Report of Investigation Concerning Alleged Mismanagement and Misconduct by Carl J. Truscott, Former Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives

Office of the Inspector General
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CHAPTER ONE:
INTRODUCTION

This report describes the investigation by the Office of the Inspector General (OIG), Oversight and Review Division, into allegations that Carl J. Truscott, Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), mismanaged government funds, committed travel abuse, engaged in improper hiring practices, and created a hostile work environment. The source of the allegations was an anonymous letter dated January 20, 2006, addressed to Inspector General Glenn A. Fine and United States Special Counsel Scott J. Bloch.

The anonymous complaint alleged that Truscott had engaged in "egregious acts of gross mismanagement of public funds and failures of leadership." Specifically, the complaint alleged that Truscott had mismanaged appropriated funds by excessive use of his Executive Protection Branch security detail; by incurring cost overruns in connection with an ATF reception at a law enforcement conference; and by making unnecessary design changes to ATF's new Headquarters building project. The complaint also alleged several other inappropriate or wasteful expenditures, including improperly using the ATF representation fund to pay for the meals of individuals having no connection to ATF's mission, dedicating funds to furnish and equip field division training rooms and gyms after unnecessary expansions, and ordering the unnecessary construction of a garage to house a National Response Team truck.

In addition, the complaint alleged that Truscott committed travel abuse in connection with trips to London, New York City, Boston, and Ottawa. The complaint also alleged that he improperly hired an unqualified former U.S. Secret Service colleague whom he subsequently awarded with a bonus and pay raise. Finally, the complaint alleged that Truscott created a hostile work environment for two Administrative Assistants by causing them to prepare for and serve lunches to him and his guests.

During our investigation, two additional issues surfaced which we also reviewed – that Truscott exercised poor judgment in pursuing an aggressive hiring policy against the advice of senior ATF management officials, and that Truscott committed misconduct by directing ATF staff to assist his nephew in producing a video about ATF for a high school project. In addition to the specific allegations described above, the investigation also considered the more general concerns expressed to the OIG by witnesses regarding Truscott's approach to management and leadership.

The OIG initiated its investigation on February 1, 2006. As part of our inquiry, we interviewed Director Truscott, ATF Deputy Director Edgar Domenech, the ATF Assistant Directors,[1] senior budget and management officials, the New Building Project Manager, several Special Agents in Charge (SAC), an Assistant Special Agent in Charge (ASAC), Special Agents, various Branch Chiefs, and other ATF employees with knowledge concerning the allegations. We also reviewed numerous documents and other materials, including budget proposals and projections, impact statements, hiring data, travel vouchers, new Headquarters design plans, e-mails, correspondence, presentation materials, photographs, and a video.

Truscott reviewed a draft of this report and responded in writing by a letter dated September 25, 2006. The letter, without attachments, is included in the report as Appendix A (the Truscott Letter). In addition, the OIG met with Truscott and his counsel on September 26, 2006 (the OIG/Truscott meeting). We refer to both the Truscott Letter and the OIG/Truscott meeting, where appropriate, throughout this report. We also made minor modifications in the report, where appropriate, based upon some of his comments. However, the OIG found no basis to change any of its findings as a result of Truscott's comments.[2]

This report summarizes the results of our investigation. Chapter Two provides brief background information about Truscott and ATF. Chapter Three sets forth the evidence we discovered relevant to each allegation and issue, our analysis, and our findings. Chapter Four contains our conclusions.

Before addressing each of the allegations, we provide a brief description of Truscott's background and the mission of the ATF.

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[1] We interviewed all but one Assistant Director holding office during the relevant time period. We did not interview the Assistant Director for the Office of Management because she retired from the ATF prior to the start of the investigation. However, we did interview other senior officials in that directorate, including the ATF's Budget Officer.

[2] While we do not separately respond in this report to each of Truscott's comments, we believe it is important to note that the Truscott Letter incorrectly states that the OIG found no "administrative misconduct" during the investigation. As discussed in Chapter Three, Section IV of this report (Assistance in Nephew's High School Project), the OIG found that Truscott violated several ethics regulations, violations we clearly would define as misconduct.

CHAPTER TWO:
BACKGROUND

I. Truscott's Professional Background

Truscott received a Bachelor of Science degree in Criminal Justice from the University of Delaware in 1979. He began his law enforcement career in 1980 as an investigator for the New Jersey Department of Law and Public Safety, Division of Gaming Enforcement. In 1981, Truscott joined the United States Secret Service as a Special Agent in the New York Field Office.

Truscott served in a variety of senior management capacities in U.S. Secret Service Headquarters in Washington, D.C., the Los Angeles Field Office, and then back in Washington, D.C. While in the Los Angeles Field Office, Truscott was asked to be the security coordinator of the 1996 Republican National Convention. Beginning in 1997, Truscott worked for two years as a detailee to the United States Senate as a staff member on the Appropriations Subcommittee on Justice, Commerce, Science, and Related Agencies. After serving as Special Agent in Charge of the Presidential Protective Detail, Truscott was appointed as Assistant Director of the Secret Service Office of Protective Research in January 2003, where he was responsible for "overseeing the agency's protective and investigative intelligence, threat assessments, technical security, information technology, emergency preparedness and operational security." U.S. Secret Service Press Release, April 1, 2004.

Attorney General John Ashcroft appointed Truscott to be the sixth Director of ATF in April 2004. Truscott assumed his duties as ATF Director on April 19, 2004, and was formally sworn in as Director on May 17, 2004. He resigned as ATF Director on August 4, 2006, effective August 8, 2006.

II. Background on ATF

The ATF's mission is "to conduct criminal investigations, regulate the firearms and explosives industries, and assist other law enforcement agencies" as part of the U.S. government's effort to counter terrorism, reduce violent crime, and protect the public. ATF Strategic Plan, Fiscal Years 2004-2009.

Pursuant to the Homeland Security Act of 2002, codified at 6 U.S.C. § 101, et seq., ATF moved from the Department of the Treasury (Treasury) to the Department of Justice (Department or DOJ). 6 U.S.C. § 531(a). Certain of ATF's administrative and revenue collection functions remained with Treasury with the establishment of the Tax and Trade Bureau. 6 U.S.C. § 531 (d)(1). The transfer of ATF and its remaining law enforcement and regulatory

responsibilities to the DOJ as a separate component became effective on January 24, 2003.

To support its mission, ATF employs approximately 4,950 Special Agents, Industry Operations Investigators (IOIs or investigators), and other staff, most of whom are assigned to one of ATF's eight directorates.[3] The Office of Field Operations is the largest directorate, accounting for approximately 80 percent of the agency's employees, and has primary responsibility for administering ATF's 23 Field Divisions. ATF's Senior Leadership Team includes the Director, the Assistant Directors of the eight directorates, the Deputy Director, the Chief of Staff, and the Chief Counsel.

[3] The eight ATF directorates are the Offices of Field Operations, Management, Public and Governmental Affairs, Enforcement Programs and Services, Science and Technology, Strategic Intelligence and Information, Training and Professional Development, and Professional Responsibility and Security Operations.

CHAPTER THREE:
ALLEGATIONS, EVIDENCE, AND FINDINGS

I. Truscott's Hiring Policies and Their Budget Impact

During the course of our investigation, numerous witnesses told us that Truscott's hiring policy led to excessive hiring, which in turn had a serious negative impact on ATF's operating budget. This issue was not among the original allegations raised in the anonymous complaint. However, the OIG decided to examine the issue because the anonymous complaint alleged that many of Truscott's spending decisions were inappropriate given ATF's fiscal constraints. Thus, before discussing allegations of mismanagement of public funds, such as those related to the new Headquarters building and other space management issues, we describe in this section the extent to which Truscott's hiring decisions affected ATF's overall financial circumstances, particularly with respect to support of operations. This discussion is not intended to be an exhaustive analysis of ATF budget and personnel practices, but is meant to provide context for other allegations addressed in this report.

A. Budget and Hiring Situation Before Truscott's Arrival

According to several witnesses, ATF has been facing critical budget problems during the past few years that can, in part, be traced back to the agency's transition from the Department of the Treasury to the Department of Justice (DOJ) in 2003. A senior financial management official told us that when ATF was split between the Treasury Department and the DOJ, the budget for the portion of ATF that transferred to the DOJ was reduced by $80 million in order to fund the former ATF operations that remained at the Treasury Department. The official stated that the actual cost of the former ATF operations that stayed at Treasury was about $50 million. The official said that the transfer to DOJ resulted in overstaffing and a strain on ATF's budget when it moved to DOJ.

A senior official who worked in ATF's Budget Office since before the transition told us that former Director Buckles instituted a hiring freeze after the transition. This senior budget official said Buckles' decision reflected an acknowledgement at that time that ATF could not hire new personnel and still have the money it needed in the operating budget to carry out its day-to-day missions.

B. Truscott's Hiring Policies

When Truscott became ATF Director on April 19, 2004, ATF had approximately 4,659 employees, including 2,313 special agents.[4]

Truscott told us that shortly after joining ATF, he visited each of the ATF's 23 Field Divisions. He stated that the most consistent thing he heard from both field and Headquarters personnel was that ATF could not perform its job because it did not have an adequate number of staff. Truscott said he accordingly made hiring a priority during his tenure. He told us that the entire Strategic Leadership Team endorsed his hiring program.

As a result of this decision, in the fourth quarter of FY 2004 ATF hired approximately 178 new employees, more than had been hired in the preceding three quarters. During all of FY 2004, ATF hired a total of 324 new employees while losing 313, resulting in a net gain of 11 employees for the year.

Hiring activity increased significantly in FY 2005.[5] Truscott told us that ATF hired approximately 550 people in FY 2005.[6] By the end of FY 2005, ATF had 4,921 employees on board, a net increase of 161 employees over the year before.

Truscott continued his hiring initiative into FY 2006. ATF hired approximately 214 new employees through the first three quarters of FY 2006, while approximately 157 employees left ATF during that period, for a net gain of approximately 57 employees. Most of the new agents and investigators were brought on in the first quarter of FY 2006. According to the senior budget official, ATF had 4,951 employees as of May 1, 2006.

As discussed in greater detail below, Truscott planned to hire several hundred more agents and investigators in FY 2006. However, many of these prospective hires were not brought on due to government-wide and DOJ-specific rescissions to the ATF's FY 2006 budget in December 2005 and to a decision by the ATF Deputy Director to cancel several new recruit training classes after Truscott had relinquished budget decision making authority to

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[4] The number of authorized Full Time Equivalent (FTE) positions for Fiscal Year (FY) 2004 was 4,790, and the number of FTEs used that year was 4,625. (Table of ATF External Hires FY 2004-2006, prepared by ATF at the OIG's request.)

[5] The ATF's authorized FTEs for FY 2005 rose to 4,940, and the number of FTEs used was 4,752. Id.

[6] The Table of ATF External Hires FY 2004-2006 indicated that 139 special agents, 142 investigators, 127 other, and 90 students were hired in FY 2005, for a total of 498.

him in February 2006, after Truscott was informed of the allegations against him.[7]

A senior management official told us that Truscott's "vision" was to hire to the maximum FTE level authorized by the agency's annual budget. This official said that Truscott believed that a budget request to fund a given number of people, once endorsed by the President and approved by Congress, represented a Presidential and Congressional mandate to hire that number of people. The official said, however, that it is widely recognized that a lot of agencies have "hollow" FTEs, meaning FTEs that an agency does not have sufficient funds to support. One SAC we interviewed stated that Truscott's priority was to hire up to the FTE ceiling, but that in his nearly 20 years with ATF, no Director had ever hired to the FTE ceiling because ATF never had sufficient operational funds to support the positions.

C. Concerns Expressed to Truscott about FY 2006 Hiring

ATF budget documents and witnesses' statements reflect that while Truscott was directing an aggressive effort to hire new employees in late FY 2004 and throughout FY 2005, ATF's ability to support its expanding staff with training, equipment, and space was decreasing. Although appropriated funding (excluding emergency supplemental funding) for ATF had steadily increased during that period, the ATF's allocation for its operational budget had steadily decreased. Senior ATF managers told us that as it became apparent to them that this trend was likely to continue in FY 2006, they began to voice their concerns to Truscott about his hiring policy.

In FY 2004, ATF's appropriated funding was $827 million. Funding increased to $878 million in FY 2005, and to $911 million in FY 2006.[8] In contrast, ATF's operational budget in 2004 was $176 million, or approximately 21.3 percent of appropriated funds. In FY 2005, the operational budget was approximately $155 million, or 17.7 percent of appropriated funds. ATF's Office of Management estimates that in FY 2006, the operational budget will remain at $155 million, or 17 percent of appropriated funds.[9] As described above, the number of employees supported by the operational budget has increased by nearly 300 over this 3-year period.

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[7] In the Truscott Letter, Truscott stated that he relinquished budget authority to Deputy Director Domenech in February 2006 only with respect to future decisions concerning the Director's office in the new Headquarters building. See Truscott Letter at p. 2, n. 4.

[8] The final FY 2006 appropriation figure reflects a December 2005 rescission of approximately $13 million.

[9] The estimate for the FY 2006 operational budget assumes that ATF will receive approximately $1.4 million from DOJ's Asset Forfeiture Super Surplus Fund toward the purchase of investigative equipment.

Domenech and other witnesses cited three primary reasons for the decrease in operational funds during this period. First, the growth in ATF personnel resulted in greater spending on salaries. Second, a clerical error in the calculation of FICA benefit contributions resulted in an $11 million underestimation of projected payroll costs. Finally, as described in Section II of this chapter, ATF had to take several million dollars out of its operational budget in FY 2005 to cover its share of expenditures for the new Headquarters building. According to these witnesses, ATF anticipated having to move money from its operational budget into the Headquarters project again in FY 2006.[10]

Truscott told the OIG that no one in ATF's leadership ranks objected to his hiring initiative. He made a similar statement during his testimony on April 26, 2006, before the House Science, State, Justice and Commerce and Related Agencies Subcommittee on FY 2007 appropriations for ATF. In response to questions regarding whether hiring was impacting operational funds, Truscott defended his hiring policy in part by stating, "*it was the consensus and has been the consensus* that it was important" to hire new personnel so that ATF could carry out its mission. (Emphasis added.)

However, many senior managers told us that although they supported Truscott's decision to hire new agents, investigators, and other employees throughout FY 2005, they told Truscott they were opposed to his decision to continue the hiring policy into FY 2006 because of the strain it would place on the operating budget. We also were told by several witnesses that field division managers expressed concern to Truscott at a November 2005 SAC conference that any continued hiring should be balanced against ATF's ability to support the new hires. We discuss below the concerns expressed to Truscott about his hiring initiative by senior managers at Headquarters and in the field.

1. Concerns expressed by Headquarters officials

Deputy Director Domenech told us that he agreed it was necessary to hire new employees in FY 2005. However, he said that he had told Truscott repeatedly that the rate of hiring could not be continued in FY 2006. Domenech noted that while the hiring decisions for FY 2006 were being made, ATF was also facing an approximately $7.9 million shortfall in funding its share of the new Headquarters building (discussed in Section II of this chapter, below). Domenech said he told Truscott at the time that they would have to take the money to pay for the Headquarters building out of the operational fund, and that any money they took from operations would affect all ATF

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[10] A July 10, 2005, e-mail from a senior budget official to a branch chief in the Public and Governmental Affairs directorate states: "Taking $33M 'out of hide' [for the new Headquarters building] in FY05 and FY06 is contributing to a major budget shortfall in those two FYs[.]"

directorates. He said he also explained to Truscott that the operational fund was smaller than it had been the year before, but that ATF was bigger and was being asked to do more, and that the amount of fixed account spending had increased. In sum, he said he told Truscott "[w]e have less money with more people. It's going to impact the agency's ability to function. That is why, Director, do not hire anymore and increase [salary expenses]."

Domenech said Truscott reacted by telling him that the new Headquarters building and hiring were "critical" for ATF, so they would continue to hire agents and investigators. He also said that Truscott accused him of "trying to derail [Truscott's] vision."

Two senior ATF Office of Management officials told us that they and Domenech had numerous meetings with Truscott as early as June 2005 to present him with various hiring scenarios and to explain to him how the number of projected hires in FY 2006 would affect funds remaining for operational expenses. These briefings culminated in a formal presentation to Truscott on October 7, 2005, in which the senior Office of Management officials sought to convince him that ATF could not sustain the same level of hiring in FY 2006 that it had in the prior fiscal year. Materials from the October presentation show that if ATF were to hire up to the projected authorized FTE limit of 5,128 in FY 2006, the agency would have to spend $603 million on salaries, leaving $118 million for operational expenses. However, if ATF were to hire up to the authorized FTE limit in effect for the prior fiscal year (4,940), it would spend $583 million on salaries, leaving $137 million available for operational expenses.[11]

One of the senior officials at the October meeting stated that she advised Truscott to hire fewer new people and to stagger their entry-on-duty dates to conserve funds. She said that she also would have liked to hire more personnel, but the realities of the budget did not permit it. She said that Truscott told her, "You keep raining on my parade." She said that part of the problem was that Truscott did not appreciate "how bad things were in the operational accounts." This official also stated that Truscott had an unrealistic assessment of how operational funds could be replenished by reprogramming expired accounts that had been used in the past to support specific programs, but which would no longer be available in FY 2006.[12] She stated that Truscott never explained to her where new funds could be found, and she believed

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[11] Both scenarios assumed $119 million in fixed expenses.

[12] As an example, the senior management official stated that ATF was able to apply prior year balances from its Gang Resistance Education and Training (GREAT) program toward operational support of the Office of Field Operations' Violent Crime Impact Teams in FY 2005; however, because the GREAT program had since moved from ATF to the Office of Justice Programs, additional funding from that source would not be available in FY 2006.

Truscott discounted her advice because he thought she was being "pessimistic."

The two senior Office of Management officials' account of these meetings and the October 7, 2005, presentation is supported by a senior member of Truscott's staff who also attended them. This witness stated, "I'm not sure that the Director ever fully grasped the whole issue of FTE" and the continuing cost of hiring people. The witness said Truscott was focused instead on how many people were on the payroll at the time. The witness said that the budget officials emphasized to Truscott that continuing the current pace of hiring would leave "so little in the operating funds." The witness said that Truscott was determined to continue to hire and that he wanted his "legacy" to be the creation of a new work force.

Truscott's Chief of Staff also attended the October 7, 2005, budget presentation. The Chief of Staff was hired in June 2005, and thus had little direct knowledge about the expanded hirings in FY 2005. He confirmed that a senior management official advised Truscott to defer any FY 2006 hiring until the end of the fiscal year, but that Truscott brought on the new hires despite this advice. However, the Chief of Staff said that at the time Truscott had been asking his Assistant Directors to "scrub" their accounts and they were coming up with additional money to fund hiring. He said that as a result, Truscott was not confident that he was being presented with a "true picture" of ATF's budget situation. The Chief of Staff said Truscott was optimistic that other sources of funding, such as reprogramming requests, would come through.[13] The Chief of Staff also said that Truscott did not want to see the hiring gains made in FY 2005 lost in FY 2006.

Domenech confirmed that during the period surrounding the October 7 briefing, the various directorates were "scrubbing their accounts" to find money that was to be used for future purchases of equipment and services but which had not yet been obligated. Domenech said that Truscott referred to these funds as "found money." Domenech stated, however, that for each dollar "found," there was a commensurate loss in funding for ATF operations going forward. A senior budget official we interviewed also supported Domenech's description that the directorates were finding additional funds by cutting future spending on such items as telecommunications equipment.

Regarding new FY 2006 hires, Domenech stated that he and the two senior Office of Management officials advised Truscott to defer any new FY 2006 hiring until the end of the fiscal year, by which time a continuing

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[13] The presentation materials from the October 7, 2005, briefing contained an assumption that $9.4 million in an ATF reprogramming request would be approved. That reprogramming request has never been submitted to Congress.

resolution would have been lifted and the impact from any rescissions to that fiscal year's budget would be known. Domenech said Truscott disregarded their advice and instead insisted on scheduling three new classes of agents and investigators during the first half of FY 2006.[14]

Domenech and one of the senior management officials told us about how the timing of new agent and investigator training classes also impacted the ATF budget. Domenech and the senior management official told us that in December 2005, after being notified of a government-wide rescission, Truscott was persuaded to cancel one of the three training classes for new agents scheduled for the first half of FY 2006.[15] Domenech and the senior management official stated that they had recommended to Truscott that if he were unwilling to cancel FLETC classes, he should at a minimum schedule them for later in the fiscal year as a way of saving money.[16] Domenech told us that Truscott, however, could not be persuaded to defer two other basic agent and investigator training classes until the latter half of FY 2006. Domenech stated that Truscott's decision to go forward with these classes so early in FY 2006 cost ATF several million dollars more in salaries and expenses than it would have cost had the classes been deferred or cancelled entirely. In February 2006, after the OIG investigation began and Truscott turned over agency budget authority to Domenech, Domenech told us he cancelled at least four more basic agent and investigator classes.[17]

Other senior managers also told us that Truscott dismissed their concerns that ATF lacked sufficient funds to support continued hiring. The Assistant Director for the Office of Training and Professional Development

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[14] The three classes were comprised of 72 recruits hired at the end of FY 2005 and 72 hired very early in FY 2006. According to a proposed FLETC schedule provided to us by ATF, one group of 24 recruits within the 48-member special agent basic training class actually began training on September 15, 2005, two weeks before the start of the 2006 fiscal year, and merged with the other 24 members of the class later in FY 2006.

[15] The December 2005 rescission resulted in a reduction of $13 million from ATF's FY 2006 appropriations.

[16] Domenech referred us to the FLETC scheduling document, which shows that the 48-member agent class slated to begin in November 2005 would consume 42 FTEs, or $3.4 million in salaries and expenses. However, a class of equal size scheduled to begin much later in FY 2006, such as in March, would have cost 27 FTEs, or $2.2 million in salaries and expenses. Based on the scheduling document, the principle of conserving FTEs by deferring the start date of classes would hold true for the investigator training as well.

