

errors (I guess we call them "constraints" in this instance, as does the IG), despite the fact that the IG states that "in concert with ATF officials, we established an error rate of 5 percent."

Thus just doesn't make sense to me. Why doesn't it make sense? Because the IG (for some undisclosed reason) drew more samples, apparently established some error rate corresponding to those samples, and decided not to report what the error rate was. I don't see how this makes any sense, given the IG's previous findings in its previous discovery samples. Yet, the IG states that "because of the error rate we found in our discovery sample and actions that ATF had underway to improve the quality of the registry," the IG decided not to do any more audit work.

We are simply not told whether the error rate established during this separate work contradicts or agrees with what the IG reported in Table 2. Why?

If the rate was better (that is, less than the error rates in Table 2), that would tend to show there were fewer errors but still not be conclusive—because the samples are too small to project the finding to the entire sample.

Consequently, the IG still apparently can't say or determine anything definitive here. So, why do the audit?

In my judgement, the audit work the IG performed in these sections of the report represents the outcome of a deliberately planned effort to avoid doing the very audit work required by Government Auditing Standards. If you take the IG at its word, that it followed Government Auditing Standards, examine those standards as I have done in detail earlier in my testimony, and compare those standards with what the IG reports it did here, it may be impossible to come to any other conclusion. But I suppose it is also possible to conclude that the Treasury Department Office of Inspector General is incompetent. Neither conclusion inspires much confidence in the Government.

Consequently, it appears to me that at least part of the IG's audit is nothing more than a management-directed, unwisely narrow attempt to operationalize some kind of sloppy damage-limiting operation, in the hope or assumption that nobody will take the time to actually read the IG's audit reports and evaluate them according to Government Auditing Standards.

SOME FINAL THOUGHTS ON WHAT ATF DEFINES AS "SERIOUS ERRORS" IN THE NFRTR

There is plenty of independent evidence of serious errors in the NFRTR, and that ATF has attempted to estimate their number and type. The notion that ATF is not aware of this work is, as I will show, simply not worthy of belief. Since I personally gave a copy of my 1997 testimony to the IG's three representatives on October 22, 1997, the notion that the IG isn't aware of the ATF's work in this area is not worthy of belief either.

I devoted an entire section of my 1997 testimony to specifically describing and documenting seven major examples of serious problems with NFRTR data. This section is entitled "Some Current (1992 to 1996) NFRTR Data are of Questionable Accuracy and Integrity, and the Meaning of Some of These Data is Unclear" (1997, pages 92-121).

Summarizing each of the seven examples would make this review too long, so I will limit myself to one example—documents created by ATF which describe errors in the NFRTR. In contemplating its "March 1995 project to clean-up (review and amend) the entire National Registry," ATF created misleading definitions of errors, and blatantly engaged in data manipulation for the purposes of trying to artificially make its NFRTR statistics look good. Consider that an ATF document from the NFA Branch dated June 19, 1995, identifies six different "Significant errors" (1997, page 103):

[NFA Branch document dated June 19, 1995, here]

1. Misspelled [sic] and/or Incomplete names.
2. Voided application—didn't indicate current firearm possessor.
3. \$200/\$5 remittance not posted.
4. Never mailed approved form to transferor.
5. Approved wrong firearm to transferee.
6. Approved form never updated in NFRTR.

This document establishes that ATF has created at least some definitions of "errors" and has been examining the NFRTR for errors.

This same document also states: "Since 6/30/94 reviewed 25611 Errors 1567 Significant errors 373" and "Common Error rate .01% Significant error rate .01%" (underlines and boldface appear in the original document). The "Common Error rate" and the "Significant error rate" that I have quoted from this document appear to be incorrect. Specifically, $1,567 \div 25,611 = .0611846$, or 6.1 percent; while $373 \div 25,611 = .0145641$, which may be 1 percent or 1.4 percent or 1.5 percent depending on the criterion established for rounding the value up or down.

A second document, dated October 30, 1995, reveals a startling change in ATF's definitions of errors. Specifically, virtually all of the six errors noted previously (that is, on the documented dated June 19, 1995) defined as "Significant errors" have now been redefined simply as "Errors" (1997: 104). According to the document dated October 30, 1995, the 36,903 documents reviewed "since 6/30/94" contained 2,155 errors, producing an error rate of 6 percent. How many people has that affected?

