNEY: We have said all along that we put forward our proposal that we thought was the best way to pay for it, that alternatives --

Q But these are (inaudible) Senate Democrats' alternatives.

MR. CARNEY: Yes, alternatives to pay for it were obviously available. Remember that our provision for the pay-fors was designed so that we could submit to Congress specific legislation that if it passed in a vacuum would be paid for, and nothing else happened. But as you know, within our legislation, it's linked to action by the super committee, and it would, if passed, would compel the super committee to extend or increase the amount of its savings in order to pay for this. It was basically a trigger-off provision.

So if the super committee found alternative means to pay for the jobs bill that were different from our pay-fors, then it would trigger off, turn off the pay-fors we had.

So what is important to us in the bill are the job-creating, economy-growing measures. The pay-fors, as long as they're -- they meet the principles the President has set forward, are up to Congress to decide.

Q And sorry to monopolize your time, but you said that Republicans would

need to say why they don't stand for it. Mitch McConnell has actually already told our Hill producer, Ted Barrett, that he would be against the surcharge because raising taxes during a recession is not a good idea. Your response?

MR. CARNEY: I would simply say that that's unfortunate; that the American people are making it very clear that they want action on the economy, they want action on jobs. The American people are very clear that they feel that an appropriate way to pay for the necessary action on the economy and jobs is to ask the wealthiest Americans to pay a little more, and those who disagree obviously have to explain that to their constituents.

I don't expect that we'll get every Senator; it sounds like we've lost one and I suppose we'll lose more. But this President is focused on a proposition here that has broad support in the American public. And it's just -- again, what's the alternative? Whatever you think of -- I mean, the jobs proposal that -- or so-called jobs proposal that has been put forward, for example, by the Republicans on the House side contains within it some provisions that this President fully supports and actually has acted on -- free trade agreements which, as you know, are moving through Congress as we speak; the patent reform bill which this President signed into law recently, and we expect and hope will unleash innovation in this country, which in turn will help create jobs.

But what that -- those proposals don't do, separated from the free trade and patent reform, is address the immediate problem. Even if you agree that everything in that proposal was the right thing to do -- and we certainly take issue with that -- but even if you did, I don't think anybody who's seriously looked at it as an economist would suggest that it would have the kind of impact on our economic growth and employment in 2012 that the President's proposal has -- not even close.

So what's the answer that those who oppose the American Jobs Act have for the problem that we have? The President agrees that we have medium- and long-term issues that we need to address. That's why he put forward his sweeping proposal for significantly greater deficit reduction than is mandated by Congress to the super committee. He agrees. And he put forward a balanced approach. He also believes we have a short-term immediate problem that we need to act on now, and we need to do things that have an effect on the economy and that accelerate hiring now. And what we haven't seen yet are proposals from others in Congress that would do that -- alternative proposals. So if they aren't available, let's vote on the jobs act, pass it, make it law.

Mr. Tapper.

Q I assume you know that the quote she said about raising taxes during a recession is not a good idea is pretty much a word-for-word quote of something President Obama said in 2009.

MR. CARNEY: I do. I think the context is different. And, again, I don't know the -- I'm hesitant to make comments on the specifics of the Senate pay-for proposal because I haven't examined it.

The fact of the matter is, if low taxes on millionaires were the answer to economic growth, what exactly happened in 2007, 2008 and 2009? Is that the answer? Because we had our lowest tax rates on the wealthiest Americans --

Q I'm not the one that said it, the President is.

MR. CARNEY: -- and we experienced a catastrophic recession.

Q So he's changed his mind?

MR. CARNEY: No. Again, I'm not going to -- this goes to what happens with the Senate provision, and I'm just not familiar with it so I don't want to address it.

This is about choices. The President thinks that if it's a choice between millionaires whose successes are a blessing of being American and being part of this great country and the opportunities that it provides, should pay a little more to help this economy move forward, to put teachers back to work and construction workers back to work and give a tax cut to working Americans, then, yes, he thinks that tradeoff is sensible.

Q It's actually -- I mean, I think it's actually more a question of timing, in some ways, because the President's proposal raises taxes, but as he has pointed during his barnstorming tour, not until 2013, and the Democrats' proposal actually would raise taxes, I believe, as of the first of the year. So is the President going to stop saying that in his speech?

MR. CARNEY: Again, I would have to look at the provision here. I think that --

Q I'm telling you what it --

MR. CARNEY: Well, I would --

Q You don't trust me. (Laughter.)

MR. CARNEY: I do trust you, Jake, but the problem is I wouldn't want to comment if there were specifics that I'm missing here, and -- but look, the broad point stands -- the second broad point also stands, that if we have to make choices here, that this trade-off is an acceptable one, whenever the revenue increases kick in, because of the urgent need we face to address an economic problem.

Q Okay. So since you had your briefing last, a couple bits of news have come out. One is, the House Democrats released some emails about the Solyndra controversy, and specifically about the Department of Energy's vetting process. And as you know, there are a lot of officials at the Department of the Office of Management and Budget who are concerned about the vetting process at the Department of Energy -- the word "oblivious" was used. Another OMB official said that -- I forget the exact language -- but implied that the Solyndra case is just the tip of the iceberg -- "Bad days are ahead."

Has the administration gone back to the Department of Energy to make sure that this vetting process for these taxpayers' dollars -- billions in taxpayer dollars -- is as rigorous as is necessary?

MR. CARNEY: I got a version of this question a few days ago and I can tell you that as this process has moved along, from the beginning -- and this is a program, as you know, that existed in the Bush administration before we took over; its funding increased through the Recovery Act but it was an existing program where loan applications, loan guarantee applications were reviewed by career experts, and that --

Q They were (inaudible) at Solyndra, though --

MR. CARNEY: And that is -- well, no. They sent back the application. And the person who headed that office under President Bush, for a large part of President Bush's two terms in office, has said that he might have made the very same call on Solyndra.

There is no question -- I think you have to step back and say, look, if you're going to do a loan guarantee program, a loan guarantee program has within it a risk. There is no guarantee -- the reason why you're backing up these loans is because there's no guarantee of success, but you believe, as a matter of policy, that these investments are worthwhile because you believe that the industries represented by these investments are essential to the economic future of the country.

The Chinese certainly believe that, and they're investing billions and billions of dollars in clean energy technologies and it --

Q I'm talking about the officials in OMB who are saying that the guys that manage the department aren't doing due diligence.

MR. CARNEY: I understand that there was -- there were differing opinions here. What is also true is that -- and there is substantial data on this about all the people who thought that this was a bet, and -- but a worthwhile one, including all sorts of private investors who thought it was worthwhile, as well as assessments made by The Wall Street Journal and others about the potential for this company as an innovative company.

It is obvious that not every investment is going to succeed, and we are disappointed that this one didn't. But the overall program continues to succeed. And what we refuse to buy into is the defeatist attitude that was expressed just the other day -- yesterday, I think, maybe the day before -- by the Chairman of the Energy Committee in the House who said, we can't compete; the United States cannot compete with China in the solar energy field or the wind turbine field.

Really? So that's it? For the next -- I mean, in these vital industries we're just going to be buying our technology and our products from China? I don't think that's an approach that the American people want to hear from Washington. Because we're the United States of America. These are vital industries. We should be investing in them, helping them grow so that they can create jobs here and they can enhance our energy independence.

Because don't forget, if we're reliant on foreign countries for the technology for renewable energy, we're only -- then we just become reliable -- even as our reliance on oil decreases, we rely on imports for other forms of energy. And that's just -- that's not sensible national security policy, and it's not sensible economic policy. So we remain --

Q Is the vetting any more rigorous? That's really just the question.

MR. CARNEY: I'm sorry. But the -- and I think I addressed it, and I addressed it in the past -- it has been evaluated and adjustments have been made -- not in the last few weeks or months because of these stories -- but all along, from the beginning. And that's my understanding. And for more specifics I would refer you to the Department of Energy. But it's important to just step back and look at why this program is worthwhile, why folks in the previous administration thought it was worthwhile, why people who understand the vital

importance of the clean energy industry, in general, to the 21st century, believe it's worthwhile. And the President remains committed to it.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011, when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

Yes.

Q On Solyndra for just a second before we get back to the --

MR. CARNEY: Sure -- urgent need to create jobs and grow the economy.

Q -- urgent need to create jobs. The question was never whether you were going to lose money on venture capital. Of course you can. The question was whether this particular program was properly vetted and whether the technology itself was vetted properly in addition to the financial arrangements. I mean -- and that's the question.

MR. CARNEY: Well, sure. And I think that -- that is a question. One question has been about was the -- was there undue, inappropriate influence. And there is no evidence to suggest there was because -- precisely because career experts at the Department of Energy were evaluating these loan applications and recommended that we move forward on Solyndra.

The fact that people knew that, as you would expect --

Q But the people at OMB raised questions about this, as you very well know.

MR. CARNEY: Again, and the experts -- rather than here at the White House, the experts at the Department of Energy made that judgment. But to say that every -- if these things were absolutely, patently obvious and clear, and 100 percent everybody agreed, then they wouldn't be in an industry that requires the kind of investments that we're talking about. The reason why you have these loan guarantee programs is because you need to help seed these industries so that they then can grow and attract private capital, which you understand.

Q Sure, but there are also questions raised about the kind -- the particular kind of solar technology --

MR. CARNEY: No, actually, the questions were raised -- this has to do with Chinese actions on the pricing of solar panels and subsidies and that kind of thing. The technology itself, as I understand it, was widely celebrated within the community --

Q There were questions raised about the particular kind of technology Solyndra was --

MR. CARNEY: Well, again --

Q Anyway --

MR. CARNEY: That's a process that was evaluated by -- over at the Department of Energy. And for more details on that, you can -- I refer you to them.

Q So you're aggressively pursuing the American Jobs Act. What does that

mean apart from the President going out every couple of days and saying "pass this bill"?

MR. CARNEY: Well, there is an extraordinary amount of contempt expressed here and apparently on Capitol Hill for the idea that the President of the United States should actually go out and meet and talk with the American people.

Q No, I'm not expressing contempt for that at all.

MR. CARNEY: I find that rather surprising because --

Q I'm just asking if that's all you're doing.

MR. CARNEY: First of all, he's spending a lot of time focusing on this, as he should be, because it is the number-one priority of this administration, this President, and this American public. And he is engaging -- it's another way of asking what kind of conversations is he having with members of Congress.

And he's having those conversations, and he will continue to have those conversations. His senior team here will continue to have those conversations, and eventually I'm sure negotiations as we move forward. But I simply reject the idea that there is not a compelling reason for him to go out and talk about this --

Q I didn't suggest there wasn't.

MR. CARNEY: -- in Texas, or Ohio. In Kentucky or Virginia. All over the country -- Seattle, California. This is the urgent priority the American people have made clear they have, so I think Presidents deserve to hear from -- rather, the American people deserve to hear from their President.

Q Senate Democrats were not going to vote on this bill until they're ready, which is sometime next week. Durbin himself said --

MR. CARNEY: Six days is not --

Q No, Durbin himself said -- Durbin himself said last Friday --

MR. CARNEY: -- soon enough for you?

Q -- they didn't have the votes, and yet the President is ragging on the Republican House to vote.

MR. CARNEY: Here's what I'll tell you, Bill. First of all, the Senate, as you know, today announced that it's moving forward and will have a vote on this legislation. I am confident --

Q Right. They didn't say when.

MR. CARNEY: No, they said next Tuesday. Pretty soon.

Secondly, I am absolutely confident that the overwhelming majority of Democrats who have an opportunity to vote on the American Jobs Act will vote yes. And I hope that that would be true of the Republicans as well. So, I mean, there's no question where this President stands, where Democrats stand, and outside of the hothouse of Congress, where Americans stand who identify themselves as independents, Democrats and even Republicans about what we need to do to address our economic problems.

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago, I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.

Q Last thing. There were some riots in Greece today, and Mayor Bloomberg recently suggested that because of high unemployment there could be riots in the streets of the United States. And right now we don't have riots but there's the Occupy Wall Street movement that's going on. What's the White House view about Occupy Wall Street, and what do you think about the riots in Greece and whether or not something like that could happen here?

MR. CARNEY: Well, I'll leave aside the comparison to Greece. The fact is that there are Americans out there who are understandably frustrated with the economy, with their difficulty in finding a job or holding onto a job. I mean, this is exactly why the President is -- despite Bill's contempt -- barnstorming around the country arguing for the urgent need for Congress to act on the American Jobs Act.

So I think that it's understandable that there's frustration. And need I remind you that this President fought -- and it wasn't always pretty -- to make sure that we passed sweeping consumer protections in the Financial Reform Act that was opposed by Congress, and that which members -- I mean, Congress, by Republicans in Congress -- Republicans now who want to repeal it.

Why? I mean, in part because millions and millions of dollars are being spent to lobby against it by the industries who don't like it. But the -- look, we got into an awful mess because of in part some of the actions that were taken by Wall Street. And two things are true about the actions this President took in the wake of that, when he took office during the worst recession since the Great Depression -- a catastrophic contraction in the economy, catastrophic job loss.

One, he had to ensure that we stopped the bleeding and we prevented a depression. He also wanted to make sure that we -- he believes very strongly in capitalism and the absolute need for the United States of America to have a vibrant, strong financial sector. And he took actions that weren't necessarily popular to make sure that that remained the case -- and he's got the scars to prove it.

He also believes that that industry needs to be held to account, and that we need to take actions to ensure that the kind of things -- the kinds of things, the kinds of actions and behaviors that helped cause this incredible crisis can't happen again. And that's why he fought to pass the Financial Reform Act. And it provides protections to consumers that are vital, and lays out some rules of the road that Wall Street should follow, and that, again, the vast majority of Americans agree with him on this.

Q Jay, over the last couple of days, a plot to assassinate Hamid Karzai was apparently foiled. Mr. Rabbani, the designated peacemaker, was assassinated about two weeks ago. President Karzai has suspended talks with elements of the Taliban who may or may not have been willing to lay down their arms. And now the Pew Research Center has a poll out this morning saying one in three American veterans -- post-9/11 veterans say the wars in Iraq and Afghanistan are not worth it.

Given everything that's going on and all the corners that have been turned

in Afghanistan only to lead to wide alleys, what does the President say to those veterans?

MR. CARNEY: Thank you. Because their country asked them to do heroic, extraordinary things. And for the veterans who came back, we honor their service every day.

This President's position on Iraq, which was the principle preoccupation of the previous administration in terms of these wars, was clear during the campaign, and his promises are being kept. He is ending that war, has ended it. And we are on track to remove all troops from Iraq by the end of the year. And we are doing it -- we're ending that war in a responsible way.

On Afghanistan, he made clear during the campaign that partly because of the preoccupation and focus on Iraq, the effort in Afghanistan was neglected. He has kept his promise to refocus our attention on Afghanistan and to make clear that our objective and primary goal there is to defeat al Qaeda, the enemy that attacked us on September 11, 2001.

He is meeting those objectives and he is keeping those promises. As you know, the drawdown from the surge forces is underway. It will be complete. And then we will -- by next year, next summer, I believe -- and then we will continue to draw down forces to the point where we turn over security lead to the Afghans by the end of 2014.

These are hard fights, and the sacrifice is immense and tremendous. And, again, to go back to the beginning, he is extraordinarily grateful -- we all are, and everyone I believe here -- for their sacrifice and service.

Q A final question. When you -- when the President unveiled his stimulus/not a stimulus, the \$450 billion jobs plan, the Buffett rule was only a principle. Now Senate leaders have gone further than simply a principle and probably further than the principle that was enunciated, as I understood it, anyway, to make sure that millionaires pay their fair tax -- Warren Buffett pays the same rate as his secretary.

The President has been criticized in the past over the course of his administration for ceding leadership to Congress and elsewhere on health care and ending up with sort of half a loaf. Core Democratic supporters even say that.

MR. CARNEY: I don't actually think so. Let me stop you there. I think achieving health care reform --

Q I mean, is he ceding leadership again on this issue?

MR. CARNEY: -- after 100 years of effort, ensuring that 30 million Americans get ensured, ensuring that people with preexisting conditions get insurance coverage, ensuring that, as we've already seen, millions of young Americans get to stay on their parents' policies -- that's a lot more than half a loaf.

Q Did the President misread Congress on the pay-fors in this issue?

MR. CARNEY: No. I'll go back, Mike, to what I said. The pay-fors are incidental, if you will. The meat of this legislation, the President's proposal, is, are the provisions that put teachers back to work, put construction workers to work, that cut taxes for working Americans, incentivize small business to grow and hire and increase their wages. And that will be voted on.

How you pay for it we've always said was something we were hoping to negotiate and debate as long as it meets the President's principles. And the Senate is taking action accordingly.

As you know -- and we had this discussion as we were trying to explain the complexity of it -- when we put forward the American Jobs Act with the pay-fors in it, we explained that they were isolated portions of what the President would put forward in his very broad deficit reduction plan, the revenue increases from that, that we were attaching to this provision to make is a standalone piece of legislation.

There was -- within it was always the possibility, because of the link with the super committee, that if other means were found to pay for it through the super committee, the pay-fors that we put in the bill would be turned off and not used.

So I think that makes clear that from the beginning we were focused on the job-creating and economy-growing provisions, and not the specific means to pay for it, as long as those means meet the President's principles.

Yes.

Q The other day the President said that he was opposed to the Bank of

America new debit fee, and that this was -- the government should do something to stop it. Is there anything the administration --

MR. CARNEY: I'm not sure he said that. I think that -- two points about that. One, let's be clear that the consumer protections -- the financial reform that passed contains within it no compulsion, no provision that compels banks to do this -- quite the opposite. It protects consumers from hidden fees.

And the other point is, obviously, that banks have to decide how they adjust to the provisions within that act, and consumers have to decide what they're going to do in reaction to that. I mean, that's how the system works. But there's nothing in the legislation that was passed -- financial reform -- that compels banks to do this.

Q Right. So is it -- is this fee a legitimate fee, albeit one that consumers may want to take into account when choosing their bank? Is this a legitimate fee that the government has no particular cause to try and stop?

MR. CARNEY: Well, it's up to the companies -- the banks, in this case -- to decide what approach they want to take, and I think that then consumers to judge accordingly. Again, this is not -- what the provision with regard to the bank swipe -- I mean, to the card swipe fee that is in the legislation has to do with insuring that small enterprises are able to -- are not gouged by the companies, the credit card companies, and therefore so that they are able to accept debit cards from consumers and customers.

How the banks decide to deal with the overall legislation is up to them. It's not a matter of compulsion that the government might engage in.

Q In his interview with ABC, he said, regarding the debit fees, "You can stop it," meaning the government could stop these fees -- and, presumably, he favored they would. And he also said that the government can tell the banks, "You don't have some inherent right to just, you know, get a certain amount of profit if your customers are being mistreated."

So does Bank of America have the inherent right to get the profit it's going to get from this \$5 fee or no?

MR. CARNEY: I think that the point is, is that there's not an inherent right. If they make decisions, they make decisions. And customers, the market reacts accordingly. We can -- he can, or anybody can, express an opinion that they think it's excessive or unfair, and some have done that.

But the point is, they didn't have to do this. And other -- different institutions will take different actions.

Q So you're saying that there's no plans, and the President has not directed any way for any agency of the government to try to stop or --

MR. CARNEY: Correct.

Q -- this fee.

MR. CARNEY: Yes.

Q Getting back to paying for the job creation bill, Jay. You said the Senate Democrats have put out an idea that we think will work. Have you now concluded that this is the best way to pay for this thing?

MR. CARNEY: Well, we put forward what we thought was the best or a good way to pay for it. Again, going back -- and I won't repeat them -- all my comments about the relative --

Q Thanks. (Laughter.)

MR. CARNEY: You hurt my feelings -- (laughter) -- but the relative importance of --

Q Nothing personal. You're a veteran --

MR. CARNEY: That's right, I can take it. I got thick skin. The relative importance of the job provisions and economic growth provisions versus how you pay for it. So we're interested in the President's bill, the American Jobs Act, moving through Congress, being voted on. The Senate is going to do that. We've said from the beginning that there may be adjustments or changes in the pay-fors. Looks like they're doing that; that's ok with us. Again, it's about meeting the principles and then getting a vote, and hopefully a law that allows for these tax cuts to go into effect and for all the provisions that will put teachers back to work and veterans and construction workers back to work.