[17] As is discussed in Section II of this chapter and referenced throughout this report, Domenech told us that Truscott turned over budget decision authority to him a few days after Truscott met with the Associate Deputy Attorney General on January 30, 2006, and was shown a copy of the anonymous complaint letter. Truscott stated in his letter to the OIG that he turned over budget authority to Domenech only with respect to future decisions concerning the Director's office in the new Headquarters building. See Truscott Letter at p. 2, n. 4.

(TPD) told us that he and the Assistant Director for the Office of Professional Responsibility and Security Operations (OPRSO) talked to Truscott and the Chief of Staff about Truscott's plan to continue hiring in FY 2006. The TPD Assistant Director said that he told Truscott that ATF did not have sufficient funds to train the proposed number of new hires. He said that Truscott responded that they would find the money.

The OPRSO Assistant Director told us that he expressed concerns to Truscott about the costs related to conducting background investigations on new hires, but that Truscott was dismissive of these concerns. This Assistant Director told us that Truscott was intent on adding at least four basic training classes at the beginning of FY 2006, despite contrary advice "from the majority of the Senior Leadership Team."[18] He said that even after Truscott agreed to cancel one class scheduled for February 2006, Truscott still urged him to go forward with background checks and to keep the recruits "on the shelf" in case the agency's financial situation improved. He said Truscott did not understand that there is a cost associated with conducting background checks. He told us that the total cost of the investigations performed on recruits who were scheduled to attend the FLETC classes that have since been cancelled was $280,000 for 112 special agents and $149,500 for 65 investigators.[19]

Domenech and the Assistant Director for the Office of Field Operations also told us that early in FY 2006 staff in the Office of the Deputy Attorney General expressed concern over ATF's aggressive hiring. Domenech said that in either October or November of 2005, he and the Assistant Director met with an Associate Deputy Attorney General to discuss the hiring issue.[20] According to this Assistant Director, the DOJ official asked why ATF was hiring so many people and stated that this was "gross mismanagement on the part of ATF." The Assistant Director and Domenech said that the DOJ official asked how ATF could be hiring all these new employees when the agency was "broke." The Assistant Director and Domenech said that they told the DOJ official that Truscott was making these decisions, that they and others had advised against

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[18] The OPRSO Assistant Director was unable to recall any members of the Senior Leadership Team expressing support for Truscott's hiring plan.

[19] According to this Assistant Director, the cost of performing a preliminary background investigation for a special agent recruit is $2,500; for an investigator recruit, the cost is $2,300. The Assistant Director stated that preliminary investigations remain valid for 90 days, and thereafter must be updated. Both Domenech and the Assistant Director stated that some of these recruits may yet be hired if ATF's financial circumstances improve, in which case only an update on their background check will have to be performed. However, both stated that recruits who have been put "on the shelf" tend to find employment elsewhere eventually.

[20] The official has since left the DOJ to join the Department of Homeland Security.

it, and that they had informed Truscott of the repercussions.[21] Domenech said that he later told Truscott of the Associate Deputy Attorney General's concerns, and that Truscott responded, in essence, that he would rather cut spending than curtail hiring.

2. Concerns expressed by field managers

We asked Truscott whether anyone from Field Operations had ever expressed any concern that they did not have sufficient resources to support new employees. Truscott responded that no one had expressed such concerns to him. He said that concerns from the field would generally first be raised to the Deputy Assistant Directors for Field Operations, then to the Assistant Director, then to the Deputy Director, and then to him.

However, we received information from numerous witnesses that such concerns were expressed to Truscott. A senior official in the Office of Field Operations told us that she attended the SAC conference in St. Simons Island, Georgia, in early November 2005. She said that the field managers made Truscott aware at the conference that they had problems supporting personnel in terms of adequate space, training, and equipment and did not need to hire any more people at that time.

At the November 2005 SAC conference, the Assistant Director for the Office of Field Operations gave a PowerPoint presentation to Truscott to explain the current and projected status of field divisions, primarily in terms of available office space for personnel. The Assistant Director told us that the presentation emphasized the need to keep an appropriate balance between hiring new people and maintaining sufficient operational funds to support existing personnel. According to a memorandum prepared by the Assistant Director summarizing the information conveyed to Truscott at the conference, the SACs "stressed the importance of maintaining sufficient funds to equip and house our people, support current employees and . . . maintain [existing] equipment." He said they also told Truscott that many ATF employees did not have ATF office space, and that many projects to obtain space were not funded.

We reviewed the materials that the Assistant Director and others told us were presented to Truscott at the November 2005 conference. The materials show that at that time, a total of 84 space projects were unfunded, 105 special agents were working in non-ATF space, and 140 ATF employees did not have

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[21] Several Assistant Directors told us that they were never involved in meetings regarding hiring decisions. Domenech stated that meetings at which hiring decisions were made generally included Truscott, Domenech, the Chief of Staff, another senior member of Truscott's staff, and three senior officials from the Office of Management, including the Assistant Director.

workstations "as the result of hiring emphasis and lack of funding space expansion projects." The materials also stated that agents and investigators were sitting in conference rooms, foyers, common spaces, and file rooms, and listed "space and work stations for all ATF employees" as SAC priorities. Also listed as priorities for the field divisions were vehicles and equipment, task force support, training, and strategic placement of employees.

One SAC who attended the conference told us that on the first two days of the conference just the SACs, the Assistant Director for Field Operations, and possibly Deputy Director Domenech were present. He said that there was a general sense among the SACs that they had insufficient operational funds, and that they decided to put forth a unified message to Truscott that there should be a balance between the number of agents ATF hired and ATF's ability to adequately support those employees. He said that the SACs' comments were in response to the large scale hiring that had occurred in FY 2005 and the "big hit" in resources such as vehicles and travel funds that the field offices took that year. He said that Truscott appeared to be taken aback by the presentation.

Moreover, although Truscott told us that he had widespread support for continuing to aggressively hire new personnel going into FY 2006, an overwhelming majority of senior executives at Headquarters told us that they opposed the policy. Several of these senior executives, including budget officials from the Office of Management, stated that they had conveyed their recommendation to Truscott that he either not continue to hire so extensively, or at a minimum defer basic training classes and start dates until the end of the fiscal year. As noted above, in spite of recommendations to the contrary, Truscott scheduled several basic training classes in early FY 2006 before agreeing to cancel one of the classes after learning of a budgetary rescission in December 2005. After Truscott recused himself from decisions affecting ATF's budget shortfall in early February 2006, the Deputy Director cancelled all remaining FY 2006 basic training classes.

D. Impact of Hiring on Operational Budget

Domenech told us that it became apparent to him in late 2005 that ATF would be facing continued severe shortfalls in operational funds in FY 2006. Accordingly, in December 2005 Domenech instructed the Assistant Directors for each directorate to prepare an "Impact Statement" discussing how a 20 percent reduction in resources would affect operations during FY 2006. Domenech stated that the 20 percent figure was a reasonable "worst case scenario" estimate.

The ATF's Office of Management subsequently summarized the most critical points raised in each of the directorates' statements. The January 2006 Summary, entitled "FY 2006 Allocation Levels – High Level Impacts" (Summary)

stated that "ATF has had a significant base shortfall since FY 2003 and has had to make many difficult decisions to operate within resource levels." The Summary then addressed key impacts of FY 2006 allocation levels, stressing a lack of sufficient funds for investigative equipment, vehicles, purchase of information and evidence, contractor support, training, and travel.

Domenech told us that he personally gave a copy of the Impact Statements to Truscott on January 19, 2006, and reviewed the document with Truscott on January 23. Domenech said that Truscott reacted to the anticipated cutbacks by blaming the Assistant Directors for not properly managing their directorate budgets and stating that the Assistant Directors were "crying wolf" over the lack of adequate funding.

According to the Summary, FY 2006 allocations for investigative equipment were "almost zero" and "[t]he lack of investigative equipment is becoming an agent safety issue." The Summary stated that as a point of comparison, ATF spent $9 million on investigative equipment in FY 2002.[22] According to the Summary, investigative equipment includes firearms, body armor, ballistic vests, electronic surveillance equipment, ballistic helmets, auxiliary weapons, and respiratory equipment, among other items.

1. Ballistic vests

The Summary stated that ATF has "more than 1,000 vests that have either expired or will expire this fiscal year."[23] The Office of Field Operations Impact Statement indicated that the purchase of ballistic vests and other investigative equipment "will be substantially reduced or eliminated" due to the lack of funding.

One SAC told us that the use of expired ballistic vests was a "significant issue." He said he was not sure how many such vests were in his division, but said that he can guarantee that "quite a few" are. Another SAC stated that as of March 2006 some of his agents were using expired vests. A third SAC told

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[22] According to a senior Office of Management official, FY 2002 is often used as a point of comparison for budget issues because it was the last full fiscal year before ATF transitioned from Treasury to DOJ and also represents a year in which ATF had a good balance between fixed costs, salaries and expenses, and operational funds.

[23] Based on ATF documents we reviewed, "expired vests" refers to vests that have been used beyond the manufacturer's recommended period of 5 years. The ATF documents indicate that the National Institute of Justice deems the vests "good" for 7 years. However, ATF has not conducted any tests on vests older than 5 years and ATF's Technical Operations Branch decided to apply the more conservative 5-year criterion to determine the useable lifespan of ATF's vests. The use of the term "expired" in this report refers only to ATF witnesses' characterization of certain ballistic vests.

us that he did not believe any of his agents had expired vests, but said there was a problem in the field securing funding for respirators for his investigators.

An e-mail exchange on February 1 and 2, 2006, between officials within ATF's Office of Management and the Technical Operations Branch indicated that at that time ATF agents were wearing expired vests, and more vests were about to expire. According to a Technical Operations Branch official, "The 404 vests sent out in 2000 have already expired and the 648 vests sent out in 2001 will expire this year."

Truscott told us that he felt very strongly about the issue of ballistic vests, stating that "the idea of buying anything at ATF instead of ballistic vests for our agents simply turns my stomach." However, he also gave us somewhat inconsistent accounts of whether he was aware of any problems with ballistic vests. He first stated that "never since the day I got there has anybody ever indicated to me that ballistic vests were an issue of any sort." He later conceded that in January 2006 he became aware that some of ATF's ballistic vests "might expire at some point in the not too distant future."

Both the Summary and the Office of Field Operations Impact Statement, which were presented to Truscott in January 2006, stated that ATF had requested funds from DOJ's Asset Forfeiture Super Surplus Fund to purchase vests.[24] An ATF senior budget official told us that the Administration authorized ATF to seek $4 million from the Super Surplus Fund for investigative equipment and "intelligence research tools"; however, documents indicate that the Attorney General approved recommending $2.5 million for ATF. Ultimately, ATF only received $1,367,000. The budget official told us that the money has been used to purchase critically needed investigative equipment.[25] The budget official told us that enough vests have now been purchased to assure that ATF agents will have current vests through FY 2007.[26]

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[24] ATF competes with other components and agencies for these funds, and thus cannot rely on funds from this source as part of its annual operating budget.

[25] Specifically, $752,000 has been used to support ATF's respirator program (including equipment and training); $365,000 has been used to purchase ballistic helmets; and $250,000 has been used to purchase vests.

[26] The Assistant Director for Field Operations told us that additional funds for the vests were freed up by converting a previous contract for other less critical equipment into one for vests. The Assistant Director confirmed that a total of 1068 vests were ordered and that by July 2006 approximately 680 vests had been delivered and shipped out to the field divisions.

2. Vehicles

The Summary stated that no funds were allocated for vehicle purchases in FY 2006. It also stated that over 36 percent of the vehicles in ATF's fleet had accumulated over 100,000 miles, which significantly increased the cost of vehicle maintenance. We learned from the Office of Management that ATF bought 297 vehicles in FY 2003, 319 in FY 2004, and 366 vehicles in FY 2005. ATF's Budget Officer also confirmed to the OIG that, with the exception of eight vehicles bought to support the Terrorist Explosive Device Analytical Center (TEDAC), a moratorium was in effect as of June 2006 on the purchase of new vehicles in FY 2006. Domenech told us in July 2006 that ATF almost certainly will not be able to purchase new vehicles through the remainder of FY 2006.

We asked Truscott whether ATF has an adequate fleet of vehicles, and he responded that he had been told by his staff that "our fleet is not inconsistent with other DOJ components." He said that purchases of vehicles are generally made at the end of the fiscal year, as had been done in FY 2005, and that it was too early to tell whether ATF would be able to purchase vehicles at the end of the current fiscal year. When asked specifically whether, given the current constraints on the budget, he believed funds would become available at the end of the current fiscal year for the purchase of vehicles, he replied, "I don't have any idea."

3. Contractor services, security, travel, and training

According to the Impact Statements, almost all the ATF directorates expected to encounter problems in funding contractor services, training, and travel. For example, the Office of Enforcement Programs and Services (EPS), which relies extensively on contractors to staff the National Tracing Center (NTC) and National Integrated Ballistics Information Network (NIBIN), anticipated that cuts to its operating budget would "seriously reduce support to State and local law enforcement in pursuit of criminal investigations and jeopardize public safety." The Assistant Director for EPS told us that, in fact, many of the problems forecast in the Impact Statement for his directorate are occurring. He told us, for example, that the NTC is not fully funded, and as a result it is taking longer to complete firearms tracing requests.

The Office of Professional Responsibility and Security Operations (OPRSO) projected that its Inspections Division, which investigates allegations of misconduct within ATF, would be severely compromised in its mission because travel funds would be exhausted by March 2006. The Statement noted that 90 percent of its investigations require travel. Domenech told us that OPRSO is now deferring programmatic reviews and is sending fewer investigators out in the field to respond to misconduct allegations. The OPRSO Assistant Director told us that he reprioritized OPRSO's budget to ensure that some funds would be available for limited travel. He also stated that $910,000

worth of security-related projects, such as installation of cameras, access control systems, and alarm systems in new field facilities have been deferred indefinitely. He stated that approximately $100,000 worth of security upgrades at existing facilities have also been indefinitely put on hold.

The Office of Training and Professional Development (TPD), which supports mandatory and other training of all ATF employees, wrote in its Impact Statement that its proposed FY 2006 budget of $13.9 million was a reduction of almost 30 percent from its FY 2002 budget, yet there had been no corresponding decrease in hiring, mandatory training, and other mission requirements that drive training costs. The Assistant Director for TPD told us that to be able to fund the training for the new hires and the mandatory training for existing employees, he had to cut back on leadership training, certified fire investigators recertification, accelerant detection K-9 recertification, investigator training, and travel. He said that he also made tremendous cuts in mandatory training to state and local law enforcement personnel. In addition, a SAC told us that due to budget constraints, there has been no "out-bureau" training for the past couple of years.

Finally, Domenech told us that ATF usually funds approximately 180 permanent changes of station (PCS) each year. However, he said that because of the decrease in available funds, he can only authorize approximately 90 for FY 2006.

4. Office space

Although the issue of office space was not addressed in the Impact Statements, it was raised to Truscott during the November 2005 SAC conference described above. We interviewed several SACs about the current status of office space for their field divisions. Each told us that finding sufficient space for ATF field personnel was still a problem. They stated that some personnel were stationed in U.S. Attorney's Offices and local sheriff's offices, although they also pointed out that stationing ATF agents in non-ATF space was sometimes necessitated by ATF's participation in Project Safe Neighborhoods (PSN).[27]

Truscott told us he was aware that some field divisions did not have sufficient space for their personnel. He said that hiring of personnel and expansion of space does not happen simultaneously. He added, "So in some cases, you may need to have people double up . . . and, you know, make the

[27] PSN is a nationwide program designed to reduce gun crime by supporting local anti-gun crime initiatives. The program relies on United States Attorneys to lead cooperative efforts among federal, state and local agencies in the 94 federal judicial districts. Truscott said PSN covers approximately 120 cities around the country.

best of things until you can expand a little bit." Truscott also stated that many ATF agents were located in non-ATF space, such as U.S. Attorney's Offices and local police departments, because of ATF's commitment to PSN. Truscott said that this arrangement may actually benefit ATF because ATF can use other agencies' space "albeit not quite as nice space as we would like to have."

E. Findings

Truscott implemented a very aggressive hiring policy during his tenure, and in particular during FY 2005. The ATF hired approximately 950 new agents, investigators, and other personnel between the third quarter of FY 2004 and the end of the second quarter of FY 2006. During that same period, ATF separations totaled approximately 630, resulting in a net gain of approximately 320 employees between April 2004 and March 2006.

During this same time period, ATF's operating budget decreased by approximately $21 million. Truscott's hiring policy was one of several factors that contributed to the decrease in the operating budget. Other factors included funding for ATF's share of new Headquarters building construction costs (see Section II of this chapter) and an apparent error in the calculation of employee benefits for FY 2006.

Truscott told us that his decision to aggressively hire during FY 2005 was supported by most senior managers, both at Headquarters and in the field. Senior managers said they supported this action initially, because ATF had not hired many employees in the preceding two years and needed more agents and investigators to fulfill its mission.

However, we found that contrary to Truscott's statements to the OIG, he did not have senior management support to continue the pace of FY 2005 hiring into FY 2006. Specifically, we found that Truscott was told repeatedly by senior budget and management officials that ATF could not continue aggressively hiring new agents and investigators without serious negative consequences to the operating budget. These officials presented the facts supporting this assessment to Truscott throughout the end of FY 2005, and most compellingly in a meeting on October 7, 2005. In addition, the Deputy Director of ATF warned Truscott against bringing in new classes of agents and investigators early in the 2006 fiscal year because doing so would unnecessarily consume salary and expense funds, thereby compounding the drain on operational funds. Moreover, during a November 2005 conference, the SACs told Truscott that the FY 2005 hiring was contributing to a shortage of adequate work space for field personnel and that Truscott needed to be mindful of finding a balance between additional hiring and making adequate resources available to support the new employees.

Truscott rejected the recommendations of the Deputy Director, senior budget and management officials, and SACs that he not continue the robust pace of hiring during FY 2006. We found that Truscott was not responsive to the concerns and was at times dismissive of them.

We concluded that Truscott's hiring policies affected ATF's ability to carry out its missions. For example, ATF's capacity to purchase new investigative equipment, including ballistic vests, was constrained by diminished resources.

In addition, we found that vital contractor services, particularly with respect to support of criminal investigations involving the tracing of firearms, have been reduced. We further found that many of ATF's internal security upgrades and investigations programs have been deferred indefinitely, in part due to reduced travel funds. We also found that ATF has cut back on important training and recertification programs for its employees.

In sum, Truscott's decision to increase the size of ATF through aggressive hiring contributed to a decrease in funds available to support ATF operations. These reductions in funds for ATF operations were occurring at the same time that costs were escalating on the construction of the ATF's new Headquarters building, in part because of decisions by Truscott. The next section of this report examines that issue.

II. Design Changes to ATF's New Headquarters Building

A. Allegation

The anonymous complaint alleged that Truscott was responsible for unnecessary design changes to ATF's new Headquarters building, particularly in the areas of the Director's Suite, the Joint Support Operations Center, and the gym. According to the complaint, these design changes have significantly driven up ATF's share of the construction costs for the project. The complaint letter also alleged that Truscott prioritized the unnecessary design changes ahead of the purchase of vehicles and other critical law enforcement equipment. Finally, the complaint letter alleged that Truscott spent an excessive amount of his time and that of senior managers on the Headquarters project.

This section provides a brief overview of the new Headquarters building project, including a discussion of ATF's share of expenses to fund the project. It then examines Truscott's involvement in the project generally, and his specific involvement in design changes to the Director's Suite, the Joint Support Operation Center (JSOC), and the gym. Lastly, we discuss the events of January and February 2006, when ATF was advised to scale back the

project, and the actions that were taken to mitigate the cost implications of Truscott's design changes.

B. Evidence

1. History and cost overview of the New Headquarters building project

In the wake of the bombing of the Alfred P. Murrah Federal Building in Oklahoma City in April 1995, and under authority of the Anti-Terrorism Emergency Supplemental Act of 1995 and Executive Order 12977, ATF and the General Services Administration (GSA) jointly undertook a study of options for the relocation of ATF from its current headquarters at 650 Massachusetts Avenue in downtown Washington, D.C., to a more secure facility.[28] GSA and ATF jointly conducted financial and security evaluations for over 80 occupancy options for ATF between 1997 and 1999. The agencies concluded that the option that would produce the best return on investment for the federal government would be to construct new headquarters rather than to lease and upgrade existing facilities.

In 2000, Congress appropriated $83 million to GSA for construction of the new Headquarters, and ATF was given $15 million in funds from the Department of the Treasury's Asset Forfeiture Fund for site acquisition. The site for the new Headquarters building was acquired from the District of Columbia government for $15 million in 2001, and the new building design contract was awarded to Moshe Safdie and Associates, a Boston architectural firm, in that same year. A groundbreaking ceremony at the site of the new Headquarters building was held on April 10, 2002.[29] The design for the building and detailed plans for ATF's use of the space were nearly complete by the end of 2002. Actual construction of the new building began in the summer of 2004.

In early 2004, GSA sought to reprogram an additional $47 million to meet what had grown to be $130 million in anticipated total GSA construction costs. Congress approved the reprogramming request in early 2005. The Chief of ATF's Space Management Branch told us that ATF was responsible for

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[28] Executive Order 12977 (effective date October 19, 1995), established an Interagency Security Committee (ISC) consisting of the Administrator of General Services and representatives from 17 major federal departments and agencies. The purpose of the ISC was to evaluate security standards for federal facilities and to develop "long-term construction standards for those locations with threat levels or missions that require blast resistant structures or other specialized security requirements[.]" Id., Sec. 5.

