



# Unravelling the New World Order

*An Exposé of How Government, Religious, and Financial Insiders  
Are Deciding Your Future*

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## **GOA Calls for House Investigation into “Project Gunrunner” As Senator Reid Drags His Feet**

A Special Report from Gun Owners of America - February 23, 2011

Two months after the shooting death of U.S. Border Patrol Agent Brian Terry, the FBI and the U.S. Attorney’s Office remained silent. But family members, and others, began speaking out.

According to recent press reports, the ATF has enabled gun smuggling by telling gun dealers in the southwest to sell weapons to known straw purchasers (people who buy guns for others). Even worse, one of those guns became the murder weapon in a tragic case where a Border Patrol agent, Brian Terry, was gunned down on December 14th, 2010.

This ATF operation is called “Project Gunrunner” and its purpose [ostensibly] was to monitor illicit gun sales in the southwest in order to track down the smuggling rings delivering guns to the drug cartels.

But, now, it’s beginning to look like the biggest arms supplier is the ATF itself, for having allowed more than 3,000 weapons to be smuggled under its Gunrunner program.

While Senator Charles Grassley (R-IA) has demanded answers from the ATF, he has been blown off—not only by agency superiors, but by officials as high up as Attorney General Eric Holder.

Given the fact that Senate Majority Leader Harry Reid is likely to drag his feet in order to protect Attorney General Eric Holder, we believe that hearings should begin in the U.S. House of Representatives.

Thus, Gun Owners of America is now calling for both the Judiciary Committee and the Committee on Oversight and Reform in the U.S. House of Representatives to initiate hearings into Project Gunrunner—and we are presenting the following information to help them in their investigations.

### **History**

***“The gun used to kill Agent Brian Terry has been sourced, not to Mexico, but to a gun store in Phoenix that was actually part of—and cooperating with—a federal investigation into arms trafficking. However, U.S. agents did not stop the sale or the transfer of that gun to the cartels that killed Terry.”***—William Lajeunesse, Fox News broadcast (February 22 ,2011)

Around 11:00 pm on the night of December 14, 2010, Border Patrol Agent Brian Terry was shot and mortally wounded near Peck Canyon, Rio Rico, north of Nogales in Santa Cruz County, Arizona, approximately 10 miles north of the U.S./Mexican border. Agent Terry, aged 40, a Marine Corps veteran and a “cop’s cop,” died shortly afterward. Four suspects were taken into custody, including one who was shot and transported to the hospital.

Two months after the murder, the U.S. Attorney’s office in Phoenix announced that three of the four, Jesus Soria-Ruiz, Jose Angel-Camacho, and Francisco Rosario Camacho-Alameda would be deported to Mexico after pleading guilty to charges of illegal entry. [As this report was written, they had been released for deportation.--Ed.]

Despite being arrested at the scene, it was announced that no evidence tied the three to the shooting of Agent Terry. This is amazing. Should not these illegal aliens be kept in custody as witnesses? At best, they are material witnesses ... at worst, they are perpetrators who assisted in the murder of Agent Terry.

To date no one has been charged with the murder and the FBI has been uncharacteristically tight-lipped about the investigation, except to assure that Terry was not killed by friendly fire from fellow agents. (It is the opinion of many—not only those here at GOA, but also the whistleblowers—that because these Mexican citizens have potential knowledge as material witnesses in the case, they should not be deported and, instead, should be kept in protective custody until they can be made available to independent Congressional investigators.)

Two semi-automatic Kalashnikov pattern rifles were found at the scene. When traced, it was discovered that these had been purchased from an American gun shop which had been cooperating with agents of the Phoenix office of the Bureau of Alcohol, Tobacco, Firearms and Explosives (commonly referred to as the ATF) in an investigation of gun smuggling known as Project Gunrunner. It was also learned that these weapons had been traced by the ATF at least once before, and that the agency had extensive knowledge of the person who bought them.

Almost immediately, rumors began to circulate within the agency that the Phoenix office of ATF had botched the oversight and execution of Project Gunrunner, and that the death of Border Patrol Agent Brian Terry was an unintended but foreseeable consequence of poor planning, sloppy field craft and even sloppier management. Such a tragedy, it was said, had even been predicted by some agents beforehand.

Worse, both street agents and responsible supervisors within the agency had tried to prevent such an outcome and were overruled by higher management. In the case of one, Darren Gil, the ATF attaché in Mexico City who went over the head of Phoenix Special Agent in Charge, William Newell, to ATF headquarters, such fidelity to duty was a career-ending act. Gil was forced into early retirement on December 31, 2010, two and a half weeks after the murder of Brian Terry.

