



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Assistant Director*

Washington, DC 20226

AUG 30 2010

Eric Larson  
P.O. Box 5497  
Takoma Park, MD 20912

Mr. Larson:

This is in response to your letter dated June 8, 2010, submitted by electronic mail, to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) contending that there are no records of hundreds of registrations or transfers in ATF's version of the National Firearms Registration and Transfer Record (NFRTR). You request that ATF's Deputy Director ensure that data is accurate and complete and take the steps necessary to make it so.

The National Firearms Act (NFA), Title 26, United States Code, Chapter 53, requires that machineguns, short barrel rifles, short barrel shotguns, silencers, and certain other restricted firearms, be registered with ATF by their manufacturer, importer, and maker. The NFA also requires that transfers of registered NFA firearms be approved in advance by ATF. A tax of \$200 is imposed on the transfer of NFA firearms, and transfers must comply with the laws of the State where the transferee resides, in addition to Federal law.

You based your conclusions about the condition of the NFRTR on your examination of documents released by ATF pursuant to Freedom of Information Act (FOIA) requests for ATF inspection reports of Federally licensed firearms dealers who are special (occupational) taxpayers. You state that these inspection records indicate the NFRTR is inaccurate and incomplete, and therefore not reliable. You also expressed concern that individual registrants, who are exempt from keeping the records required of Federally licensed firearms businesses, may be adversely affected by incomplete NFRTR records if neither they nor ATF can document the registration status of a weapon that was lawfully acquired and possessed.

The ATF inspection records to which you refer originate from ATF's firearms compliance program, which includes ATF inventories of firearms, including NFA firearms, possessed by Federal firearms licensee (FFL). These inventories are performed by ATF Industry Operations Investigators to ensure the accuracy of records – those retained by FFLs and ATF. The inspection records upon which you based your conclusions are worksheets prepared by ATF investigators to note potential discrepancies in the NFRTR. The inspection inventory worksheets generated by investigators are

merely the preliminary tools used by ATF for inventory reconciliation. They are not a record of the final outcome of NFRTR and application archive research or final inventory reconciliation.

The NFA Branch works with field investigators to resolve the inventory questions that arise during compliance inspections. Our goal is to resolve such questions with the investigator during inspection. That often is not possible, particularly if the FFL has a large inventory of hundreds of NFA firearms or has firearms with lengthy registration histories dating back many decades. Inventory research in these instances generally requires additional time and must be performed after the investigator leaves the FFL's premises and submits the inventory worksheet to the NFA specialist.

It is our experience that the vast majority of inventory discrepancies disclosed during compliance inspections are resolved through research by NFA Branch personnel. It is also our experience that discrepancies between firearms registered to an FFL in the NFRTR and firearms physically present at the FFL's premises are frequently the result of sales transactions cancelled by the FFL or a customer that has not been reported to ATF. The NFRTR cannot possibly reflect transactions that have not been reported to ATF, and when such transactions are discovered during or after a compliance inspection, ATF works with the FFL to get the appropriate documentation to cancel the transaction or otherwise correct the information in the registry.

You may also be aware that the Office of Inspector General (OIG), Department of Justice, in Report Number OIG I-2007-006, dated June 2007, found that the NFRTR had some technical programming flaws, including flaws that caused reports to not always show the current registrant of an NFA firearm. The inventory reports provided to investigators could be affected by these flaws and could result in a firearm not being included in the inventory listing and, thus, being perceived by the investigator as a discrepancy. The NFA Branch is in the process of having these flaws corrected and the Branch personnel responsible for researching the inventory worksheets has access to all the necessary data and have technical expertise in querying and interpreting the database to resolve these apparent discrepancies. In fact, the OIG did not find that such records were missing, but rather recommended programming fixes to correct the problem, which ATF is in the process of performing.

In your letter you also reference United States v. Friesen, an ATF criminal case involving NFA firearms. It is unclear from your letter what errors in the NFRTR you feel were disclosed during this trial. You state that the testimony disclosed irregularities, including placement and font or size, in the markings placed on firearms by the manufacturer. At the time of the production of the firearms that were examined during this investigation, the regulations did not address size, font, or placement of required markings, as long as the serial number was placed conspicuously and legibly on the receiver. Accordingly, we do not agree that the Freisen case demonstrates problems with the data in the NFRTR. ATF has a responsibility to maintain the NFRTR as accurately and completely as

possible. We are always looking for ways to improve our business processes, and I believe that our compliance program to partner with the firearms industry is just one way of ensuring the accuracy of the database.

We hope this information proves helpful in responding to your concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur Herbert".

Arthur Herbert  
Assistant Director

Office of Enforcement Programs and Services