



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Assistant Director*

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Washington, DC 20226

[www.atf.gov](http://www.atf.gov)

The Honorable Michael Cloud  
United States House of Representatives  
Washington, DC 20515

Dear Congressman Cloud:

Thank you for your letter dated November 22, 2021, signed by you and 51 of your colleagues regarding ATF's Out of Business Records (OBR).

In 2006, ATF developed the Out of Business Records Imaging System due to practical concerns related to maintaining paper and microfilm records. This legacy system was replaced by the Enterprise Content Management imaging repository system. Congress specifically supported this digitalized formatting effort in ATF's annual appropriation the previous year (House Report 108-792, Conference Report to Accompany HR 4818, November 20, 2004, "Conversion of Records," p. 734).

The 2016 U.S. Government Accountability Office (GAO) document cited in your letter (GAO-16-552, "ATF Did Not Always Comply with the Appropriations Act Restriction and Should Better Adhere to Its Policies") reports that ATF's systems "comply with the provision in ATF's fiscal year 2012 appropriation prohibiting the use of funds for the consolidation or centralization of firearms records" (p. 90). Moreover, GAO's findings relative to the title of the report refer to a discrete situation that in no way reflects any larger issue regarding OBR. Rather, GAO recognized that OBR do not capture and store certain key information, such as firearms purchaser information, in an automated file. The sole purpose of these systems is to trace firearms used in crimes, which is a valuable crime gun intelligence tool used in thousands of investigations by ATF and our local, State, and Federal law enforcement partners. As GAO reported, "ATF collects and maintains firearms transaction information in each system incident to the implementation of specific statutory authority and it does not exceed those statutory purposes" (p. 90).

In total, ATF manages 920,664,765 OBR as of November 2021. This includes digital and an estimated number of hard copy records that are awaiting image conversion. It is currently estimated that 865,787,086 of those records are in digitalized format.

The vast majority of the criminal firearms traces completed by the ATF National Tracing Center (NTC) are done for State and local law enforcement agencies across the country pursuant to active law enforcement investigations. The NTC only traces crime guns, and every trace must be identified as such by the requestor by selecting an appropriate crime code when submitting the trace request. The NTC has no ability to determine the successful prosecution of hundreds of

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thousands of crime gun traces it completes annually, nor does it have any way to link a trace for a specific prosecution for a particular year. The table below shows the number of times per year that OBR are used to complete crime gun traces.

**Total Traces Using OBR  
(Based on FFL Status in Federal Licensing System)**

| <b>Fiscal Year</b> | <b>Traces Received</b> | <b>OBR Trace Count</b> | <b>OBR Violent Crime Trace Count</b> |
|--------------------|------------------------|------------------------|--------------------------------------|
| 2017               | 408,762                | 202,380                | 45,798                               |
| 2018               | 443,383                | 226,716                | 51,086                               |
| 2019               | 452,047                | 257,667                | 58,349                               |
| 2020               | 490,844                | 281,114                | 63,394                               |
| 2021               | 548,186                | 259,091                | 58,904                               |

With regard to the proposed rule (ATF-2021R-05) on which you commented, ATF is confident that it does not violate any laws. Additionally, please be assured that ATF always conducts a rigorous review to address issues raised through the public comment process.

Sincerely yours,

**DANIEL  
BOARD**

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Public and Governmental Affairs