

**Audit Report on
Allegations Concerning the
Bureau of Alcohol, Tobacco and
Firearms' Administration of the
National Firearms Registration
and Transfer Record**

OIG-99-018

December 18, 1998



Office of Inspector General

United States Department of the Treasury



DEPARTMENT OF THE TREASURY
WASHINGTON

December 18, 1998

INSPECTOR GENERAL

MEMORANDUM FOR DIRECTOR JOHN W. MAGAW
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

FROM:

for David C. Williams
Inspector General

Richard B. Culbertson

SUBJECT:

Report on the Bureau of Alcohol, Tobacco and
Firearms' Administration of the National
Firearms Registration and Transfer Record

The attached report presents the results of our review on the Bureau of Alcohol, Tobacco and Firearms' (ATF) administration of the National Firearms Registration and Transfer Record (registry). This report is a supplement to our report (OIG-99-009) issued on October 26, 1998 to you concerning allegations of ATF mismanagement, misconduct, and improper recordkeeping of the registry. This supplemental report discusses additional issues related to the maintenance of the registry. The overall objective of this report was to determine whether ATF had properly maintained the registry.

Our review disclosed that ATF had maintained the registry in accordance with laws and regulations. However, our review showed that ATF needed to: (1) strengthen certain administrative procedures over receipt of checks and records; (2) timely process correspondence and forms; (3) improve monitoring of access to the registry database; (4) improve reference to examination of research reports which support ATF decisions on classification decisions; and (5) determine the extent to which the registry lists weapons as in the possession of persons who are most likely deceased.

As a result of these conditions there was an increased risk that the registry would not always accurately reflect all National Firearms Act (NFA) weapons and could adversely affect Congress' intent to control these weapons. We discussed the results of our review with ATF officials during fieldwork and on September 4, 1998. In a November 27, 1998 response to our draft report, ATF officials agreed with our recommendations or proposed alternative actions which satisfied the intent of our

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recommendations. The details of these actions are described in this report. A complete text of the response is included in Appendix 2.

If you have any questions or require any further assistance, you may contact me at (202) 622-1090, or a member of your staff may contact Roberta N. Rickey, Regional Director for Audit, or Robert Bronstrup, Audit Manager, at (312) 886-6300 extensions 118 and 115 respectively. We appreciate the courtesies and cooperation extended to our staff during the audit.

Attachment

cc: James E. Johnson, Under Secretary of the Treasury
for Enforcement

Richard Hankinson, Assistant Director
Office of Inspection

EXECUTIVE DIGEST

Overview

The National Firearms Act (NFA), which was enacted in 1934, requires that the Secretary of the Treasury maintain a central registry of all NFA firearms in the United States which are not in the possession of or under the control of the United States. This registry is called the National Firearms Registration and Transfer Record. Examples of the types of weapons that must be registered include machine guns, silencers, and short barrel shotguns.

Bureau of Alcohol, Tobacco and Firearms' (ATF) National Firearms Act Branch maintains the registry which includes the: (a) identification of the firearm; (b) date of registration, and (c) identification and address of the person entitled to possess the firearm. The Branch's responsibility includes making adjustments to the registry to reflect: (a) changes of address of registrants; (b) lost or stolen firearms; (c) modifications to the description of firearms; (d) destruction of firearms; and (e) export of firearms.

We performed this review in response to a request by the Chairman, Committee on Government Reform and Oversight to review allegations about ATF's maintenance of the registry. On October 26, 1998, we issued a report (OIG-99-009) to the Director regarding those allegations. This report supplements that report and addresses other issues that we noted during our review.

Objectives, Scope and Methodology

Our overall objective was to determine whether ATF needed to address specific issues in order to maintain the registry in an accurate and timely manner. The audit scope generally covered certain ATF activities over the registry for the period Fiscal Year (FY) 1997 through May 1998. To accomplish our review, we reviewed ATF's policies and procedures for registering and classifying NFA weapons. Additionally, we tested the database and original documents that support a limited part of the registry for completeness. Our scope did not include the accuracy of ATF registry searches which support ATF's certifications in criminal prosecutions that no record of a registration of a particular weapon could be found in the registry.