Q A quick logistical thing I've been asked to ask you about: Is the President going to be part of this ceremony with Captain Kelly and Congresswoman

Giffords tomorrow in the Vice President's office? Is he going to see them at all?

MR. CARNEY: I'll have to get back to you. Not that I'm aware of.

Q Okay.

MR. CARNEY: I don't know.

Yes.

Q All right, thanks. If you would.

Q Just to clarify. You said DOE vetting has been evaluated. Is that since Solyndra, or before?

MR. CARNEY: I think -- well, what do you mean by -- I mean, Solyndra was a program that was --

Q Since the controversy.

MR. CARNEY: Okay. I think I addressed that and said that the process is, as I understand it -- and I would refer most of these questions to those who know the details at the Department of Energy -- has been evaluated and adjusted throughout. But not in reactions to stories in the last few weeks, but throughout the two years plus that it's been under our watch.

Q And any calls to European leaders in the past couple of days?

MR. CARNEY: I don't believe so. I can check that. We'll get back to you if there were.

Q And one final thing. Can you confirm that al-Asiri and Samir Khan were killed in the Awlaki --

MR. CARNEY: I don't think we've confirmed any death from that incident

beyond Awlaki.

Q It's been reported in a lot of places.

MR. CARNEY: I understand that. But I think we've confirmed Awlaki's death.

Q Jay, you sound as if the President is agnostic about what the pay-fors are.

MR. CARNEY: I can restate it. It has to meet his principles, but yes.

Q Right. But it's not one of his principles. The substantive tax cuts and spending are the principles, but the pay-fors are just -- you're saying making the rich pay is a principle, but whether it -- when it kicks in is not a principle.

MR. CARNEY: Ensuring it is balanced and fair, or fair and balanced, you might say, in its pay-fors is -- those are his principles, as regards how you pay for the legislation, which would put Americans back to work.

Q Right. But you're saying you're agnostic as to when the pay-fors would kick in.

MR. CARNEY: Again, I'm hesitant to engage in a discussion about the Senate proposed pay-for when I'm not familiar with the details of when it would kick in.

Q It's just that on the campaign trail since he's been going around the country he says nobody is talking about raising taxes right now. That's one of his selling points.

MR. CARNEY: Again -- well, I know, because you were sitting there, that you heard the discussion I just had. I just -- I'm not familiar with, in enough detail, to comment on that difference. And, again, the overall approach is one that we feel meets the President's principles.

Q But as part of economic policy it seems important.

MR. CARNEY: And as a matter of tradeoffs, we think those tradeoffs are worthwhile. But, again, without addressing when it would take effect, because I haven't -- I don't have the information, I'm happy to take that question tomorrow.

Q But it seems like as a matter of economic policy whether you think there should be tax hikes now or later is kind of important.

MR. CARNEY: Well, I mean, the President said what he said. Again, I will address the issue of the Senate provision when I have more information about it.

Q One other question about this. I know that in the weeks past you've been asked various versions of this, but the package itself, as you point out over and over again, is very popular. It's the pay-fors that are controversial.

MR. CARNEY: The pay-fors are very popular, too.

Q Well, it seems like the pay-fors are opposed by enough Democrats that it's allowed Republicans to point out the difference between the President and his own Democrats on this issue. So I guess my question is, why not --

MR. CARNEY: If you're saying -- and, again, this is hypothetical -- the fact that 100 percent of Republicans in the Senate presumably, if that's what they're saying, oppose something that the vast majority of the American people support, and 90 to 95 or 98 percent of Democrats support what the American people support, I think --

Q Well, whatever --

MR. CARNEY: -- who's on whose side is pretty clear.

Q -- the Democrats is not enough for you to get it passed.

MR. CARNEY: It's a -- well, the reality of the way that the Senate has been functioning is that you need 60 votes, which is why -- not a majority, but 60, for anything; naming a post office, practically -- we are going to work hard to try to convince Republican senators about the wisdom of putting teachers back to work in their states, construction workers back to work in their states, giving an expanded payroll tax cut to the citizens of their state.

So the reality of this system in the Senate is that what you need exceeds even 100 percent "yes" votes from the Democrats. But we are confident that the overwhelming majority of Democrats support this provision.

Mark.

Q Jay, just one -- just one question.

MR. CARNEY: I'm going to Mark, Lester.

Q Excuse me. And, Jay, that leads directly to my question, which is: You and the President were both really scathing over the summer about the whole idea of holding votes on things that can't pass.

MR. CARNEY: I don't remember that.

Q Excuse me?

MR. CARNEY: Look --

Q Can I just finish my question?

MR. CARNEY: Sure.

Q I mean, seriously, you were talking about how the Republicans insisted on putting their -- the House Republicans had their deficit plan that could -- the President had threatened a veto; it wasn't going to become law -- why do it? Do you still -- even with that history, do you want the House Republicans to vote on the President's plan, even though Eric Cantor says, I know my guys are not going to vote for it; it won't pass. And you don't want Harry Reid to hold a vote on the whole package, even though, when the appointed hour comes, he may well not have enough to get past a filibuster? You want that to go ahead?

MR. CARNEY: We do, Mark. And we were engaged in obvious negotiations. There were provisions that -- the absolute important difference is that the things that you were talking about that were being voted on in the House, that had no chance of clearing Congress, let alone being signed into law by the

President, were overwhelmingly unpopular, unsupported by the American people. Voucherizing Medicare -- check your data -- not popular. The kind of approach that was represented in the House Republican budget -- not -- this was not something that had the American people's support.

What we know about the American Jobs Act and the provisions within it is not only does it have the support of the American people, every provision in it has been supported -- or similar provisions to it -- the kinds of provisions that are in the American Jobs Act have been supported overwhelmingly by Republicans in the past, including Mitch McConnell.

So that's a big -- that's a huge difference. When you talk about -- and it's a huge difference when you talk about the admittedly difficult task, but possible task, of convincing members of Congress to actually vote with the people they represent, to vote in line with how they voted in the past. So I would say that distinction is pretty significant.

Q So a symbolic vote is okay --

MR. CARNEY: I don't think it has to be symbolic.

Q -- if it polls well.

MR. CARNEY: I don't think it has to be symbolic. And I think that we need to take urgent action on the economy, and that's what the American people are saying. There wasn't a groundswell of the American people saying, you know what? What we need right now is to dismantle Medicare, charge seniors \$6,000 more per year, and that will answer all our problems. I can guarantee you that wasn't what we were hearing from the American people.

Carrie.

Q Jay -- Jay, I was next.

MR. CARNEY: Carrie.

Q I was next.

MR. CARNEY: I'm afraid --

Q One question.

MR. CARNEY: I'm afraid the Washington Post was next.

Carrie.

Q Thanks, Jay.

MR. CARNEY: Now Politico is next.

Q I was confused for a second. Shifting gears a little bit to the super committee, does the President believe that the Pentagon can take -- handle any more cuts above the \$350 billion that was prescribed in the Budget Control Act? Does he think that the Pentagon can take any more cuts as part of any kind of next phase of this deficit deal?

MR. CARNEY: Well, I don't want to get into sort of incremental stuff. I think that one essential truth about the trigger --

Q I'm not asking about the trigger.

MR. CARNEY: Well -- but is that those cuts, with regard to defense spending, are significant and not ones that we think are the right way to go, which is just another reason for the super committee to avoid that outcome and take action that represents a balanced approach to deficit and debt reduction.

Q But there is that possibility of a figure that's lower than the \$600 billion that could -- just the Pentagon could take --

MR. CARNEY: What we think --

Q -- does the President think that that should be on the table, even an amount less than \$600 billion?

MR. CARNEY: Well, I don't want to get into drawing lines about what dollar figure is acceptable. The President put forward his proposals and contained --

and those proposals contain within them reductions in spending, as well as cuts in entitlement costs and revenue increases.

He believes that's the right approach to take, and that you don't need to do anything dramatic to entitlements, to defense, certainly to non-defense discretionary if you approach this in a balanced way. You can achieve significant long-term deficit and debt reduction on the order of the \$3 trillion he put forward, in addition to the \$1 trillion already agreed upon, if you do it in a balanced way that doesn't put the burden unduly on any sector of the government and its responsibilities, including national security, or on any segment of society.

Q And I just have one follow-up question on the -- or I'm sorry, the \$1 million threshold that you were talking about. The Senate Democrats -- talking about the surtax, the President in his principle seems to start at \$1 million or above millionaires. Why is -- is there an attempt to back away from the \$250,000 level? I mean, is there any kind of now protected status for people under \$1 million? Has it changed at all, or is this just something --

MR. CARNEY: This President supports the expiration of the Bush tax cuts for the highest-income earners, those making more than \$250,000. That has not changed. Full stop.

He also supports tax reform that would as a guiding principle contain within it the Buffett rule, and those things coexist happily, as does the Senate approach to this. One does not cancel out the other. But, again, the Buffett rule -- or Buffett principle is an approach that he believes should guide Congress as it deals with the complex issues of tax reform.

Let me go to April. Yes.

Q Jay, there's been a groundswell on the issue of voter suppression. What is the White House and the Justice Department doing to look into issues of voter suppression to include the voter ID issue?

MR. CARNEY: April, it's a good question. Those kinds of things are handled by the Department of Justice. I mean, we obviously believe that the right to vote is a fundamental right of every American citizen that should be honored and upheld and certainly not suppressed. But I don't have any details about what Justice might be doing to look into those issues, but it's a vital principle.

Q I know it was -- I know early on the White House said it was basically a state issue. But because it's become more of an issue, has the White House called, worked with Justice on this?

MR. CARNEY: I don't know the answer to that. Again, Justice would be working on it if there was actions of any kind, so I would refer you there.

Q And I want to ask you one more question. As you are actively involved in campaigning now, 13 months out -- the administration, President, to include the campaign has said this is going to be a hard-fought election. Has there been attacks on this President or the presidency in regards to issues of race? Do you think it's both? Or do you think it's just one?

MR. CARNEY: Honestly, April, we're just not focused on that, not because it's not a question that you might ask, but because this President firmly believes that Americans out there have serious challenges and problems that need to be addressed. And he's been hired to lead the country and to address these challenges, and he's not worried about himself at all. He's worried about a recovery that's not moving quick enough, unemployment that's unacceptably high. And he feels like if he puts forward ideas and articulates them well and convinces Congress to take them up and pass them, and that, in turn, results in some much needed help for the American people, some much needed help for this economy, and for those who are looking for work, that that -- that would be a big success, and that's why he's focused on that.

So he doesn't -- I mean, campaigning is one thing. And he's obviously going to engage in the campaign, and he's -- and he has campaign events. But, I mean, I just know, from spending so much time with him, this is not about him. It is not at all about him. It is about the reason he got in to begin with, which was he saw leadership in Washington that had sort of taken its eye off the ball, both on our domestic issues and our national security issues; that we were -- that the middle class was falling behind; that in a decade where the wealthiest Americans had seen their incomes and their share of the country's wealth expand dramatically, the middle class had been running in place or falling behind.

And so that's what he really is focused on. He doesn't -- we don't spend any time talking about the kinds of issues that you're raising.

Q But wait a minute, what we're seeing -- and many people have remarked we've seen attacks on this President that we have not seen with other presidents before. And this is a question -- if you attack him with his race, is that an attack on the presidency? Because he is the President of the United States.

MR. CARNEY: I think, again, we're just -- it's not the kind of thing we're focused on. Politics is -- can be a rough-and-tumble business, but it's a business that, at its best, is engaged in doing right by the American people. So that's what he's focused on.

Thanks very much, guys.

Q Thank you.

END

2:55 P.M. EDT

From: Schmaler, Tracy (OPA)
To: 'Lehrich, Matt'
Sent: 10/5/2011 6:35:15 PM
Subject: RE: Press Briefing #82 by Jay Carney

Spot on. Ed – (was it henry?) is missing the preamble to issa q's (that issa's staff cut out) – it DID mention tactics ... but Jay was great --- thanks

From: Lehrich, Matt [mailto:Matthew A. Lehrich]
Sent: Wednesday, October 05, 2011 6:34 PM
To: Schmaler, Tracy (OPA)
Subject: RE: Press Briefing #82 by Jay Carney

DP

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Wednesday, October 05, 2011 6:33 PM
To: Lehrich, Matt
Subject: RE: Press Briefing #82 by Jay Carney

Thanks - Just looked at it.

DP

DP

From: Lehrich, Matt [mailto:Matthew A. Lehrich]
Sent: Wednesday, October 05, 2011 6:24 PM
To: Schmaler, Tracy (OPA)
Subject: FW: Press Briefing #82 by Jay Carney

This hasn't gone out to press yet, but here's our internal copy.

From: Nielsen, Jennifer D. (Contractor)
Sent: Wednesday, October 05, 2011 6:09 PM
Subject: Press Briefing #82 by Jay Carney

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 5, 2011

DOJ-FF-61537

PRESS BRIEFING

BY PRESS SECRETARY JAY CARNEY

James S. Brady Press Briefing Room

1:51 P.M. EDT

MR. CARNEY: Good afternoon, ladies and gentlemen. Thanks for coming to your daily briefing at the White House. I have no announcements, so I go to the Associated Press.

Q Thank you. Given that White House officials have said that you worked with Senate Democrats on their millionaire surtax proposal, has the White House also been working with congressional Republicans on changes to the pay-fors?

MR. CARNEY: I'm not even sure -- that question doesn't make a lot of sense to me. We are interested in Congress taking up, in the Senate and in the House, the American Jobs Act. We are pleased, obviously, that the Senate will be taking up the President's American Jobs Act next week. We hope that the House will do the same.

And we are -- to answer your question broadly, as I've said before, we are in communication with Congress -- both parties, both houses; leadership, both parties, both houses -- in general about the agenda going forward this fall. And the primary -- the highest priority on the President's agenda is the American Jobs Act.

So regarding the Senate bill, or the process in the Senate -- and this would apply to the House -- we have said all along, from the very beginning, that we are open to different ways of paying for the very important, broadly supported measures in the American Jobs Act that would grow the economy and create jobs, and of course we've worked with the Senate as they've settled on a way to pay for it.

That would be true, too, in the House. If the House -- if the obstacle in the House to taking up the full measure is coming up with a way to pay for it, we're certainly open to that, as I've said many times from this podium, and we'll have those discussions, as long as -- but the principles have to be met here. It has to be paid for in a way that is balanced and fair; that doesn't put the burden on the middle class, which has borne such a substantial burden, both of the Great Recession and the essentially middle-class -- what was

essentially middle-class stagnation for the decade prior to it -- or on seniors through voucherization of Medicare or any other segment of society.

The President's belief and approach is based on the idea that those who have succeeded in this country, in this great country of ours, should pay their fair share. And when we have to make choices between taking measures that create jobs and put teachers back to work and construction workers back to work and put -- through tax cuts, put money in every working American's pocket and give tax cuts to small businesses so that they can grow and hire, or giving preferential tax treatment to the wealthiest Americans -- the President thinks the choice is clear.

So if there's a way that the House wants to approach this that reflects those principles, we are more than willing to have that discussion.

Q I just want to make sure I'm clear, though. When you said that the White House has also been in discussions with Republican leaders, does that mean that the White House has talked with McConnell about -- or Boehner about the millionaire surtax?

MR. CARNEY: I'm not going to get into specific conversations. There is an obsession with --

Q But we know that you have been in conversations with Democrats.

MR. CARNEY: -- with process that the American people, the consumers of your product, do not care very much about. What they want is --

Q It's not about process, though.

MR. CARNEY: It is process.

Q It's not, though, because there's an impression -- if all we know is that the White House is dealing with Democrats and not Republicans, then it gives off an impression that the objective is to rally a unified Democratic Party and set the Republicans --

MR. CARNEY: Well, let me just -- let me just -- no, no. I said the other day, we would be elated if the result of this process were passage of the American Jobs Act, in its entirety, all the component parts --

Q What process?

MR. CARNEY: What's that?

Q What process? You said the result of this process.

MR. CARNEY: No, but if the idea that our goal here is to use this as a political weapon -- it's not. Our goal is to take action to put Americans back to work and to deal with our economy.

Look, we can't be casual. We can't be sitting back, hoping that things get better. This President believes that we are in a precarious situation in our economy as we continue to struggle to recover from the worst recession since the Great Depression. We have an employment crisis that continues to need to be -- needs to be addressed. And it is simply not an option to do nothing. And it's not an option to pass measures that, even if they were all the right things to do -- and we certainly debate that, but I'm talking about the House Republican proposals -- no economist -- serious economist, independent economist, would suggest that those measures would have a direct, immediate impact on growth or job creation.

The problem is, we need to take measures to address our short -- medium-term and long-term economic health and fiscal health, but we also have to do things right now to address our short-term problems.

So to back up again, we are -- we will, as this process goes forward, be more than willing to have discussions with the leaders in the House, of both parties, about how we can move this legislation forward in the House. And we look forward to those discussions.

Q Are you waiting for them to come to you?

MR. CARNEY: But the -- look, the Majority Leader of the House, as the President noted yesterday, declared preemptively that he wasn't even going to bring it up to a vote. Well, we just think that's unacceptable. What is it that he opposes in this bill?

Q Where's the process? To go back to his question.

MR. CARNEY: Why not -- well, look, bring it up for a vote, and if we then get to a point where we can -- where we need to move on individual provisions within the jobs act, then let's do that. And as we've said in the past, as long as they're paid for in a way that meets the President's principles, he will sign them into law and then say, where's the rest? Because all of these provisions are essential for the health of the economy.

I mean, we're not -- we are aggressively pursuing this because we think it is absolutely the best thing for the American economy.

Q Jay, can I just ask one question on the substance of the Senate Democrats' proposal? It sounds like this surtax would start January 1, 2012. Is the President comfortable with the idea of raising taxes on a percentage of Americans at a time of economic uncertainty?

MR. CARNEY: Well, I haven't -- I confess that I haven't studied the provision to that level of detail. So I would just say in general that we believe that the jobs provisions, the economic growth provisions in the American Jobs Act need to be paid for -- that was the principle the President set out from the beginning, and that's why the legislation he sent up contained within it provisions that paid for it entirely -- and that in doing so, you need to do it in a way that's fair and balanced, and that puts the burden not on the middle class and not on seniors and other sectors of our society who have borne such a heavy burden in the recent past. So we're open to different ideas. The Senate has put forward -- Senate Democrats have put forward a different idea that we think would work.

The important part -- the important aspect of this is, is that the bill they will vote on is the President's bill in its entirety, in terms of putting teachers back to work, up to 280,000 laid-off teachers around the country, up to a total of 400,000 teachers overall; putting construction workers who are idle back to work building bridges, rebuilding schools, highways; putting \$1,500 on average into working Americans' pockets next year through the payroll tax cut and expansion; a tax cut for small business so that they can grow and hire; incentives for small business -- rather, for all businesses to hire our incredibly talented and experienced veterans returning from Iraq and Afghanistan.

These are all provisions that will be contained in what the Senate votes on, and we think should get 100 votes in the Senate, because they are all -- first of all, they'll be paid for in a way that's fair, that the vast majority of the American people support. And there are provisions that absolutely make sense at this time of economic need -- when we need to grow the economy and create jobs.

Yes.

Q The Senate is expected to take up -- to vote on the China currency bill tomorrow. You have said several times that the administration shares the goal of China letting its currency appreciate, but the House Speaker has called it a dangerous overreach by Congress.

Does the administration share that concern, that this might -- compelling another country to appreciate its currency might be an overstep? And where are you on the -- is the administration on its review? When can we expect that to be completed?

MR. CARNEY: Let me answer this way -- that we share the goal, as you noted, of this legislation in taking action to ensure that our workers and businesses have a more level playing field with the Chinese, including addressing the undervaluation of their currency.

It is also the case that aspects of this legislation do, however, raise concerns about consistency with our international obligations. And we are in the process of discussing those issues with members of Congress. If this legislation were to advance, those concerns should be addressed.

So to restate: We share the goals, we share the concern about the need for our workers and businesses to be able to compete on a level playing field; we have, from the beginning, as an administration, worked on the issue of the undervalued Chinese currency, and it has appreciated to some degree as a result, we think, of those efforts. More needs to be done, and we certainly also have concerns about this particular legislation and whether or not it would create consistency issues with our international obligations.