Gil was removed, at least in part, because he insisted that pursuant to treaty and established protocol, the Mexican government should be notified of the operation. It was not. The decision to remove Darren Gil and keep the Mexican government in the dark was approved; it is said, at the highest levels of the Justice Department.

Five separate but connected accusations have been leveled by current or former employees of the ATF against ATF and DOJ officials in what has now been dubbed the “Project Gunwalker” Scandal:

**First**, that they intentionally allowed perhaps as many as 3,000 firearms to “walk” across the U.S. border into Mexico with the purpose of boosting the statistics of seized firearms with American commercial provenance from Mexican crime scenes.

**Second**, that they instructed U.S. gun dealers to proceed with questionable and illegal sales of firearms to suspected gunrunners.

**Third**, that they intentionally withheld information about U.S.-sanctioned gun smuggling from the Mexican government.

**Fourth**, that one of the rifles ATF allowed to be smuggled into Mexico was involved in the death of CBP Agent Brian Terry. (See the link to Grassley’s February 9 letter in the footnotes below.)

**Fifth**, that high-level managers of ATF and DOJ are now, in tandem with the FBI, involved in covering up ATF and DOJ culpability in items One through Four, by various means including the unlawful threatening of current-serving ATF agents with personal knowledge of the case.

Eventually, these charges came to the attention of U.S. Senators Jeff Sessions of Alabama and Chuck Grassley of Iowa through the new media which learned of the existence of potential whistleblowers from its own sources within ATF. The Senators then got in touch with the whistleblowers, so that they could be afforded some protection from the threats of their managers and so that the truth of the circumstances of the death of Border Patrol Agent Brian Terry could be discovered.

The story is starting to get out. As stated on February 22 by William Lajeunesse of Fox News: “The slug that killed Terry came from an AK-47 dropped at the scene. The weapon was traced to a Phoenix gun store, which had reported the sale to ATF’s ‘Project Gunrunner.’”

This study presents a background, narrative, condensed timeline and document sources to help Senators and Members of the House of Representatives understand where this scandal came from, what the evidentiary sources are and what legislative remedies may be taken to fully develop the truth, help target oversight and to prevent such a tragedy from happening again. It has been written with input derived from the whistleblowers themselves.

## **The Whistleblowers**

For many months throughout 2010, the ATF’s “Project Gunrunner” initiative was under fire for poor management, exaggerated statistics, etc. The agency was floundering to carry out an agenda that wasn’t entirely covered by the law; and its managers were stung by poor publicity and especially by an Inspector General’s report which included

leaks reported by Michael Isikoff last September 21, presaging the official report made public in November. Isikoff's story said in part:

"A major Justice Department program aimed at intercepting the flow of U.S. weapons to Mexico's drug cartels is misfiring due to bureaucratic turf battles and a failure to share critical intelligence about illegal firearms purchases, according to an internal department report."

The IG report excoriated ATF's Project Gunrunner performance. It is now alleged by ATF's own agents that sometime in late 2009 or early 2010, the Phoenix office of ATF began to implement a policy of "walking" semiautomatic rifles south of the border—at first with a wink and a nod; and later, according to one agent:

"The agency was not only looking the other way but actually facilitating trafficking, threatening and punishing agents who voiced objections, covering up trace information, the truth about the gun that killed BPA Terry, what I.C.E. knew—it goes on and on."

"Walking" is a time-tested way of making a case against a known criminal figure. For example, let's say that Evil Bad Guy "B" is known to have provided contraband to Criminal Enterprise "C." Law enforcement then uses a confidential informant or perhaps just a petty criminal known to them and arranges that they convey the contraband from Point "A" to Evil Bad Guy "B," who then transports it to "C." "Walking" involves the surveillance by law enforcement of the contraband from "A" all the way through to "C"—either by eyes on or electronics—thus establishing a chain of custody and when it arrives, the agents swoop down and roll up the entire ring. The agents literally "walk" the contraband from "A" to "C."

In these cases, however, the end destination—the Point "C"—was across the border into Mexico, where ATF cannot normally go, and certainly not without the assistance of Mexican law enforcement.

During this time, it is alleged by an experienced ATF street agent, the ATF deliberately did not inform the Mexican authorities that this was going on:

"Darren Gil, former attaché to Mexico, is an honest and honorable guy. He was forcefully removed from Mexico without warning in November in large part because he wouldn't sit silent on these matters. He will tell the truth if asked by competent authority. He retired Dec 31 because of all this."