[NFA Branch document dated October 30, 1995, here]

NATIONAL FIREARMS ACT BRANCH

WEEKLY - Quality Review Report

Date Processed	Number of Examiners Reviewed	Number of Forms Processed	Number Errors Found	Number Signifi Errors	Number of Letters or Tasks
Mon, 6/19			N/A		1
Tues, 6/20	1	194	3	3	1
Weds, 6/21	7	208	5	5	1
Thurs, 6/22	6	329	2	2	0
Fri, 6/23			N/A		
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Totals	41	731	10	10	3
Since 6/30/94 reviewed		25611	Errors 1567	Significant errors 373	
Common Error rate	.01%		Significant error rate	.01%	

Significant Errors:

1. Misspelled and/or Incomplete names.
2. Voided application--didn't indicate current firearm possessor.
3. \$200/\$5 remittance not posted.
4. Never mailed approved form to transferor
5. Approved wrong firearm to transferee.
6. Approved form never updated in NFRTR.

1993 boxed applications reviewed 4129 and 116 errors

On February 13, 1995, we discontinued reviewing the old "boxed" microfilmed applications contemplating our March 1995 project to clean-up (review and amend) the entire National Registry.

NATIONAL FIREARMS ACT BRANCH

WEEKLY - Quality Review Report

Date Processed	Numbers of Examiners	Number of Forms Processed	Number of Errors	Number of Tasks/Letters
Mon, 10/30	3	140	1	0
Tues, 10/31	4	147	1	0
Weds, 11/1	4	260	3	0
Thurs, 11/2	2	83	1	0
Fri, 11/3	6	276	2	0
Totals	19	906	8	0
Weekly Error rate 0%				

Year-to-Date

Since 6/30/94 reviewed 36903 Errors 2155 Error rate 6%

- Errors:
1. Misspelled and/or Incomplete names.
 2. Voided application--didn't indicate previous owner.
 3. \$200/\$5 remittance not posted.
 4. Never mailed approved form to transferor
 5. Approved wrong firearm to transferee.
 6. Approved form never updated in NFRTR.

1993 boxed applications reviewed 4129 and 116 errors

On February 13, 1995, we discontinued reviewing the old "boxed" microfilmed applications contemplating our March 1995 project to clean-up (review and amend) the entire National Registry.

Viewed together, these documents indicate that sometime between June 1995 and October 1995, "Significant errors" were downgraded to and redefined as "Errors" by somebody at ATF. I suppose that one way to lower a "Significant error" rate would be to simply redefine that term as an "Error" rate—and that's apparently exactly what happened at ATF. So, how accurate is the NFRTR?

Reproductions of these two documents, and a more extensive discussion of errors in the NFRTR, associated with ATF's March 1995 project, appear in my 1997 testimony (1997, pages 98-106).

Finally, I'm inserting an NFA Branch document, a "WEEKLY—Quality Review Report" covering the period from Monday, November 13, 1995, to Friday, November 17, 1995. In other words, just a single day short of October 18, 1995, the day that then-NFA Branch Chief Thomas B. Busey stated that there are serious problems with the accuracy of the NFRTR data base.

[NFA Branch document dated November 13, 1995, here]

It is difficult to believe that senior NFA Branch executives, as well as BATF Director John W. Magaw, are unaware of this work regarding definitions of errors and calculating error rates.

Note that "approved wrong firearm to transferee" has been downgraded from a "Serious error" to an "error" in this document.

It seems to me that ATF approving the "wrong firearm to transferee" is a pretty serious error. Am I the only person who thinks so?

NFA DEALERS, OTHERS, SPEAK OUT ABOUT ERRORS IN THE NFRTR

After what has seemed (from my perspective) a very, very long time, the Class III NFA dealer community, and others, began to speak out during the fall of 1998. This "speaking out" was in the form of Declarations obtained by James H. Jeffries III, Esq. of Greensboro, North Carolina, in support of a Habeas Corpus action in *LeaSure vs. United States*, United States District Court for the Eastern District of Virginia, Newport News, Virginia, Civil No. 2:98CV377, Criminal No. 4:95CR54. These declarations, prepared under penalty of perjury, are further evidence of errors and missing or destroyed NFA documents. The Habeas Corpus has not been decided as of the time I completed this Testimonial Exhibit.

Mr. Jeffries submitted copies of these Declarations to the Honorable Jim Kolbe, Chairman, House Subcommittee on Treasury, Postal Service and General Government Appropriations; to the Honorable Orrin G. Hatch, Chairman, Senate Committee on the Judiciary; and to the Honorable David C. Williams, Inspector General, Department of the Treasury, in October 1998. Consequently, each committee as well as the Treasury IG already has these documents, which I briefly summarize below. I will not repeat the Declarations that Noel E. Napolilli and Capt. Mont Lamar Mendenhall each submitted on Mr. LeaSure's behalf, because I have essentially already covered them.