Q Could you explain more about the consistency issue? What do you mean by that?

MR. CARNEY: Well, I think we have a series of international obligations that we adhere to, and that we wouldn't want legislation that would be less than effective because it conflicted with our international obligations.

Q Is there a concern that this could lead to a trade war, as the Chinese have said it might?

MR. CARNEY: Well, that's speculation that I don't want to engage in. I think that we're talking with members of Congress about it. We will -- if this legislation were to advance and emerge from Congress, we would continue to talk with members about the need to address these concerns.

Q So the review is done, and this is the --

MR. CARNEY: Well, I think the process is ongoing, obviously, as it's ongoing in Congress. And our conversations about it will continue.

Q And so, what was -- sorry, one other quick subject. The Nobel Peace Prize will be announced in coming days. The President said when he was awarded his Nobel Peace Prize, in October 2009, that he was humbled by it, that he felt it was more of a call to action than a reward for actions that he had actually taken. Does the President feel that at this stage he has earned his Nobel, given the current --

MR. CARNEY: I can assure you that that is not a conversation probably any of us have had with him, because he does not think about it in those terms at all. He's focused -- as concerns matters of war and peace, and of national security and the need to protect the United States and advance our interests around the globe, he takes an approach that he thinks increases American stature, enhances our security, and enhances our opportunities to affect events globally in a way that increases the prospects for peoples around the world to enjoy democracy and peace and freedom.

That is the approach he's taken with the uprisings in the Middle East, in the Arab Spring. It is the approach he's taken around the world. And it is a component part of the approach that he's taken to ensuring that he does everything he can, as President of the United States and Commander-in-Chief, to take the fight to those who would do harm to Americans and the United States and our allies, principally al Qaeda, and to ensure that we are, through all our means, advancing American interests around the globe in a way that both protects us and improves our cooperative relationships with our allies and partners.

Q He feels like he has promoted peace in the two years since he was awarded --

MR. CARNEY: I think he has promoted a foreign policy and a national security policy that he believes has been in the best interests of the American people, and judgments about -- like that, he'll leave to others to make when he leaves office in about six years.

Yes. (Laughter.)

Q The President -- and the White House in general -- are not talking to Republicans in the way they did during the --

MR. CARNEY: Do you guys all get a memo in the morning to, like -- "Remember to ask Jay about meetings that should be happening"?

Q I'm not talking about -- I'm not even -- I'm just -- I'm not trying to get processy. But if there aren't -- if there isn't the outreach that we saw in the past on trying to avert a government shutdown or increase the debt ceiling -- I mean, you have to read into that. Why the change?

MR. CARNEY: We've been very candid and transparent about the approach that we're taking in promoting the American Jobs Act and trying to get Congress to act on it, because it's in the interest of the American people.

Someone I think on the Republican side suggested yesterday or the day before that it's somehow a problem or wrong that the President is out there talking about the American Jobs Act with the American people as opposed to sitting in a room with members of Congress. His responsibility as President is to have these conversations with the American people, to take his message out and explain the approach he's taking, and, in this case, and to urge Americans who believe, as he does, that Congress needs to act, that Washington needs to act, to take action to grow the economy and create jobs, to make their voices heard with their representatives, their senators and congressmen that they've sent to Washington.

But one does not preclude the other. I mean, the fact of the matter is, we are now going to have the Senate vote on the President's jobs bill. So something is working. And we believe that the approach we're taking will hopefully get the House to --

Q But it won't pass. But it won't pass. It likely won't pass. So how is that anything more than setting up a political argument of Republicans are protecting the wealthy, which it seems the White House is doing?

MR. CARNEY: I think, again, our goal, our highest priority, is to pass this bill and all the elements within it. If we were to get only some of the bill, that would be a good thing; it would not be enough, and we would keep up the fight.

If, in the end, we get all of it, whether in whole or in part, by the end, if we get it all, that would be a victory for the American people. We would be very satisfied with that if Congress took that action in that way.

So I think that predictions about what Congress will do -- I think a couple days ago folks were predicting that the Senate wasn't going to vote on it, and that looks not to have been a wise forecast.

So we'll see how this plays out. When it does get to the Senate, I think that every -- if 100 senators will not vote yes, then those who vote no will have to explain what is it they oppose, and why, and what priorities are they balancing if they're revenue increases on the wealthiest Americans to pay for legislation that would put teachers back to work and construction workers back to work and would give a tax cut to every working American, 150 million Americans, \$1,500 next year for the average American family. They don't want to do that because they don't think -- they think that the choice is not fair, that the most successful and affluent Americans shouldn't pay more, shouldn't pay their fair share, then they ought to say so.

And if, then, we come to a point where we get pieces of the legislation, if your grim predictions prove true that we don't get the entire bill here at the White House to be signed in whole, then we will ask that question as each piece is passed and others are left behind, because we think that there is enormous widespread, bipartisan support out in the country for the provisions contained within the bill, and there is an enormous need here.

I mean, you've heard what people are saying about where our economy is right now. We need to take action. This is not -- it's really not an option to just sit on the sidelines and say, well, I hope it gets better. Certainly that's not the way that the American people feel.

So we think Congress needs to take action. We're going to continue to press for Congress to take action. We're gratified by the progress being made in the Senate, and we hope that we see the same kind of progress in the House.

Q So the President is okay with --

MR. CARNEY: And we will meet -- we will discuss and meet with leaders, as well as take the -- take this discussion out among the American people, which we certainly think is a worthwhile thing to do.

Q So the President is what with the 5 percent surcharge?

MR. CARNEY: We have said all along that we put forward our proposal that we thought was the best way to pay for it, that alternatives --

Q But these are (inaudible) Senate Democrats' alternatives.

MR. CARNEY: Yes, alternatives to pay for it were obviously available. Remember that our provision for the pay-fors was designed so that we could submit to Congress specific legislation that if it passed in a vacuum would be paid for, and nothing else happened. But as you know, within our legislation, it's linked to action by the super committee, and it would, if passed, would compel the super committee to extend or increase the amount of its savings in order to pay for this. It was basically a trigger-off provision.

So if the super committee found alternative means to pay for the jobs bill that were different from our pay-fors, then it would trigger off, turn off the pay-fors we had.

So what is important to us in the bill are the job-creating, economy-growing measures. The pay-fors, as long as they're -- they meet the principles the President has set forward, are up to Congress to decide.

Q And sorry to monopolize your time, but you said that Republicans would need to say why they don't stand for it. Mitch McConnell has actually already told our Hill producer, Ted Barrett, that he would be against the surcharge because raising taxes during a recession is not a good idea. Your response?

MR. CARNEY: I would simply say that that's unfortunate; that the American people are making it very clear that they want action on the economy, they want action on jobs. The American people are very clear that they feel that an appropriate way to pay for the necessary action on the economy and jobs is to ask the wealthiest Americans to pay a little more, and those who disagree obviously have to explain that to their constituents.

I don't expect that we'll get every Senator; it sounds like we've lost one and I suppose we'll lose more. But this President is focused on a proposition here that has broad support in the American public. And it's just -- again, what's the alternative? Whatever you think of -- I mean, the jobs proposal that -- or so-called jobs proposal that has been put forward, for example, by the Republicans on the House side contains within it some provisions that this President fully supports and actually has acted on -- free trade agreements which, as you know, are moving through Congress as we speak; the patent reform bill which this President signed into law recently, and we expect and hope will unleash innovation in this country, which in turn will help create jobs.

But what that -- those proposals don't do, separated from the free trade and patent reform, is address the immediate problem. Even if you agree that everything in that proposal was the right thing to do -- and we certainly take issue with that -- but even if you did, I don't think anybody who's seriously looked at it as an economist would suggest that it would have the kind of impact on our economic growth and employment in 2012 that the President's proposal has -- not even close.

So what's the answer that those who oppose the American Jobs Act have for the problem that we have? The President agrees that we have medium- and long-term issues that we need to address. That's why he put forward his sweeping proposal for significantly greater deficit reduction than is mandated by Congress to the super committee. He agrees. And he put forward a balanced approach. He also believes we have a short-term immediate problem that we need to act on now, and we need to do things that have an effect on the economy and that accelerate hiring now. And what we haven't seen yet are proposals from others in Congress that would do that -- alternative proposals. So if they aren't available, let's vote on the jobs act, pass it, make it law.

Mr. Tapper.

Q I assume you know that the quote she said about raising taxes during a recession is not a good idea is pretty much a word-for-word quote of something President Obama said in 2009.

MR. CARNEY: I do. I think the context is different. And, again, I don't know the -- I'm hesitant to make comments on the specifics of the Senate pay-for proposal because I haven't examined it.

The fact of the matter is, if low taxes on millionaires were the answer to economic growth, what exactly happened in 2007, 2008 and 2009? Is that the answer? Because we had our lowest tax rates on the wealthiest Americans --

Q I'm not the one that said it, the President is.

MR. CARNEY: -- and we experienced a catastrophic recession.

Q So he's changed his mind?

MR. CARNEY: No. Again, I'm not going to -- this goes to what happens with the Senate provision, and I'm just not familiar with it so I don't want to address it.

This is about choices. The President thinks that if it's a choice between millionaires whose successes are a blessing of being American and being part of this great country and the opportunities that it provides, should pay a little more to help this economy move forward, to put teachers back to work and construction workers back to work and give a tax cut to working Americans, then,

yes, he thinks that tradeoff is sensible.

Q It's actually -- I mean, I think it's actually more a question of timing, in some ways, because the President's proposal raises taxes, but as he has pointed during his barnstorming tour, not until 2013, and the Democrats' proposal actually would raise taxes, I believe, as of the first of the year. So is the President going to stop saying that in his speech?

MR. CARNEY: Again, I would have to look at the provision here. I think that --

Q I'm telling you what it --

MR. CARNEY: Well, I would --

Q You don't trust me. (Laughter.)

MR. CARNEY: I do trust you, Jake, but the problem is I wouldn't want to comment if there were specifics that I'm missing here, and -- but look, the broad point stands -- the second broad point also stands, that if we have to make choices here, that this trade-off is an acceptable one, whenever the revenue increases kick in, because of the urgent need we face to address an economic problem.

Q Okay. So since you had your briefing last, a couple bits of news have come out. One is, the House Democrats released some emails about the Solyndra controversy, and specifically about the Department of Energy's vetting process. And as you know, there are a lot of officials at the Department of the Office of Management and Budget who are concerned about the vetting process at the Department of Energy -- the word "oblivious" was used. Another OMB official said that -- I forget the exact language -- but implied that the Solyndra case is just the tip of the iceberg -- "Bad days are ahead."

Has the administration gone back to the Department of Energy to make sure that this vetting process for these taxpayers' dollars -- billions in taxpayer dollars -- is as rigorous as is necessary?

MR. CARNEY: I got a version of this question a few days ago and I can tell you that as this process has moved along, from the beginning -- and this is a program, as you know, that existed in the Bush administration before we took over; its funding increased through the Recovery Act but it was an existing program where loan applications, loan guarantee applications were reviewed by

career experts, and that --

Q They were (inaudible) at Solyndra, though --

MR. CARNEY: And that is -- well, no. They sent back the application. And the person who headed that office under President Bush, for a large part of President Bush's two terms in office, has said that he might have made the very same call on Solyndra.

There is no question -- I think you have to step back and say, look, if you're going to do a loan guarantee program, a loan guarantee program has within it a risk. There is no guarantee -- the reason why you're backing up these loans is because there's no guarantee of success, but you believe, as a matter of policy, that these investments are worthwhile because you believe that the industries represented by these investments are essential to the economic future of the country.

The Chinese certainly believe that, and they're investing billions and billions of dollars in clean energy technologies and it --

Q I'm talking about the officials in OMB who are saying that the guys that manage the department aren't doing due diligence.

MR. CARNEY: I understand that there was -- there were differing opinions here. What is also true is that -- and there is substantial data on this about all the people who thought that this was a bet, and -- but a worthwhile one, including all sorts of private investors who thought it was worthwhile, as well as assessments made by The Wall Street Journal and others about the potential for this company as an innovative company.

It is obvious that not every investment is going to succeed, and we are disappointed that this one didn't. But the overall program continues to succeed. And what we refuse to buy into is the defeatist attitude that was expressed just the other day -- yesterday, I think, maybe the day before -- by the Chairman of the Energy Committee in the House who said, we can't compete; the United States cannot compete with China in the solar energy field or the wind turbine field.

Really? So that's it? For the next -- I mean, in these vital industries we're just going to be buying our technology and our products from China? I don't think that's an approach that the American people want to hear from Washington. Because we're the United States of America. These are vital industries. We should be investing in them, helping them grow so that they can create jobs here and they can enhance our energy independence.

Because don't forget, if we're reliant on foreign countries for the technology for renewable energy, we're only -- then we just become reliable -- even as our reliance on oil decreases, we rely on imports for other forms of energy. And that's just -- that's not sensible national security policy, and it's not sensible economic policy. So we remain --

Q Is the vetting any more rigorous? That's really just the question.

MR. CARNEY: I'm sorry. But the -- and I think I addressed it, and I addressed it in the past -- it has been evaluated and adjustments have been made -- not in the last few weeks or months because of these stories -- but all along, from the beginning. And that's my understanding. And for more specifics I would refer you to the Department of Energy. But it's important to just step back and look at why this program is worthwhile, why folks in the previous administration thought it was worthwhile, why people who understand the vital importance of the clean energy industry, in general, to the 21st century, believe it's worthwhile. And the President remains committed to it.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011, when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

Yes.

Q On Solyndra for just a second before we get back to the --

MR. CARNEY: Sure -- urgent need to create jobs and grow the economy.

Q -- urgent need to create jobs. The question was never whether you were going to lose money on venture capital. Of course you can. The question was whether this particular program was properly vetted and whether the technology itself was vetted properly in addition to the financial arrangements. I mean -- and that's the question.

MR. CARNEY: Well, sure. And I think that -- that is a question. One question has been about was the -- was there undue, inappropriate influence. And there is no evidence to suggest there was because -- precisely because career experts at the Department of Energy were evaluating these loan applications and recommended that we move forward on Solyndra.

The fact that people knew that, as you would expect --

Q But the people at OMB raised questions about this, as you very well know.

MR. CARNEY: Again, and the experts -- rather than here at the White House, the experts at the Department of Energy made that judgment. But to say that every -- if these things were absolutely, patently obvious and clear, and 100 percent everybody agreed, then they wouldn't be in an industry that requires the kind of investments that we're talking about. The reason why you have these loan guarantee programs is because you need to help seed these industries so that they then can grow and attract private capital, which you understand.

Q Sure, but there are also questions raised about the kind -- the particular kind of solar technology --

MR. CARNEY: No, actually, the questions were raised -- this has to do with Chinese actions on the pricing of solar panels and subsidies and that kind of thing. The technology itself, as I understand it, was widely celebrated within the community --

Q There were questions raised about the particular kind of technology Solyndra was --

MR. CARNEY: Well, again --

Q Anyway --

MR. CARNEY: That's a process that was evaluated by -- over at the Department of Energy. And for more details on that, you can -- I refer you to them.

Q So you're aggressively pursuing the American Jobs Act. What does that mean apart from the President going out every couple of days and saying "pass this bill"?

MR. CARNEY: Well, there is an extraordinary amount of contempt expressed here and apparently on Capitol Hill for the idea that the President of the United States should actually go out and meet and talk with the American people.

Q No, I'm not expressing contempt for that at all.

MR. CARNEY: I find that rather surprising because --

Q I'm just asking if that's all you're doing.

MR. CARNEY: First of all, he's spending a lot of time focusing on this, as he should be, because it is the number-one priority of this administration, this President, and this American public. And he is engaging -- it's another way of asking what kind of conversations is he having with members of Congress.

And he's having those conversations, and he will continue to have those conversations. His senior team here will continue to have those conversations, and eventually I'm sure negotiations as we move forward. But I simply reject the idea that there is not a compelling reason for him to go out and talk about this --

Q I didn't suggest there wasn't.

MR. CARNEY: -- in Texas, or Ohio. In Kentucky or Virginia. All over the country -- Seattle, California. This is the urgent priority the American people have made clear they have, so I think Presidents deserve to hear from -- rather, the American people deserve to hear from their President.

Q Senate Democrats were not going to vote on this bill until they're ready, which is sometime next week. Durbin himself said --

MR. CARNEY: Six days is not --

Q No, Durbin himself said -- Durbin himself said last Friday --

MR. CARNEY: -- soon enough for you?

Q -- they didn't have the votes, and yet the President is ragging on the Republican House to vote.

MR. CARNEY: Here's what I'll tell you, Bill. First of all, the Senate, as you know, today announced that it's moving forward and will have a vote on this legislation. I am confident --

Q Right. They didn't say when.

MR. CARNEY: No, they said next Tuesday. Pretty soon.

Secondly, I am absolutely confident that the overwhelming majority of Democrats who have an opportunity to vote on the American Jobs Act will vote yes. And I hope that that would be true of the Republicans as well. So, I mean, there's no question where this President stands, where Democrats stand, and outside of the hothouse of Congress, where Americans stand who identify themselves as independents, Democrats and even Republicans about what we need to do to address our economic problems.

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago, I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled

at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.

Q Last thing. There were some riots in Greece today, and Mayor Bloomberg recently suggested that because of high unemployment there could be riots in the streets of the United States. And right now we don't have riots but there's the Occupy Wall Street movement that's going on. What's the White House view about Occupy Wall Street, and what do you think about the riots in Greece and whether or not something like that could happen here?

MR. CARNEY: Well, I'll leave aside the comparison to Greece. The fact is that there are Americans out there who are understandably frustrated with the economy, with their difficulty in finding a job or holding onto a job. I mean, this is exactly why the President is -- despite Bill's contempt -- barnstorming around the country arguing for the urgent need for Congress to act on the American Jobs Act.

So I think that it's understandable that there's frustration. And need I remind you that this President fought -- and it wasn't always pretty -- to make sure that we passed sweeping consumer protections in the Financial Reform Act that was opposed by Congress, and that which members -- I mean, Congress, by Republicans in Congress -- Republicans now who want to repeal it.

Why? I mean, in part because millions and millions of dollars are being spent to lobby against it by the industries who don't like it. But the -- look, we got into an awful mess because of in part some of the actions that were taken by Wall Street. And two things are true about the actions this President took in the wake of that, when he took office during the worst recession since the Great Depression -- a catastrophic contraction in the economy, catastrophic job loss.

One, he had to ensure that we stopped the bleeding and we prevented a depression. He also wanted to make sure that we -- he believes very strongly in capitalism and the absolute need for the United States of America to have a vibrant, strong financial sector. And he took actions that weren't necessarily popular to make sure that that remained the case -- and he's got the scars to prove it.

He also believes that that industry needs to be held to account, and that we need to take actions to ensure that the kind of things -- the kinds of

things, the kinds of actions and behaviors that helped cause this incredible crisis can't happen again. And that's why he fought to pass the Financial Reform Act. And it provides protections to consumers that are vital, and lays out some rules of the road that Wall Street should follow, and that, again, the vast majority of Americans agree with him on this.

Q Jay, over the last couple of days, a plot to assassinate Hamid Karzai was apparently foiled. Mr. Rabbani, the designated peacemaker, was assassinated about two weeks ago. President Karzai has suspended talks with elements of the Taliban who may or may not have been willing to lay down their arms. And now the Pew Research Center has a poll out this morning saying one in three American veterans -- post-9/11 veterans say the wars in Iraq and Afghanistan are not worth it.

Given everything that's going on and all the corners that have been turned in Afghanistan only to lead to wide alleys, what does the President say to those veterans?

MR. CARNEY: Thank you. Because their country asked them to do heroic, extraordinary things. And for the veterans who came back, we honor their service every day.

This President's position on Iraq, which was the principle preoccupation of the previous administration in terms of these wars, was clear during the campaign, and his promises are being kept. He is ending that war, has ended it. And we are on track to remove all troops from Iraq by the end of the year. And we are doing it -- we're ending that war in a responsible way.

On Afghanistan, he made clear during the campaign that partly because of the preoccupation and focus on Iraq, the effort in Afghanistan was neglected. He has kept his promise to refocus our attention on Afghanistan and to make clear that our objective and primary goal there is to defeat al Qaeda, the enemy that attacked us on September 11, 2001.