[29] The new Headquarters building will be located at 99 New York Avenue, N.E., in Washington, D.C.

paying the costs of the new building design and layout requirements, and for the costs of any specific features ATF needed for programmatic reasons that were in excess of what GSA identified as necessary for "initial tenant build-out." The Space Management Branch Chief said that the formula for GSA's funding of the new Headquarters called for GSA to pay $33.00 per square foot of space and for ATF to pay anything above that amount. According to a senior ATF budget official, ATF's share of the project covering design changes, security features, furnishings, equipment, and relocation expenses, will have cost approximately $90 million by the end of the project. This official told us that of this amount, $60 million has been funded through Congressional appropriations, leaving ATF to find at least $30 million in additional funds.

The additional $30 million in costs was driven in part by construction design changes made after the plans for the new Headquarters had been drawn up.[30] The New Building Project Office (NBPO) attributed some of the design changes to ATF's internal reorganization after moving from Treasury to the DOJ. According to the New Building Project Manager, ATF's move resulted in the loss of the alcohol and tobacco tax and trade regulation offices. This, coupled with the formation of the Office of Strategic Information and Intelligence directorate (OSII), resulted in significant changes to the layout of the new Headquarters. The project manager told us that the changes to the layout consisted mainly of reconfiguring walls, entranceways, and other features related to office space. One of the more significant modifications involved the JSOC, which is operated by the OSII directorate. However, as discussed later in this section, witnesses disputed the need for the changes to the JSOC even with the creation of the new directorate.

Other design changes to the new Headquarters building, such as a redesign of the blast curtain in front of the structure, resulted from errors and omissions in the original design, or from unforeseen conditions at the site of the new Headquarters. Finally, some of the design changes, such as changes to the Director's Suite, were alleged to be unnecessary or frivolous changes and were proposed or authorized by Truscott. We focus on those changes in subsection 3, below.

ATF officials recognized that ATF would have to pay for any increased costs associated with deviations from and corrections to the original new Headquarters building plans. The Project Manager told us that Truscott was

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[30] According to an April 2005 "Order of Magnitude Program Estimate" by GSA's construction manager, the total projected cost of all post-plan revisions, including mark-ups and design contingencies, was $4.3 million. The general contractor's estimate for the same work was $17 million. According to the Project Manager, the New Building Project Office (NBPO) was able to negotiate this figure down to approximately $9.5 million. These costs do not include relocation and other non-construction expenses that must be borne by ATF.

made aware within the first three to six months of his tenure that ATF would need to "take money out of hide" – meaning out of ATF's budget – in order to pay for the design changes to the new Headquarters. Internal e-mails from ATF's Office of Management in May 2005 reflect that Truscott was frustrated by ATF's inability to get a reprogramming request for additional funding approved by DOJ in 2004, especially in light of GSA's ability to gain approval for a $47 million reprogramming of its funds.[31] The Project Manager told us that the Assistant Director for the Office of Management (who has since retired from the ATF) and Deputy Director Domenech had to explain to Truscott that ATF was "new to the Department [of Justice]" and that ATF would not be getting everything it asked for in terms of financial support for its new Headquarters.

On June 16, 2005, ATF's Office of Management submitted another request to DOJ to reprogram $13.5 million in funds from expired ATF accounts for use in funding the new Headquarters. The request was approved by the DOJ and subsequently by Congress in September 2005. A senior budget official explained that even after this reprogramming, ATF had to use money from its operational funds to cover outstanding construction and other costs remaining from the initial $30 million shortfall. This official told us that since September 2005 ATF had been seeking DOJ approval to reprogram another $8.3 million to replenish the operational funds that were being applied toward construction of the new Headquarters. In June 2006, officials in the Office of Management told us that it appeared unlikely the request would be granted.[32]

According to Domenech, Truscott had "set aside" $7.9 million from ATF's FY 2006 budget to apply to this shortfall. The budget official told us that, in fact, Truscott had approved setting aside $21.4 million in FY 2005, but that with the $13.5 million in reprogrammed funds approved by Congress to be used toward the new Headquarters, only $7.9 million in additional funds was needed to cover the remaining shortfall.[33] Domenech told us that he made clear to Truscott that the $7.9 million being set aside was coming from FY 2006 operational expenses. Domenech stated that Truscott responded by telling him

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[31] ATF's reprogramming requests involve asking DOJ to transfer funds from expired ATF accounts from prior fiscal years into the Department's working capital funds from which ATF can then draw money to cover current expenses.

[32] On June 6, 2006, the Acting Assistant Attorney General for Administration confirmed to us that ATF had sought the reprogramming, but that DOJ has put the request on hold. A FY 2006 Balance Sheet indicates that $8,230,000 from ATF funds in FY 2005 was spent on the Headquarters. The senior ATF budget official told us that unless ATF could obtain approval to cover those funds through further reprogramming, those funds will have come out of ATF's operating funds.

[33] This $21.4 million line item appears in a FY 2006 Balance Sheet under "Bureau Priorities." The senior ATF budget official told us that Truscott actively reviewed this and other budget documents with her until about February 2006, when after the allegations against him were made, he delegated budget making authority to Domenech.

that the new Headquarters project, along with more hiring, was "critical" for ATF.

2. Truscott's involvement in the new Headquarters project

Many witnesses we interviewed expressed concern and frustration over the extent to which Truscott became involved in the new Headquarters building project.

When Truscott arrived at ATF in April 2004, the design for the new Headquarters was complete and construction had begun. The Project Manager told us that Truscott met weekly with the New Building Project Office staff about the project, and that Truscott's Executive Assistant, Chief of Staff, and often the Deputy Director would attend these meetings as well. Several Assistant Directors told us that they were not included in the weekly meetings until about January 2006, when it became necessary to find ways to cut costs (as discussed in subsection 4, below); however, they were often required to visit the new Headquarters site with Truscott, and the project was discussed occasionally at Senior Leadership Team meetings.

Several senior managers and other officials were critical of what they described as Truscott's excessive involvement in the project. The Project Manager, who has had extensive experience with other major federal government construction and relocation projects and who worked most closely with Truscott on this project, told us that Truscott's involvement with the new Headquarters was more extensive than necessary. She stated when Truscott first arrived at ATF, he sought to familiarize himself with "core" aspects of the new building, such as gathering points, traffic flow within the building, use of space, and the adequacy of the restrooms in terms of size. She stated that some of his ideas on these areas were quite helpful, and that she was "thrilled at first" that he was taking such an interest in the project. She stated that her enthusiasm dissipated over time as she found herself having to spend a lot of time preparing to brief him on many details of the project. She said he was "inordinately involved and preoccupied" with the project and tried to "put his fingerprint" on every aspect of the building. She said that the areas of the project in which Truscott had the most input were the Director's Suite, the JSOC, and the gym.

Domenech said that Truscott was "obsessed" with the project and seemed to view the building as his "legacy." Many other witnesses described the Director's involvement in similar terms. One Assistant Director told us that Truscott was exceptionally "in the weeds" on the project. Another Assistant Director stated that Truscott was a "little too far down in the weeds" regarding the project and that there were other matters the executive staff would have liked to see him engaged in instead. A third Assistant Director stated, "[Y]ou almost got the impression he was building this for himself." Several witnesses

commented on the excessive amount of time they believed Truscott devoted to the project and, in particular, to his office suite.

Of the numerous ATF officials we interviewed on this matter, only one witness, a senior official in ATF's Office of Management, stated that he thought Truscott's level of involvement with the project was appropriate. This official also said he would have questioned a Director who was not involved in the project. However, this official had not attended the meetings regarding the new Headquarters, and he did not have first-hand knowledge of Truscott's degree of attention to the project. Another official who had attended several meetings concerning the project told us that although Truscott was "intimately" involved in the project, he saw the project as former Director Magaw's legacy because it had been started under Magaw's tenure. This official said that regarding the executive suite, Truscott would say that "this is for the *Director* of ATF, not Carl Truscott."

3. Changes and upgrades to the new Headquarters design

Several witnesses told us that Truscott was involved to some degree in virtually every aspect of the new Headquarters project. However, our review of Truscott's actions focused on the three areas of the project identified by knowledgeable witnesses as being of the highest priority to Truscott: the Director's Suite, the JSOC, and the gym.

a. Director's Suite

The Director's Suite – Suite 500 – will be located on the fifth floor of the new Headquarters, and will encompass space for the ATF Director, the Director's Executive Assistant and Chief of Staff, the Deputy Director, two administrative assistants, and two Executive Protection Branch (EPB) personnel.

According to the Project Manager, the design for the Director's Suite has undergone significant revisions since Truscott's arrival in April 2004. Major structural revisions to the suite included the removal of an internal spiral staircase, which had been included in the original plan for security reasons and removed at Truscott's request. The overall size of the suite was also enlarged to accommodate an increase in the staff to be located within Suite 500.[34] The Project Manager, as well as another senior official in the Office of

[34] When Truscott first came to ATF, the Office of the Director consisted of the Director, the Deputy Director, an Executive Assistant, and two staff assistants. Under Truscott, a Chief of Staff position was added, and space was created for two Executive Protection Branch personnel.

the Director, told us that these structural revisions were largely functional, not aesthetic, and were designed to facilitate "flow" within the suite.

The Project Manager told us that even before Truscott joined ATF, a senior official in the Office of the Director who had been hired shortly before Truscott arrived told the New Building Project Office staff that the suite was "inadequate for an executive suite." The Project Manager stated that when Truscott arrived, he also felt that the suite as originally designed was "inappropriate for an executive," and that it needed to have wood finishes and other upgrades. The Project Manager said Truscott asked her many times, "So, before I came on board, the original design didn't have *any* wood trimming, and the doors weren't wood; there wasn't anything in there at all?"

In July 2004, Truscott began meeting regularly with the New Building Project Office staff, which included the Project Manager and other ATF employees, interior design contractors, and others involved with the building. Representatives from Moshe Safdie and Associates sometimes attended the meetings. One issue discussed at the meetings was where to locate an internal conference room within the suite, whether it should be located in the Director's office, and whether to make it a secure compartmented facility. According to the Project Manager, there were "too many meetings to count" on this one matter. It was decided that a conference room within the Director's Suite but outside of the Director's office would be sufficient.

In contrast, Truscott told us that the Project Manager repeatedly requested to meet with him about the Director's Suite, stating that at one point they met "briefly." Truscott said he recalled one meeting in particular in which he was asked several questions about his new suite. He said the meeting involved architect Moshe Safdie, the Project Manager, Truscott's Executive Assistant, "probably" his Chief of Staff, and Domenech.[35] Truscott characterized many of the decisions regarding the furnishing of his suite as originating with others, and he described his own role in selecting the furnishings as passive. For example, he said the conversation about bookcases and other items for his suite went as follows:

> [H]ere we are sitting in the director's office and I have a wall right now of bookcases and, director, would you like bookcases? Yeah, I would. Do you want doors? Yes, I would. You have a refrigerator over there, would you like a refrigerator in your office? Yes, I would.

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[35] This meeting appears to be one of only two meetings Truscott had with Safdie. The other meeting took place in the Boston area on January 5, 2005. Typically, Truscott's ideas and requests were communicated to the architect through the New Building Project Office staff.

However, other witnesses said Truscott actively participated in detailed discussions about the interior furnishings and that he identified special features he wanted for the suite. For example, a regular participant in these meetings stated that Truscott and the group spent "hours and hours" going over the layout, the millwork, the built-ins, and some of the finishings in the Director's Suite. This witness said that Truscott constantly suggested changes to the type of wood walls he thought were needed to display photographs. The witness said that Truscott specified that in his office he wanted a shelf for 14-inch books, a shelf for 12-inch books, and a shelf for displaying small items. The witness said Truscott also spent several hours discussing the pantry area adjacent to his office with the group, including what should be inside the cupboards and the built-in closets, where to store linens and silverware, how many drawers would be needed, and where to put the sink and refrigerator.

Similarly, the Project Manager told us that the group "spent *a lot* of time [on] what's wood, what's carpet, what treatment is made for each of these areas." She said that Truscott insisted on having "executive" style wood doors leading to his office, and asked that they be able to open and close by a remote control device. She said that executive doors are larger and more imposing than standard doors, and cost more than the standard doors in the original plans. The Project Manager also told us that Truscott wanted wood floors in his office. She said the specific style he preferred had been selected by the architect, and was modeled on the parquet wood floors in the ceremonial vice presidential office in the Eisenhower Executive Office Building.

Domenech also told us that Truscott made known his desire for built-in bookcases, the wood doors, and wood floors. He also said Truscott re-designed the Executive Assistant's desk so it would match the wood finish of the walls, and wanted the pantry room designed in a certain manner.

In contrast, Truscott said that he did not specifically request built-in bookcases, but that "it was understood that they would be built in" based on what others suggested to him. Truscott told us that he did ask for wood floors, but said he told the others that he was not looking to spend a lot of money on it. He said that the Project Manager told him she would look at the prices and would let him know if they were reasonable. The Project Manager said the cost estimate for the wood flooring was $62,564.

Truscott also denied requesting "executive" style wood doors leading into his suite. He stated that "there was discussion" about it, and that he merely agreed with the idea. Truscott acknowledged that it was his idea to install remote controlled doors in his suite, and that he suggested it after seeing a similar device in the office of the Commissioner for the Royal Canadian Mounted Police.

After reviewing independent government estimate and contractor estimate documents, the Project Manager told us that the millwork alone for Suite 500 cost $243,000.[36] The millwork would have included five executive wood doors, matching chair rails, wood wall facing, and a wood table with leather inlay.

Truscott's requests and suggestions for upgrades to his office and the surrounding suite are discussed in numerous e-mails and other documents we reviewed. In August 2005, an interior design contractor with the New Building Project Office prepared a 5-page document entitled "Suite 500 – Requests/preferences/requirements of Director Truscott." (See Appendix B) The Project Manager stated that the document was the result of a "brain dump" from a big meeting the New Building Project Office had with Truscott, and that it listed everything requested or approved by Truscott that they were "supposed to design to in the Director's office." She said the list, which was intended to be shared with the architect and was not shown to Truscott, is an indication of how detailed Truscott's requests were. The list includes 15 pieces of furniture for Truscott's office, plus a detailed description of a wall unit and closet, window treatments, "formal entry vestibule," a credenza with trash storage baskets mounted on retractable arms, and a "[f]lat panel TV monitor, approx. 42" diagonal – hidden when not in use."

In addition to the furniture, wood flooring, special doors and other accents in the Director's office, the list included Truscott's requests for other areas of the suite. For instance, the list includes several items Truscott requested for the Director's bathroom, including "[t]elephone, TV flat panel and radio speakers to listen/view news," quartzite tile floor to match the floor in the building atrium, a bench with a water resistant wood seat, tile wall "in horizontal straight stacked layout vs brick," and sconces. Other than for the millwork and the conference table, no cost estimates were provided for Truscott's list of requests and preferences for his suite.

Truscott acknowledged to us that he did request a television for his new bathroom. With regard to the television for his office, he said the idea for installing a television in his new office was raised by others.[37] Truscott said

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[36] Millwork, as the term was used by the witnesses, refers to woodwork, such as trimming, chair railings, and other custom features. Both Truscott and Domench told us the cost of the millwork was $283,000. The discrepancy likely is attributable to approximately $42,000 in wood paneling that, according to Domenech, had already been purchased before the order was cancelled in early 2006.

[37] An undated internal e-mail from a Visual Information Branch employee indicates that Truscott requested for his office in the current ATF headquarters "a TV, either CRT or plasma-screen, with the capability of dividing the picture into quadrants that display each of the four major news programs." The e-mail indicates that Truscott already had a 20-inch cable television in his office.

that "[s]omebody came up with a screen that somehow dropped away. . . . I wasn't involved in those discussions." The Project Manager told us that Truscott was the one who requested a television in his new office and that he wanted to be able to stow it out of sight when not in use.[38] She said the architect interpreted Truscott's request for a concealable television in his office by designing a hydraulic lift for the television, a feature which Truscott never specifically requested. The Project Manager also told us that the architect, not Truscott, selected a $65,000 conference table for the suite. Domenech told us that he and the Project Manager scaled down the cost of the conference table to one that cost $28,000.

The list of Truscott's requests and preferences also addresses furnishings in other offices within the Director's suite. For instance, the list specified that the offices of the Chief of Staff and Executive Assistant were to have "Furniture style to match Director's."[39] However, Truscott said that "others" decided that other offices within the suite would have built-in desks. He said there was "lots of discussion about the design" but that he did not make the decision. Truscott also stated that it was his understanding that all new furniture in Suite 500 was to be paid for out of approximately $675,000 that had been "set aside" from the 2001 budget for executive staff furniture.[40]

The Project Manager and other witnesses also told us that the cost of revising the design of Truscott's suite was driven up by delays resulting from his excessive involvement. The Project Manager expressed frustration over the numerous lengthy and often "indecisive" meetings held with Truscott on the project. She said she believed the cost of the project was affected because of "the time that it took to make decisions and the level of detail that he wanted to get into." She said that the New Building Project Office had a March 2005 "drop dead date" to submit all changes to GSA's contractor, but that as of July 2005 "we were still talking about the Director's suite." She said that Truscott was warned in March 2005 that further delays would result in additional costs to the project and that he needed to finalize his decisions. She stated that Truscott did not listen when told about the need to make decisions and the cost implications of delay, and that he "never really responded" to those concerns.

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[38] The Project Manager's statement is supported by the list of Truscott's requests and preferences for how he wanted the new Director's Suite to be furnished. (See Appendix B)

[39] The document also states that the Deputy Director's bathroom was to have a telephone and a flat panel monitor, among other items. Domenech told us he never made any requests for these items, had no input into the list of Truscott's requests and preferences, and had never seen the list.

[40] Domenech told us that money had been set aside for new furniture for the executive staff, but that the funds would not have covered millwork such as built-in furniture.

Domenech also expressed frustration about the meetings. He described one meeting in particular in which Truscott met for hours with the architect staff and the interior designers discussing fabric swatches, marble finishes for a conference table, wood finishes, and which type of leather would match the walls.

b. Joint Support Operation Center

ATF has a Joint Support Operation Center (JSOC) in its current Headquarters.[41] The JSOC is run by the Office of Strategic Intelligence and Information (OSII), a directorate that was created in 2003.[42]

According to a former senior official in the OSII directorate, the JSOC initially was "literally an answering service." One Assistant Director of a directorate that routinely interacts with OSII also described the JSOC generally as a "call-in center" for law enforcement officers to call in requests to trace weapons or to reach the ATF "duty agent" for other information.

The former senior OSII official said that Truscott took an interest in the JSOC after he arrived, and upgraded its mission to require staff to notify field offices of any critical incidents throughout the country. This official said that the JSOC staff now monitor several news channels, answer phones, and take reports of stolen explosives and firearms, among other tasks. The OSII Assistant Director told us that the JSOC is now designed to provide ATF and its federal, state, local, and international constituents with around-the-clock "situational awareness."

The former OSII official said that Truscott directed the OSII Assistant Director to upgrade the physical facility of the JSOC shortly after he was hired as Assistant Director for OSII in December 2004. The former OSII official described the facility prior to the Assistant Director's changes as a conference room containing chairs pushed up against the wall and two televisions but no flat screen models. She said the Assistant Director's changes consisted of taking down one or two walls, moving chairs around, putting up some flat screen televisions, and making it "much more operationally efficient looking." An agency-wide e-mail announced that an "opening ceremony" would be held for the "newly redesigned" facility on June 1, 2005.

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[41] The JSOC had been called the National Enforcement Operations Center (NEOC) until approximately 2004.

[42] According to the Assistant Director for Field Operations, ATF received DOJ approval to form the OSII directorate in December 2003 and formal Congressional approval in early 2004. The Assistant Director stated that the OSII directorate initially was staffed by Office of Field Operations personnel.

The former OSII official said that after one meeting Truscott asked her opinion about the plan for the JSOC in the new Headquarters. The official told us that the design for the new JSOC looked very much like the JSOC in the current Headquarters prior to the renovations. She said it was designed to be outfitted with cubicles and that the space was "disconnected." She said she told Truscott that if she could propose changes, she would start by removing some walls.

The former OSII official said Truscott told her that he wanted her to look at other agencies' operations centers and make recommendations to him about what the new ATF JSOC should look like. She stated that Truscott specifically asked her to visit the operations center at the U.S. Secret Service. She told us that she had already been to operations centers at the National Security Agency, the Defense Intelligence Agency, the National Reconnaissance Office, and the FBI as a result of her position in OSII.

The former OSII official told us that her discussions with Truscott about the JSOC in the new Headquarters centered on Truscott's "vision" for how the facility should look. She said that she and Truscott had "a lengthy conversation" about making the new JSOC look "like the 21st Century." She stated that one of Truscott's objectives was to make the JSOC a place that could be shown to people. Domenech told us that Truscott felt that the original design for the new JSOC was "not elaborate enough" and that Truscott had said he wanted "a star wars type of center." The Project Manager also told us that the JSOC was described to her as the "nerve center of ATF," and that when people come to visit ATF, "they should be able to see our nerve center."

The former OSII official said that after she had seen several operations centers as instructed by Truscott, she met with the Project Manager and the architect. She said that the Project Manager and the architect told her that they had spoken with Truscott and understood that there would be some design changes to the JSOC. She said the Project Manager and the architect "weren't happy" because everyone had already approved the design and new changes would cost additional money.

The official said she told them that her only major proposal was to remove the walls. She said that the Project Manager and the architect came back to her with a proposal to move the entire JSOC to a different area on the same floor, thereby avoiding the need to remove walls. She stated that the decision to relocate the JSOC entailed relocating some OSII offices, but said she was not aware of the need to make changes to space in other directorates. The Assistant Director for Field Operations, however, told us that the revisions to the JSOC resulted in a net loss of space for his directorate.