Also during this time, gun stores along the border were calling ATF and reporting multiple sales, only to be told to allow the sales to go through, and in some cases, follow the purchasers out into the parking lot to get license numbers. There are firearms dealers who are willing to come forward and detail their similar experiences to the Congress if asked under oath. They are reluctant to do so without Congressional protection because their livelihoods are at the mercy of ATF regulators, who are known to conduct hostile "inspections" designed to characterize the dealer as a criminal or danger to the community.

All of this, it is alleged, was done in order to boost the numbers of seized semi-automatic "assault weapons" in Mexico to justify continued, or expanded, Project Gunrunner funding.

With the death of Agent Terry, the private resistance of the street agents of the ATF in the Phoenix office and elsewhere broke out into the open. An unknown but significant number of ATF agents with personal knowledge and documents of this scandal became willing to tell their story to any Senator who asked them. The first mention of these rumors in a public venue came out in postings by disaffected ATF street agents writing comments at their own website, [CleanUpATF.org](http://CleanUpATF.org). The story broke on December 28, 2010.

Over the next month, Senator Grassley's office contacted these agents who were willing to speak out, not the other way around as has been reported.

The contacts with the whistleblowers led to Senator Grassley's first letter to ATF Acting Director Kenneth Melson on January 27, 2011, laying out the whistleblower's allegation and requesting information.

"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."

On January 31, 2011, pursuant to reports that the Phoenix ATF management was threatening reprisals against agents who talked about the Terry case, Senator Grassley sent another letter to Acting Director Melson, reminding him strongly of the whistleblower protection laws and that the Congress would decline to appropriate money to pay the salaries of any federal employees who tried to so retaliate.

On February 4, Assistant Attorney General Ronald Weich sent a reply to Senator Grassley which was both pre-emptory and insulting to his character. On February 7, an ATF agent writing on [CleanUpATF.org](http://CleanUpATF.org) proposed a witness list and questions for Senator Grassley.

In retrospect, the Justice Department surely considered the February 4 letter ill-advised, because on February 9 Senator Grassley fired back a blistering three-page salvo directly to Attorney General Holder with attached documents he obviously obtained from whistleblowers that strongly supported their allegations. Senator Grassley concluded this letter:

“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.”

The Senator in his letter again suggested a meeting with ATF. That meeting happened on February 10, and according to an internal ATF source, the briefing was done by James E. McDermond, Assistant Director of ATF’s Office of Strategic Intelligence & Information. McDermond was quoted as saying he thought the meeting went well.

On February 16, Senator Grassley disabused the ATF, the FBI, Customs and Border Patrol and the Department of Justice of that optimistic notion with a detailed, two-page demand to AG Eric Holder for specific documents in the “Project Gunwalker” Scandal.

It has been [months] since Agent Terry’s death and the complete outline of this scandal has yet to be discovered. What we do not know, and what should be a priority of legislative inquiry, is what happened to the rest of the alleged three thousand “walked” firearms? The ATF whistleblowers have said that there already have been other casualties, including the deaths of Mexican government officials and citizens that have been identified. The ATF should be compelled by the Congress to disclose who they are so that we may know the entire scope of this scandal, and determine how to help prevent such flawed law enforcement operations in future.

### **Government Accountability Office (GAO)**

The relevant committee(s) taking up the inquiry into the “Project Gunwalker” scandal need to request two reports, one from GAO, the other from CRS. The GAO report request should ask for a report on the firearms tracing system; how firearms trace data are collected, indexed, called up/retrieved, reported, what the data represent, how the data can be used, the extent (if any) to which ATF has validated the data, and how ATF has been using or misusing the data. Of course the GAO (like CRS) is not an investigative agency *per se*, but rather does program audits and evaluations to explain how a program and/or policy is working or not [working]. An objective evaluation of the ATF’s firearms tracing system would be relevant to this case, and [would] provide legislative guidance for any changes in the system that may be advisable.

### **Congressional Research Service (CRS)**

The Congress routinely relies upon CRS reports to obtain legislative and policy information, and to prepare materials in support of Congressional hearings. CRS previously did a report entitled “Gun Trafficking and the Southwest Border” by Vivian S. Chu, CRS Legislative Attorney, and William J. Krouse, dated July 29, 2009.