He is meeting those objectives and he is keeping those promises. As you know, the drawdown from the surge forces is underway. It will be complete. And then we will -- by next year, next summer, I believe -- and then we will continue to draw down forces to the point where we turn over security lead to the Afghans by the end of 2014.

These are hard fights, and the sacrifice is immense and tremendous. And, again, to go back to the beginning, he is extraordinarily grateful -- we all are, and everyone I believe here -- for their sacrifice and service.

Q A final question. When you -- when the President unveiled his stimulus/not a stimulus, the \$450 billion jobs plan, the Buffett rule was only a principle. Now Senate leaders have gone further than simply a principle and probably further than the principle that was enunciated, as I understood it, anyway, to make sure that millionaires pay their fair tax -- Warren Buffett pays the same rate as his secretary.

The President has been criticized in the past over the course of his administration for ceding leadership to Congress and elsewhere on health care and ending up with sort of half a loaf. Core Democratic supporters even say that.

MR. CARNEY: I don't actually think so. Let me stop you there. I think achieving health care reform --

Q I mean, is he ceding leadership again on this issue?

MR. CARNEY: -- after 100 years of effort, ensuring that 30 million Americans get ensured, ensuring that people with preexisting conditions get insurance coverage, ensuring that, as we've already seen, millions of young Americans get to stay on their parents' policies -- that's a lot more than half a loaf.

Q Did the President misread Congress on the pay-fors in this issue?

MR. CARNEY: No. I'll go back, Mike, to what I said. The pay-fors are incidental, if you will. The meat of this legislation, the President's proposal, is, are the provisions that put teachers back to work, put construction workers to work, that cut taxes for working Americans, incentivize small business to grow and hire and increase their wages. And that will be voted on.

How you pay for it we've always said was something we were hoping to negotiate and debate as long as it meets the President's principles. And the Senate is taking action accordingly.

As you know -- and we had this discussion as we were trying to explain the complexity of it -- when we put forward the American Jobs Act with the pay-fors in it, we explained that they were isolated portions of what the President would put forward in his very broad deficit reduction plan, the revenue increases from that, that we were attaching to this provision to make is a standalone piece of legislation.

There was -- within it was always the possibility, because of the link with the super committee, that if other means were found to pay for it through the super committee, the pay-fors that we put in the bill would be turned off and not used.

So I think that makes clear that from the beginning we were focused on the job-creating and economy-growing provisions, and not the specific means to pay for it, as long as those means meet the President's principles.

Yes.

Q The other day the President said that he was opposed to the Bank of America new debit fee, and that this was -- the government should do something to stop it. Is there anything the administration --

MR. CARNEY: I'm not sure he said that. I think that -- two points about that. One, let's be clear that the consumer protections -- the financial reform that passed contains within it no compulsion, no provision that compels banks to do this -- quite the opposite. It protects consumers from hidden fees.

And the other point is, obviously, that banks have to decide how they adjust to the provisions within that act, and consumers have to decide what they're going to do in reaction to that. I mean, that's how the system works. But there's nothing in the legislation that was passed -- financial reform -- that compels banks to do this.

Q Right. So is it -- is this fee a legitimate fee, albeit one that consumers may want to take into account when choosing their bank? Is this a legitimate fee that the government has no particular cause to try and stop?

MR. CARNEY: Well, it's up to the companies -- the banks, in this case -- to decide what approach they want to take, and I think that then consumers to judge accordingly. Again, this is not -- what the provision with regard to the bank swipe -- I mean, to the card swipe fee that is in the legislation has to do with insuring that small enterprises are able to -- are not gouged by the companies, the credit card companies, and therefore so that they are able to accept debit cards from consumers and customers.

How the banks decide to deal with the overall legislation is up to them. It's not a matter of compulsion that the government might engage in.

Q In his interview with ABC, he said, regarding the debit fees, "You can

stop it," meaning the government could stop these fees -- and, presumably, he favored they would. And he also said that the government can tell the banks, "You don't have some inherent right to just, you know, get a certain amount of profit if your customers are being mistreated."

So does Bank of America have the inherent right to get the profit it's going to get from this \$5 fee or no?

MR. CARNEY: I think that the point is, is that there's not an inherent right. If they make decisions, they make decisions. And customers, the market reacts accordingly. We can -- he can, or anybody can, express an opinion that they think it's excessive or unfair, and some have done that.

But the point is, they didn't have to do this. And other -- different institutions will take different actions.

Q So you're saying that there's no plans, and the President has not directed any way for any agency of the government to try to stop or --

MR. CARNEY: Correct.

Q -- this fee.

MR. CARNEY: Yes.

Q Getting back to paying for the job creation bill, Jay. You said the Senate Democrats have put out an idea that we think will work. Have you now concluded that this is the best way to pay for this thing?

MR. CARNEY: Well, we put forward what we thought was the best or a good way to pay for it. Again, going back -- and I won't repeat them -- all my comments about the relative --

Q Thanks. (Laughter.)

MR. CARNEY: You hurt my feelings -- (laughter) -- but the relative importance of --

Q Nothing personal. You're a veteran --

MR. CARNEY: That's right, I can take it. I got thick skin. The relative importance of the job provisions and economic growth provisions versus how you pay for it. So we're interested in the President's bill, the American Jobs Act, moving through Congress, being voted on. The Senate is going to do that. We've said from the beginning that there may be adjustments or changes in the pay-fors. Looks like they're doing that; that's ok with us. Again, it's about meeting the principles and then getting a vote, and hopefully a law that allows for these tax cuts to go into effect and for all the provisions that will put teachers back to work and veterans and construction workers back to work.

Q A quick logistical thing I've been asked to ask you about: Is the President going to be part of this ceremony with Captain Kelly and Congresswoman Giffords tomorrow in the Vice President's office? Is he going to see them at all?

MR. CARNEY: I'll have to get back to you. Not that I'm aware of.

Q Okay.

MR. CARNEY: I don't know.

Yes.

Q All right, thanks. If you would.

Q Just to clarify. You said DOE vetting has been evaluated. Is that since Solyndra, or before?

MR. CARNEY: I think -- well, what do you mean by -- I mean, Solyndra was a program that was --

Q Since the controversy.

MR. CARNEY: Okay. I think I addressed that and said that the process is, as I understand it -- and I would refer most of these questions to those who know the details at the Department of Energy -- has been evaluated and adjusted throughout. But not in reactions to stories in the last few weeks, but

throughout the two years plus that it's been under our watch.

Q And any calls to European leaders in the past couple of days?

MR. CARNEY: I don't believe so. I can check that. We'll get back to you if there were.

Q And one final thing. Can you confirm that al-Asiri and Samir Khan were killed in the Awlaki --

MR. CARNEY: I don't think we've confirmed any death from that incident beyond Awlaki.

Q It's been reported in a lot of places.

MR. CARNEY: I understand that. But I think we've confirmed Awlaki's death.

Q Jay, you sound as if the President is agnostic about what the pay-fors are.

MR. CARNEY: I can restate it. It has to meet his principles, but yes.

Q Right. But it's not one of his principles. The substantive tax cuts and spending are the principles, but the pay-fors are just -- you're saying making the rich pay is a principle, but whether it -- when it kicks in is not a principle.

MR. CARNEY: Ensuring it is balanced and fair, or fair and balanced, you might say, in its pay-fors is -- those are his principles, as regards how you pay for the legislation, which would put Americans back to work.

Q Right. But you're saying you're agnostic as to when the pay-fors would kick in.

MR. CARNEY: Again, I'm hesitant to engage in a discussion about the Senate proposed pay-for when I'm not familiar with the details of when it would kick in.

Q It's just that on the campaign trail since he's been going around the country he says nobody is talking about raising taxes right now. That's one of his selling points.

MR. CARNEY: Again -- well, I know, because you were sitting there, that you heard the discussion I just had. I just -- I'm not familiar with, in enough detail, to comment on that difference. And, again, the overall approach is one that we feel meets the President's principles.

Q But as part of economic policy it seems important.

MR. CARNEY: And as a matter of tradeoffs, we think those tradeoffs are worthwhile. But, again, without addressing when it would take effect, because I haven't -- I don't have the information, I'm happy to take that question tomorrow.

Q But it seems like as a matter of economic policy whether you think there should be tax hikes now or later is kind of important.

MR. CARNEY: Well, I mean, the President said what he said. Again, I will address the issue of the Senate provision when I have more information about it.

Q One other question about this. I know that in the weeks past you've been asked various versions of this, but the package itself, as you point out over and over again, is very popular. It's the pay-fors that are controversial.

MR. CARNEY: The pay-fors are very popular, too.

Q Well, it seems like the pay-fors are opposed by enough Democrats that it's allowed Republicans to point out the difference between the President and his own Democrats on this issue. So I guess my question is, why not --

MR. CARNEY: If you're saying -- and, again, this is hypothetical -- the fact that 100 percent of Republicans in the Senate presumably, if that's what they're saying, oppose something that the vast majority of the American people support, and 90 to 95 or 98 percent of Democrats support what the American people support, I think --

Q Well, whatever --

MR. CARNEY: -- who's on whose side is pretty clear.

Q -- the Democrats is not enough for you to get it passed.

MR. CARNEY: It's a -- well, the reality of the way that the Senate has been functioning is that you need 60 votes, which is why -- not a majority, but 60, for anything; naming a post office, practically -- we are going to work hard to try to convince Republican senators about the wisdom of putting teachers back to work in their states, construction workers back to work in their states, giving an expanded payroll tax cut to the citizens of their state.

So the reality of this system in the Senate is that what you need exceeds even 100 percent "yes" votes from the Democrats. But we are confident that the overwhelming majority of Democrats support this provision.

Mark.

Q Jay, just one -- just one question.

MR. CARNEY: I'm going to Mark, Lester.

Q Excuse me. And, Jay, that leads directly to my question, which is: You and the President were both really scathing over the summer about the whole idea of holding votes on things that can't pass.

MR. CARNEY: I don't remember that.

Q Excuse me?

MR. CARNEY: Look --

Q Can I just finish my question?

MR. CARNEY: Sure.

Q I mean, seriously, you were talking about how the Republicans insisted on putting their -- the House Republicans had their deficit plan that could -- the President had threatened a veto; it wasn't going to become law -- why do it? Do you still -- even with that history, do you want the House Republicans to vote on the President's plan, even though Eric Cantor says, I know my guys are not going to vote for it; it won't pass. And you don't want Harry Reid to hold a vote on the whole package, even though, when the appointed hour comes, he may well not have enough to get past a filibuster? You want that to go ahead?

MR. CARNEY: We do, Mark. And we were engaged in obvious negotiations. There were provisions that -- the absolute important difference is that the things that you were talking about that were being voted on in the House, that had no chance of clearing Congress, let alone being signed into law by the President, were overwhelmingly unpopular, unsupported by the American people. Voucherizing Medicare -- check your data -- not popular. The kind of approach that was represented in the House Republican budget -- not -- this was not something that had the American people's support.

What we know about the American Jobs Act and the provisions within it is not only does it have the support of the American people, every provision in it has been supported -- or similar provisions to it -- the kinds of provisions that are in the American Jobs Act have been supported overwhelmingly by Republicans in the past, including Mitch McConnell.

So that's a big -- that's a huge difference. When you talk about -- and it's a huge difference when you talk about the admittedly difficult task, but possible task, of convincing members of Congress to actually vote with the people they represent, to vote in line with how they voted in the past. So I would say that distinction is pretty significant.

Q So a symbolic vote is okay --

MR. CARNEY: I don't think it has to be symbolic.

Q -- if it polls well.

MR. CARNEY: I don't think it has to be symbolic. And I think that we need to take urgent action on the economy, and that's what the American people are saying. There wasn't a groundswell of the American people saying, you know what? What we need right now is to dismantle Medicare, charge seniors \$6,000 more per year, and that will answer all our problems. I can guarantee you that wasn't what we were hearing from the American people.

Carrie.

Q Jay -- Jay, I was next.

MR. CARNEY: Carrie.

Q I was next.

MR. CARNEY: I'm afraid --

Q One question.

MR. CARNEY: I'm afraid the Washington Post was next.

Carrie.

Q Thanks, Jay.

MR. CARNEY: Now Politico is next.

Q I was confused for a second. Shifting gears a little bit to the super committee, does the President believe that the Pentagon can take -- handle any more cuts above the \$350 billion that was prescribed in the Budget Control Act? Does he think that the Pentagon can take any more cuts as part of any kind of next phase of this deficit deal?

MR. CARNEY: Well, I don't want to get into sort of incremental stuff. I think that one essential truth about the trigger --

Q I'm not asking about the trigger.

MR. CARNEY: Well -- but is that those cuts, with regard to defense spending, are significant and not ones that we think are the right way to go, which is just another reason for the super committee to avoid that outcome and take action that represents a balanced approach to deficit and debt reduction.

Q But there is that possibility of a figure that's lower than the \$600

billion that could -- just the Pentagon could take --

MR. CARNEY: What we think --

Q -- does the President think that that should be on the table, even an amount less than \$600 billion?

MR. CARNEY: Well, I don't want to get into drawing lines about what dollar figure is acceptable. The President put forward his proposals and contained -- and those proposals contain within them reductions in spending, as well as cuts in entitlement costs and revenue increases.

He believes that's the right approach to take, and that you don't need to do anything dramatic to entitlements, to defense, certainly to non-defense discretionary if you approach this in a balanced way. You can achieve significant long-term deficit and debt reduction on the order of the \$3 trillion he put forward, in addition to the \$1 trillion already agreed upon, if you do it in a balanced way that doesn't put the burden unduly on any sector of the government and its responsibilities, including national security, or on any segment of society.

Q And I just have one follow-up question on the -- or I'm sorry, the \$1 million threshold that you were talking about. The Senate Democrats -- talking about the surtax, the President in his principle seems to start at \$1 million or above millionaires. Why is -- is there an attempt to back away from the \$250,000 level? I mean, is there any kind of now protected status for people under \$1 million? Has it changed at all, or is this just something --

MR. CARNEY: This President supports the expiration of the Bush tax cuts for the highest-income earners, those making more than \$250,000. That has not changed. Full stop.

He also supports tax reform that would as a guiding principle contain within it the Buffett rule, and those things coexist happily, as does the Senate approach to this. One does not cancel out the other. But, again, the Buffett rule -- or Buffett principle is an approach that he believes should guide Congress as it deals with the complex issues of tax reform.

Let me go to April. Yes.

Q Jay, there's been a groundswell on the issue of voter suppression. What is the White House and the Justice Department doing to look into issues of

voter suppression to include the voter ID issue?

MR. CARNEY: April, it's a good question. Those kinds of things are handled by the Department of Justice. I mean, we obviously believe that the right to vote is a fundamental right of every American citizen that should be honored and upheld and certainly not suppressed. But I don't have any details about what Justice might be doing to look into those issues, but it's a vital principle.

Q I know it was -- I know early on the White House said it was basically a state issue. But because it's become more of an issue, has the White House called, worked with Justice on this?

MR. CARNEY: I don't know the answer to that. Again, Justice would be working on it if there was actions of any kind, so I would refer you there.

Q And I want to ask you one more question. As you are actively involved in campaigning now, 13 months out -- the administration, President, to include the campaign has said this is going to be a hard-fought election. Has there been attacks on this President or the presidency in regards to issues of race? Do you think it's both? Or do you think it's just one?

MR. CARNEY: Honestly, April, we're just not focused on that, not because it's not a question that you might ask, but because this President firmly believes that Americans out there have serious challenges and problems that need to be addressed. And he's been hired to lead the country and to address these challenges, and he's not worried about himself at all. He's worried about a recovery that's not moving quick enough, unemployment that's unacceptably high. And he feels like if he puts forward ideas and articulates them well and convinces Congress to take them up and pass them, and that, in turn, results in some much needed help for the American people, some much needed help for this economy, and for those who are looking for work, that that -- that would be a big success, and that's why he's focused on that.

So he doesn't -- I mean, campaigning is one thing. And he's obviously going to engage in the campaign, and he's -- and he has campaign events. But, I mean, I just know, from spending so much time with him, this is not about him. It is not at all about him. It is about the reason he got in to begin with, which was he saw leadership in Washington that had sort of taken its eye off the ball, both on our domestic issues and our national security issues; that we were -- that the middle class was falling behind; that in a decade where the wealthiest Americans had seen their incomes and their share of the country's wealth expand dramatically, the middle class had been running in place or falling behind.

And so that's what he really is focused on. He doesn't -- we don't spend any time talking about the kinds of issues that you're raising.

Q But wait a minute, what we're seeing -- and many people have remarked we've seen attacks on this President that we have not seen with other presidents before. And this is a question -- if you attack him with his race, is that an attack on the presidency? Because he is the President of the United States.

MR. CARNEY: I think, again, we're just -- it's not the kind of thing we're focused on. Politics is -- can be a rough-and-tumble business, but it's a business that, at its best, is engaged in doing right by the American people. So that's what he's focused on.

Thanks very much, guys.

Q Thank you.

END

2:55 P.M. EDT

From: Lehrich, Matt
To: Schmaler, Tracy (OPA)
Sent: 10/5/2011 6:43:39 PM
Subject: Re: Press Briefing #82 by Jay Carney

Oh and yes it was ed henry

From: Lehrich, Matt
To: 'Tracy.Schmaler@usdoj.gov' <Tracy.Schmaler@usdoj.gov>
Sent: Wed Oct 05 18:36:33 2011
Subject: Re: Press Briefing #82 by Jay Carney

Got it. Perfect. Thanks.

From: Schmaler, Tracy (OPA) <Tracy.Schmaler@usdoj.gov>
To: Lehrich, Matt
Sent: Wed Oct 05 18:35:15 2011
Subject: RE: Press Briefing #82 by Jay Carney

Spot on. Ed – (was it henry?) is missing the preamble to issa q’s (that issa’s staff cut out) – it DID mention tactics ... but Jay was great --- thanks

From: Lehrich, Matt [mailto:[Matthew A. Lehrich](mailto:Matthew.A.Lehrich)]
Sent: Wednesday, October 05, 2011 6:34 PM
To: Schmaler, Tracy (OPA)
Subject: RE: Press Briefing #82 by Jay Carney

Right. [DP](#)

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Wednesday, October 05, 2011 6:33 PM
To: Lehrich, Matt
Subject: RE: Press Briefing #82 by Jay Carney

Thanks - Just looked at it. [DP](#)

DP

From: Lehrich, Matt [mailto:[Matthew A. Lehrich](mailto:Matthew.A.Lehrich)]
Sent: Wednesday, October 05, 2011 6:24 PM
To: Schmaler, Tracy (OPA)
Subject: FW: Press Briefing #82 by Jay Carney

This hasn't gone out to press yet, but here's our internal copy.

From: Nielsen, Jennifer D. (Contractor)
Sent: Wednesday, October 05, 2011 6:09 PM
Subject: Press Briefing #82 by Jay Carney

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 5, 2011

PRESS BRIEFING

BY PRESS SECRETARY JAY CARNEY

James S. Brady Press Briefing Room

1:51 P.M. EDT

MR. CARNEY: Good afternoon, ladies and gentlemen. Thanks for coming to your daily briefing at the White House. I have no announcements, so I go to the Associated Press.

Q Thank you. Given that White House officials have said that you worked with Senate Democrats on their millionaire surtax proposal, has the White House also been working with congressional Republicans on changes to the pay-fors?

MR. CARNEY: I'm not even sure -- that question doesn't make a lot of sense to me. We are interested in Congress taking up, in the Senate and in the House, the American Jobs Act. We are pleased, obviously, that the Senate will be taking up the President's American Jobs Act next week. We hope that the House will do the same.

And we are -- to answer your question broadly, as I've said before, we are in communication with Congress -- both parties, both houses; leadership, both parties, both houses -- in general about the agenda going forward this fall. And the primary -- the highest priority on the President's agenda is the American Jobs Act.

So regarding the Senate bill, or the process in the Senate -- and this

DOJ-FF-61604

would apply to the House -- we have said all along, from the very beginning, that we are open to different ways of paying for the very important, broadly supported measures in the American Jobs Act that would grow the economy and create jobs, and of course we've worked with the Senate as they've settled on a way to pay for it.