The Project Manager told us that other design changes related to seating configurations and audio-visual and other technical upgrades all came from

the OSII directorate, and possibly from the OSII Assistant Director. The OSII Assistant Director also told us that when he first joined ATF in December 2004, Truscott told him to look at the plans for the JSOC "from a technical standpoint" to ensure that nothing had been overlooked. The Assistant Director told us that at that time, the plans for the new Headquarters were "98 percent complete." He stated that he met with the Project Manager and the architect regarding the incorporation of secure communications capabilities in the JSOC.

The JSOC will be located on the seventh floor of the new Headquarters building. From descriptions provided to us by both the OSII Assistant Director and the former OSII official, the JSOC, as revised and upgraded from the original design, was to have theater-style seating, with the supervisor or shift leader seated at the top. A video wall would have had 17 monitors to display various news broadcasts and closed circuit television channels simultaneously. The JSOC's 15 workstations were each to have adjustable pneumatic desks, which, the OSII Assistant Director told us, was the architect's idea. He said that typically staffing on each shift ranges from 3 to 6-7 people, and that the reason for having 15 workstations was to accommodate additional staff in the event of an incident. Millwork was also added to the JSOC reception area.

The OSII Assistant Director also said that the JSOC will have a glass area through which people can view operations. He said he recalled something similar in the Secret Service Operations Center where "VIPs" could walk by and see how the "nerve center" is operating. He said it is an opportunity to showcase ATF.

The senior ATF officials we interviewed provided a range of views as to why the JSOC design was revamped. The Project Manager said she was told that the JSOC had to be larger than originally designed in order to accommodate more people due to the upgraded mission of the facility. The Project Manager said she was also told that the JSOC "had to incorporate more of a theater style." The Project Manager agreed with the characterization that the JSOC was primarily "for show," and stated that "[a] lot of [the changes to the JSOC] were aesthetic, and I think that there's some controversy as to what was necessary or not in terms of the size of it and the number of people."

Some witnesses questioned the need for the redesign to begin with. Domenech said that the original design for the JSOC "wasn't going to look like star wars," but was "functional." Domenech stressed that ATF is "not an intel agency." One Assistant Director described the JSOC as a very simple facility needing good telephones and access to databases. This witness said that "[t]he most important thing about a JSOC is having a trained staff that can run the damned thing. That's where I think we've fallen down." Another Assistant Director told us that the essential function of the JSOC as a point-of-contact

for other law enforcement agencies had not changed and thus the redesign was unnecessary.

Truscott told us that he did not "have anything to do with" the proposed redesign of the JSOC, including the increase in its size, the theater-style layout, and the electronic upgrades. He stated that the OSII Assistant Director worked out the design changes with the New Building Project Office. Truscott stated that his involvement with the redesign was limited to being briefed "after the fact" about the new JSOC.

In contrast, the former OSII official stated that her task was to facilitate Truscott's "visions" and "expectations" for the new JSOC. The official said that although she did not recall Truscott making specific suggestions, she discussed with him what the finished facility would look like in terms of having monitors, screens, chairs, and other features "in general." The OSII Assistant Director said that other than Truscott's request that he make technical recommendations, Truscott had no direct involvement in the revisions to the plans for the JSOC. However, he stated to us that after the former OSII official had visited other operations centers and had discussed the proposed revisions with Truscott, he heard that Truscott had told her, "Now you've got it."

Both the former OSII official and the Project Manager told us that Truscott was also involved in approving the design changes. The former OSII official said that after she reviewed and concurred with the architect's proposals, the revisions were forwarded to the Office of the Director for approval. The official stated that this approval process occurred a few times.

The Project Manager told us that the New Building Project Office worked with the OSII directorate, primarily the former OSII official, on the design changes to the JSOC. The Project Manager stated that she briefed Truscott on the design changes and discussed the cost of the changes with him. She told us that "he was concerned that it would cost something," and that his attitude was one of "hoping it would all be paid for."[43]

The former OSII official said that Truscott never spoke to her about limitations on the cost of her proposed changes to the JSOC. She said she was unaware of any budget constraints for the revisions or the cost of the proposed

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[43] The Project Manager stated that Truscott at one point suggested approaching GSA with a proposal that would help ATF pay for its share of the new Headquarters project. According to the Program Manager, Truscott suggested asking GSA for a "rent credit" by which GSA would agree to make an early lump sum payment to ATF in lieu of giving ATF a discount on its rent over a 5-year period as consideration for ATF's contribution toward the new Headquarters project. She stated that she drafted "talking points" for Truscott to use when he contacted GSA, but said that he never followed through on the idea.

changes. She said that other than the Project Manager's initial resistance to the changes due to the fact that the JSOC design had already been finalized and that changes would cost money, she had never been made aware of any budget concerns throughout the rest of her involvement in the revisions.

Domenech estimated that the redesign of the JSOC, along with the associated changes to the seventh floor of the new Headquarters, cost approximately $1.5 million. The OIG was unable to confirm this figure, but it is consistent with GSA's estimate.[44]

c. Gym

The gym in the new Headquarters will be located on the first floor. According to the Project Manager, Truscott was very involved with redesigning the gym and in selecting equipment for the gym. The Project Manager stated that Truscott is an "exercise fanatic" and that Truscott wanted to ensure there would be "adequate workout facilities" at ATF. Truscott emphasized to us that one of his priorities is to encourage ATF employees to maintain physical fitness.[45]

The Project Manager said that Truscott proposed minor structural changes for the layout of the gym. She said the proposals entailed moving a wall to expand the workout area and to reduce the size of the aerobics area. She stated that these modifications did not necessitate any additional changes to the overall design of the gym in terms of the heating and ventilation, electrical, or mechanical systems.[46] Domenech also told us that Truscott "just didn't like the layout" of the gym as it was initially designed and so he redesigned it.

Witnesses we interviewed gave varying accounts of what Truscott directed regarding equipment for the new gym. The Project Manager and another senior staff member in the Office of the Director both stated that Truscott had insisted that all the equipment in the gym be new. The senior staffer told us that Truscott was "adamant" about having the new equipment. The Project Manager told us that Truscott thought the new Headquarters

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[44] According to the April 2005 "Order of Magnitude Program Estimate" by Gilbane, GSA's construction manager, the proposed redesign for the seventh floor was projected to cost $1,088,824. Over 90 percent of these costs are attributed to "Area A" of the 7th floor, which we believe, based on documents provided to the OIG, includes the JSOC. As noted, however, according to the Project Manager the general contractor's estimate for the work was far higher.

[45] Many witnesses we interviewed also stated that Truscott exercised frequently at ATF's gym.

[46] The OIG was unable to obtain a cost estimate for these design changes.

should have all new gym equipment, and that he intended to give the existing ATF gym equipment to the field divisions.

Truscott said that when he had first been briefed about the gym, he was told that $100,000 had been "set aside already" for new gym equipment. Truscott said that he believed the $100,000 was still available, but that the amount would not be sufficient to buy all new equipment.[47] He said that the plan for the new gym calls for using most of the existing equipment rather than buying all new equipment. Similarly, the Chief of Staff said that Truscott had determined that it would be too expensive to buy all new equipment; however, it is not clear whether the Chief of Staff was referring to a conclusion that Truscott reached only after ATF was forced to make cutbacks on the cost of the new Headquarters.

Truscott acknowledged to us that he had asked the Chief of the Executive Protection Branch (EPB) and an ATF fitness center staffer to come up with a "comprehensive plan" for outfitting the new Headquarters gym. Several other witnesses confirmed that two ATF employees – an EPB official and a member of the fitness center staff – were responsible for compiling information on gym equipment and furnishings, and on options for the layout of the new gym.

The EPB Chief responsible for compiling information on gym equipment and facilities told us that Truscott had not requested all new gym equipment. He stated that Truscott made suggestions for the new gym based on features he had seen in other gyms. The EPB Chief said he prepared a "cost benefit analysis" to evaluate whether the existing equipment would be adequate for the new Headquarters gym or whether new equipment would be needed. The analysis, attached to an October 14, 2005, e-mail from the Chief to the Project Manager and others, showed that buying all new equipment would cost $136,879, and buying only necessary replacement items would cost $79,683. The e-mail indicated that the analysis was prepared in contemplation of a meeting with Truscott.

Domenech told us that a briefing and discussion on the new fitness center was held on December 12, 2005, that it lasted approximately one hour, and that between seven and nine people, including Truscott, attended. This meeting appears to be the meeting for which the EPB Chief had prepared the cost analysis. The agenda for the meeting reflects that subjects for discussion were the purchase of new equipment and the disposition of the existing equipment. Truscott told us that a "working group" decided to use most of the

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[47] Truscott said his assumption was that the existing gym equipment would be used at other ATF facilities.

existing gym equipment in the new Headquarters, but he was imprecise as to when that decision was made.

An interior design contractor with the New Building Project Office summarized in an e-mail to the Project Office staff the issues discussed at the December 12 meeting. According to the list, Truscott requested very detailed but relatively minor design changes to the gym. Certain items were listed as being at the "Director's request," including adding padding to the wall under the pull-up bars to protect the wall from scuffing; adding more mirrors to the weight room; adding telephones to several areas of the facility; adding a magazine rack to the wall outside the fitness center office; adding "framed inspirational photos of ATF athletic endeavors"; and "[c]onfirm soap dish or dispensers in showers." Truscott's Chief of Staff, who had attended the meeting, told us he recalled wondering why Truscott was involved in these discussions.

According to Domenech, Truscott had also wanted "executive showers" in the gym because the Secret Service had them, but Domenech said he had told Truscott "no" to the idea. A senior staff member in the Office of the Director also recalled that Truscott had asked for executive showers.

4. Rescinding the modifications

Domenech told us that in December 2005, ATF was in jeopardy of obligating funds it did not have toward construction of the new Headquarters building. Accordingly, he ordered the New Building Project Office to issue a "Do Not Proceed" directive to GSA with respect to certain non-critical design change orders. According to Domenech, the directive placed on hold ATF's authorization to GSA to go forward with the change orders, which included the millwork in Truscott's suite and in other locations, as well as certain modifications to the JSOC.

On January 18, 2006, a staff member from the Senate Appropriations Subcommittee on Commerce, Science, Justice, and Related Agencies told Domenech and other ATF officials that he had been receiving complaints that ATF was spending money on the new Headquarters building instead of on ATF operations. The Senate staffer then told Domenech and the others that ATF would not be permitted to use any FY 2006 appropriated funds to cover expenditures on the new Headquarters project.

Domenech told us that after the January 18 meeting, he met with the members of the Senior Leadership Team, including Truscott, to brief them on his meeting with the appropriations staff member. Domenech said that the Project Manager was also at the meeting, and that he instructed her at that time to find and eliminate unnecessary changes that had been requested to the

plan for the new Headquarters. Several Assistant Directors told us that they only became aware of upgrades to the Director's Suite, the JSOC, and the gym during this and subsequent meetings. One Assistant Director stated that he was "outraged" to learn of the upgrades that had been requested for the new Headquarters and told Truscott at the January 18 meeting that the Assistant Directors were being "asked to bless decisions that had already been made."

By all accounts, Truscott's involvement in the project changed in January 2006, after ATF was told not to spend FY 2006 funds on the new Headquarters. As one Assistant Director stated, "By the time we started discussing [rescinding the change orders], there seemed to have been sort of . . . a change in the air. . . . [Y]ou could sense he was disassociating himself with . . . the building project because he had previously been ultra engaged in it."

On January 30, 2006, an official in the Office of the Deputy Attorney General showed Truscott a copy of the anonymous complaint letter that had been sent to the OIG.[48] Domenech told us that within a few days of Truscott's January 30 meeting, Truscott told Domenech that he was "recusing" himself from making further budget decisions, including those affecting the new Headquarters, and that he verbally delegated that authority to Domenech. When we asked Truscott whether he had ever expressly delegated budget authority to Domenech, he stated, "I think if Edgar cut something, I wouldn't question it. I mean if I . . . heard about it and thought it was important, I might say something to him, but I don't remember."[49]

On February 14, 2006, ATF's Senior Leadership Team met to view a presentation by the New Building Project Office on issues concerning funding of the new Headquarters and then to make a final determination of which items to cut from the project. According to the Project Manager, Truscott attended the meeting through the presentation, but left before the cost-cutting decisions were made by the group. One of the Assistant Directors at the meeting also told us that Truscott and his Chief of Staff left before the meeting concluded. After that meeting, a formal notification was sent to GSA to cancel the items decided on by the group.

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[48] Truscott wrote to the OIG that his involvement in the effort to rescind upgrades to the Director's Suite preceded his awareness of the existence of the anonymous complaint. Truscott Letter at p. 2. While there is some disagreement in the evidence regarding the extent of Truscott's participation in this cost-cutting effort, the OIG found no evidence contradicting Truscott's statement as to the timing of his participation.

[49] As noted previously, Truscott subsequently told the OIG in the Truscott Letter and at the OIG/Truscott meeting that he relinquished budget authority to Domenech at that time only as to future decisions concerning the Director's office in the new Headquarters building.

According to a March 2006 tally of "Do Not Proceed" items compiled by the New Building Project Office, a total of $1,375,186 was saved as a result of this effort.[50] Items cut at that meeting included several displays in the building atrium and "entry promenade," and a library. From the Director's Suite, it was agreed to cut the millwork, the parquet wood flooring in Truscott's office, televisions in Truscott's and Domenech's restrooms, the remote controlled door mechanism, and other upgrades. As described earlier, the millwork was estimated to cost $243,000 and the wood flooring $62,564.

Truscott told us that he was never "made aware" that changes to the Director's Suite "actually hadn't been budgeted for yet." He said that when he learned that the millwork cost "$283,000" he was "surprised, to put it mildly."[51] He stated that he was the one who pointed out the cost of the millwork to the executive staff and said that they did not need to spend that amount. Truscott said he made these statements at a meeting in January 2006. However, Truscott added that the Senior Leadership Team eliminated several other items after the millwork had been cut.[52] Truscott also stated that he never went through an itemized list of the millwork.

The Project Manager told us she was uncertain whether Truscott first was told the cost of the millwork in December 2005, when the first "Do Not Proceed" directive was sent to GSA, or in late January 2006, when the Senior Leadership Team began meeting to cut items from the project. However, the Project Manager, Domenech, and others told the OIG that Domenech, not Truscott, initiated the effort to cut items, including the millwork, from the Director's Suite. The Project Manager also told us that even after the executive staff began to rescind the upgrades to Truscott's suite, Truscott on two occasions asked her to try to keep the wood floors in his office.[53]

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[50] The Project Manager stated that this figure did not represent a precise final tally because other items may have been cut that were not included and certain items may have been purchased to replace cancelled items. However, she stated that she thought that the figure was generally correct.

[51] As noted above, we believe the discrepancy between Truscott's understanding of the value of the millwork and the estimate provided to us by the New Building Project Office is attributed to $42,000 worth of wood paneling which Domenech told us had already been purchased before the other millwork orders were cancelled.

[52] Specifically, Truscott wrote to the OIG that "a process was initiated subsequent to my discussion with the executive staff, guided by the Deputy Director, to consider and execute other cost-saving measures." Truscott Letter at p. 2. (The Truscott Letter is attached to this report as Appendix A.)

[53] Truscott wrote in his letter to the OIG that he "did not ask on two occasions that wood floors remain in the Director's office after they had been eliminated." Truscott Letter at p. 2.

The executive staff also cut items from the JSOC. According to a March 14, 2006, memorandum from the New Building Project Office to the Assistant Director for OSII, "Do Not Proceed" orders were issued for eight flat panel televisions and support stanchions, other audio-visual equipment, desks, and millwork for the JSOC reception area. The total cost of these items was approximately $145,000. Domenech told us that the structural changes to the JSOC were not rescinded because it would have been more expensive to undo them at that point.

Domenech told us that $100,000 worth of new gym equipment was also cancelled. However, according to a summary of costs saved as a result of the February 14 meeting, the New Building Project Office estimated that $75,000 would be saved by not purchasing new gym equipment. Domenech stated that in addition to canceling unnecessary change orders, the Senior Leadership Team also agreed to reuse their furniture rather than draw upon funds that had been set aside in earlier budgets for the purchase of new furniture.[54]

Domenech told us that approximately $3 or $4 million ultimately was saved as a result of all of these cost-cutting measures. He said that the executive staff was able to find additional money to cover the remaining project costs of approximately $4 million from "no year" accounts.[55] An ATF budget official confirmed that ATF had met its obligation to fund the remaining shortfall through "no year" accounts, but noted that these funds would have been used for operational expenses if they were not applied to the new Headquarters.

C. Findings

ATF was responsible for funding approximately $30 million in costs associated with its new Headquarters building. This sum included approximately $9.5 million for construction and the remainder for security, telecommunications and relocation expenses. In order to meet its costs on the project, ATF sought to raise money by securing approval to reprogram expired funds, internally reallocating operational funds, and ultimately by canceling approximately $1.3 million in proposed design modifications and upgrades, among other measures.

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[54] Domenech stated that each Assistant Director and Deputy Assistant Director was given a preset number of items that could be purchased, and that, in contemplation of the purchases at the time of the move, a "moratorium" was established in 2003 barring the purchase of any new furniture until the move. He stated that the funds reserved for new furniture covered only such stand-alone items as chairs, desks, and credenzas, and did not cover construction-related furnishings such as millwork or built-in bookcases.

[55] "No year" accounts are appropriated funds that do not expire at the end of a fiscal year.

We determined that the extra construction costs borne by ATF were attributable to several factors, including errors and omissions in the original design, changes to the layout resulting from ATF's reorganization after moving to the DOJ from the Treasury Department, the creation of a new intelligence directorate, but also from optional upgrades. We concluded that the errors and omissions in the original design and the ATF reorganization were factors that largely predated Truscott's arrival at ATF.

However, some of the extra costs resulted from Truscott's direct involvement in or influence over design changes and enhancements, including $245,000 in proposed upgrades to the Director's Suite, $145,000 in upgrades to the JSOC, and approximately $75,000 in new gym equipment.[56] We found that Truscott requested or approved these modifications after being fully and repeatedly advised that any modification or upgrade to the new Headquarters building would have to be paid from ATF operating expenses.

With regard to the Director's Suite, the evidence shows that Truscott invested considerable time in and attention to nearly every facet of its redesign, from fundamental structural issues to relatively minute aesthetic details. We concluded that Truscott had substantial and direct input into the selection of furnishings, millwork, bathroom tiling, fixtures, and other largely aesthetic features, particularly within his office. We based this finding on a comprehensive list of upgrades compiled by the New Building Project Office staff which purported to reflect Truscott's stated requests and preferences for the suite, as well as on numerous accounts provided by witnesses who had attended meetings at which Truscott discussed his preference for the items on the list. Specifically, Truscott requested a more expensive style of wood doors for his suite and wood flooring for his office than contemplated in the original design, as well as matching woodwork throughout the suite, and certain other amenities such as a flat panel television for his bathroom and a flat panel television and remote controlled doors for his office.[57]

We found that Truscott did not select a $65,000 conference table for the Director's Suite. We also concluded that although Truscott requested that the television in his office be concealed when not in use, he was not responsible for the elaborate hydraulic mechanism devised by the architect for this purpose, an upgrade that subsequently was cancelled. Truscott's requested or approved design changes and upgrades to the Director's Suite would have added at least

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[56] As noted previously, this analysis focused only on the Director's Suite, the JSOC, and the gym, which were identified to us as areas of the new Headquarters project in which Truscott had the most input.

[57] During the OIG/Truscott meeting, Truscott told us that the features he selected for the Director's office were not chosen for him personally, but rather for whoever served as Director of the ATF.

several hundred thousand dollars to the cost of the new Headquarters building had some of his requests not been cancelled. The evidence was inconclusive concerning when Truscott first became aware of the precise cost of these requested upgrades.

Truscott also appears to have spent an inordinate amount of time on redesigning his suite, including his weekly meetings with the New Building Project Office staff. We believe the time and attention he devoted to the aesthetic details of this project exceeded the investment of time to be expected of a director a major federal law enforcement agency.

With regard to the JSOC, we found that Truscott had indirect involvement in but ultimate responsibility for the changes made to its design. We based our finding largely on the testimony of a former senior OSII official and to a lesser extent the Assistant Director of OSII, whose statements to us were supported in key respects by the Project Manager and others who were knowledgeable about the new Headquarters project.

We determined that Truscott's assertion that he "had nothing to do with" the redesign of the JSOC was inaccurate. While Truscott delegated much of the detailed decision-making for the redesign to a former OSII official, we found that he guided her in this process by conveying to her his vision and expectations for the final design. Truscott emphasized to that official and others that he wanted the JSOC to look high-tech and to be a showcase for visitors. He instructed the official and others to inspect other agencies' operations centers, particularly the U.S. Secret Service facility. In addition, Truscott subsequently reviewed and approved the changes proposed by the former OSII official and the New Building Project Office.

We cannot make a definitive conclusion regarding whether the changes to the JSOC were necessary to its functionality. We found a divergence of opinions by the witnesses regarding the role of the JSOC in ATF's mission. Some told us that the JSOC was merely a communications center used to collect and relay information, and that it was adequate for this purpose as originally designed. In contrast, others said that Truscott wanted the JSOC to have an enhanced role in ATF operations, to include monitoring news broadcasts and providing "real time" information to relevant field personnel. However, we believe that Truscott's interest in the redesign was focused more on the JSOC's appearance than its function.

With regard to the gym, Truscott asked the Chief of EPB and a fitness center staff member to investigate the cost of purchasing new equipment for the facility. We were unable to reconcile the witnesses' conflicting accounts regarding the degree to which Truscott insisted on replacing existing gym equipment with new equipment, although witnesses' statements indicate that Truscott, at a minimum, expressed an interest in purchasing new equipment.

Truscott did ask for a wall to be moved to facilitate expansion of the workout area, although the cost of doing so was negligible. However, we found that, as with the Director's Suite, Truscott was involved in relatively minor details concerning the gym, although it did not appear that he spent an inordinate amount of time doing so.