Importantly, in November of last year the U.S. Department of Justice, Office of the Inspector General Evaluation and Inspections Division released a report titled “Review of ATF’s Project Gunrunner, Evaluation and Inspections Report I-2011-001, November 2010,” which was extremely critical of ATF’s performance. That report determined:

“ATF has not provided Mexican law enforcement with intelligence it requested on firearms trafficking patterns and trends, including trafficking routes and distribution points where guns are crossing into Mexico.”

This, of course, is one of the most important allegations of the ATF whistleblowers.

The Congress should request CRS to update the July 29, 2009, report on Project Gunrunner, which includes (1) the major criticisms of Project Gunrunner identified by the Department of Justice Inspector General, as well as the appropriateness of remedies suggested in that report to address shortcomings in Project Gunrunner, and (2) an analysis of the legislative issues which are suggested by Project Gunrunner, such as tracking the multiple sales of rifles by federally licensed firearms dealers.

Both of these Congressional agencies have a history of providing helpful information in response to Congressional inquiries. Even so, investigative hearings of the immediate “Project Gunwalker” allegations should not be postponed waiting on these GAO and CRS reports.

### **Immediate Investigative Hearings**

There is a pressing public need to know what actually happened with Project Gunrunner and the circumstances which led to the death of Border Patrol Agent Brian Terry. It may be concluded from Senator Grassley’s letters that they are well-informed by documents and informal testimony from whistleblower witnesses within the agency. The only way that the public can be informed as to the truth is for these agency whistleblowers, other witnesses such as cooperating gun store owners, the accused senior managers and other such persons having knowledge to be called before the Congress and questioned under oath.

The ATF agent's list above is a good start, but the following persons may also be profitably questioned to develop a complete understanding of what went wrong with Project Gunrunner, what decisions were taken after the murder of Brian Terry, and what the effects have been of the "walked" firearms on the Mexican side of the border:

- Adam R. Price and Jeffrey B. Stirling, program managers for Gunrunner at ATF headquarters
- Lanny Breuer, Assist. Attorney General, DOJ Criminal Investigations
- Eric Holder, U.S. Attorney General
- Robert Mueller, Director of the FBI
- Hillary Clinton, Secretary of State
- Janet Napolitano, Department of Homeland Security

### **ATF Oversight Hearings**

There are several other subjects raised by the scandal that should be explored by both the Senate and the House in their oversight capacity.

The ATF has not had serious, critical oversight hearings since 1982. This unaccountability throughout administrations of both parties has led to an arrogance that permeates management at all levels, according to the whistleblowers. They allege that this scandal could have been averted entirely if the ATF senior executive service was not riddled with cronyism, toleration of incompetence, lack of accountability, lack of transparency, failure to adhere to written policies, retaliation against agents trying to do the right thing, and so on.

In addition, both the street agents and outside observers identify the Chief Counsel's Office as the center of many of the agency's problems. The CCO has used its considerable powers to retaliate against dissident agents and citizen critics alike. It has, according to the agents, misused the EEOC enforcement process against what the CCO views as "malcontents." Outside the agency, the CCO is alleged (with considerable evidence) to have pursued "economic Wacos" (an internal ATF term) against those within the ATF's regulatory power such as FFL holders, firearm designers, etc., who anger someone in the agency.

### **Inter-Agency and Foreign Relations Implications**

Hearings exploring the diplomatic implications of American federal law enforcement agency misconduct as exemplified by "Project Gunwalker"—and how the various agencies interact to help or harm the safety of citizens of both countries on each side of the border—could become a stepping stone to fix some of those problems. Gunwalker brings into prominence the problems when one agency decides to make its own foreign policy, independent of and contrary to, the will of the Senate, the House and the people.

The extent to which the ATF and DOJ executives in the Gunwalker scandal broke American and Mexican laws—as well as diplomatic accords and even treaties by unilaterally deciding to abrogate them—could provide guidance for stronger laws, better training, and for effective inter-agency and international communication.

### **Conclusion**

The members of Gun Owners of America—and the whistleblowers who first risked all to get the story of this scandal out—believe that there is a pressing public need to know what actually happened with Project Gunrunner and the circumstances which led to the death of Border Patrol Agent Brian Terry. We believe that there should be immediate investigative hearings in both Senate and House followed by oversight hearings to shine a bright light on the endemic problems of the ATF which led to this scandal.

We believe that hearings should begin in the U.S. House of Representatives. We also believe with Senator Grassley that the best way to honor Brian Terry's memory is for the ATF and the Department of Justice "to come clean." We believe that this will only happen when all the parties involved are put under oath in a hearing room on Capitol Hill.

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