That would be true, too, in the House. If the House -- if the obstacle in the House to taking up the full measure is coming up with a way to pay for it, we're certainly open to that, as I've said many times from this podium, and we'll have those discussions, as long as -- but the principles have to be met here. It has to be paid for in a way that is balanced and fair; that doesn't put the burden on the middle class, which has borne such a substantial burden, both of the Great Recession and the essentially middle-class -- what was essentially middle-class stagnation for the decade prior to it -- or on seniors through voucherization of Medicare or any other segment of society.

The President's belief and approach is based on the idea that those who have succeeded in this country, in this great country of ours, should pay their fair share. And when we have to make choices between taking measures that create jobs and put teachers back to work and construction workers back to work and put -- through tax cuts, put money in every working American's pocket and give tax cuts to small businesses so that they can grow and hire, or giving preferential tax treatment to the wealthiest Americans -- the President thinks the choice is clear.

So if there's a way that the House wants to approach this that reflects those principles, we are more than willing to have that discussion.

Q I just want to make sure I'm clear, though. When you said that the White House has also been in discussions with Republican leaders, does that mean that the White House has talked with McConnell about -- or Boehner about the millionaire surtax?

MR. CARNEY: I'm not going to get into specific conversations. There is an obsession with --

Q But we know that you have been in conversations with Democrats.

MR. CARNEY: -- with process that the American people, the consumers of your product, do not care very much about. What they want is --

Q It's not about process, though.

MR. CARNEY: It is process.

Q It's not, though, because there's an impression -- if all we know is that the White House is dealing with Democrats and not Republicans, then it gives off an impression that the objective is to rally a unified Democratic Party and set the Republicans --

MR. CARNEY: Well, let me just -- let me just -- no, no. I said the other day, we would be elated if the result of this process were passage of the American Jobs Act, in its entirety, all the component parts --

Q What process?

MR. CARNEY: What's that?

Q What process? You said the result of this process.

MR. CARNEY: No, but if the idea that our goal here is to use this as a political weapon -- it's not. Our goal is to take action to put Americans back to work and to deal with our economy.

Look, we can't be casual. We can't be sitting back, hoping that things get better. This President believes that we are in a precarious situation in our economy as we continue to struggle to recover from the worst recession since the Great Depression. We have an employment crisis that continues to need to be -- needs to be addressed. And it is simply not an option to do nothing. And it's not an option to pass measures that, even if they were all the right things to do -- and we certainly debate that, but I'm talking about the House Republican proposals -- no economist -- serious economist, independent economist, would suggest that those measures would have a direct, immediate impact on growth or job creation.

The problem is, we need to take measures to address our short -- medium-term and long-term economic health and fiscal health, but we also have to do things right now to address our short-term problems.

So to back up again, we are -- we will, as this process goes forward, be more than willing to have discussions with the leaders in the House, of both parties, about how we can move this legislation forward in the House. And we look forward to those discussions.

Q Are you waiting for them to come to you?

MR. CARNEY: But the -- look, the Majority Leader of the House, as the President noted yesterday, declared preemptively that he wasn't even going to bring it up to a vote. Well, we just think that's unacceptable. What is it that he opposes in this bill?

Q Where's the process? To go back to his question.

MR. CARNEY: Why not -- well, look, bring it up for a vote, and if we then get to a point where we can -- where we need to move on individual provisions within the jobs act, then let's do that. And as we've said in the past, as long as they're paid for in a way that meets the President's principles, he will sign them into law and then say, where's the rest? Because all of these provisions are essential for the health of the economy.

I mean, we're not -- we are aggressively pursuing this because we think it is absolutely the best thing for the American economy.

Q Jay, can I just ask one question on the substance of the Senate Democrats' proposal? It sounds like this surtax would start January 1, 2012. Is the President comfortable with the idea of raising taxes on a percentage of Americans at a time of economic uncertainty?

MR. CARNEY: Well, I haven't -- I confess that I haven't studied the provision to that level of detail. So I would just say in general that we believe that the jobs provisions, the economic growth provisions in the American Jobs Act need to be paid for -- that was the principle the President set out from the beginning, and that's why the legislation he sent up contained within it provisions that paid for it entirely -- and that in doing so, you need to do it in a way that's fair and balanced, and that puts the burden not on the middle class and not on seniors and other sectors of our society who have borne such a heavy burden in the recent past. So we're open to different ideas. The Senate has put forward -- Senate Democrats have put forward a different idea that we think would work.

The important part -- the important aspect of this is, is that the bill they will vote on is the President's bill in its entirety, in terms of putting teachers back to work, up to 280,000 laid-off teachers around the country, up to a total of 400,000 teachers overall; putting construction workers who are idle back to work building bridges, rebuilding schools, highways; putting \$1,500 on average into working Americans' pockets next year through the payroll tax cut and expansion; a tax cut for small business so that they can grow and hire; incentives for small business -- rather, for all businesses to hire our incredibly talented and experienced veterans returning from Iraq and Afghanistan.

These are all provisions that will be contained in what the Senate votes on, and we think should get 100 votes in the Senate, because they are all -- first of all, they'll be paid for in a way that's fair, that the vast majority of the American people support. And there are provisions that absolutely make sense at this time of economic need -- when we need to grow the economy and create jobs.

Yes.

Q The Senate is expected to take up -- to vote on the China currency bill tomorrow. You have said several times that the administration shares the goal of China letting its currency appreciate, but the House Speaker has called it a dangerous overreach by Congress.

Does the administration share that concern, that this might -- compelling another country to appreciate its currency might be an overstep? And where are you on the -- is the administration on its review? When can we expect that to be completed?

MR. CARNEY: Let me answer this way -- that we share the goal, as you noted, of this legislation in taking action to ensure that our workers and businesses have a more level playing field with the Chinese, including addressing the undervaluation of their currency.

It is also the case that aspects of this legislation do, however, raise concerns about consistency with our international obligations. And we are in the process of discussing those issues with members of Congress. If this legislation were to advance, those concerns should be addressed.

So to restate: We share the goals, we share the concern about the need for our workers and businesses to be able to compete on a level playing field; we have, from the beginning, as an administration, worked on the issue of the undervalued Chinese currency, and it has appreciated to some degree as a result, we think, of those efforts. More needs to be done, and we certainly also have concerns about this particular legislation and whether or not it would create consistency issues with our international obligations.

Q Could you explain more about the consistency issue? What do you mean by that?

MR. CARNEY: Well, I think we have a series of international obligations that we adhere to, and that we wouldn't want legislation that would be less than

effective because it conflicted with our international obligations.

Q Is there a concern that this could lead to a trade war, as the Chinese have said it might?

MR. CARNEY: Well, that's speculation that I don't want to engage in. I think that we're talking with members of Congress about it. We will -- if this legislation were to advance and emerge from Congress, we would continue to talk with members about the need to address these concerns.

Q So the review is done, and this is the --

MR. CARNEY: Well, I think the process is ongoing, obviously, as it's ongoing in Congress. And our conversations about it will continue.

Q And so, what was -- sorry, one other quick subject. The Nobel Peace Prize will be announced in coming days. The President said when he was awarded his Nobel Peace Prize, in October 2009, that he was humbled by it, that he felt it was more of a call to action than a reward for actions that he had actually taken. Does the President feel that at this stage he has earned his Nobel, given the current --

MR. CARNEY: I can assure you that that is not a conversation probably any of us have had with him, because he does not think about it in those terms at all. He's focused -- as concerns matters of war and peace, and of national security and the need to protect the United States and advance our interests around the globe, he takes an approach that he thinks increases American stature, enhances our security, and enhances our opportunities to affect events globally in a way that increases the prospects for peoples around the world to enjoy democracy and peace and freedom.

That is the approach he's taken with the uprisings in the Middle East, in the Arab Spring. It is the approach he's taken around the world. And it is a component part of the approach that he's taken to ensuring that he does everything he can, as President of the United States and Commander-in-Chief, to take the fight to those who would do harm to Americans and the United States and our allies, principally al Qaeda, and to ensure that we are, through all our means, advancing American interests around the globe in a way that both protects us and improves our cooperative relationships with our allies and partners.

Q He feels like he has promoted peace in the two years since he was awarded --

MR. CARNEY: I think he has promoted a foreign policy and a national security policy that he believes has been in the best interests of the American people, and judgments about -- like that, he'll leave to others to make when he leaves office in about six years.

Yes. (Laughter.)

Q The President -- and the White House in general -- are not talking to Republicans in the way they did during the --

MR. CARNEY: Do you guys all get a memo in the morning to, like -- "Remember to ask Jay about meetings that should be happening"?

Q I'm not talking about -- I'm not even -- I'm just -- I'm not trying to get processy. But if there aren't -- if there isn't the outreach that we saw in the past on trying to avert a government shutdown or increase the debt ceiling -- I mean, you have to read into that. Why the change?

MR. CARNEY: We've been very candid and transparent about the approach that we're taking in promoting the American Jobs Act and trying to get Congress to act on it, because it's in the interest of the American people.

Someone I think on the Republican side suggested yesterday or the day before that it's somehow a problem or wrong that the President is out there talking about the American Jobs Act with the American people as opposed to sitting in a room with members of Congress. His responsibility as President is to have these conversations with the American people, to take his message out and explain the approach he's taking, and, in this case, and to urge Americans who believe, as he does, that Congress needs to act, that Washington needs to act, to take action to grow the economy and create jobs, to make their voices heard with their representatives, their senators and congressmen that they've sent to Washington.

But one does not preclude the other. I mean, the fact of the matter is, we are now going to have the Senate vote on the President's jobs bill. So something is working. And we believe that the approach we're taking will hopefully get the House to --

Q But it won't pass. But it won't pass. It likely won't pass. So how is that anything more than setting up a political argument of Republicans are protecting the wealthy, which it seems the White House is doing?

MR. CARNEY: I think, again, our goal, our highest priority, is to pass this bill and all the elements within it. If we were to get only some of the bill, that would be a good thing; it would not be enough, and we would keep up the fight.

If, in the end, we get all of it, whether in whole or in part, by the end, if we get it all, that would be a victory for the American people. We would be very satisfied with that if Congress took that action in that way.

So I think that predictions about what Congress will do -- I think a couple days ago folks were predicting that the Senate wasn't going to vote on it, and that looks not to have been a wise forecast.

So we'll see how this plays out. When it does get to the Senate, I think that every -- if 100 senators will not vote yes, then those who vote no will have to explain what is it they oppose, and why, and what priorities are they balancing if they're revenue increases on the wealthiest Americans to pay for legislation that would put teachers back to work and construction workers back to work and would give a tax cut to every working American, 150 million Americans, \$1,500 next year for the average American family. They don't want to do that because they don't think -- they think that the choice is not fair, that the most successful and affluent Americans shouldn't pay more, shouldn't pay their fair share, then they ought to say so.

And if, then, we come to a point where we get pieces of the legislation, if your grim predictions prove true that we don't get the entire bill here at the White House to be signed in whole, then we will ask that question as each piece is passed and others are left behind, because we think that there is enormous widespread, bipartisan support out in the country for the provisions contained within the bill, and there is an enormous need here.

I mean, you've heard what people are saying about where our economy is right now. We need to take action. This is not -- it's really not an option to just sit on the sidelines and say, well, I hope it gets better. Certainly that's not the way that the American people feel.

So we think Congress needs to take action. We're going to continue to press for Congress to take action. We're gratified by the progress being made in the Senate, and we hope that we see the same kind of progress in the House.

Q So the President is okay with --

MR. CARNEY: And we will meet -- we will discuss and meet with leaders, as well as take the -- take this discussion out among the American people, which we

certainly think is a worthwhile thing to do.

Q So the President is what with the 5 percent surcharge?

MR. CARNEY: We have said all along that we put forward our proposal that we thought was the best way to pay for it, that alternatives --

Q But these are (inaudible) Senate Democrats' alternatives.

MR. CARNEY: Yes, alternatives to pay for it were obviously available. Remember that our provision for the pay-fors was designed so that we could submit to Congress specific legislation that if it passed in a vacuum would be paid for, and nothing else happened. But as you know, within our legislation, it's linked to action by the super committee, and it would, if passed, would compel the super committee to extend or increase the amount of its savings in order to pay for this. It was basically a trigger-off provision.

So if the super committee found alternative means to pay for the jobs bill that were different from our pay-fors, then it would trigger off, turn off the pay-fors we had.

So what is important to us in the bill are the job-creating, economy-growing measures. The pay-fors, as long as they're -- they meet the principles the President has set forward, are up to Congress to decide.

Q And sorry to monopolize your time, but you said that Republicans would need to say why they don't stand for it. Mitch McConnell has actually already told our Hill producer, Ted Barrett, that he would be against the surcharge because raising taxes during a recession is not a good idea. Your response?

MR. CARNEY: I would simply say that that's unfortunate; that the American people are making it very clear that they want action on the economy, they want action on jobs. The American people are very clear that they feel that an appropriate way to pay for the necessary action on the economy and jobs is to ask the wealthiest Americans to pay a little more, and those who disagree obviously have to explain that to their constituents.

I don't expect that we'll get every Senator; it sounds like we've lost one and I suppose we'll lose more. But this President is focused on a proposition here that has broad support in the American public. And it's just -- again, what's the alternative? Whatever you think of -- I mean, the jobs proposal that -- or so-called jobs proposal that has been put forward, for example, by the

Republicans on the House side contains within it some provisions that this President fully supports and actually has acted on -- free trade agreements which, as you know, are moving through Congress as we speak; the patent reform bill which this President signed into law recently, and we expect and hope will unleash innovation in this country, which in turn will help create jobs.

But what that -- those proposals don't do, separated from the free trade and patent reform, is address the immediate problem. Even if you agree that everything in that proposal was the right thing to do -- and we certainly take issue with that -- but even if you did, I don't think anybody who's seriously looked at it as an economist would suggest that it would have the kind of impact on our economic growth and employment in 2012 that the President's proposal has -- not even close.

So what's the answer that those who oppose the American Jobs Act have for the problem that we have? The President agrees that we have medium- and long-term issues that we need to address. That's why he put forward his sweeping proposal for significantly greater deficit reduction than is mandated by Congress to the super committee. He agrees. And he put forward a balanced approach. He also believes we have a short-term immediate problem that we need to act on now, and we need to do things that have an effect on the economy and that accelerate hiring now. And what we haven't seen yet are proposals from others in Congress that would do that -- alternative proposals. So if they aren't available, let's vote on the jobs act, pass it, make it law.

Mr. Tapper.

Q I assume you know that the quote she said about raising taxes during a recession is not a good idea is pretty much a word-for-word quote of something President Obama said in 2009.

MR. CARNEY: I do. I think the context is different. And, again, I don't know the -- I'm hesitant to make comments on the specifics of the Senate pay-for proposal because I haven't examined it.

The fact of the matter is, if low taxes on millionaires were the answer to economic growth, what exactly happened in 2007, 2008 and 2009? Is that the answer? Because we had our lowest tax rates on the wealthiest Americans --

Q I'm not the one that said it, the President is.

MR. CARNEY: -- and we experienced a catastrophic recession.

Q So he's changed his mind?

MR. CARNEY: No. Again, I'm not going to -- this goes to what happens with the Senate provision, and I'm just not familiar with it so I don't want to address it.

This is about choices. The President thinks that if it's a choice between millionaires whose successes are a blessing of being American and being part of this great country and the opportunities that it provides, should pay a little more to help this economy move forward, to put teachers back to work and construction workers back to work and give a tax cut to working Americans, then, yes, he thinks that tradeoff is sensible.

Q It's actually -- I mean, I think it's actually more a question of timing, in some ways, because the President's proposal raises taxes, but as he has pointed during his barnstorming tour, not until 2013, and the Democrats' proposal actually would raise taxes, I believe, as of the first of the year. So is the President going to stop saying that in his speech?

MR. CARNEY: Again, I would have to look at the provision here. I think that --

Q I'm telling you what it --

MR. CARNEY: Well, I would --

Q You don't trust me. (Laughter.)

MR. CARNEY: I do trust you, Jake, but the problem is I wouldn't want to comment if there were specifics that I'm missing here, and -- but look, the broad point stands -- the second broad point also stands, that if we have to make choices here, that this trade-off is an acceptable one, whenever the revenue increases kick in, because of the urgent need we face to address an economic problem.

Q Okay. So since you had your briefing last, a couple bits of news have come out. One is, the House Democrats released some emails about the Solyndra controversy, and specifically about the Department of Energy's vetting process. And as you know, there are a lot of officials at the Department of the Office of Management and Budget who are concerned about the vetting process at the Department of Energy -- the word "oblivious" was used. Another OMB official said that -- I forget the exact language -- but implied that the Solyndra case

is just the tip of the iceberg -- "Bad days are ahead."

Has the administration gone back to the Department of Energy to make sure that this vetting process for these taxpayers' dollars -- billions in taxpayer dollars -- is as rigorous as is necessary?

MR. CARNEY: I got a version of this question a few days ago and I can tell you that as this process has moved along, from the beginning -- and this is a program, as you know, that existed in the Bush administration before we took over; its funding increased through the Recovery Act but it was an existing program where loan applications, loan guarantee applications were reviewed by career experts, and that --

Q They were (inaudible) at Solyndra, though --

MR. CARNEY: And that is -- well, no. They sent back the application. And the person who headed that office under President Bush, for a large part of President Bush's two terms in office, has said that he might have made the very same call on Solyndra.

There is no question -- I think you have to step back and say, look, if you're going to do a loan guarantee program, a loan guarantee program has within it a risk. There is no guarantee -- the reason why you're backing up these loans is because there's no guarantee of success, but you believe, as a matter of policy, that these investments are worthwhile because you believe that the industries represented by these investments are essential to the economic future of the country.

The Chinese certainly believe that, and they're investing billions and billions of dollars in clean energy technologies and it --

Q I'm talking about the officials in OMB who are saying that the guys that manage the department aren't doing due diligence.

MR. CARNEY: I understand that there was -- there were differing opinions here. What is also true is that -- and there is substantial data on this about all the people who thought that this was a bet, and -- but a worthwhile one, including all sorts of private investors who thought it was worthwhile, as well as assessments made by The Wall Street Journal and others about the potential for this company as an innovative company.

It is obvious that not every investment is going to succeed, and we are

disappointed that this one didn't. But the overall program continues to succeed. And what we refuse to buy into is the defeatist attitude that was expressed just the other day -- yesterday, I think, maybe the day before -- by the Chairman of the Energy Committee in the House who said, we can't compete; the United States cannot compete with China in the solar energy field or the wind turbine field.

Really? So that's it? For the next -- I mean, in these vital industries we're just going to be buying our technology and our products from China? I don't think that's an approach that the American people want to hear from Washington. Because we're the United States of America. These are vital industries. We should be investing in them, helping them grow so that they can create jobs here and they can enhance our energy independence.

Because don't forget, if we're reliant on foreign countries for the technology for renewable energy, we're only -- then we just become reliable -- even as our reliance on oil decreases, we rely on imports for other forms of energy. And that's just -- that's not sensible national security policy, and it's not sensible economic policy. So we remain --

Q Is the vetting any more rigorous? That's really just the question.

MR. CARNEY: I'm sorry. But the -- and I think I addressed it, and I addressed it in the past -- it has been evaluated and adjustments have been made -- not in the last few weeks or months because of these stories -- but all along, from the beginning. And that's my understanding. And for more specifics I would refer you to the Department of Energy. But it's important to just step back and look at why this program is worthwhile, why folks in the previous administration thought it was worthwhile, why people who understand the vital importance of the clean energy industry, in general, to the 21st century, believe it's worthwhile. And the President remains committed to it.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011,

when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

Yes.

Q On Solyndra for just a second before we get back to the --

MR. CARNEY: Sure -- urgent need to create jobs and grow the economy.

Q -- urgent need to create jobs. The question was never whether you were going to lose money on venture capital. Of course you can. The question was whether this particular program was properly vetted and whether the technology itself was vetted properly in addition to the financial arrangements. I mean -- and that's the question.

MR. CARNEY: Well, sure. And I think that -- that is a question. One question has been about was the -- was there undue, inappropriate influence. And there is no evidence to suggest there was because -- precisely because career experts at the Department of Energy were evaluating these loan applications and recommended that we move forward on Solyndra.

The fact that people knew that, as you would expect --

Q But the people at OMB raised questions about this, as you very well know.