Finally, we determined that Truscott was aware that the upgrades he requested and approved would have to be paid from ATF's operational funds. As discussed above, he repeatedly was told that the upgrades he requested for Suite 500 and the redesign he authorized for the JSOC would have to be paid for out of operational funds. The Project Manager told us that she had advised Truscott as early as 2004 that changes to the existing design of his suite would result in additional costs, and based on what others said they told Truscott he knew those extra costs would have to be borne by ATF. The Project Manager also told us that she had warned Truscott in 2005 that his lengthy deliberations over the details of his office upgrades would further drive up costs.

Similarly, Domenech stated that he had emphasized to Truscott that revisions to the design of the new Headquarters building would have to be funded out of operational expenses. Moreover, as evidenced by an internal e-mail exchange between Office of Management and New Building Project Office staff in May 2005, Truscott appeared to be frustrated by the fact that ATF had to pay a portion of the project costs "out of our own hide," indicating his awareness at that time that there were unfunded expenses associated with the building.

III. Other Construction and Renovation Projects

A. Renovations to Current Headquarters Gym

1. Allegation

The anonymous complaint alleged that Truscott ordered a major expansion and renovation of the gym at ATF's current Headquarters, necessitating the relocation of several employees. He allegedly ordered the renovations in June 2004, just over two years before ATF was scheduled to move into its new Headquarters, despite being advised that the benefit of the build-out was extremely limited in light of the timing of the forthcoming move.

2. Evidence

The gym in ATF's current Headquarters building was renovated in November 2004, two years in advance of the anticipated move to the new Headquarters. The gym was expanded by annexing adjoining office space. As

a result of the renovation, four ATF contractors in the annexed office space were relocated to offices elsewhere in the building that were reconfigured to accommodate the move. Documents reflect that the cost of the demolition, minor construction, electrical, and painting work in the gym totaled $13,288; and the cost of reconfiguring and painting the new office space for the contractors totaled $2,261. The documents also reflect that in or about February 2005, a portion of a ceiling was raised in the gym to make more room to use a chin-up bar.

The Chief of the Space Management Branch, the office responsible for projects such as the gym renovation, told us that Truscott made the decision to expand and renovate the gym and that Truscott "had a lot of input" into the project. He also said that the decision to proceed with the gym project was not reviewed or approved by other senior managers, as would be the case for more expensive projects.[58]

Truscott told us that he requested the changes to the current gym. He said that when he made this decision, the move to the new Headquarters was two years away. In addition, he said the contractors who were relocated as a result of the renovation did not really belong in that space "because they were kind of in the middle of the gym and there was vacant space that was bigger and nicer and had windows." We asked whether anyone had expressed reluctance to undertake the renovations given that ATF would be moving in two years. Truscott replied, "No, I talked to the deputy director about it and I can't tell you how thrilled the people have been."[59] Truscott stated that he typically uses the gym every morning.

Domenech told us that when he spoke to Truscott about whether to go forward with the renovation of the gym, he stressed that it should be a "business decision" in which the cost of the work should be weighed against the benefit of the improvement given the limited time ATF was to remain in the building. Domenech said he never advised Truscott not to go forward, but made clear to Truscott that it was his decision. Domenech also told us that as a result of the expansion, several new treadmills and stationary bicycles were purchased at an estimated cost of $10,000. However, he said he believed the new equipment will be used in the new Headquarters.

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[58] The Space Management Branch Chief said that, as a general rule, projects costing more than $25,000 are reviewed by the Space Resources Board. That Board, which is discussed more fully in Section III B of this chapter, below, is composed of Deputy Assistant Directors and managers of similar rank from all of ATF's directorates. It meets at least twice a year to allocate funds to space projects.

[59] During the OIG/Truscott meeting, Truscott stated that the genesis for his decision to make the changes to the gym was that gym equipment was blocking an emergency stairway exit in the gym.

Two Assistant Directors we spoke with stated that the gym in the current Headquarters was adequate before the renovation and expansion project. However, Domenech stated that prior to the expansion, the gym tended to get crowded. None of the witnesses we interviewed about Truscott's decision to expand the gym told us that they advised Truscott against doing so.

3. Findings

We concluded that it was within Truscott's discretion to determine that the expenditure of $16,449 was warranted for expansion and renovation of the gym at the current Headquarters building.

B. Renovations to Field Division Space

1. Allegation

According to the anonymous complaint, Truscott instructed the Budget Office to set aside at least $700,000 in appropriated funds for the design and building of gymnasiums and conference rooms at facilities into which ATF field divisions are relocating. ATF has subsidized gym membership for its employees in the past, which, according to the complaint, is more cost effective than constructing new gyms. According to the allegation, numerous ATF employees across the country either lack adequate workspace or are stationed in non-ATF space, and a more appropriate use of the funds would be to provide adequate workspace for these employees.

2. Evidence

a. Decision regarding field division build-outs

ATF formed a Space Resources Board (Space Committee) in 2000 to examine the agency's space needs.[60] The Space Committee is comprised of Deputy Assistant Director and Deputy Assistant Director-level representatives from each directorate, and includes a SAC subcommittee. It meets twice a year to allocate funds for space projects.

The Chief of ATF's Space Management Branch told us that he, in consultation with the Space Committee, drafted an ATF Order establishing procedures and standards for the administration of ATF's space management program. He stated that a SAC subcommittee made specific recommendations that the Order provide for building conference rooms and gyms for field division offices. According to the Chief, a draft of the Order was circulated to each

[60] The Space Resources Board was referred to by witnesses as the "Space Committee" or the "space focus group." For consistency, this report will use the term Space Committee.

Assistant Director and the Deputy Director for comment. The final Order became effective on December 21, 2004, after approval by the Senior Leadership Team.[61]

The Order provides that each ATF field division may have a training room of 3,500 square feet and large enough to accommodate 80 percent of total field division personnel. The Order states that field offices with more than 30 employees may have a 4,200 square foot physical fitness facility (defined to include a gym, showers, and lockers).[62]

The Branch Chief told us that Truscott was not involved in any of the meetings discussing the contents of the Order, and that he never briefed Truscott on the drafting of the Order. The Chief stated that neither Domenech nor Truscott was present when the Senior Leadership Team voted to approve the Order, although he added that "every major office within ATF" had signed off on it. Domenech also told us that each directorate had participated in developing the Order.

Truscott told us that the Space Committee was already in existence when he joined ATF. Truscott said he "encouraged the dialogue" among the committee members to consider including training rooms and gyms in the Order, but that he did not participate in the decision-making process.[63] He told us he supported the idea of adding training rooms to field division space as offices relocated because he found that the field divisions he had visited had inadequate space to hold meetings. He also said that the SACs supported adding training rooms and small gyms to the field divisions.

The Branch Chief told us that the SAC subcommittee wanted more and larger conference rooms, and wanted the rooms to be multipurpose so that they could accommodate a Critical Incident Management Support Team (CIMST), if necessary. The Chief stated that the chair of the SAC subcommittee in particular was a strong proponent of the larger conference rooms.

One SAC told us that his field division was preparing to move into new space when Truscott visited as part of his introductory tour in August 2004. He said Truscott viewed the new space while it was still under construction and that Truscott was concerned that there would be no space to hold a "town

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[61] The Order, known as ATF Order 1830.1C, covers an array of space management issues, from acquisition of parking spaces to restrictions on who is authorized to have official contact with GSA.

[62] The Order also provides that agents and inspectors should have 80 square feet of workspace, and other employees should have 72 square feet of workspace.

[63] Witnesses we interviewed used the terms training room and conference room interchangeably.

hall" type of meeting. As a result, construction was halted and the facility was redesigned to include a training room. The SAC said that the room added to the cost of renting the new facility, but that he is "tickled to death" to have it. No gym was added. This SAC told us he currently has major space problems in his field and satellite offices, and that his employees are sitting in hallways and are using U.S. Attorney's Office and local sheriff's office space.

The chair of the SAC subcommittee told us that he proposed the idea of requiring build-outs for gyms in field division offices. He said that collectively the Space Committee agreed with him, but that only about half of the SACs agreed. He said that some SACs were opposed to building gyms because it would drain money from a limited pot of operational funds. The SAC subcommittee chair said that he was very outspoken on the committee regarding the need to build gyms and that he was unaware of Truscott's position on the issue. The chair stated that the requirement for expanding training or conference rooms was less contentious because SACs considered these to be part of operations.

The Assistant Director for the Office of Field Operations told us that he believed the plan to incorporate gyms for field divisions as they relocated was not a prudent use of resources. He said that field division personnel can be given a subsidy of approximately $150 per year for gym membership fees. He said this practice was more cost effective than building gyms. Another Assistant Director told us that Truscott was told that it was more cost effective for the field to contract out for gym services, but that Truscott ignored this advice.

The Space Management Branch Chief stated that some SACs are "extraordinarily supportive" of having gyms and others are "less supportive." He said that if money were not an issue, he believed all SACs would rather have a gym than have a gym membership subsidy. The Chief said that the $150 subsidy was a "false number" because actual membership was usually more expensive, thereby forcing special agents to subsidize their own fitness plans. The Chief also said that Truscott told him he was a strong proponent of having gyms in field divisions.

b. The $750,000 set aside

An amount of $750,000 was set aside in ATF's FY 2006 budget to support the establishment of gyms and conference rooms in field office relocations. ATF's Fiscal Year 2006 Balance Sheet (dated November 17, 2005) shows a line item of $750,000 for "Space Directive" listed under "Bureau Priorities."

Witnesses disagreed regarding who ordered the $750,000 to be set aside. The Space Management Branch Chief told us that Domenech was responsible

for partitioning off the $750,000, although he said he did not know whether Domenech acted on his own or at Truscott's behest. A senior budget official stated that she understood that Truscott ordered the set-aside and that he did so based on a comparison of ATF field division space to FBI, U.S. Secret Service, and other agency field space and his feeling that ATF lacked adequate training room, conference room, and gym space.

Truscott told us that he never gave an order to set aside $750,000 to support gyms and conference rooms in the field. He said he did not "know anything about that dollar figure." Truscott told us that the SACs were happy with the upgrades they would receive under the Order, but that "obviously, it was all based on whether or not there's adequate funding" for it.

Domenech told us that Truscott directed that $750,000 be set aside to purchase equipment for future gym and conference room build-outs in the field divisions. He stated that at that time the Philadelphia, Washington, D.C., New Orleans, and St. Paul Field Divisions were scheduled to be relocated. He told us that the money was specifically to be used for those projects, but that the New Orleans project is now "on a separate track" due to Hurricane Katrina.

Domenech told us that building out the new field division space to the specifications in the Order would cost approximately $4 million.[64] He stated that as ATF's financial situation became difficult, one of the recommendations made to Truscott was that ATF curtail the build-out projects that had not already been initiated. Domenech said that Truscott rejected this recommendation because he felt that it was "inappropriate" and "would send a wrong message." Domenech stated that during one briefing with Truscott in December 2005, a senior official in the Office of Management suggested that ATF apply the $750,000 to other needs, but Truscott strongly opposed the idea.

The senior Office of Management official said that in January 2006 she suggested to Truscott that the space directive be revisited. She said that Truscott was visibly unhappy with that recommendation, and that he cited the need for "professionalism" in the field. This official stated to us that the Secret Service and the FBI have gyms in their field divisions, but noted that they do not have agents sitting in hallways as ATF does.

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[64] Domenech told us that based on figures obtained from the Space Management Branch, the actual construction costs of the build-out in the new Philadelphia Field Division space was $315,000 for the training room and $290,000 for the gym. The build-out in the new St. Paul Field Division space was $285,000 for the training room and $275,000 for the gym. He told us that the Washington, D.C., project and relocation was completed in the summer of 2005. No gym was constructed for the new Washington Field Division because a commercial gym willing to offer favorable membership rates already existed in that space; however, the conference room was expanded.

Domenech said that because Truscott rejected the recommendation to cancel the build-outs according to the specifications in the Order, the construction and relocations for the Washington, D.C.; Philadelphia; and St. Paul projects have gone forward, and it is now necessary to purchase the equipment to furnish the new space. Domenech added that after Truscott gave him budget authority in February 2006, Domenech decided that $485,000 of the $750,000 will be used for conference rooms at those field divisions, but not for the gyms. He said the balance of the money will "go back to operational accounts to help us with our shortfalls."

3. Findings

The Space Committee was primarily responsible for authorizing field divisions relocating to new space to add or expand training rooms and gyms. The Space Committee was created years before Truscott's arrival and was comprised of ATF representatives from all directorates and field divisions. The evidence reflects that Truscott supported the committee's decision, but did not direct the decision-making process. We found that Truscott intervened in one field division relocation project in August 2004 by urging that a training room be built during construction of that field division's new space; however, Truscott's involvement was consistent with the what the Space Committee independently agreed to in the final December 2004 Order.

As the Director of ATF, Truscott was responsible for the $750,000 set aside in the FY 2006 budget to equip and furnish gyms and training rooms in recently relocated field divisions. Our determination in part is based upon the statements of a senior budget official who told us that Truscott actively reviewed the details of ATF's budgets until approximately February 2006 and was aware of each line item.

Although the decision to authorize the gym and training room build-outs was collectively, if not unanimously, made by senior ATF managers both at Headquarters and in the field, we were troubled that Truscott did not revisit this decision when ATF's budget situation worsened, as advised by Domenech and a senior Office of Management official. As Director, Truscott was responsible for prioritizing how available space should be used and how scarce resources should be deployed. We concluded that, in particular, allowing gyms to be built in new field division space while field personnel had inadequate workspace in other field divisions reflected poor fiscal management on Truscott's part. Given the limitations on ATF's budget for funding space projects, we questioned why Truscott would allow new gyms to be built.

C. Construction of NRT Truck Garage

1. Allegation

The anonymous complaint alleged that Truscott ordered that a garage be built to house a National Response Team vehicle at ATF's explosives training facility at Fort A.P. Hill, Virginia. According to the allegation, the vehicle was used solely for training purposes, and the cost of building the garage was an unnecessary expense at a time of extreme budget constraints.

2. Evidence

ATF's National Center for Explosives Training and Research (Training Center) is located at Fort A.P. Hill, Virginia. In December 2004 or January 2005, the Senior Leadership Team held an "off-site" meeting at the Training Center to discuss potential capital improvements at the site. Truscott, Domenech, all the Assistant Directors, and Training Center staff attended the meeting. Truscott toured the facility, which at that time consisted of two doublewide trailers, a garage for storing equipment, an explosives range, and downrange from the trailers and the garage, a picnic area with an overhang used to provide shelter for participants in training exercises during inclement weather. Among the proposed capital improvements under discussion at the meeting was the construction of permanent classrooms to replace the trailers.

According to several witnesses who were at the meeting and took part in the tour of the site, Truscott noticed a National Response Team (NRT) truck parked in the open. National Response Team trucks are large vehicles used to support investigations and gather evidence at critical incident scenes. Several witnesses told us the trucks cost between $200,000 and $500,000, depending on the equipment with which they are outfitted. The NRT truck at the Fort A.P. Hill facility had been "contaminated" in New York City during the terrorist attacks of September 11, 2001. Witnesses told us that because of its condition, the truck could not be used for evidence collection and other response activities; however, it was operable and was used for training at the Fort A.P. Hill site. The witnesses said that Truscott told the Assistant Director for Training and Professional Development (TPD) that the truck should not be outside.[65]

Truscott told us that he asked about the truck and was told that it was kept outdoors. He said he was concerned about leaving it outdoors because NRT trucks cost about $200,000 each and he felt it should be protected from the elements.

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[65] The Training and Professional Development directorate is responsible for operating the Training Center.

Witnesses largely agreed that Truscott told the TPD Assistant Director to build some kind of housing for the truck, but their accounts varied about what kind of structure Truscott told the Assistant Director to build. Truscott told us that he asked that an "enclosure" be built for the truck. Domenech said that Truscott instructed the TPD Assistant Director to build a garage for the vehicle. The Assistant Director for the Office of Public and Governmental Affairs (PGA) said he thought Truscott mentioned that he wanted a structure built for the truck similar to an equipment storage garage at the site. The TPD Assistant Director said that Truscott directed him to build a "structure" to house it so it would not be exposed to the elements. This Assistant Director also stated to us that although it would have been possible to move the truck into the equipment storage garage, Truscott wanted a separate dedicated building for the truck.

ATF documents reflect that a garage was constructed for the truck at a cost of approximately $156,000, including $40,000 to run electricity to the building. However, Truscott told us that he did not intend that such an "elaborate" structure be built. He said when he suggested the enclosure for the truck, he was thinking only about "something that would at least keep the weather off" it. He said he had seen "enclosures" on the "side of the road" that sell for $895 and so he expected the structure he envisioned for the truck to cost $1,000. When asked whether he had conveyed this price to the group, Truscott stated, "Apparently, maybe not forceful enough . . . . I never had any intentions other than, you know, [building] something over the top of [the truck]. I learned about it after the fact."

We also asked Truscott whether he tracked the expense of building the garage. He responded "no" and again stated: "I learned about it after the fact that they had decided to build a more elaborate garage. . . ." Truscott also stated that he did not know how the garage was funded. He said the funding was arranged "in coordination with the deputy and the ADs . . . that's something that Edgar Domenech handled."

Ultimately, Truscott told us that he would accept "responsibility" for deciding to build a garage, "but not to build a $100,000 garage." However, he said that he was not suggesting that the decision to build the garage was a bad one. He said it was something the Training Center personnel wanted and needed.

In contrast to Truscott's statements that he did not track the progress or cost of the garage construction, the TPD Assistant Director stated that Truscott told him that he wanted the structure constructed "right away" and that it was a "number one priority." He said that Truscott also asked him to provide a cost and time estimate for completion of the project.

The TPD Assistant Director said that at a second Assistant Director off-site meeting on January 24, 2005, he presented the plan for the garage to Truscott. The Assistant Director said that he told Truscott that it would cost $118,000 to construct the garage with an additional $40,000 needed to provide electricity to the structure. He said that when Truscott was told the cost, he responded, "We'll find the money." The Assistant Director said he did not recall Truscott ever telling him that the project was too expensive.

The TPD Assistant Director provided us with the materials he said had been presented to Truscott during the second "off-site" at Fort A.P. Hill. The materials include a PowerPoint display showing an estimate for "Construction of NRT truck storage building" at a cost of $158,000 (including electricity).[66] Another Assistant Director who was at the second meeting confirmed that Truscott was at this meeting and that the cost estimates for the garage were included in the presentation.

The TPD Assistant Director told us that initially he had to figure out where to find the funds within his directorate's budget. He said that subsequently the Office of Management came up with the funding. Domenech also told us that he had to work with this Assistant Director to find the money for construction of the garage.

The TPD Assistant Director also stated that sometime in late summer 2005, as the garage construction was progressing, Truscott asked him for updates on the project and photographs of the structure. The Assistant Director said that he had to keep Truscott apprised of the progress because "that's the way [Truscott] is." He said that Truscott would look at the photographs and then hand them back to him. He said that Truscott also asked for photographs when the garage was completed. The Assistant Director also said that Truscott stopped at Fort A.P. Hill on his way back from Charlottesville to Washington, D.C., one evening in December 2005 to see the completed garage.[67]

The TPD Assistant Director stated that at the time Truscott ordered the garage to be built, the Assistant Director did not think the project was a good use of money and that he believed the funds could have been better used for other priorities. However, he also said the garage was a good idea because the

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[66] According to ATF documents provided to the OIG, the actual total cost of the garage was $116,055, which did not include the estimated $40,000 needed to connect the structure to electrical power.

[67] An undated letter from the Chief of the Explosives Training Branch to the Chief of the Simplified Acquisitions Branch states that "the project must be completed in its entirety by May 15, 2005, per request of the Director of ATF." The TPD Assistant Director told us that the garage in fact was completed in either August or September of 2005.

explosives training personnel now have a structure at the range which they can also use for other purposes. As an example, he told us that when the weather is bad, they can pull the NRT truck out of the garage and hold classes in the new structure.

The dual use of the garage is supported by a February 3, 2005, e-mail from the Chief of the Explosives Training Branch to the TPD Assistant Director, which states: "The building will act as a range classroom during adverse weather conditions . . . ." Truscott also seemed to acknowledge that the structure was used as a classroom "when it gets cold and everything else," as well as to store equipment. Truscott also stated that after the garage was built, the Training Center staff indicated that they had "always wanted to put a garage over at the range area."

3. Findings

We concluded that Truscott ordered the construction of the garage and, contrary to his assertions, he was informed about and approved of its cost. While it was within his discretion to do so, we agree with the TPD Assistant Director's opinion that the construction could have been deferred to a later time because of other higher priorities, such as training and equipment. In addition, we were told that the structure, which by most accounts was constructed to shield the NRT truck from the elements, is used as a classroom during inclement weather. We therefore questioned whether the structure was the result of a well thought out capital improvement strategy for the Fort A.P. Hill site.

The OIG was most troubled by Truscott's account of his role in the construction of the garage. Several Assistant Directors and the Deputy Director told us that Truscott ordered a structure to be built to house the NRT truck, and that based on their recollection of the event, Truscott's stated purpose for the request was to protect the truck from the weather. Truscott himself told us that he "asked them to look at some sort of enclosure" for the truck. However, he stated that he did not decide to build the "more elaborate" garage ultimately constructed. Moreover, Truscott sought to distance himself from the resulting expenditure of $156,000 by claiming that he had only contemplated spending $1,000.