MR. CARNEY: Again, and the experts -- rather than here at the White House,

the experts at the Department of Energy made that judgment. But to say that every -- if these things were absolutely, patently obvious and clear, and 100 percent everybody agreed, then they wouldn't be in an industry that requires the kind of investments that we're talking about. The reason why you have these loan guarantee programs is because you need to help seed these industries so that they then can grow and attract private capital, which you understand.

Q Sure, but there are also questions raised about the kind -- the particular kind of solar technology --

MR. CARNEY: No, actually, the questions were raised -- this has to do with Chinese actions on the pricing of solar panels and subsidies and that kind of thing. The technology itself, as I understand it, was widely celebrated within the community --

Q There were questions raised about the particular kind of technology Solyndra was --

MR. CARNEY: Well, again --

Q Anyway --

MR. CARNEY: That's a process that was evaluated by -- over at the Department of Energy. And for more details on that, you can -- I refer you to them.

Q So you're aggressively pursuing the American Jobs Act. What does that mean apart from the President going out every couple of days and saying "pass this bill"?

MR. CARNEY: Well, there is an extraordinary amount of contempt expressed here and apparently on Capitol Hill for the idea that the President of the United States should actually go out and meet and talk with the American people.

Q No, I'm not expressing contempt for that at all.

MR. CARNEY: I find that rather surprising because --

Q I'm just asking if that's all you're doing.

MR. CARNEY: First of all, he's spending a lot of time focusing on this, as he should be, because it is the number-one priority of this administration, this President, and this American public. And he is engaging -- it's another way of asking what kind of conversations is he having with members of Congress.

And he's having those conversations, and he will continue to have those conversations. His senior team here will continue to have those conversations, and eventually I'm sure negotiations as we move forward. But I simply reject the idea that there is not a compelling reason for him to go out and talk about this --

Q I didn't suggest there wasn't.

MR. CARNEY: -- in Texas, or Ohio. In Kentucky or Virginia. All over the country -- Seattle, California. This is the urgent priority the American people have made clear they have, so I think Presidents deserve to hear from -- rather, the American people deserve to hear from their President.

Q Senate Democrats were not going to vote on this bill until they're ready, which is sometime next week. Durbin himself said --

MR. CARNEY: Six days is not --

Q No, Durbin himself said -- Durbin himself said last Friday --

MR. CARNEY: -- soon enough for you?

Q -- they didn't have the votes, and yet the President is ragging on the Republican House to vote.

MR. CARNEY: Here's what I'll tell you, Bill. First of all, the Senate, as you know, today announced that it's moving forward and will have a vote on this legislation. I am confident --

Q Right. They didn't say when.

MR. CARNEY: No, they said next Tuesday. Pretty soon.

Secondly, I am absolutely confident that the overwhelming majority of Democrats who have an opportunity to vote on the American Jobs Act will vote yes. And I hope that that would be true of the Republicans as well. So, I mean, there's no question where this President stands, where Democrats stand, and outside of the hothouse of Congress, where Americans stand who identify themselves as independents, Democrats and even Republicans about what we need to do to address our economic problems.

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago, I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.

Q Last thing. There were some riots in Greece today, and Mayor Bloomberg recently suggested that because of high unemployment there could be riots in the streets of the United States. And right now we don't have riots but there's the Occupy Wall Street movement that's going on. What's the White House view about Occupy Wall Street, and what do you think about the riots in Greece and whether or not something like that could happen here?

MR. CARNEY: Well, I'll leave aside the comparison to Greece. The fact is that there are Americans out there who are understandably frustrated with the economy, with their difficulty in finding a job or holding onto a job. I mean, this is exactly why the President is -- despite Bill's contempt -- barnstorming around the country arguing for the urgent need for Congress to act on the American Jobs Act.

So I think that it's understandable that there's frustration. And need I remind you that this President fought -- and it wasn't always pretty -- to make sure that we passed sweeping consumer protections in the Financial Reform Act that was opposed by Congress, and that which members -- I mean, Congress, by Republicans in Congress -- Republicans now who want to repeal it.

Why? I mean, in part because millions and millions of dollars are being spent to lobby against it by the industries who don't like it. But the -- look,

we got into an awful mess because of in part some of the actions that were taken by Wall Street. And two things are true about the actions this President took in the wake of that, when he took office during the worst recession since the Great Depression -- a catastrophic contraction in the economy, catastrophic job loss.

One, he had to ensure that we stopped the bleeding and we prevented a depression. He also wanted to make sure that we -- he believes very strongly in capitalism and the absolute need for the United States of America to have a vibrant, strong financial sector. And he took actions that weren't necessarily popular to make sure that that remained the case -- and he's got the scars to prove it.

He also believes that that industry needs to be held to account, and that we need to take actions to ensure that the kind of things -- the kinds of things, the kinds of actions and behaviors that helped cause this incredible crisis can't happen again. And that's why he fought to pass the Financial Reform Act. And it provides protections to consumers that are vital, and lays out some rules of the road that Wall Street should follow, and that, again, the vast majority of Americans agree with him on this.

Q Jay, over the last couple of days, a plot to assassinate Hamid Karzai was apparently foiled. Mr. Rabbani, the designated peacemaker, was assassinated about two weeks ago. President Karzai has suspended talks with elements of the Taliban who may or may not have been willing to lay down their arms. And now the Pew Research Center has a poll out this morning saying one in three American veterans -- post-9/11 veterans say the wars in Iraq and Afghanistan are not worth it.

Given everything that's going on and all the corners that have been turned in Afghanistan only to lead to wide alleys, what does the President say to those veterans?

MR. CARNEY: Thank you. Because their country asked them to do heroic, extraordinary things. And for the veterans who came back, we honor their service every day.

This President's position on Iraq, which was the principle preoccupation of the previous administration in terms of these wars, was clear during the campaign, and his promises are being kept. He is ending that war, has ended it. And we are on track to remove all troops from Iraq by the end of the year. And we are doing it -- we're ending that war in a responsible way.

On Afghanistan, he made clear during the campaign that partly because of the preoccupation and focus on Iraq, the effort in Afghanistan was neglected.

He has kept his promise to refocus our attention on Afghanistan and to make clear that our objective and primary goal there is to defeat al Qaeda, the enemy that attacked us on September 11, 2001.

He is meeting those objectives and he is keeping those promises. As you know, the drawdown from the surge forces is underway. It will be complete. And then we will -- by next year, next summer, I believe -- and then we will continue to draw down forces to the point where we turn over security lead to the Afghans by the end of 2014.

These are hard fights, and the sacrifice is immense and tremendous. And, again, to go back to the beginning, he is extraordinarily grateful -- we all are, and everyone I believe here -- for their sacrifice and service.

Q A final question. When you -- when the President unveiled his stimulus/not a stimulus, the \$450 billion jobs plan, the Buffett rule was only a principle. Now Senate leaders have gone further than simply a principle and probably further than the principle that was enunciated, as I understood it, anyway, to make sure that millionaires pay their fair tax -- Warren Buffett pays the same rate as his secretary.

The President has been criticized in the past over the course of his administration for ceding leadership to Congress and elsewhere on health care and ending up with sort of half a loaf. Core Democratic supporters even say that.

MR. CARNEY: I don't actually think so. Let me stop you there. I think achieving health care reform --

Q I mean, is he ceding leadership again on this issue?

MR. CARNEY: -- after 100 years of effort, ensuring that 30 million Americans get ensured, ensuring that people with preexisting conditions get insurance coverage, ensuring that, as we've already seen, millions of young Americans get to stay on their parents' policies -- that's a lot more than half a loaf.

Q Did the President misread Congress on the pay-fors in this issue?

MR. CARNEY: No. I'll go back, Mike, to what I said. The pay-fors are incidental, if you will. The meat of this legislation, the President's proposal, is, are the provisions that put teachers back to work, put

construction workers to work, that cut taxes for working Americans, incentivize small business to grow and hire and increase their wages. And that will be voted on.

How you pay for it we've always said was something we were hoping to negotiate and debate as long as it meets the President's principles. And the Senate is taking action accordingly.

As you know -- and we had this discussion as we were trying to explain the complexity of it -- when we put forward the American Jobs Act with the pay-fors in it, we explained that they were isolated portions of what the President would put forward in his very broad deficit reduction plan, the revenue increases from that, that we were attaching to this provision to make is a standalone piece of legislation.

There was -- within it was always the possibility, because of the link with the super committee, that if other means were found to pay for it through the super committee, the pay-fors that we put in the bill would be turned off and not used.

So I think that makes clear that from the beginning we were focused on the job-creating and economy-growing provisions, and not the specific means to pay for it, as long as those means meet the President's principles.

Yes.

Q The other day the President said that he was opposed to the Bank of America new debit fee, and that this was -- the government should do something to stop it. Is there anything the administration --

MR. CARNEY: I'm not sure he said that. I think that -- two points about that. One, let's be clear that the consumer protections -- the financial reform that passed contains within it no compulsion, no provision that compels banks to do this -- quite the opposite. It protects consumers from hidden fees.

And the other point is, obviously, that banks have to decide how they adjust to the provisions within that act, and consumers have to decide what they're going to do in reaction to that. I mean, that's how the system works. But there's nothing in the legislation that was passed -- financial reform -- that compels banks to do this.

Q Right. So is it -- is this fee a legitimate fee, albeit one that

consumers may want to take into account when choosing their bank? Is this a legitimate fee that the government has no particular cause to try and stop?

MR. CARNEY: Well, it's up to the companies -- the banks, in this case -- to decide what approach they want to take, and I think that then consumers to judge accordingly. Again, this is not -- what the provision with regard to the bank swipe -- I mean, to the card swipe fee that is in the legislation has to do with insuring that small enterprises are able to -- are not gouged by the companies, the credit card companies, and therefore so that they are able to accept debit cards from consumers and customers.

How the banks decide to deal with the overall legislation is up to them. It's not a matter of compulsion that the government might engage in.

Q In his interview with ABC, he said, regarding the debit fees, "You can stop it," meaning the government could stop these fees -- and, presumably, he favored they would. And he also said that the government can tell the banks, "You don't have some inherent right to just, you know, get a certain amount of profit if your customers are being mistreated."

So does Bank of America have the inherent right to get the profit it's going to get from this \$5 fee or no?

MR. CARNEY: I think that the point is, is that there's not an inherent right. If they make decisions, they make decisions. And customers, the market reacts accordingly. We can -- he can, or anybody can, express an opinion that they think it's excessive or unfair, and some have done that.

But the point is, they didn't have to do this. And other -- different institutions will take different actions.

Q So you're saying that there's no plans, and the President has not directed any way for any agency of the government to try to stop or --

MR. CARNEY: Correct.

Q -- this fee.

MR. CARNEY: Yes.

Q Getting back to paying for the job creation bill, Jay. You said the Senate Democrats have put out an idea that we think will work. Have you now concluded that this is the best way to pay for this thing?

MR. CARNEY: Well, we put forward what we thought was the best or a good way to pay for it. Again, going back -- and I won't repeat them -- all my comments about the relative --

Q Thanks. (Laughter.)

MR. CARNEY: You hurt my feelings -- (laughter) -- but the relative importance of --

Q Nothing personal. You're a veteran --

MR. CARNEY: That's right, I can take it. I got thick skin. The relative importance of the job provisions and economic growth provisions versus how you pay for it. So we're interested in the President's bill, the American Jobs Act, moving through Congress, being voted on. The Senate is going to do that. We've said from the beginning that there may be adjustments or changes in the pay-fors. Looks like they're doing that; that's ok with us. Again, it's about meeting the principles and then getting a vote, and hopefully a law that allows for these tax cuts to go into effect and for all the provisions that will put teachers back to work and veterans and construction workers back to work.

Q A quick logistical thing I've been asked to ask you about: Is the President going to be part of this ceremony with Captain Kelly and Congresswoman Giffords tomorrow in the Vice President's office? Is he going to see them at all?

MR. CARNEY: I'll have to get back to you. Not that I'm aware of.

Q Okay.

MR. CARNEY: I don't know.

Yes.

Q All right, thanks. If you would.

Q Just to clarify. You said DOE vetting has been evaluated. Is that since Solyndra, or before?

MR. CARNEY: I think -- well, what do you mean by -- I mean, Solyndra was a program that was --

Q Since the controversy.

MR. CARNEY: Okay. I think I addressed that and said that the process is, as I understand it -- and I would refer most of these questions to those who know the details at the Department of Energy -- has been evaluated and adjusted throughout. But not in reactions to stories in the last few weeks, but throughout the two years plus that it's been under our watch.

Q And any calls to European leaders in the past couple of days?

MR. CARNEY: I don't believe so. I can check that. We'll get back to you if there were.

Q And one final thing. Can you confirm that al-Asiri and Samir Khan were killed in the Awlaki --

MR. CARNEY: I don't think we've confirmed any death from that incident beyond Awlaki.

Q It's been reported in a lot of places.

MR. CARNEY: I understand that. But I think we've confirmed Awlaki's death.

Q Jay, you sound as if the President is agnostic about what the pay-fors are.

MR. CARNEY: I can restate it. It has to meet his principles, but yes.

Q Right. But it's not one of his principles. The substantive tax cuts

and spending are the principles, but the pay-fors are just -- you're saying making the rich pay is a principle, but whether it -- when it kicks in is not a principle.

MR. CARNEY: Ensuring it is balanced and fair, or fair and balanced, you might say, in its pay-fors is -- those are his principles, as regards how you pay for the legislation, which would put Americans back to work.

Q Right. But you're saying you're agnostic as to when the pay-fors would kick in.

MR. CARNEY: Again, I'm hesitant to engage in a discussion about the Senate proposed pay-for when I'm not familiar with the details of when it would kick in.

Q It's just that on the campaign trail since he's been going around the country he says nobody is talking about raising taxes right now. That's one of his selling points.

MR. CARNEY: Again -- well, I know, because you were sitting there, that you heard the discussion I just had. I just -- I'm not familiar with, in enough detail, to comment on that difference. And, again, the overall approach is one that we feel meets the President's principles.

Q But as part of economic policy it seems important.

MR. CARNEY: And as a matter of tradeoffs, we think those tradeoffs are worthwhile. But, again, without addressing when it would take effect, because I haven't -- I don't have the information, I'm happy to take that question tomorrow.

Q But it seems like as a matter of economic policy whether you think there should be tax hikes now or later is kind of important.

MR. CARNEY: Well, I mean, the President said what he said. Again, I will address the issue of the Senate provision when I have more information about it.

Q One other question about this. I know that in the weeks past you've been asked various versions of this, but the package itself, as you point out over and over again, is very popular. It's the pay-fors that are controversial.

MR. CARNEY: The pay-fors are very popular, too.

Q Well, it seems like the pay-fors are opposed by enough Democrats that it's allowed Republicans to point out the difference between the President and his own Democrats on this issue. So I guess my question is, why not --

MR. CARNEY: If you're saying -- and, again, this is hypothetical -- the fact that 100 percent of Republicans in the Senate presumably, if that's what they're saying, oppose something that the vast majority of the American people support, and 90 to 95 or 98 percent of Democrats support what the American people support, I think --

Q Well, whatever --

MR. CARNEY: -- who's on whose side is pretty clear.

Q -- the Democrats is not enough for you to get it passed.

MR. CARNEY: It's a -- well, the reality of the way that the Senate has been functioning is that you need 60 votes, which is why -- not a majority, but 60, for anything; naming a post office, practically -- we are going to work hard to try to convince Republican senators about the wisdom of putting teachers back to work in their states, construction workers back to work in their states, giving an expanded payroll tax cut to the citizens of their state.

So the reality of this system in the Senate is that what you need exceeds even 100 percent "yes" votes from the Democrats. But we are confident that the overwhelming majority of Democrats support this provision.

Mark.

Q Jay, just one -- just one question.

MR. CARNEY: I'm going to Mark, Lester.

Q Excuse me. And, Jay, that leads directly to my question, which is: You and the President were both really scathing over the summer about the whole

idea of holding votes on things that can't pass.

MR. CARNEY: I don't remember that.

Q Excuse me?

MR. CARNEY: Look --

Q Can I just finish my question?

MR. CARNEY: Sure.

Q I mean, seriously, you were talking about how the Republicans insisted on putting their -- the House Republicans had their deficit plan that could -- the President had threatened a veto; it wasn't going to become law -- why do it? Do you still -- even with that history, do you want the House Republicans to vote on the President's plan, even though Eric Cantor says, I know my guys are not going to vote for it; it won't pass. And you don't want Harry Reid to hold a vote on the whole package, even though, when the appointed hour comes, he may well not have enough to get past a filibuster? You want that to go ahead?

MR. CARNEY: We do, Mark. And we were engaged in obvious negotiations. There were provisions that -- the absolute important difference is that the things that you were talking about that were being voted on in the House, that had no chance of clearing Congress, let alone being signed into law by the President, were overwhelmingly unpopular, unsupported by the American people. Voucherizing Medicare -- check your data -- not popular. The kind of approach that was represented in the House Republican budget -- not -- this was not something that had the American people's support.

What we know about the American Jobs Act and the provisions within it is not only does it have the support of the American people, every provision in it has been supported -- or similar provisions to it -- the kinds of provisions that are in the American Jobs Act have been supported overwhelmingly by Republicans in the past, including Mitch McConnell.

So that's a big -- that's a huge difference. When you talk about -- and it's a huge difference when you talk about the admittedly difficult task, but possible task, of convincing members of Congress to actually vote with the people they represent, to vote in line with how they voted in the past. So I would say that distinction is pretty significant.

Q So a symbolic vote is okay --

MR. CARNEY: I don't think it has to be symbolic.

Q -- if it polls well.

MR. CARNEY: I don't think it has to be symbolic. And I think that we need to take urgent action on the economy, and that's what the American people are saying. There wasn't a groundswell of the American people saying, you know what? What we need right now is to dismantle Medicare, charge seniors \$6,000 more per year, and that will answer all our problems. I can guarantee you that wasn't what we were hearing from the American people.

Carrie.

Q Jay -- Jay, I was next.

MR. CARNEY: Carrie.

Q I was next.

MR. CARNEY: I'm afraid --

Q One question.

MR. CARNEY: I'm afraid the Washington Post was next.

Carrie.

Q Thanks, Jay.

MR. CARNEY: Now Politico is next.

Q I was confused for a second. Shifting gears a little bit to the super committee, does the President believe that the Pentagon can take -- handle any more cuts above the \$350 billion that was prescribed in the Budget Control Act? Does he think that the Pentagon can take any more cuts as part of any kind of next phase of this deficit deal?

MR. CARNEY: Well, I don't want to get into sort of incremental stuff. I think that one essential truth about the trigger --

Q I'm not asking about the trigger.

MR. CARNEY: Well -- but is that those cuts, with regard to defense spending, are significant and not ones that we think are the right way to go, which is just another reason for the super committee to avoid that outcome and take action that represents a balanced approach to deficit and debt reduction.

Q But there is that possibility of a figure that's lower than the \$600 billion that could -- just the Pentagon could take --

MR. CARNEY: What we think --

Q -- does the President think that that should be on the table, even an amount less than \$600 billion?

MR. CARNEY: Well, I don't want to get into drawing lines about what dollar figure is acceptable. The President put forward his proposals and contained -- and those proposals contain within them reductions in spending, as well as cuts in entitlement costs and revenue increases.

He believes that's the right approach to take, and that you don't need to do anything dramatic to entitlements, to defense, certainly to non-defense discretionary if you approach this in a balanced way. You can achieve significant long-term deficit and debt reduction on the order of the \$3 trillion he put forward, in addition to the \$1 trillion already agreed upon, if you do it in a balanced way that doesn't put the burden unduly on any sector of the government and its responsibilities, including national security, or on any segment of society.

Q And I just have one follow-up question on the -- or I'm sorry, the \$1 million threshold that you were talking about. The Senate Democrats -- talking about the surtax, the President in his principle seems to start at \$1 million or above millionaires. Why is -- is there an attempt to back away from the

\$250,000 level? I mean, is there any kind of now protected status for people under \$1 million? Has it changed at all, or is this just something --

MR. CARNEY: This President supports the expiration of the Bush tax cuts for the highest-income earners, those making more than \$250,000. That has not changed. Full stop.

He also supports tax reform that would as a guiding principle contain within it the Buffett rule, and those things coexist happily, as does the Senate approach to this. One does not cancel out the other. But, again, the Buffett rule -- or Buffett principle is an approach that he believes should guide Congress as it deals with the complex issues of tax reform.

Let me go to April. Yes.

Q Jay, there's been a groundswell on the issue of voter suppression. What is the White House and the Justice Department doing to look into issues of voter suppression to include the voter ID issue?

MR. CARNEY: April, it's a good question. Those kinds of things are handled by the Department of Justice. I mean, we obviously believe that the right to vote is a fundamental right of every American citizen that should be honored and upheld and certainly not suppressed. But I don't have any details about what Justice might be doing to look into those issues, but it's a vital principle.

Q I know it was -- I know early on the White House said it was basically a state issue. But because it's become more of an issue, has the White House called, worked with Justice on this?

MR. CARNEY: I don't know the answer to that. Again, Justice would be working on it if there was actions of any kind, so I would refer you there.

Q And I want to ask you one more question. As you are actively involved in campaigning now, 13 months out -- the administration, President, to include the campaign has said this is going to be a hard-fought election. Has there been attacks on this President or the presidency in regards to issues of race? Do you think it's both? Or do you think it's just one?

MR. CARNEY: Honestly, April, we're just not focused on that, not because it's not a question that you might ask, but because this President firmly believes that Americans out there have serious challenges and problems that need

to be addressed. And he's been hired to lead the country and to address these challenges, and he's not worried about himself at all. He's worried about a recovery that's not moving quick enough, unemployment that's unacceptably high. And he feels like if he puts forward ideas and articulates them well and convinces Congress to take them up and pass them, and that, in turn, results in some much needed help for the American people, some much needed help for this economy, and for those who are looking for work, that that -- that would be a big success, and that's why he's focused on that.

So he doesn't -- I mean, campaigning is one thing. And he's obviously going to engage in the campaign, and he's -- and he has campaign events. But, I mean, I just know, from spending so much time with him, this is not about him. It is not at all about him. It is about the reason he got in to begin with, which was he saw leadership in Washington that had sort of taken its eye off the ball, both on our domestic issues and our national security issues; that we were -- that the middle class was falling behind; that in a decade where the wealthiest Americans had seen their incomes and their share of the country's wealth expand dramatically, the middle class had been running in place or falling behind.

And so that's what he really is focused on. He doesn't -- we don't spend any time talking about the kinds of issues that you're raising.

Q But wait a minute, what we're seeing -- and many people have remarked we've seen attacks on this President that we have not seen with other presidents before. And this is a question -- if you attack him with his race, is that an attack on the presidency? Because he is the President of the United States.

MR. CARNEY: I think, again, we're just -- it's not the kind of thing we're focused on. Politics is -- can be a rough-and-tumble business, but it's a business that, at its best, is engaged in doing right by the American people. So that's what he's focused on.

Thanks very much, guys.

Q Thank you.

END

2:55 P.M. EDT

From: Schmaler, Tracy (OPA)
To: Matthew A. Lehrich Andy, Adora (OPA)
Sent: 10/5/2011 9:27:36 AM
Subject: Re: checking in

F and F - Eric's in loop.

Don't think much else --

Unrelated

From: Matthew A. Lehrich
Sent: Wednesday, October 05, 2011 09:14 AM
To: Schmaler, Tracy (OPA); Andy, Adora (OPA)
Subject: checking in

Anything going on today or coming up that Jay could get asked about?

From: Lehrich, Matt
To: Schmaler, Tracy (OPA); Andy, Adora (OPA)
Sent: 10/5/2011 9:28:08 AM
Subject: RE: checking in

Cool. Thanks.

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Wednesday, October 05, 2011 9:28 AM
To: Lehrich, Matt; Andy, Adora (OPA)
Subject: Re: checking in

F and F - Eric's in loop.

Don't think much else --

Unrelated

From: Lehrich, Matt [mailto:Matthew_A_Lehrich@who.eop.gov]
Sent: Wednesday, October 05, 2011 09:14 AM
To: Schmaler, Tracy (OPA); Andy, Adora (OPA)
Subject: checking in

Anything going on today or coming up that Jay could get asked about?

From: Schmaler, Tracy (OPA)
To: 'Lehrich, Matt'
Sent: 10/5/2011 6:23:13 PM
Subject: RE: checking in

Can you send this to me?

From: Lehrich, Matt [mailto: [Matthew A. Lehrich](mailto:Matthew.A.Lehrich)]
Sent: Wednesday, October 05, 2011 3:21 PM
To: Schmaler, Tracy (OPA); Andy, Adora (OPA)
Cc: Schultz, Eric
Subject: RE: checking in

FYI – Jay got a good bit of Holder/F&F today. Will send transcript when I see it.

From: Schmaler, Tracy (OPA) [mailto:Tracy.Schmaler@usdoj.gov]
Sent: Wednesday, October 05, 2011 9:28 AM
To: Lehrich, Matt; Andy, Adora (OPA)
Subject: Re: checking in

F and F - Eric's in loop.

Don't think much else -- [Unrelated](#)

From: Lehrich, Matt [mailto: [Matthew A. Lehrich](mailto:Matthew.A.Lehrich)]
Sent: Wednesday, October 05, 2011 09:14 AM
To: Schmaler, Tracy (OPA); Andy, Adora (OPA)
Subject: checking in

Anything going on today or coming up that Jay could get asked about?

From: Schmaler, Tracy (OPA)
To: Schultz, Eric
CC: Lehrich, Matt; Andy, Adora (OPA)
Sent: 10/5/2011 3:22:09 PM
Subject: Re: checking in

not a one.

On Oct 5, 2011, at 3:21 PM, "Schultz, Eric" **Eric H. Shultz** wrote:

Were there questions in Cincinnati on F&F?

From: Lehrich, Matt
Sent: Wednesday, October 05, 2011 3:21 PM
To: 'Schmaler, Tracy (OPA)'; Andy, Adora (OPA)
Cc: Schultz, Eric
Subject: RE: checking in

FYI – Jay got a good bit of Holder/F&F today. Will send transcript when I see it.

From: Schmaler, Tracy (OPA) [<mailto:Tracy.Schmaler@usdoj.gov>]
Sent: Wednesday, October 05, 2011 9:28 AM
To: Lehrich, Matt; Andy, Adora (OPA)
Subject: Re: checking in

F and F - Eric's in loop.

Don't think much else -- **Unrelated**

From: Lehrich, Matt; **Matthew A. Lehrich**
Sent: Wednesday, October 05, 2011 09:14 AM
To: Schmaler, Tracy (OPA); Andy, Adora (OPA)
Subject: checking in

Anything going on today or coming up that Jay could get asked about?

To: Schmaler, Tracy (OPA)[Tracy.Schmaler@usdoj.gov];
Attorney General Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov];
Richardson, Margaret (OAG)[Margaret.Richardson@usdoj.gov]; Delery, Stuart F.
(OAG)[Stuart.F.Delery@usdoj.gov]
From: **Attorney General**
Sent: Thur 10/6/2011 1:31:35 AM
Subject: Re: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

We're doing this.

----- Original Message -----

From: Schmaler, Tracy (OPA)
Sent: Wednesday, October 05, 2011 09:28 PM
To: **Attorney General**; **Attorney General**; Grindler, Gary (OAG);
Richardson, Margaret (OAG); Delery, Stuart F. (OAG)
Subject: Re: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

----- Original Message -----

From: **Attorney General**
Sent: Wednesday, October 05, 2011 09:02 PM
To: **Attorney General**; Schmaler, Tracy (OPA); Grindler, Gary (OAG);
Richardson, Margaret (OAG); Delery, Stuart F. (OAG)
Subject: Re: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

----- Original Message -----

From: **Attorney General**
Sent: Wednesday, October 05, 2011 08:58 PM
To: **Attorney General**
Subject: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

<http://www.politico.com/news/stories/1011/65208.html>

Sent from my iPhone - So please forgive my typos.

To: Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov]
From: Attorney General
Sent: Thur 10/6/2011 3:06:11 AM
Subject: Fwd: Confidentially

Sent from my iPad2 - forgive my typos.

Begin forwarded message:

From: Matthew Miller <Matthew Miller>
Date: October 5, 2011 10:52:33 PM EDT
To: Attorney General
Subject: Confidentially
Reply-To: Matthew Miller <Matthew Miller>

If I were you, I would want answers from the entire team (Cole, Reich, on down), on why the Department let Issa decide what to do with these memos. The whole point of the review is to find things like this and come up with plans for dealing with them. It should have been obvious that these memos were going to be a huge target, and instead of just handing them over, the Department should have put them out to reporters on its own terms, instead of letting Issa do it. Give them to Issa at the same time you give them to the press with an explanation that takes the air out of the balloon.

And if the answer is we owe it to Issa to give him this stuff first -- well, that's obviously ridiculous.

To: Attorney General
From: Attorney General
Sent: Thur 10/6/2011 3:01:57 AM
Subject: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Sent from my iPad2 - forgive my typos.

Begin forwarded message:

From: Matthew Miller <Matthew Miller>
Date: October 5, 2011 9:29:32 PM EDT
To: Attorney General >, Kevin Ohlson <kevin.ohlson@usdoj.gov>
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com
Reply-To: Matthew Miller <Matthew Miller>

I've been giving this a lot of thought today. The coverage really did break through -- the cables all spent time on it, and of course it was in the NYT this morning.

I think you have to personally answer this. Because the charge right now goes to your credibility, the answer has to come from you. The Department can do its defense as well, but you need to be out there defending it. So I would do two things immediately:

1. Send a letter to the Hill explaining what happened. Put in context the amount of information you get every week, say that you don't recall reading those bullets or being aware of Fast and Furious at any time before early this year, but in any event, you certainly weren't aware of the gun walking aspect of it until the news broke earlier this year (at which point you took immediate steps to have the IG investigate, etc.). This needs to happen tomorrow. In fact, it should've happened today. The last time your credibility was directly questioned was whether you had disclosed all of your amicus briefs -- the story started to break on a Thursday night, and we made people stay up all night compiling information so we could get a response out by 1 pm or so on Friday.
2. Find a way for you to get in front of a reporter or two about this. You don't want to call a press conference on this because it will blow things out perspective, but if you have any events in the next few days (preferably tomorrow), you could find a way to take two or three questions on it afterwards. Or if that's not easily doable, you could find a way to "run into" a couple of reporters on your way to something. Maybe Pete Williams, Carrie, Pete Yost -- that part can be managed. Most important is that you're in front of a camera in a relaxed manner giving a response you have rehearsed.

It would be ideal if those two things happened in the same day so you didn't have two news cycles of responding -- you want to do it all at once.

There may be things you need to do to go on offense as well, but I think most important right now is that you answer the charge about covering this up. Then you can move to offense.

To: **Attorney General**
From: **Attorney General**
Sent: Thur 10/6/2011 2:59:46 AM
Subject: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Sent from my iPad2 - forgive my typos.

Begin forwarded message:

From: Matthew Miller <**Matthew Miller**>
Date: October 5, 2011 9:40:46 PM EDT
To: "Ohlson, Kevin \ (ODAG)" <Kevin.Ohlson@usdoj.gov>, **Attorney General**
Attorney General
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com
Reply-To: Matthew Miller <**Matthew Miller**>

Reading Kevin's advice after I sent mine. I think we agree strategically that you personally need to answer this, and the rest is just tactics (who you talk to, when, etc).

The more I think about the offense versus defense part, I do think you should go on offense, too. After explaining what happened, you could go back at them by saying something like: "But let's be clear what this is all about. I've ordered an investigation into what happened. But there are people on the Hill who don't care about what really happened. For them this has become about scoring political points and weakening an agency charged with cracking down on gun violence. There are a lot of powerful lobbyists and their allies on the hill who have wanted to cripple the ATF for a long time, and they're using this as an opportunity to do so. I'm not going to let them. It's clear the ATF made mistakes here. We've cleaned house, and we're going to fix the agency, but we're not going to allow it to be put out of business by people carrying water for the gun lobby."

This part has to be really carefully crafted and delivered, but I think it could be effective as a one-two punch. (One, explain what happened with your testimony; two, punch back.)

From: "Ohlson, Kevin (ODAG)" <Kevin.Ohlson@usdoj.gov>
To: **Attorney General**, **Matthew Miller**
Matthew Miller
Sent: Wednesday, October 5, 2011 9:18 PM
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

This story is gaining traction. You need to stop it from snowballing -- now. Having unnamed sources in the Department defend you is never going to work. I would suggest an immediate on the record pen-and-pad with all regular DOJ reporters (no interlopers who want to agitate) -- and no cameras -- in your conference room. Then you lay it all out showing that this drumbeat from the Right is bullshit.

Frhttp://cbsnews.treemo.com/_EXTERNAL_link_loadExternalSite:__PARAM__http://www.cbsnews.com/htdocs
Attorney General

Sent:

To: [Attorney General] Richardson, Margaret
(OAG)[Margaret.Richardson@usdoj.gov]
From: Grindler, Gary (OAG)
Sent: Thur 10/6/2011 10:50:46 AM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

OK

From: [Attorney General]
Sent: Wednesday, October 05, 2011 11:04 PM
To: Grindler, Gary (OAG); Richardson, Margaret (OAG)
Subject: Fw: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

We move

From: [Attorney General]
Sent: Wednesday, October 05, 2011 10:59 PM
To: [Attorney General]
Subject: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Sent from my iPad2 - forgive my typos.

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From: Matthew Miller <[Matthew Miller]>
Date: October 5, 2011 9:40:46 PM EDT
To: "Ohlson, Kevin \ (ODAG\)" <Kevin.Ohlson@usdoj.gov>, [Attorney General]
[Attorney General]
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee -
POLITICO.com
Reply-To: Matthew Miller <[Matthew Miller]>

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To: Attorney General

Matthew Miller

Matthew Miller

Sent: Wednesday, October 5, 2011 9:18 PM

Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

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Fr<http://cbsnews.treemo.com/> EXTERNAL_link_loadExternalSite: __PARAM__ http://www.cbsnews.com/htdocs/pdf/pdf_

Attorney General

Sent:

To: **Attorney General**
From: Grindler, Gary (OAG)
Sent: Thur 10/6/2011 10:53:10 AM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

From: **Attorney General**
Sent: Wednesday, October 05, 2011 11:09 PM
To: Grindler, Gary (OAG)
Subject: Fw: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

From: **Attorney General**
Sent: Wednesday, October 05, 2011 11:01 PM
To: **Attorney General**
Subject: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Sent from my iPad2 - forgive my typos.

Begin forwarded message:

From: Matthew Miller <**Matthew Miller**>
Date: October 5, 2011 9:29:32 PM EDT
To: **Attorney General**, Kevin Ohlson <kevin.ohlson@usdoj.gov>
Subject: **Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com**
Reply-To: Matthew Miller <**Matthew Miller**>

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To: **Attorney General**
From: Grindler, Gary (OAG)
Sent: Thur 10/6/2011 11:01:34 AM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

We can cancel a few meetings this afternoon. I am trying to reach Tracy before I leave for the 8:30 to get her moving on this. GGG

From: Grindler, Gary (OAG)
Sent: Thursday, October 06, 2011 6:53 AM
To: **Attorney General**
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

From: **Attorney General**
Sent: Wednesday, October 05, 2011 11:09 PM
To: Grindler, Gary (OAG)
Subject: Fw: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

From: **Attorney General**
Sent: Wednesday, October 05, 2011 11:01 PM
To: **Attorney General**
Subject: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Sent from my iPad2 - forgive my typos.

Begin forwarded message:

From: Matthew Miller <**Matthew Miller**>
Date: October 5, 2011 9:29:32 PM EDT
To: **Attorney General**, Kevin Ohlson <kevin.ohlson@usdoj.gov>
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com
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To: Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov]
From: Attorney General
Sent: Thur 10/6/2011 11:54:29 AM
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Exactly: DP

From: Grindler, Gary (OAG)
Sent: Thursday, October 06, 2011 06:53 AM
To: Attorney General
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

From: Attorney General
Sent: Wednesday, October 05, 2011 11:09 PM
To: Grindler, Gary (OAG)
Subject: Fw: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

From: Attorney General
Sent: Wednesday, October 05, 2011 11:01 PM
To: Attorney General
Subject: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Sent from my iPad2 - forgive my typos.

Begin forwarded message:

From: Matthew Miller <Matthew Miller>
Date: October 5, 2011 9:29:32 PM EDT
To: Attorney General, Kevin Ohlson <kevin.ohlson@usdoj.gov>
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com
Reply-To: Matthew Miller <Matthew Miller>

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From: Grindler, Gary (OAG)
To: Attorney General
Sent: 10/6/2011 8:00:03 AM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

I spoke with Tracy. Hopefully she is beginning to work on this.

DP

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Sent: Thursday, October 06, 2011 7:54 AM
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Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

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Sent: Thursday, October 06, 2011 06:53 AM
To: Attorney General
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

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Sent: Wednesday, October 05, 2011 11:09 PM
To: Grindler, Gary (OAG)
Subject: Fw: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

From: Attorney General
Sent: Wednesday, October 05, 2011 11:01 PM
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To: **Attorney General**
From: Grindler, Gary (OAG)
Sent: Thur 10/6/2011 12:00:03 PM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

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To: Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov]
From: Attorney General
Sent: Thur 10/6/2011 12:02:21 PM
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

Agree DP
DP

From: Grindler, Gary (OAG)
Sent: Thursday, October 06, 2011 08:00 AM
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To: Grindler, Gary (OAG)[Gary.Grindler@usdoj.gov]
From: Attorney General
Sent: Thur 10/6/2011 11:57:04 AM
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

DP

From: Attorney General
Sent: Thursday, October 06, 2011 07:54 AM
To: Grindler, Gary (OAG)
Subject: Re: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

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Sent: 10/6/2011 6:53:10 AM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

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To: Attorney General
Sent: 10/6/2011 7:01:34 AM
Subject: RE: Fwd: Darrell Issa to Eric Holder: Admit you knew - MJ Lee - POLITICO.com

We can cancel a few meetings this afternoon. I am trying to reach Tracy before I leave for the 8:30 to get her moving on this. GGG

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From: Schmalzer, Tracy (OPA)
To: Attorney General
Sent: 10/5/2011 2:28:01 PM
Subject: Informant: ATF "gun walking" went on for years

CBS on wide receiver - [DP]

October 5, 2011 9:56 AM

Informant: ATF "gun walking" went on for years

The ATF, the agency that's supposed to stop gun smuggling, turned a blind eye for years, as hundreds of guns "walked" across the Mexican border, CBS News has learned.

In a report on "The Early Show," CBS News investigative correspondent Sharyl Attkisson said a confidential informant has come forward "with a fascinating story of how U.S. agents began letting guns 'walk' across the Mexican border - more than four years ago."

ATF "Fast and Furious": New documents show Attorney General Eric Holder was briefed in July 2010

Gun enthusiast and licensed dealer Mike Detty said he was working a Tucson, Ariz., gun show in early 2006 when a young Hispanic man bought a half-dozen semi-automatic rifles. He paid \$1,600 cash.

Detty recalled, "But then he asked if I had more, and I told him that later in the month I would have another 20 from my supplier. And he said, 'I'll take 'em all.'"

Detty said he suspected the buyer was trafficking for a drug cartel. Tucson is just an hour from the Mexican border and a popular shopping center for smugglers.

Detty notified ATF - the Bureau of Alcohol, Tobacco and Firearms. To his surprise, ATF told him to go ahead with the big sale and sent an undercover agent to watch. Then, a local ATF manager made an unusual and dangerous proposition: He asked Detty to be a confidential informant.

Detty told CBS News, "He said, 'Mike, I think we've got a real chance at taking out a powerful cartel. Can you help us?' I made that commitment. And I really thought I was doing something good."

Detty said he even signed an informant contract. As he understood it, he'd sell to suspected traffickers. Agents would track the weapons, expose the cartel's inner workings, and then interdict the guns before they could ever get loose on the street - or so Detty thought.

Detty said his business, "Mad Dawg," catered to this dangerous clientele in his living-room showroom. ATF agents watched and listened outside.

In an audio recording from a sale, Detty can be heard saying, "if your guys need more guns - " A suspect replies, "I do." Detty says, "You let me know."

"I do," the suspect repeats. Detty says, "And it's cool with me, OK?"

"I want to buy all of them that are like that. All of them I can get," the suspect says. Detty responds, "OK, I have a lot of them like that."