When asked whether he "tracked the expense" of the garage, Truscott twice stated he had only learned about it "after the fact." However, the TPD Assistant Director told us that Truscott requested a cost estimate of the project in advance of the construction. He and another Assistant Director told us that materials containing the cost estimate of the garage were presented to Truscott during an "off-site" meeting at Fort A.P. Hill in late January 2005, several months *before* the purchase order for the garage had been executed. According to the TPD Assistant Director, Truscott stated "We'll find the money" when told

how much construction of the garage would cost, indicating that he knew the cost of the project. Further, the TPD Assistant Director told us that Truscott had asked for photographs of the garage to monitor the progress of the construction. The evidence shows that Truscott not only was aware of the projected cost of the garage, but was interested enough in the construction to have requested updates from the TPD Assistant Director on its progress.

D. Expansion of Scope of Federal Firearms Licensing Center Feasibility Study

1. Allegation

The anonymous complaint alleged that Truscott expanded the scope of a feasibility study of the relocation of ATF's Federal Firearms Licensing Center (FFLC) beyond that required by Congress by ordering that the feasibility study also include adding a gym, increasing the size of the Joint Support Operations Center and Continuity of Operations Center, and building a Secure Compartmentalized Information Facility. According to the allegation, the feasibility study cost $250,000, portions of which were unnecessary.

2. Evidence

As part of ATF's general appropriations in FY 2005, Congress included an earmark of $5.6 million for "the construction and establishment of the Federal Firearms Licensing Center at the [ATF] National Tracing Center . . . ." Consolidated Appropriations Act, 2005, H.R. 4818. The legislation required that ATF's Federal Firearms Licensing Center (FFLC), currently in Atlanta, Georgia, be relocated to ATF's National Tracing Center (NTC) in Martinsburg, West Virginia.[68] The GSA conducted a study to determine the feasibility of the relocation of the FFLC and the expansion of ATF's National Tracing Center in West Virginia. A GSA contractor was awarded the contract to perform the feasibility study in June 2005 and the study was completed in September 2005.

According to the "Summary of Project Objectives" in the feasibility study, ATF asked the study team to include within the scope of the study possible expansion at the site of other critical functions, including the Continuity of Operations Plan (COOP) Center, the JSOC, and the Secure Compartmentalized Information facility (SCIF). The feasibility study produced four alternative expansion scenarios, ranging in cost from $5.37 million to $22.4 million. The more expensive alternatives included expansion of the COOP and JSOC and included construction of a SCIF. The feasibility study did not include a gym.

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[68] The Federal Firearms Licensing Center is responsible for issuing firearms licenses and tracking investigations relating to firearms dealers, importers and manufacturers.

The Space Management Branch is actively involved in the relocation project. The Branch Chief told us that Truscott never spoke with him directly about expanding the feasibility study to include the COOP, JSOC, and SCIF enhancements.[69] The Branch Chief said that the requests for these features came from Deputy Assistant Director-level managers within directorates that had an interest in the Martinsburg facility. He told us that the Office of Professional Responsibility and Security Operations staff requested that the COOP facility be enlarged and include an office for the Director, and that a SCIF and a JSOC be added. He added that the SCIF operation was also requested by the Office of Strategic Intelligence and Information. The Branch Chief said his own office initiated discussions of whether to build in a 20 percent expansion for personnel, and whether to consider adding a gym. He stated that the gym would have been added pursuant to the ATF Order 1830.1C (discussed in Section III B of this chapter, above) because the facility would house more than 30 people.

The Space Management Branch Chief said he was not sure whether senior management even knew that some of these extra items were being requested for inclusion in the study. We interviewed the Assistant Director for the Office of Enforcement Programs and Services, which was the directorate responsible for operating the FFLC. The Assistant Director told us that he did not know that the feasibility study included an analysis of the COOP, JSOC, and SCIF enhancements until a meeting was held with the GSA contractor and ATF representatives on August 30, 2005.[70] The purpose of the meeting was to present the contractor's preliminary findings in the feasibility study, which at that time was 70 percent complete.

The Space Management Branch Chief said that Truscott was not at the contractor presentation. The Chief stated that after that meeting, he gave a presentation to Truscott and that Truscott told him "in no uncertain terms that we are to go back and we are to do what the legislation told us to do: to move the [FFLC] from Atlanta to Martinsburg, that's it." The Chief said that on another occasion, during a walk-through of the site in Martinsburg in late 2005, Truscott was "extremely clear" that he wanted the project limited to the relocation only.

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[69] Domenech told us that Truscott did meet with the Space Management Branch Chief to request that the feasibility study also include a COOP, a JSOC and a gym. It is not clear from Domenech's statement what the basis of his assertion was, and we did not discuss this issue with Truscott.

[70] This Assistant Director said he asked how the COOP, JSOC, and SCIF enhancements came to be included in the feasibility study and was told by the then Assistant Director for the Office of Management that "the director had wanted to determine whether we could, as we were building this licensing center, put these other add-on functions into the Martinsburg facility." The Assistant Director for the Office of Management in office at that time retired from ATF prior to the initiation of this investigation and was not interviewed.

The Space Management Branch Chief stated that the $5.6 million earmark included the cost of performing the feasibility study. We asked the Branch Chief how much of the cost of the feasibility study was attributable to considering the proposed changes for the COOP, JSOC, and SCIF. He said that since the purpose of the feasibility study was to determine whether the Martinsburg site could support an expansion to include the FFLC workspace and staff, the study also considered water capacity and other utilities, sewer connections, traffic flow patterns, and parking issues in addition to the physical layout options. He said he did not know what percentage of the cost of the feasibility study was attributable to studying the additional issues, but suggested that it was negligible in comparison to the cost of studying the proposed relocation.

We also asked a senior Office of Management official with direct supervisory authority over the Space Management Branch about the feasibility study. This official told us she was familiar with the FFLC relocation project and the feasibility study. The official said that the cost of the feasibility study would not have been appreciably less had it only analyzed the relocation of the FFLC.

3. Findings

The allegation that Truscott improperly expanded the scope of the FFLC relocation feasibility study beyond Congress's directive was not substantiated. The directives to GSA's contractor to consider the COOP, JSOC, and SCIF options in the study likely came from mid-level managers within the interested directorates, not from Truscott. The Chief of the Space Management Branch was directly involved in the project and told us that Truscott's only involvement was to emphasize that the scope of the project should be limited to what the funds were earmarked to cover.

IV. Assistance in Nephew's High School Project

A. Allegation

Several witnesses alleged that Truscott inappropriately used ATF personnel and equipment to assist his nephew in producing a video documentary on ATF activities for a high school project. This was not among the allegations in the anonymous complaint, but was brought to our attention during the course of our investigation.

B. Evidence

Truscott told us that in the fall of 2004, his nephew approached him to ask if he could do a video on ATF for his high school class assignment, for

which he would receive a grade. Truscott said that his nephew wanted to "tape some things and interview me." Truscott said he asked the Office of Public Affairs (OPA) Chief whether it would be possible for his nephew to interview Truscott and "talk to a couple of the other folks at ATF." Truscott told us that the OPA Chief said that this would not be a problem.

The OPA Chief stated that either Truscott or Domenech asked her to assist Truscott's nephew in the project. She said that at the start of the project, Domenech advised her to treat Truscott's nephew as if he were any other member of the public and to provide him only with publicly available information. Both the OPA Chief and Domenech told us that they explained these limitations to Truscott.

Domenech also told us that he specifically cautioned Truscott against using Visual Information Branch (VIB) resources for the project. Domenech said he explained to Truscott that even the public media does not use VIB technical resources, such as camera equipment, lights, and teleprompters, when it interviews ATF personnel. Domenech said that Truscott was not receptive to his concerns. The OPA Chief said that subsequently Domenech removed himself from involvement with the project and told her that Truscott wanted ATF to assist his nephew on the project and that she should deal with Truscott directly.

In the section below, we describe the ATF's assistance to Truscott's nephew in his high school video project, which included responding to information requests, arranging visits to three ATF sites, preparing for numerous interviews of ATF employees, providing technical assistance, and other activities in support of the project. We then discuss Truscott's explanation of ATF's involvement in the project.

C. Assistance Provided

1. Information requests

Truscott's nephew made several requests to ATF for information and materials during his project. According to OPA staff and documents, Truscott's nephew initially sent his information requests to Truscott, who passed them on to the OPA Chief. For example, on October 31, 2004, Truscott's nephew sent an e-mail to Truscott asking questions about the organization of ATF. Truscott replied to his nephew by e-mail, with a copy to the OPA Chief, stating that Truscott would ask the OPA Chief to send the nephew a copy of a new ATF brochure and ATF's published Strategic Plan. Truscott also responded that ATF was publishing a "Director's vision statement" and would send that as well.

OPA witnesses stated that from October 2004 through December 2004, they received numerous telephone calls and e-mails directly from Truscott's nephew requesting additional background information on ATF. One OPA employee told us that the requests were sporadic but that sometimes she would receive three e-mails a day. She also said that if she did not respond quickly enough to a request, Truscott's nephew would contact one of the other OPA employees. During this period, OPA sent four packages of materials to Truscott's nephew in response to his requests, including background materials on ATF programs, copies of ATF regulations, and copies of newspaper and magazine articles. The OPA Chief told us that she kept Truscott informed of his nephew's requests.

Truscott told us that ATF only provided his nephew with publicly available ATF documents. An OPA witness also told us that much of the background information Truscott's nephew requested was readily available on ATF's website or elsewhere on the Internet. However, she said that OPA employees had to "spoon feed" him by explaining where the information could be found. She said that typically OPA refers requesters to the appropriate website. In this case, however, OPA staff researched the information requests, printed the requested information from the Internet, and mailed the documents to the nephew.

In addition to requesting background materials, Truscott's nephew made at least three requests during this period for stock film footage on topics such as explosives, ATF's fire research laboratory, and Truscott's speeches.[71] ATF employees provided the requested footage.

According to a VIB witness, providing stock footage is a time consuming process. A VIB employee must perform a key word search of a database to identify relevant videotapes in the VIB library on a requested topic. The employee then must retrieve and review the videotapes identified by the search and highlight relevant areas within them. The analog videotapes are digitalized by transferring the audio and visual portions of the images from the videotapes to a computer hard drive. The digitalized files are combined end-to-end to create a single file. The resulting file is then copied on a videotape which is labeled and mailed.

Truscott told us that he was aware that VIB was providing his nephew with stock film footage. However, he told us that it seemed to him that it was the "sort of stuff" that would be provided if "ABC News" requested it. According to an OPA witness, stock film footage is routinely provided to the media;

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[71] Stock footage is pre-existing film or video footage that is accessible from a video library or archives.

however, the only items OPA has previously provided to students have been fact sheets, brochures, and "giveaways" such as ATF caps and pins.

Truscott told us that he never inquired about how much effort providing stock film footage to his nephew would take. He told us that he believed that it took "little or no expense and little or no time" and consisted of merely pulling a tape out of a drawer and putting it in the mail.

However, Truscott was copied on an e-mail sent on November 9, 2004, from an OPA employee to Truscott's nephew that indicated it was not merely a matter of sending something that already existed. In response to the nephew's inquiry about when he should expect to receive footage he had requested the week before, the OPA employee wrote that she "had to have it made into VHS" and would send it out that day or the next.

2. Visit to Philadelphia Field Division

In addition to requesting stock film footage and background information, Truscott's nephew visited ATF sites during the course of his project, and several ATF employees assisted in coordinating these visits.

Truscott was aware of these visits. On December 17, 2004, Truscott's nephew visited ATF's Philadelphia Field Division for his project. Truscott told us that he thought the OPA Chief suggested that his nephew visit the field division. However, the evidence shows that Truscott received his nephew's request to visit the field division and passed the request to the OPA Chief. In an e-mail dated November 2, 2004, Truscott's nephew told Truscott that he was interested in interviewing a Philadelphia Field Division canine handler and filming her dog in action. Truscott forwarded this e-mail to the OPA Chief and asked her to call his nephew.[72] The OPA Chief then communicated with Truscott's nephew about the visit.

The Philadelphia Field Division's Public Information Officer (PIO) was assigned to facilitate the visit. The PIO scheduled two interviews Truscott's nephew had requested with the canine handler and the office's Special Agent in Charge (SAC). The PIO also contacted the nephew before the visit to identify the topics that he wanted the interviewees to discuss. She said that when the nephew arrived, she escorted him and his father to the SAC's office and observed his interview of the SAC. The SAC told us that the PIO spent a total of about five to six hours working on the nephew's visit.

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[72] In addition, the nephew's father, who knew the canine handler, sent an e-mail to the canine handler on November 5, 2004. The e-mail stated that the nephew was "producing a documentary on the ATF under the guidance of his uncle (ATF Director Carl Truscott)" and asked for permission for the interview.

Truscott's nephew interviewed the SAC and the canine handler on camera. He also filmed a demonstration presented by the canine handler with her explosives detection dog. In addition, he filmed a special agent demonstrating the Division's National Response Team truck. The SAC told us that he, the canine handler, and the special agent spent about an hour each with the nephew. According to the PIO, the nephew used his own camera and tripod for the filming.

3. Visit to ATF Headquarters

On January 14, 2005, Truscott's nephew visited ATF Headquarters. In advance of this visit, Truscott's nephew provided a detailed outline to both Truscott and the OPA Chief of the topics he wanted to cover. The outline also listed the types of ATF employees he wanted to interview, including a fire/arson agent, a ballistics agent, and an alcohol/tobacco agent. In a note accompanying the outline, the nephew referred to the ATF employees that he wanted to interview and added the qualification, "However, since you are the Director of the ATF, it's up to you who I can interview and place on camera." (See Appendix C.)

The nephew also sent several e-mails to the OPA Chief and Truscott describing the interviews he would be conducting during his visit and requesting or referring to the use of ATF's teleprompter for some of the interviews, including Truscott's. Truscott's nephew provided "scripts" for the interviewees to use, but asked that the interviewees make any necessary edits or additions to the scripts.

At least three OPA employees participated in facilitating Truscott's nephew's visit to ATF Headquarters. These employees scheduled interviews and arranged for the VIB studio and equipment to be available for the interviews. In addition, the OPA Chief or another OPA employee escorted Truscott's nephew throughout the day. An OPA employee also took him on tours of the Visual Information Branch, the National Enforcement Operations Center (now known as the Joint Support Operations Center, or JSOC), and the ATF weapons vault.

Truscott's nephew filmed all of the interviews at ATF Headquarters using his own camera. While at the weapons vault, he filmed an agent talking about the weapons. He also filmed an interview of Truscott in Truscott's office. In addition, he interviewed the SAC of the Critical Incident Management Branch in the SAC's office.

Truscott's nephew also filmed two interviews in the Visual Information Branch studio using ATF equipment, including lights, a teleprompter, and a background set. These two interviews were a second interview of Truscott and an interview of the Chief of the Alcohol and Tobacco Enforcement Branch.

The Visual Information Branch Chief and four technical specialists participated in setting up and managing these two interviews. The technical specialists transferred the nephew's scripts to a teleprompter and set up the lights and the background for the interviews. According to VIB records, these tasks took a total of 10.7 hours. In addition, a VIB photographer told us that he was asked to take photographs of Truscott's nephew filming his video (he could not recall who made this request). The photographer also spent two hours processing and printing the photographs so that they could be presented to the nephew as a gift before he left for the day. The photographer told us that such quick turnarounds are rarely required.

Also on January 14, 2005, the New Headquarters Building Project Manager briefed Truscott's nephew on the status of the construction of the new building. Truscott's nephew traveled by Metro to visit the site of the new building, accompanied by Truscott, Truscott's Assistant, and the OPA Chief. Truscott's nephew filmed a third interview of Truscott from the Metro platform overlooking the site.

Truscott told us that his nephew's visit to ATF Headquarters "wasn't too time consuming and . . . for the most part from what I saw, it didn't seem to interfere too much with what the people were doing." He said that the interview in his office only took 15 minutes and the interview in the VIB studio took 10 minutes. He said he did not recall anyone preparing talking points for him. According to witness reports and documentation, however, each of these interviews actually took about 45 minutes. In addition, Truscott's speechwriter wrote talking points for Truscott to use in his interviews.

4. Completion of the video project

After his visit to ATF Headquarters, Truscott's nephew continued to make requests to ATF employees regarding the video project. On January 31, 2006, he sent an e-mail to the OPA Chief requesting additional stock film footage on three topics. The OPA Chief forwarded the request to an OPA employee, who in turn forwarded it to a VIB employee. According to VIB documents and witnesses, a VIB employee spent 4.5 hours on February 4, 2006, assembling the additional requested video footage. The employee told us that he considered this task to be a priority because it was a request from the Office of the Director. He said that because of the time he spent meeting this request he was unable to complete an urgent ATF-related task. He told us that he had to come in on a Saturday to complete his ATF project and that he received compensatory time for doing so.

According to OPA witnesses, Truscott's nephew submitted his film project to his teacher in April 2005 and received a grade of "A" on it. We reviewed a copy of the final DVD and observed that the credits included the statement, "Thank you for giving me this amazing opportunity Uncle Carl."

Truscott told us that his nephew sent him a DVD of his completed project and that he viewed it. He described it as being "too long." He told us that he had only viewed it once and that he could not recall what exactly was included in the DVD.

5. Post-completion requests and follow-up

In April 2005, Truscott's nephew solicited suggestions from OPA employees on how to improve his completed film. According to an e-mail from the nephew to OPA, even though he had already received a grade, he was continuing to work on his film for personal reasons. The OPA Chief assigned an OPA employee to respond to this request.

The OPA employee said that the OPA Chief told her this was an important job. She said she spent two to three hours going frame-by-frame through the 90-minute video to identify inaccuracies, omissions, and outdated film footage. She said she prepared a 2-page list of recommended changes, which she provided to the OPA Chief. Truscott's nephew stated in an e-mail that he used the recommendations to improve his film.

Requests from Truscott's nephew for additional stock film footage and still photographs, and responses from ATF employees, continued until August 2005. The OPA employee who reviewed the final video and responded to all of these additional requests estimated that she spent a total of three to four work days on the nephew's project from December 2004 through August 2005.

The OPA Chief said that in August 2005 she received an e-mail from the nephew asking if he could distribute the video to the public school system.[73] The OPA Chief said that she told him he could not and that she made Truscott aware of the nephew's request either verbally or by e-mail. Another OPA witness said the OPA Chief told her about this request at the time. This witness stated that OPA did not want the nephew to air the video publicly because they did not feel it was sufficiently professional in quality and they were concerned about security issues.

On January 19, 2006, the Philadelphia Field Division SAC sent a letter to Truscott's nephew thanking him for sending a copy of the final product to the SAC. The SAC wrote that the film was "one of the best documentaries of ATF's mission" that he had seen. He also stated that it appeared that with his "talents and enthusiasm" the nephew would be successful in his future

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[73] The OPA Chief did not specify to us to which school system the nephew wanted to distribute his film. We heard a conflicting account from another OPA witness who thought that the OPA Chief told her that the nephew wanted to show his film on a community access television station.

endeavors, and wished him luck with his college choice. The SAC told us he did not recall if he sent this letter on ATF letterhead, but said he assumes he did.

Truscott's Assistant said he recalled having a telephone conversation with the SAC in which the idea of writing a thank-you note came up. He said he also had a discussion with Truscott about the SAC writing such a letter. He said Truscott mentioned that his nephew was applying to colleges and asked whether the SAC could include "something spirited" in the letter that his nephew could use in his college applications relating to his extracurricular activities. Truscott's Assistant said he could not recall which conversation came first.[74] The SAC told us that he wrote the letter of his own volition, that no one at Headquarters suggested he do so, and that he does not know what Truscott's nephew did with the letter.

D. Truscott's Explanation of ATF's Involvement

Truscott told us that he has given talks at many schools and that when he received his nephew's request, "doing something for a student, albeit a nephew of the Director, didn't seem all that out of the ordinary." However, according to all of the witnesses that we interviewed, Truscott's nephew was provided unique access to ATF personnel and resources to conduct his project. Domenech told us that he advised Truscott that it would not be appropriate for him to use ATF resources for Truscott's nephew's school project. The OPA Chief told us that although students "are always requesting" to tour ATF and meet the Director, ATF traditionally does not honor these requests. She also said that Truscott has never met one-on-one with a student other than his nephew.

Similarly, other witnesses that we interviewed from OPA, VIB, and the Director's Office all said they could not recall any other student being given this level of access to ATF personnel and resources. Moreover, the Assistant Director for the Office of Public and Governmental Affairs told us that he is unaware of Truscott providing an interview in his office to anyone despite numerous requests for interviews. Several witnesses also observed that Truscott routinely refused to give media interviews that would benefit ATF, yet readily agreed to be interviewed three times on camera by his nephew for this school project. Truscott himself acknowledged that he has never provided similar access to anyone else.

Truscott also suggested that ATF's involvement in this project was akin to community outreach. He told us that he saw assisting his

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[74] We interviewed Truscott before we were told about this letter and therefore did not ask him about it.

nephew as a way of "encouraging young people to get involved in good careers and stay away from drugs." He said that he assumed his nephew's class saw the video and "it might actually touch the rest of his class." However, when asked whether he would have provided the same access to someone who was not his nephew, he responded, "[I]f it was somebody I didn't know, obviously, I don't know whether I'd be doing it or not."

When asked whether there was a point at which using ATF resources for his nephew's project might seem inappropriate, Truscott responded "absolutely." He then stated that ATF employees might have spent more time on his nephew's project than he initially envisioned, but said that this was not by his or his nephew's design. He stated that if the time spent on the project was excessive, it was "probably by the design of people that thought they were trying to help out the Director."

However, Truscott said he would "accept full responsibility for the fact that my nephew was in the [ATF Headquarters'] building." He said "If I had to make the decision again considering the totality of circumstances, I would not do it and I accept that responsibility."

Truscott told us that he did not specifically recall discussing his nephew's project with the ATF's Chief Counsel, but said "I've done little or nothing in that organization without gaining Counsel's advice, so it wouldn't surprise me if I did." ATF's Chief Counsel told us that he was unaware of the nephew's project until we asked him about it. He told us that had Truscott consulted him, he would have raised appearance concerns regarding ATF providing assistance to Truscott's relative. He told us that he would have been reluctant to conclude that the use of ATF resources for the project was "reasonably necessary" for ATF to do its job.

E. Findings

We found that significant ATF resources were used to assist Truscott's nephew on a high school project. The project involved at least 20 ATF employees engaged in technical, time-consuming work over an approximately 10-month period. Although we were unable to quantify the total time spent by the employees, we determined that VIB employees spent 10.7 hours setting up and managing the VIB studio interviews, a VIB employee spent 4.5 hours on one occasion pulling stock film footage and as a consequence received compensatory time for spending weekend hours on an ATF project, an OPA employee spent an estimated 24 to 32 hours responding to the nephew's inquiries and facilitating his visit to Headquarters, an ATF field division PIO spent 5 to 6 hours facilitating the nephew's visit to that field division, and 3 ATF employees who were filmed by the nephew spent at least an hour each being interviewed.

Besides the extensive use of employee time, we found that the assistance provided on the nephew's project included the use of ATF space and several pieces of equipment, including computers, lights, mailing materials, film, and a teleprompter.

We also found that Truscott was aware of a significant portion of the ATF assistance provided to his nephew. The nephew initially e-mailed Truscott directly with his requests for information for his project. In November 2004, the nephew provided Truscott with a detailed outline of his project, which included a list of the topics that he wanted to cover in his film and the number and types of ATF employees that he wanted to interview on camera.[75] In a subsequent e-mail to Truscott, the nephew requested that ATF provide him with a teleprompter to use for Truscott's interview in the VIB studio. Moreover, although the nephew subsequently began making his requests directly to the OPA Chief, the OPA Chief told us that she continued to keep Truscott aware of his nephew's requests.

In addition to the e-mail requests, Truscott witnessed the ATF personnel that were present and the ATF equipment that was used when his nephew visited ATF Headquarters in January 2005. During this visit, his nephew interviewed Truscott three times – in his office, in the VIB studio, and near the site of the new ATF Headquarters. When he was interviewed in the VIB studio, Truscott would have been aware that VIB employees were providing technical assistance and that VIB equipment, such as lights and a teleprompter, were being used. For the interview conducted near the site of the new ATF Headquarters building, Truscott and his nephew were accompanied to the filming location by Truscott's Assistant and the OPA Chief.

Although Truscott was not present when his nephew interviewed other Headquarters officials, Truscott told us that he viewed the 90-minute DVD of the nephew's project and therefore he was aware of the extent of ATF personnel and resources that were used. In fact, during our interview of Truscott, he pointed out to us that he could tell by watching the film that at least one of the interviewees was using a teleprompter during the interview.

While Truscott may have lacked knowledge of every detail of ATF's involvement, he was made aware of the significant extent to which ATF resources were used for his nephew's project. Moreover, by forwarding the nephew's requests to the OPA Chief and instructing her to contact his nephew, Truscott failed to establish and communicate any limits to his subordinates as to what level of assistance he expected them to provide to his nephew. The outline for the project that the nephew sent Truscott was sufficiently detailed to

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[75] Regarding the outline, Truscott acknowledged that he "spent little time reviewing it as I should have." Truscott Letter at p. 2, n. 6. (See Appendix A)

put Truscott on notice that, absent limitations or guidelines, the project was bound to consume excessive ATF resources. Moreover, the OPA Chief told us she kept Truscott informed of the nephew's requests for information.

Finally, we were again troubled that Truscott failed to fully accept responsibility for the project by minimizing the extent of ATF resources that were committed to it and by seeking to justify ATF's assistance to the nephew as a form of community outreach, while at the same time acknowledging that he might not give similar assistance to others. This was especially troubling given that Domenech advised Truscott at the outset of the project that he should not give his nephew special treatment. Moreover, Truscott did not seek the advice of the Chief Counsel's Office before allowing ATF resources to be used for the video project, an action that might have alerted him to the specific regulations governing the use of government property and employee time.

By directing and authorizing the use of ATF resources in his nephew's high school class project, we believe that Truscott violated several ethical regulations. First, 5 CFR § 2635.702 (Use of public office for private gain) states, in relevant part: "An employee shall not use his public office for . . . the private gain of friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity . . .." Id. While the "private gain" to Truscott's relative may appear minimal (receiving assistance on a high school project and specialized coaching in a field of personal interest), the regulation makes clear that the amount or nature of the gain is irrelevant.[76] All the witnesses, including Truscott, told us that the nephew would not have received such assistance had he not been related to Truscott.

We believe that Truscott's conduct also violated 5 CFR § 2635.101(b)(9) (basic obligation of public service pertaining to Federal property), and more specifically, 5 CFR § 2635.704. Subsection (a) of the latter provision states: "An employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes." Subsection (b) defines government property to include "office supplies, telephone and other telecommunications equipment and services, the Government mails, automated data processing capabilities, printing and reproduction facilities, Government records, and Government vehicles." We found that Truscott allowed the extensive use of government property to assist his nephew with the video project.

Moreover, in directing and authorizing ATF employees to assist his nephew with the video project, we believe that Truscott also violated 5 CFR

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[76] One example provided to illustrate a violation of 5 CFR § 2635.702 involves an employee of the Securities and Exchange Commission using that official position to assist a relative with a consumer complaint over a household appliance.

§ 2635.705(b), which states: "An employee shall not encourage, direct, coerce or request a subordinate to use official time to perform activities other than those required in the performance of official duties or authorized in accordance with law or regulation."

Truscott's violations of these provisions were not of a "de minimis" nature.[77] To the contrary, we concluded that the use of government property and personnel described above in connection with the video project was extensive.

V. Use of Executive Protection Branch

A. Allegation

The anonymous complaint alleged that Truscott created the Executive Protection Branch (EPB) to meet his personal security needs and that EPB staffing greatly exceeded the protection level provided for previous ATF Directors. The complaint stated that when outside of Washington, D.C., Truscott traveled with an excessive number of staff and required that ATF field offices provide four additional special agents and two Chevrolet Suburbans to facilitate his visits; that the model of the vehicle Truscott used exceeded the level of protection provided to other government component heads, despite Truscott's low overall threat assessment; and that Truscott had home-to-work transportation authorization, unlike previous ATF Directors.

B. Evidence

This section first provides a brief description of the history of the EPB and its organizational structure. It describes EPB's procedures for providing protection to Truscott, both locally and when Truscott traveled outside of the Washington, D.C. area. The section also includes a description of the travel procedures of the prior two ATF Directors and the views of senior ATF managers on Truscott's travel requirements.

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[77] See, e.g., O'Neill v. Dep't of Housing and Urban Development, 220 F.3d 1354, 1364 (C.A. Fed. 2000) (noting that, although there is not express "de minimis" exception to 5 CFR § 2635.704, the argument for such an exception "has some force.") In fact, the DOJ analog to 5 CFR § 2635.704 on use of government property, codified at 28 CFR § 45.4, does allow for very limited personal use of government property, such as making telephone calls "to locations within the office's commuting area." We concluded that the use of government property sanctioned by Truscott in connection with his nephew's video project far exceeded the personal use exceptions contemplated in the DOJ regulation.

1. Creation of the EPB

DOJ Order 2630.5, dated June 26, 1979, provides authority for the DOJ's offices, boards, divisions, and bureaus to establish protective details for agency officials. The Order states that "[w]here there is legitimate concern for the safety of an agency official, and where the agency's functioning may be impaired by the danger to that official, the agency has implied power to use its personnel and funds to protect him." The Order further states: "The protection provided . . . DOJ executives should be adequate, but not obtrusive. Protective devices and procedures should shield the DOJ executives from danger, but . . . should not be so cumbersome that they inhibit public access to the executive."

According to the current EPB Chief, the idea of establishing a protective security detail for the Director of ATF pursuant to the DOJ Order was first given serious consideration in 2003. At the time, Bradley Buckles was the ATF Director and the current EPB Chief was a program manager in the Special Operations Division.

The EPB Chief told us that in March 2003 he was assigned by his Branch Chief to conduct a security review to determine whether a protective detail should be established for the ATF Director. He said that he reviewed the DOJ Order and recommendations from previous ATF security reviews, and conducted research regarding other agencies' protective details. Based on this work, he concluded that there was a need to establish a protective detail for the ATF Director.

The EPB Chief said that his Assistant Director presented the idea for a protective detail to Buckles, but Buckles rejected the idea because he had no interest in augmenting his security. He told us that at that time Buckles's security consisted solely of an Executive Assistant, who primarily provided administrative assistance.

Domenech told us that in December 2003, shortly before Buckles's retirement, he and the Assistant Director for the Office of Professional Responsibility and Security Operations (OPRSO) reintroduced the idea of establishing a protective detail.[78] The OPRSO Assistant Director told us that both he and Domenech felt that the next Director would have a "higher profile" because he was to be appointed by the Attorney General and therefore ATF needed to have a formal executive protection process.

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[78] Domenech became the Acting ATF Director upon Buckles's retirement on January 3, 2004.

Domenech asked a special agent who was then in the Office of Inspections to establish a working group to evaluate the threat assessment level and nature of executive protection needed for the Director's position. The Inspections official said that he was told that a protective detail was needed because the next Director would be a "political appointee" and thus have a higher profile, would be operating in a law enforcement environment due to the transfer of ATF to DOJ, and would have more interaction with the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigation (FBI). The EFB Chief was asked to give his prior research to the working group and assist the Inspections official in developing the Executive Protection Branch.

On February 6, 2004, the Inspections official asked the Operations Security Branch Chief to conduct a threat assessment review for the position of the Director.[79] The assessment was completed on March 4, 2004. It recommended that increased executive protection be established because of ATF's transfer to DOJ, but concluded that the current threat level for the position of the Director was low. The assessment stated that with the exception of threats made toward former ATF Director Stephen Higgins (1983-1993), no direct or specific threats towards any ATF Director had ever been received.

On March 25, 2004, the Inspections official presented a proposal for the creation of the EPB to Domenech.[80] Domenech requested several adjustments to the plan. One adjustment reduced the number of special agents assigned to EPB from five to three, resulting in a total staff of five: a Branch Chief, three special agents, and an intelligence analyst. Domenech also wanted to add only one vehicle rather than two to the two vehicles then in use for transporting the Director. Domenech told us that his intent was that the EPB initially would be staffed with three special agents, but would evolve based on the comfort level and expectations of whoever was appointed as Director.

On April 1, 2004, the Inspections official submitted a revised plan to Domenech that included a total of five staff. In addition, it included requirements for EPB to conduct advance site visits and security surveys for all locations visited by the Director, and to provide protection to the Director during business hours and at business functions with assistance from local ATF field divisions. The plan specified that EPB would provide transportation to the Director "portal to portal, business hours/functions only." The proposal

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[79] According to the Office of Operations Security memorandum, the threat assessment process consisted of "identifying and listing potential threats, and any known or potential adversaries that could put critical assets at risk."

[80] A copy of the original EPB proposal was not available. The earliest version we were given is the version that was presented to the ATF senior executive staff.

also recommended adding "run flat" tires to the vehicles used to transport the Director.[81] The Inspections official told us that he and the EFB Chief considered the plan to be flexible and subject to revision by the new Director.

On April 13, 2004, the Inspections official and the Operations Security Branch Chief briefed the senior executive staff of ATF about the EPB proposal, and the senior staff concurred with the plan. EPB was officially established on April 18, 2004, the day before Truscott reported for duty. The Inspections official was named the Branch Chief. EPB initially was staffed by a Branch Chief and two special agents detailed from other components of the ATF. A third special agent was detailed to EPB on May 16, 2004.

After Truscott was named Director, Domenech met with Truscott and provided him with information and briefing materials about the EPB.[82] Truscott said that Domenech told him that both the ATF senior executive staff and DOJ had approved the plan. Truscott also told us that Domenech had informed him of the low threat assessment.

At some point, ATF's executive protection plan was provided to DOJ for review. According to the Director and Deputy Director of DOJ's Security and Emergency Planning Staff (SEPS), DOJ components are required to submit their executive protection plans to DOJ, but DOJ is not responsible for authorizing or approving the initial plans.[83] Domenech told us that shortly after Truscott began work at ATF, DOJ informed him that Truscott was not legally entitled to portal-to-portal transportation and therefore ordered that ATF cease this practice. He also told us that because the threat level related to the Director's position was low, round-the-clock protection could not be justified. After this DOJ order, Truscott began driving himself to and from work.

Domenech told us that ATF subsequently revised and resubmitted its request for portal-to-portal transportation to DOJ. The OPRSO Assistant Director told us that a few weeks later DOJ authorized the portal-to-portal service on a 90-day provisional basis. ATF subsequently sought and in

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[81] A "run flat" tire is designed to resist the effects of deflation and thus to enable the vehicle to be driven after the tire is punctured.

[82] The Attorney General announced Truscott's appointment as ATF Director on April 1, 2004. Truscott's first day on duty as the Director was April 19, 2004.

[83] DOJ Order 2630.5, dated June 26, 1979, states, "Each Bureau Security Programs Manager is responsible for developing, implementing, and managing his own executive protection program." The order further states that the Department Security Officer "will periodically review executive protection plans and evaluate protection procedures to ensure that they comply with the policies of this order." The order does not require the executive protection plans to be submitted for review prior to implementation.

December 2004 obtained an amendment of 31 U.S.C. § 1344 (b)(6) to authorize portal-to-portal transportation specifically for the ATF Director.[84]

In February 2006, after the initiation of the OIG investigation, the ATF Office of Operations Security conducted a revised threat assessment review for the Director. The assessment, completed on March 2, 2006, stated that "[a]s of this date, there has been no specific threat identified toward the Director of ATF." However, the threat assessment raised the threat level from low to medium based on several factors, including the inclusion of preventing terrorism in ATF's mission statement, an anticipated increase in Truscott's international travel, an elevation of the threat from street gangs, workplace violence, and Truscott's proximity to high risk targets.[85]

2. Current staffing and equipment

EPB's permanent staff positions increased to its current level of five positions (a Branch Chief and four special agents) in October 2004. Both the Assistant to the Director (Assistant) and the current EPB Chief told us that the staff increase was needed because of Truscott's heavy travel schedule and his protective needs.[86] The EPB Chief told us that he would like to add one more agent to EPB. He said that when Truscott had back-to-back trips, it was difficult to staff the protective detail and meet the EPB employees' training and leave needs.

EPB currently has three vehicles in its fleet, two Chevrolet Suburbans and one Ford Crown Victoria sedan. One of the Suburbans was purchased in

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[84] 31 U.S.C. § 1344 (b) specifies those exceptions in which a U.S. passenger carrier can be used to transport officers and employees of federal agencies between their residence and place of employment. The exceptions specified in § 1344 (b)(6), to which the position of the ATF Director was added in December 2004, were the Director of the Central Intelligence Agency, the Director of the FBI, the Administrator of the DEA, and the Administrator of the National Aeronautics and Space Administration. The inclusion of the ATF Director in 31 U.S.C. § 1344(b) was made retroactive to January 1, 2004. Pub. L 108-447, Div. B, Title I, § 117, December 8, 2004.

[85] According to the OPRSO Assistant Director, the revised threat assessment was conducted in order to meet an annual review requirement by SEPS. According to an October 12, 2005, e-mail from the EPB Chief to the Chief of the ATF Security and Emergency Programs Division, the DOJ Assistant Director of Physical Security told the EPB Chief that components should submit threat assessments and security plans annually to SEPS. In the e-mail, the EPB Chief stated that the ATF's submission date would be March 2006, the anniversary date of the prior submission.

[86] On February 20, 2005, the Inspections official, who had been named as the original EPB Chief, became the Assistant to the Director and one of the EPB agents was promoted to Branch Chief. The Assistant told us that even after he left EPB, he continued to be involved with the protective function. The current EPB Chief also told us that after he became the EPB Branch Chief, Truscott continued to deal directly with his Assistant on security matters.

February 2004 at a cost of $34,461 and the other was purchased in October 2004 at a cost of $47,016. The Crown Victoria was purchased in November 2004 at a cost of $26,631.

Truscott's Assistant told us that initially EPB had only one sedan and one Suburban and would transport Truscott in either vehicle. However, he said that Truscott told him on several occasions that he preferred to ride in a Suburban or SUV because of the additional leg room and maneuverability and because it was what he was used to. The Assistant said that EPB purchased the second Suburban as a back-up vehicle because Truscott said he preferred to ride in a Suburban.

Domenech also told us that previous ATF Directors were transported in a sedan, but that Truscott told him that he became accustomed to using Suburbans when he worked with White House security and that he preferred that vehicle. Domenech also said that Truscott had instructed the Assistant to review the equipment used by the U.S. Secret Service and told him "we need to be similar in nature."

The Assistant told us that for protective details in Washington, D.C., an EPB advance agent drove the sedan and Truscott rode in one of the Suburbans. He said that the second Suburban was used as a replacement vehicle on those occasions when the other Suburban had mechanical problems. He told us that both Suburbans are equipped with "run flat" tires. He said he and the current EPB Chief decided to acquire the run flat tires and did not discuss that decision with Truscott.[87]

The Assistant also told us that in either late spring or early summer 2004 Truscott complained that the leg room in the Suburban was limited and mentioned that he had heard that Secretary of State Condoleezza Rice's vehicle had been reconfigured so as to provide her with more leg room. The Assistant told us that based on Truscott's comments, he had a row of seats in one of the Suburbans removed. He said that afterwards Truscott told him that although he appreciated the extra leg room, he felt that the removal of the seats caused the vehicle to sway. The Assistant said that he then had the Suburban returned to its original configuration. He said that in total this removal and replacement of the seats cost about $500 to $600.

ATF documents reflect that EPB expenditures for its six months of operation in FY 2004 totaled $476,916 (including $315,048 in salary expenses) and for FY 2005 totaled $821,232 (including $683,088 in salary expenses). The projected FY 2006 expenditures for EPB are $937,514 (including $713,526

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[87] The Assistant Director for the Office of Field Operations complained to us that $6,000 was taken out of his budget to pay for the "run flat" tires.

in salary expenses). Domenech told us that the documents reflect only EPB expenses. No estimates of costs expended in support of Truscott's security, such as those borne by the Office of Field Operations, were provided.

3. Protection in and around Washington, D.C.

While in the Washington, D.C. area, Truscott was provided with executive protection during the work day only. According to Truscott's Assistant and the EPB Chief, an EPB agent drove Truscott from his home to the office and back each work day. The Assistant said that when Truscott came into the office on a weekend, he drove himself in his personal vehicle and was not escorted by the Assistant or an EPB agent.

a. Local travel

According to Truscott's Assistant and the EPB Chief, when Truscott traveled locally during work hours, typically an EPB advance agent traveled ahead to the venue. Both witnesses said the purpose of the advance visit was not just for security reasons, but also to address Truscott's administrative needs. For example, the Assistant said that when Truscott spoke at an event, the advance agent had to ensure that there was a podium, microphone, and water and had to find out such information as who would be in the audience, what dignitaries would be attending, where Truscott would be sitting, and who would be introducing him.[88]

ATF provided the OIG with a document dated September 1, 2005, that describes the specific security and administrative activities that the advance agent is required to perform for these types of events. Security activities include being familiar with the floor plans of the site and identifying threats specific to the site. Administrative activities include determining "how many [guests] are expected, what is their affiliation with the event, are there any other VIPs" and knowing where the rest rooms are.

According to the Assistant, Truscott was normally transported to the venue in a Suburban driven by an EPB agent with the Assistant accompanying him. The advance agent would already be at the venue to greet them and to escort Truscott to the event.

Truscott similarly described the advance agent's function to us. He stated that if he were giving a speech at the Marriott Hotel, for example, an advance agent would go to the hotel the day before the speech to meet the people coordinating the event and to obtain details about the movements of

[88] Although witnesses said Truscott rarely ate lunch at restaurants, an advance agent was also used when Truscott traveled to a local restaurant for lunch.

participants in the event. Truscott also said that he would travel to the event with a driver and a security escort and that the advance person would greet them at the event.

The Assistant stated that when Truscott became Director, his sole focus was to get Truscott to the site and ensure that he was safe. He said that initially he was not focused on Truscott's administrative needs. However, the Assistant stated that Truscott subsequently counseled him whenever Truscott's administrative needs were not met. For example, Truscott would say, "I didn't know 'X' was going to be there, you should have told me." The Assistant said that part of his and the EPB's job was to protect Truscott from embarrassment.

b. Exceptions for the Department and Capitol Hill

Several witnesses familiar with EPB operations told us that Truscott requested that his level of protection be scaled back when he traveled to the Department or Capitol Hill. According to one witness, Truscott specifically directed that an advance agent should not be used when Truscott traveled to the Department. In addition, the EPB driver waited with the vehicle at the Department rather than accompanying Truscott and Truscott's Assistant into the building. Only the Assistant escorted Truscott inside the building.

Similarly, another witness told us that EPB's presence was minimized on visits to Capitol Hill. The witness said that an advance agent was usually used for visits to Capitol Hill to help get Truscott through security and to find the meeting location. However, once inside the building, Truscott was escorted only by the EPB advance agent rather than both the EPB advance agent and Truscott's Assistant. In addition, as with visits to the Department, the EPB driver waited with the vehicle while Truscott was escorted into the building.

One witness said he believes that Truscott did not want to give DOJ officials the perception that he had a big security detail; however, Truscott never told this witness specifically that this was the reason for scaling back on the detail. This witness said that his belief was based on an incident when Truscott encountered senior DOJ officials while he was accompanied by his protective detail and afterward made comments to the witness to the effect that he was uncomfortable with the situation. The witness added that on another occasion when he accompanied Truscott to a meeting at the Department, he waited for Truscott down the hall rather than directly outside the meeting room. He said that afterwards Truscott thanked him for his discretion.