"I want to buy them all," the suspect responds.

Detty said ATF would have a small audio recording device. Sometimes it was hidden in a box of Kleenex," he said. One of the biggest cases was code-named: "Operation Wide Receiver."

Attkisson asked Detty, "Do you know about how many guns we're talking about?"

Detty said, "It's right around 450."

Detty came forward after things didn't work out as Detty had thought they would. Detty says he realized ATF was letting guns "walk" and instead of helping to take down cartels, he'd helped ATF arm them.

Attkisson asked, "When you look back and think in hindsight knowing what we know now - that all those guns were going on the street - what do you think about?"

Detty said, "It really makes me sick."

Attkisson noted that all this happened under the Bush administration - three years before the start of "Fast and Furious," the better-known ATF operation under the Obama administration that has come under scrutiny. "Fast and Furious" allegedly let thousands of weapons fall into the hands of Mexican drug cartels, and is now the subject of two investigations.

The "Fast and Furious" tactic of letting guns "walk" was exposed after Border Patrol Agent Brian Terry was murdered last December and at least two assault rifles from "Fast and Furious" were found at the scene.

As for its predecessor, "Wide Receiver," prosecutors finally, quietly, rounded up seven suspects last fall. No cartel leaders, just buyers who - critics say - should never have been allowed to put even one weapon on the street, let alone operate for years.

Detty said, "My first day as an informant, if they had said, 'Here's our plan, Mike: We're going to let as many guns go across the border as they can haul, and we're just gonna look and see where they pop up,' I'd have said, 'No way. That's not a plan. That's idiocy.' "

Attkisson said efforts to reach former Attorney General Alberto Gonzalez, who was in office when "Wide Receiver" started under the Bush administration, were unsuccessful. Meanwhile, his successor is under fire. Republicans are calling for a special prosecutor to investigate whether Attorney General Eric Holder told the truth when he testified earlier this year to Congress about when he first knew about "Fast and Furious."

According to Attkisson, "gunwalking" may not be limited to border towns.

She said, "We have found allegations of gunwalking in at least 10 cities in five states, so this apparently was not isolated to Arizona."

[For more on this story, go to CBS News Investigates.](#)

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Read more: http://www.cbsnews.com/8301-500202_162-20115824.html#ixzz1ZvcdjAjl

From: Schmalzer, Tracy (OPA)
Sent: Wednesday, October 05, 2011 1:02 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG)
Subject: Re:

Margaret and I are on bb -- can you paste?

From: Reich, Steven (ODAG)
Sent: Wednesday, October 05, 2011 01:00 PM
To: Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA)
Subject:

<http://www.cbsnews.com/stories/2011/10/05/earlyshow/main20115824.shtml?tag=stack>

Steven F. Reich

Associate Deputy Attorney General

United States Department of Justice

950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Attorney General
To: Schmalzer, Tracy (OPA)
Sent: 10/5/2011 3:43:19 PM
Subject: Re: Informant: ATF "gun walking" went on for years

DP How so?

From: Schmalzer, Tracy (OPA)
Sent: Wednesday, October 05, 2011 02:28 PM
To: Attorney General
Subject: Informant: ATF "gun walking" went on for years

CBS on wide receiver - DP

October 5, 2011 9:56 AM

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Sent: Wednesday, October 05, 2011 1:02 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG)
Subject: Re:

Margaret and I are on bb -- can you paste?

From: Reich, Steven (ODAG)
Sent: Wednesday, October 05, 2011 01:00 PM
To: Weich, Ron (OLA); Richardson, Margaret (OAG); Schmaler, Tracy (OPA)
Subject:

<http://www.cbsnews.com/stories/2011/10/05/earlyshow/main20115824.shtml?tag=stack>

Steven F. Reich

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(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Schmalzer, Tracy (OPA)
To: **Attorney General**
Sent: 10/5/2011 3:58:51 PM
Subject: Re: Informant: ATF "gun walking" went on for years

DP

From: **Attorney General**
Sent: Wednesday, October 05, 2011 03:43 PM
To: Schmalzer, Tracy (OPA)
Subject: Re: Informant: ATF "gun walking" went on for years

DP How so?

From: Schmalzer, Tracy (OPA)
Sent: Wednesday, October 05, 2011 02:28 PM
To: **Attorney General**
Subject: Informant: ATF "gun walking" went on for years

CBS on wide receiver - **DP**

October 5, 2011 9:56 AM

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From: Attorney General
To: Schmalzer, Tracy (OPA)
Sent: 10/5/2011 4:33:04 PM
Subject: Re: Informant: ATF "gun walking" went on for years

DP

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To: Weich, Ron (OLA); Richardson, Margaret (OAG); Schmaler, Tracy (OPA)
Subject:

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steven.reich@usdoj.gov

To: Schmalzer, Tracy (OPA)[Tracy.Schmalzer@usdoj.gov]
From: Attorney General
Sent: Wed 10/5/2011 7:39:58 PM
Subject: Re: Informant: ATF "gun walking" went on for years

"Holder briefed"!!!???

DP

From: Schmalzer, Tracy (OPA)
Sent: Wednesday, October 05, 2011 02:28 PM
To: Attorney General
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CBS on wide receiver - DP
DP

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From: Schmalzer, Tracy (OPA)
To: Weich, Ron (OLA); Reich, Steven (ODAG); Richardson, Margaret (OAG)
Sent: 10/5/2011 6:08:06 PM
Subject: Pelletier on Fox

Newell's lawyer.

From: Schmalzer, Tracy (OPA)
To: **Attorney General** Richardson, Margaret (OAG); Grindler, Gary (OAG)
Sent: 10/5/2011 6:54:24 PM
Subject: WH briefing - q's on f and f

Jay got a few q's ... they had our points and made them pretty effectively.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011, when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

. . . .

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago, I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.

From: Schmaler, Tracy (OPA)
To: Eric Schultz
Sent: 10/5/2011 2:32:45 PM
Subject: Fwd: RE:

in case you missed it

October 5, 2011 9:56 AM

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Detty said he even signed an informant contract. As he understood it, he'd sell to suspected traffickers. Agents would track the weapons, expose the cartel's inner workings, and then interdict the guns before they could ever get loose on the street - or so Detty thought.

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"I do," the suspect repeats. Detty says, "And it's cool with me, OK?"

"I want to buy all of them that are like that. All of them I can get," the suspect says. Detty responds, "OK, I have a lot of them like that."

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Attkisson asked Detty, "Do you know about how many guns we're talking about?"

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Detty came forward after things didn't work out as Detty had thought they would. Detty says he realized ATF was letting guns "walk" and instead of helping to take down cartels, he'd helped ATF arm them.

Attkisson asked, "When you look back and think in hindsight knowing what we know now - that all those guns were going on the street - what do you think about?"

Detty said, "It really makes me sick."

Attkisson noted that all this happened under the Bush administration - three years before the start of "Fast and Furious," the better-known ATF operation under the Obama administration that has come under scrutiny. "Fast and Furious" allegedly let thousands of weapons fall into the hands of Mexican drug cartels, and is now the subject of two investigations.

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Attkisson said efforts to reach former Attorney General Alberto Gonzalez, who was in office when "Wide Receiver" started under the Bush administration, were unsuccessful. Meanwhile, his successor is under fire. Republicans are calling for a special prosecutor to investigate whether Attorney General Eric Holder told the truth when he testified earlier this year to Congress about when he first knew about "Fast and Furious."

According to Attkisson, "gunwalking" may not be limited to border towns.

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Read more: http://www.cbsnews.com/8301-500202_162-20115824.html#ixzz1ZvcdjAjl

From: Schmalzer, Tracy (OPA)
To: Reich, Steven (ODAG); Axelrod, Matthew (ODAG); Richardson, Margaret (OAG)
Sent: 10/5/2011 11:20:11 AM
Subject: Fwd: Issa on CNN

see issa response --i don't know who "they" are -- but he says even AG didn't know or at least that's how i read it . either way - reiterates ken didn't know, and he was the briefer on GGG power point a MONTH before Issa got his briefing.

Issa: that is an outright lie that the justice department has been spinning. they shopped that to the newspapers until they found one that would print it. the fact is that kenneth melson, a man under oath very well recorded has said he didn't know much of this and clearly did not brief me in one briefing that was about gun trafficking into mexico. and let's understand something, anderson. they would have you believe that i knew that i knew what the attorney general didn't know, that i knew what they were deliberately withholding from atf and dea and from the u.s. ambassador to mexico. so is this cover-up and this game of spin and delay continues, t

Below is the interview with Issa. I have also included the full transcript from Anderson's segment:

Interview with Issa:

do you believe the attorney general lied to you?

Issa: i certainly believe that he either misrepresented the facts or he's sufficiently incompetent that he didn't know what was in his weekly briefings. i support the fact that the attorney general cannot investigate himself.

cnn has obtained some of the documents that you and your colleagues have referenced. and the attorney general did receive some memos last year acknowledging the existence of operation fast and furious but only in passing. the justice department is saying basically look he receives dozens of reports every week, some more than 100 pages, there's no indication he knew the problems of this operation that far back. do you believe that?

Issa: well, it's difficult to believe it. additionally there's a spin going that when they talked about guns walking in excess, that this or other programs, we've had testimony in front of our committee that says justice never lets guns walk. now we have written proof that they were concerned about the guns walking. they were concerned about the optics of press interviews in which they were going to talk about problems, including brian terry's murder. and very clearly this was not hundreds of pa pages of reports. this is the key weekly briefing that the attorney general received on which there was a paragraph on fast and furious repeatedly. so to say when asked specifically about fast and furious, he didn't understand the question, he certainly had to know that every week he was seeing briefings on fast and furious, he had to at least say i'm familiar with the name. what is it that you mean? or i don't fully understand everything as well as i did two weeks before. instead, in fairness both to myself and to jason chafitz, he implied he'd never heard of this two weeks before and that he didn't know what a felony stupid program this was that led to the death of brian terry and the release of 10,000 weapons into the worst of the worse people's hands.

they're pushing back on what you're saying. chairman issa, of all people, should be familiar with the difference between knowing about an investigation and being aware of tactics used in that investigation since documents provided to his committee show that he was given a briefing that included the fast and furious operation in 2010, a year before the controversy emerged. so i mean, did you yourself know about the operation last year?

Issa: that is an outright lie that the justice department has been spinning. they shopped that to the newspapers until they found one that would print it. the fact is that kenneth melson, a man under oath very well recorded has said he didn't know much of this and clearly did not brief me in one briefing that was about gun trafficking into mexico. and let's understand something, anderson. they would have you believe that i knew that i knew what the attorney general didn't know, that i knew what they were deliberately withholding from atf and dea and from the u.s. ambassador to mexico. so is this cover-up and this game of spin and delay continues, the problem is it's only creating problems that didn't initially exist. initially this was a dumb program that led to very adverse consequences. now it's about a cover-up, about deception, about slow rolling discovery of this and other committees. understand i got involved in this because senator grassley was denied any discovery because he wasn't the

chairman over in the senate, and i got involved somewhat on his behalf and my committee has taken a lead on it. but this was about stonewalling of the senate long before i got involved. i always thought this was the first time this kind of a program has been tried. new revelations tonight coming out that the bush administration had a similar weapons program something called operation wide receiver. do you think officials from that administration should be looked at as well?

Issa: we'd know a lot more about it except that's among the documents we're still waiting to get. what we do know about wide receiver is very small amount of weapons, much more intensive following but in fact we will get to the bottom of whether or not this practice in a smaller way may have begun on the bush watch. we're not putting it past any administration and giving anyone a pass. the american people and the people of mexico expect us to have a zero tolerance for letting drugs come into our country or weapons go into mexico.

congressman issa, appreciate your time.

thank you, anderson.

Full Segment:

now tonight keeping them honest. what newly uncovered memos say about the botched atf operation called fast and furious. the operation to let firearms bought in america get across the border into mexico. the idea was to trace them to drug cartel leaders, but instead of tracing them, the atf lost track of them. they never even informed the mexican government about the weapons. to add insult to injury no one told the mexican about the whole thing. the whole thing was predicated on being able to follow these things but no one told the mexicans. the u.s. is charged with arming murderous drug cartels and no one tells mexico. we're talking about thousands of weapons. two of them, two of those weapons turned up at the murder scene of a u.s. border agent named brian terry. that's his photo. it's important we remember his name. tonight the gop controlled house judiciary committee asked the white house to name a special counsel to determine whether the attorney general himself eric holder lied when asked about fast and furious. this is what he said back in may.

when did you first know about the program officially i believe called fast and furious, to the best of your knowledge, what date?

i'm not sure of the exact date, but i probably heard about fast and furious for the first time over the last few weeks.

however, keeping them honest, we've obtained memos that show otherwise. weekly reports from holder deputies to the attorney general, weekly reporting one dated the week of october 18th, 2010 talks about eight pending indictments then under seal in connection with gun running to mexico. quote, the ceiling will likely last until another operation, operation fast and furious, is ready for takeoff. assuming that attorney general holder read the memo, assuming that he was aware of the operation months before he testify head was. another memo from the first week that july also mentioned fast and furious and gives a brief thumbnail description of it. presumably the attorney general read that one as well. both, we should say, are heavily redacted. we don't know what else they say about fast and furious if they say anything at all. an official told us all we know for sure is that the memo suggests that eric holder had reason to at least be aware of the operation months before he said he did before the oversight committee last may. an official of the justice department says the attorney general was simply repeating the answer he gave a senate committee in march about whether he was aware of questionable tactics. this official says, and i quote, chairman issa, of all people, should be familiar with the difference of knowing about an investigation and being aware of questionable tactics employed in that investigation. but recall in the clip that was played congressman issa's question wasn't that complicated. he asked when attorney general holder became aware of the operation, not when he learned the details of it. so is our source at the justice department splitting hairs or is congressman issa? you can decide for yourself. we spoke with the congressman earlier tonight. the chairman of the house judiciary committee has formally asked the president to appoint a special counsel to investigate what attorney general holder knew and when he knew it. it was based on an exchange you had with him back in may. do you believe the attorney general lied to you?

Issa: i certainly believe that he either misrepresented the facts or he's sufficiently incompetent that he didn't know what was in his weekly briefings. i support the fact that the attorney general cannot investigate himself.

cnn has obtained some of the documents that you and your colleagues have referenced. and the attorney general did receive some memos last year acknowledging the existence of operation fast and furious but only in passing. the justice department is saying basically look he receives dozens of reports every week, some more than 100 pages, there's no indication he knew the problems of this operation that far back. do you believe that?

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congressman issa, appreciate your time.

thank you, anderson.

From: Grindler, Gary (OAG)
To: Richardson, Margaret (OAG)
Sent: 10/6/2011 8:04:51 AM
Subject: No Subject-844.EML

Margaret: We are going to add Stuart Delery to work with you on F&F. He will be getting deeply into the facts. We can discuss this later.

From: Richardson, Margaret (OAG)
To: Grindler, Gary (OAG)
Sent: 10/6/2011 8:14:48 AM
Subject: Re:

Ok.

From: Grindler, Gary (OAG)
Sent: Thursday, October 06, 2011 08:04 AM
To: Richardson, Margaret (OAG)
Subject:

Margaret: We are going to add Stuart Delery to work with you on F&F. He will be getting deeply into the facts. We can discuss this later.

From: Grindler, Gary (OAG)
To: Delery, Stuart F. (OAG)
Sent: 10/6/2011 8:04:58 AM
Subject: FW:

From: Grindler, Gary (OAG)
Sent: Thursday, October 06, 2011 8:05 AM
To: Richardson, Margaret (OAG)
Subject:

Margaret: We are going to add Stuart Delery to work with you on F&F. He will be getting deeply into the facts. We can discuss this later.

From: Weich, Ron (OLA)
To: Schmalzer, Tracy (OPA); Reich, Steven (ODAG); Richardson, Margaret (OAG)
Sent: 10/5/2011 1:12:39 PM
Subject: RE:

October 5, 2011 9:56 AM

Informant: ATF "gun walking" went on for years

The ATF, the agency that's supposed to stop gun smuggling, turned a blind eye for years, as hundreds of guns "walked" across the Mexican border, CBS News has learned.

In a report on "The Early Show," CBS News investigative correspondent Sharyl Attkisson said a confidential informant has come forward "with a fascinating story of how U.S. agents began letting guns 'walk' across the Mexican border - more than four years ago."

ATF "Fast and Furious": New documents show Attorney General Eric Holder was briefed in July 2010

Gun enthusiast and licensed dealer Mike Detty said he was working a Tucson, Ariz., gun show in early 2006 when a young Hispanic man bought a half-dozen semi-automatic rifles. He paid \$1,600 cash.

Detty recalled, "But then he asked if I had more, and I told him that later in the month I would have another 20 from my supplier. And he said, 'I'll take 'em all.'"

Detty said he suspected the buyer was trafficking for a drug cartel. Tucson is just an hour from the Mexican border and a popular shopping center for smugglers.

Detty notified ATF - the Bureau of Alcohol, Tobacco and Firearms. To his surprise, ATF told him to go ahead with the big sale and sent an undercover agent to watch. Then, a local ATF manager made an unusual and dangerous proposition: He asked Detty to be a confidential informant.

Detty told CBS News, "He said, 'Mike, I think we've got a real chance at taking out a powerful cartel. Can you help us?' I made that commitment. And I really thought I was doing something good."

Detty said he even signed an informant contract. As he understood it, he'd sell to suspected traffickers. Agents would track the weapons, expose the cartel's inner workings, and then interdict the guns before they could ever get loose on the street - or so Detty thought.

Detty said his business, "Mad Dawg," catered to this dangerous clientele in his living-room showroom. ATF agents watched and listened outside.

In an audio recording from a sale, Detty can be heard saying, "if your guys need more guns - " A suspect replies, "I do." Detty says, "You let me know."

"I do," the suspect repeats. Detty says, "And it's cool with me, OK?"

"I want to buy all of them that are like that. All of them I can get," the suspect says. Detty responds, "OK, I have a lot of them like that."

"I want to buy them all," the suspect responds.

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Attkisson asked Detty, "Do you know about how many guns we're talking about?"

Detty said, "It's right around 450."

Detty came forward after things didn't work out as Detty had thought they would. Detty says he realized ATF was letting guns "walk" and instead of helping to take down cartels, he'd helped ATF arm them.

Attkisson asked, "When you look back and think in hindsight knowing what we know now - that all those guns were going on the street - what do you think about?"

Detty said, "It really makes me sick."

Attkisson noted that all this happened under the Bush administration - three years before the start of "Fast and Furious," the better-known ATF operation under the Obama administration that has come under scrutiny. "Fast and Furious" allegedly let thousands of weapons fall into the hands of Mexican drug cartels, and is now the subject of two investigations.

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Read more: http://www.cbsnews.com/8301-500202_162-20115824.html#ixzz1ZvcdjAjl

From: Schmalzer, Tracy (OPA)
Sent: Wednesday, October 05, 2011 1:02 PM
To: Reich, Steven (ODAG); Weich, Ron (OLA); Richardson, Margaret (OAG)
Subject: Re:

Margaret and I are on bb -- can you paste?

From: Reich, Steven (ODAG)
Sent: Wednesday, October 05, 2011 01:00 PM
To: Weich, Ron (OLA); Richardson, Margaret (OAG); Schmalzer, Tracy (OPA)
Subject:

<http://www.cbsnews.com/stories/2011/10/05/earlyshow/main20115824.shtml?tag=stack>

Steven F. Reich

Associate Deputy Attorney General

United States Department of Justice

950 Pennsylvania, Avenue, N.W.

Room 4121

Washington, D.C. 20530

(202) 305-0091 (office)

(202) 616-1239 (fax)

steven.reich@usdoj.gov

From: Attorney General
To: Schmalzer, Tracy (OPA); Richardson, Margaret (OAG); Grindler, Gary (OAG)
Sent: 10/5/2011 7:37:04 PM
Subject: Re: WH briefing - q's on f and f

Well done

DP

DP

From: Schmalzer, Tracy (OPA)
Sent: Wednesday, October 05, 2011 06:54 PM
To: Attorney General Richardson, Margaret (OAG); Grindler, Gary (OAG)
Subject: WH briefing - q's on f and f

Jay got a few q's ... they had our points and made them pretty effectively.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011, when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

. . . .

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago,

I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.