Other witnesses also told us that Truscott appeared to be sensitive to DOJ officials' perception of the size of his protective detail. One senior executive told us that Truscott made it very clear that the number of people accompanying him should be reduced when he visited the Department or Capitol Hill. This official said that Truscott was particularly sensitive to the

perceptions of the Deputy Attorney General and the Assistant Attorney General for Administration. Another senior executive stated that Truscott appeared to be aware that his level of protection was excessive because when he visited the Department, he allowed only one security person to accompany him.

Truscott acknowledged to us that his protective detail was reduced for trips to the Department. However, he said the reason for reducing security was that Main Justice is a "secure" building. He also told us that in the first couple of days of his tenure, there was a "collective conversation" and his Assistant and Domenech agreed that an advance agent was not needed for trips to the Department.

Although Truscott initially acknowledged to us that he requested that EPB reduce his security profile for trips both to the Department and to Capitol Hill, he later stated that an advance agent was sent to Capitol Hill "probably every time" to coordinate the logistics because it is a "more complex site" than Main Justice. He also said that he would be driven to Capitol Hill in one vehicle by an EPB agent and would be accompanied by a second EPB agent.

c. Protection within ATF Headquarters Building

Witnesses told us that Truscott nearly always was accompanied by his Assistant or an EPB agent even within the ATF Headquarters building.[89] For example, Domenech said that Truscott would not leave his suite without security. Domenech said that when he asked Truscott why this was necessary, Truscott responded that the building was not secure because it contained two floors of commercial space.

Truscott's Assistant told us that Truscott's Administrative Assistant routinely alerted him when Truscott prepared to leave the suite and that he then met Truscott at the door of the suite. However, Truscott's Assistant attributed Truscott's need for an escort to both administrative and security concerns. He said that he took notes on conversations Truscott had with ATF employees at Headquarters. Similarly, one senior executive attributed Truscott's need for an escort to his unfamiliarity with ATF staff and his desire to have someone cue him on their names.

Truscott denied to us having any security concerns about the ATF building and insisted that he felt comfortable walking on his own through the building. He stated that it was not uncommon for his Assistant to accompany him in the building. However, Truscott said the Assistant did so of his own

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[89] Truscott's Assistant is a Special Agent who served Truscott in both a protective and an administrative capacity.

volition because for security reasons he needed to know where Truscott was at all times.

Witnesses also told us that Truscott regularly used the ATF Headquarters gym in the morning and that early in his tenure an agent regularly escorted him to the gym and waited there while he exercised. Witnesses said this changed when Truscott realized that two EPB agents exercised at the same time he did. From then on, the agent escorting Truscott to the gym waited only until Truscott entered the gym. After Truscott finished his workout, one of the EPB agents who exercised at the same time would escort Truscott back to his suite.

Truscott told us that initially someone suggested that he take two agents with him to the gym. He said he could not "get to [his Assistant] fast enough" to tell him that because ATF is a secure building and the agents have other responsibilities, he did not see a need for an agent to stay with him at the gym. He told us that his Assistant asked him whether, as an alternative, he would allow an EPB agent to escort him to the gym so EPB would know where he was. Truscott said that he agreed to this.

Truscott's Assistant said he did not recall suggesting that Truscott take two agents with him to the gym. He said that typically Truscott would go to the gym immediately after arriving at work in the morning and that at first an EPB agent would accompany him to the gym and wait. He said that this was because EPB did not know what Truscott's expectations were. He said that after the first couple of weeks, Truscott told him that he did not need any agents escorting him to the gym or waiting for him. He said that he accordingly directed the EPB agents not to do this. He said that he might have made the suggestion to Truscott that an agent escort him and then leave. He said that to his recollection this was done only on one occasion.

4. Protection while traveling outside of the Washington, D.C. area

Truscott's Assistant and the current EPB Chief told us that a few months after Truscott became the Director, they prepared a document entitled "Planning for a Director's Visit" (Protocol Document) in order to educate the field divisions about Truscott's expectations. The Protocol Document established standard protocols for Truscott's visits to field divisions outside the Washington, D.C. area.

Truscott's Assistant and the current EPB Chief told us that they based the requirements in the Protocol Document on their experience with Truscott and knowledge of his expectations, in addition to information regarding other agencies' protective details. The document was finalized on June 18, 2004, and provided to the Office of Field Operations for distribution to its field

division Special Agents in Charge (SAC). The witnesses said they did not recall ever showing this document to Truscott, and Truscott told us that he had never seen the document.

a. Advance agent

According to Truscott's Assistant, the EPB Chief, and the September 2005 advance agent protocols document provided to us, each time Truscott traveled outside the Washington, D.C. metropolitan area, an EPB agent prepared an advance report and traveled to the location a day or two ahead of him. The advance report included departure and arrival information, contact names and telephone numbers, names of nearby hospitals, and a detailed itinerary. While at the location, the advance agent's activities included making practice runs of the routes that Truscott would travel, arranging for a staging area at the airport for Truscott's motorcade, pre-checking Truscott and the EPB detail into the hotel, meeting with hotel staff to discuss security issues, and confirming the details of Truscott's visit with the field division staff.

b. Airport procedures

The advance reports reflect (and Truscott's Assistant and the EPB Chief confirmed) that when Truscott traveled by air, an EPB agent would drive him to the airport. A second EPB agent was responsible for obtaining Truscott's boarding pass and coordinating with Transportation Security Administration (TSA) personnel to allow Truscott to bypass security as a "VIP." The second EPB agent and an airport police officer would meet Truscott curbside at the airport. The EPB agent and police officer, sometimes accompanied by an airport official, would escort Truscott to the gate or to a holding area if one was available.

Truscott's Assistant told us that Truscott did not like to wait. He said that many of the airport arrangements, such as allowing Truscott to bypass the security line and wait in a holding area, were more for his convenience than to provide protection. He said that such arrangements did have protective elements, however. For example, he said that these procedures allowed the protective detail to remain low-key and helped them to maintain control over Truscott. He also said that part of the reason for bypassing security was so that he and the EPB agents did not have to make it known that they were armed. He also said that by keeping Truscott in an enclosed space, the EPB agents could prevent someone from harassing or attacking Truscott or bothering him by "asking him for a dollar."

One senior executive also commented on Truscott's dislike of waiting and told us that Truscott made it clear that he was not going to wait at a ticket counter or on a security line, that he wanted to wait in a holding area, and that he wanted a car waiting for him on the other end of the flight.

According to Truscott's Assistant and the EPB Chief, upon the flight's arrival various local ATF and other officials would meet Truscott at the arrival gate. The Assistant told us that sometimes the greeting party at the arrival airport would total five to seven people. He said the group varied and might include a uniformed police officer, a TSA officer, an airport official, the local ATF SAC, a local field division special agent functioning as the point of contact, and the EPB advance agent. The greeting group often would escort Truscott to a secure holding area at the airport while staff retrieved his luggage. Truscott would then be escorted to the curb where field division vehicles awaited him and his party.

The Assistant told us that the procedures for escorting Truscott through the airport were developed to meet Truscott's expectations. He said that Truscott always wanted to know ahead of time who was going to greet him at the airport.

An Assistant Director who frequently traveled with Truscott told us that there often were so many people accompanying Truscott through the airport that it drew attention to him. This official compared walking through the airport with Truscott to "the parting of the seas" and said that on occasion people stopped him in the airport to ask who Truscott was.

In contrast, Truscott told us that he liked to maintain a low profile at the airport. He said that he has told his Assistant more than once that he did not like to draw attention to himself and his party. He also said he did not think it is appropriate to have several people at the airport to greet him.

However, Truscott also told us that having people meet and walk with him through the airport is consistent with maintaining a "low profile." He said his group was "a couple of people walking through the airport just like a couple of businessmen." Truscott added that sometimes a uniformed officer escorted his group beyond the security checkpoint but this was because some of the ATF staff members were armed. Truscott said he always tried to keep some distance from the officer in order to maintain a low profile.

Truscott's Assistant said that around the spring of 2005, Truscott told him that it was not necessary to have "all those people" greeting him at the gate. He said that Truscott told him that he only needed one field division agent and the EPB advance agent to greet him. He also said that Truscott reminded him that he had never asked for the SAC or the ASAC to greet him and that he did not want to take them away from their busy schedules. The Assistant told us that from his perspective, the numbers and types of persons who had been greeting Truscott were what Truscott expected. The Assistant said that while Truscott never specified who should be at the gate to greet him, he also never raised any objections during the first year of his tenure to the number and types of people greeting him at the gate and therefore this became

the standard protocol. The Assistant added that he did not know why Truscott changed his expectations about being met at airports, and speculated that Truscott might have received some negative feedback from either the field division agents or from the Assistant Directors. He said that he did as instructed and reduced the number of people greeting Truscott.

The Assistant added that after the OIG investigation began, Truscott scaled back even more. He said that in March 2006, the last time that he traveled with Truscott, Truscott told him that he did not want anyone greeting him. The Assistant said that he and Truscott traveled alone and that they were met by a single field division agent driver and transported in a single vehicle.

The EPB Chief also said that at some point Truscott said that he did not want a large group of people greeting him at the gate. However, he said that Truscott did not suggest reducing the number of people greeting him at the airport. Instead, Truscott suggested that the greeting party meet him at the side of the gate or in some other location so that they did not look like an entourage waiting for him.

c. Number and type of field division vehicles required

According to Truscott's Assistant and the EPB Chief, ATF field divisions provided support for Truscott's trips within their regions whether or not Truscott visited the field office while in the region. The Assistant said that the field divisions were generally asked to provide three vehicles for Truscott's visits: a "lead" vehicle for the EPB advance agent, a "limo" for Truscott and the Assistant, and a "follow" vehicle.[90] The divisions were also expected to supply three special agent drivers, including a special agent who was qualified as a medic.

The Assistant said that the lead vehicle generally traveled ahead of the other two vehicles to make any necessary arrangements, such as checking Truscott into the hotel. The other two vehicles traveled together. He said that the purpose of the follow vehicle was primarily to provide transportation in case the limo broke down, rather than to provide security.

The EPB Chief said he recalled at least one occasion in which four field division vehicles were used to transport Truscott. He said that on that occasion, the field division felt that because of heavy traffic it would be easier to secure lanes with a three-vehicle motorcade.

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[90] The terms "lead," "limo," and "follow" vehicles were terms used in the advance reports.

Truscott told us that he was aware of the vehicle arrangements for his visits, but said that he was not involved in developing these procedures. He told us that if he ever saw too many resources being used, he would tell his Assistant that in his opinion they were overdoing the security. He said he did not think that ATF should "be drawing on more resources than [it] actually needs."

Truscott's Assistant and the EPB Chief told us that good security requires maintaining a low profile. When asked how a motorcade achieved that, the EPB Chief told us that the motorcade was not obvious because the follow car did not block or shield the limo. He said that EPB advised the field divisions that the follow car should stay behind the limo and try not to allow any vehicles in between, but should not take any aggressive maneuvers to prevent intervening vehicles. In addition, the motorcade did not use lights or sirens.

The EPB Chief said that EPB typically requested the field division to provide a Suburban or a large SUV to be used as the limo. Truscott's Assistant said that EPB made that request because of Truscott's expressed preference for riding in a Suburban.

The Assistant said that most of the field divisions had a Suburban or SUV available. He also said if one was not available for Truscott's visit, he alerted Truscott ahead of time. He said that in these cases Truscott "wouldn't throw a tantrum," but would make a comment such as "I can't believe that out of a field division, they don't have one Suburban."

Truscott told us that he preferred Suburbans because they "blend in better" and because they are roomier. He stated that his Assistant was aware of his preference, but denied telling the Assistant or any SAC that he required a Suburban. He told us: "I've gotten to cities and there's a sedan sitting there and I get in and I don't say a word to anybody." Truscott, however, was unable to recall any specific cities where this had occurred.

Truscott also told us that using a Suburban made him less conspicuous because there are more SUVs on the road than sedans. Truscott's Assistant told us that he has heard Truscott's rationale, but that it does not make sense to him because he believes SUVs stand out more on the road. The EPB Chief also said that using a Suburban did not lower the security profile. He said EPB used Suburbans because that was Truscott's preference.

Witnesses told us that not all of ATF's field divisions own Suburbans and that in order to accommodate Truscott's preferences some divisions had rented Suburbans or had borrowed them from another federal agency when Truscott traveled to their area. The EPB Chief told us that EPB never asked the field divisions to do this and in fact told the divisions that if they did not have a

Suburban or SUV they should instead provide a large sedan. However, Truscott's Assistant acknowledged that since EPB told the field divisions that Truscott preferred a Suburban, it was reasonable to expect that the field divisions would try to provide that type of vehicle.

We were told about two examples where vehicles were rented to accommodate Truscott's visits. One SAC told us he rented seven vehicles for an April 2005 visit that Truscott made to three field offices within his division. Rental receipts reflect that the total cost of the rentals was approximately $1,200. The SAC told us that it was widely known that Truscott preferred riding in an SUV. He said that the few SUVs in his field division were utility vehicles that had no room for luggage. In addition, he said that the field division had no decent vehicles that he could afford to take off the streets for a week and that he believed renting was the best alternative. He added that he did not tell either Truscott or EPB that he rented the vehicles.

Another SAC told us that he rented a Suburban for a June 2005 trip that Truscott made to multiple field offices within his division. He said that he was aware of Truscott's preference to ride in a Suburban or SUV. He told us he rented the vehicle because, although his division owned two Suburbans, each had only two rows of seats and therefore was not large enough to accommodate all the people traveling with Truscott. Rental receipts show that the total cost of renting the Suburban for three days was $505. The SAC said he did not recall telling Truscott or any EPB agents that the vehicle was rented.

Truscott told us that he never directed anyone to rent or borrow a vehicle. However, he said that if field offices were borrowing or renting Suburbans for his visits, that was because of "what people think the expectations are." He told us that he hoped the field divisions would not have to rent Suburbans but said that it was the SAC's prerogative to do so. He also said that he would rather ride in a 15-year old ATF sedan than in a rented vehicle.

Truscott acknowledged that on one or two occasions he was aware that the Suburban he was riding in had been rented for his visit. He said that on those occasions, he learned the vehicle was rented because he asked the SAC about the car. He said that "presumably" it was the SAC's decision to rent the vehicle. He said he did not comment on the decision to the SAC because he tried not to second-guess the SAC's decisions.

Truscott's Assistant also told us that on one occasion Truscott commented on "how nice" the vehicle transporting him was and the SAC told him that it was rented. The Assistant said that despite knowing that field divisions sometimes rented Suburbans for his use, Truscott never directed him to instruct the field divisions not to do it. According to the Assistant,

Domenech put a halt to this practice sometime during 2005 after hearing about it from the Assistant Director for the Office of Field Operations.

Truscott's Assistant also told us that on one occasion the field division borrowed an SUV from the U.S. Secret Service. Truscott told us that he became aware that he was riding in a Secret Service vehicle when he noticed that it was much more elaborate than the typical ATF Suburban. Truscott said he had misgivings about this practice, but did not mention it to the SAC. The Assistant said that afterwards Truscott commented to him that he was not comfortable with ATF borrowing another agency's equipment. The Assistant said that based on Truscott's comments, he immediately put the word out to the field divisions that they should not borrow vehicles from other agencies.

d. Medic requirement

According to Truscott's Assistant, an EPB official, and the EPB Protocol Document, field divisions were also asked to provide a medic for Truscott's visits. The EPB official told us that the medic was necessary in case of accident or injury to Truscott. He said that the field divisions were told that it was acceptable to have the medic function as one of the drivers. The Assistant said EPB told the field divisions that if no medic was available, division personnel should be aware of the location of the nearest hospital.

We found that at least one field division made an extra effort to provide a medic because the EPB Protocol Document listed it as a requirement. In this instance, the SAC told us that because he did not have a medic assigned to his field division, he brought in a medic from a field office located 90 minutes away for one of Truscott's visits.

The medic requirement was not included in the April 1, 2004, proposal regarding the establishment of the EPB. That proposal stated that field divisions should identify the nearest medical facilities and level of care available. The EPB Chief told us that the medic requirement was not part of the original plan because the majority of the other protective details he researched did not have such a requirement. He said that only the "high-level" security details such as the U.S. Secret Service had such a requirement.

Truscott told us that he was not aware that EPB protocols included the medic requirement and he did not know that medics accompanied him during his visits. He attributed the requirement to EPB and told us that he did not think it was necessary because many ATF special agents have had medical training.

Truscott's Assistant told us that having a medic present was his and the EPB Chief's idea. However, he said that he believes Truscott was aware that medics were included in the EPB requirements. The EPB Chief said he could

not recall if Truscott suggested the medic requirement or whether he and Truscott's Assistant proposed the idea.

e. Other equipment

Truscott's Assistant and the EPB Chief also told us that during the first year of Truscott's tenure the Assistant carried a suitcase containing emergency equipment when traveling with Truscott. The suitcase contained a first aid kit, satellite telephone, two biohazard suits, two gas masks, a defibrillator, and a pocket mask for use in CPR. Both witnesses told us that they proposed the idea of carrying the medical items. The Assistant also said that when he began assembling the bag, Truscott asked him what it contained and suggested adding a biohazard suit. The Assistant said that Truscott provided the biohazard suit he owned from his tenure with the Secret Service. The Assistant told us that he stopped carrying the emergency suitcase after about a year.

Truscott told us that he had a discussion with his Assistant regarding carrying gas masks and biohazard suits. He said he knew that the Assistant assembled a bag that "more than likely" contained biohazard suits. He said he thought this was appropriate because he knew they would have to be self-sufficient in an emergency. He told us that he did not know what else was in the bag.

5. Examples of questionable use of protective detail

Several witnesses told us that EPB and field division special agents were sometimes required to accompany Truscott on personal business or were used unnecessarily. We describe several of those incidents in this section.

In June 2005, Truscott traveled to the region of the Boston Field Division to visit various ATF field offices and U.S. Attorney's Offices. Truscott's Chief of Staff, Truscott's Assistant, and an EPB advance agent traveled with Truscott from Washington, D.C. Several agents from the Boston Field Division also accompanied Truscott while he was in the region. These agents included the SAC; an ASAC; and three special agent drivers, one of whom who was a medic. The group traveled in two sedans and one rented Suburban.

Witnesses told us that the group checked into their hotel in Portland, Maine, at around 6:00 p.m. The group dispersed at the hotel because Truscott declined to go out to dinner. Although witness accounts varied on the timing, all agreed that at some point after the group had dispersed, Truscott decided that he wanted to go out for cheesecake.[91]

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[91] Truscott's Assistant told us that he was the one who raised the suggestion to Truscott of going out for dessert and that Truscott agreed.

The SAC told us that he and the ASAC were sitting in the hotel lobby discussing business when Truscott's Assistant approached approximately 30 minutes later and told them that Truscott wanted to go out for cheesecake. The SAC said he asked either the Assistant or the EPB advance agent why everyone had to go and was told that everyone was needed. The SAC told us that he had to reassemble all of the agents, some of whom had already left the premises to work out or go for a run. He said he also had to find a local restaurant that served cheesecake.

The SAC said he and the ASAC contacted all of the local special agents, who returned to the hotel and changed back into business attire. Once he identified a restaurant, the advance team called the restaurant to see if it could accommodate the group and then drove to the restaurant ahead of the group. The SAC told us that he considered this to be a little "over the top." He said that if it were up to him, he would have just taken Truscott to the restaurant himself in one vehicle.

Truscott's Assistant said he recalled telling the SAC to reassemble the agents. He said he did not recall being told that the agents had dispersed. He said that only 10 to 15 minutes had passed and that if the agents had dispersed, they could not have gone very far. He said that Truscott was not aware that the agents had dispersed and that they were getting back into business attire and that Truscott "probably didn't give it any thought." The Assistant said that he did not tell the SAC that the agents had to be dressed in business attire. He said that Truscott would not have objected to the agents remaining in their casual clothes and that outside of normal business hours, the agents accompanying Truscott often dressed casually.

Two other instances were noted to us, both of which occurred during Truscott's attendance at the November 2004 International Chiefs of Police (IACP) Conference in Los Angeles. Truscott told us that while there he attended an official meeting on Saturday morning and met with a friend that afternoon at a pier near Santa Monica. He told us that the only way he could get to the pier was to travel with the EPB and field division agents who were accompanying him. He said that there was no discussion about this, but he knew that traveling with the protective detail would be EPB's recommendation.

In contrast, Truscott's Assistant told us that if Truscott had said that he wanted to travel on his own, EPB would have allowed him to do so. The Assistant said that he normally assumed that Truscott wanted EPB to accompany him unless he was told differently.

Witnesses told us that Truscott was escorted to the pier by his Assistant, the EPB advance agent, and two field division special agent drivers in two field division vehicles. According to the witnesses, the Assistant and the three other

agents stood on the pier 40 to 50 feet away while Truscott visited with his friend on the pier for 45 minutes.

During another afternoon on the same trip, Truscott visited a former neighbor at his home in Los Angeles. One witness told us that Truscott and the protective detail stopped at the former neighbor's home on the way to an ATF office. Truscott acknowledged that he was accompanied by his protective detail for this visit.

Witness accounts varied as to the number of cars in the motorcade and the number of field division special agents present during the trip to the former neighbor's house. One witness said there were three special agents in two vehicles; another witness said there were six special agents in three vehicles. According to the witnesses, Truscott and his Assistant visited with the former neighbor for 45 minutes to an hour while an ATF photographer and the field division special agents waited outside in the vehicles.

On another occasion while in San Francisco on official business, Truscott had dinner with a friend and the friend's spouse. According to Truscott's Assistant, he, an EPB agent, and a field division special agent accompanied Truscott to the restaurant and sat at a table nearby. We asked the Assistant why it was necessary for the field division agent to be present. He told us that the field agent had to drive because the EPB agents did not know their way around San Francisco.

One witness told us that he felt this arrangement did not serve any true security purpose since it drew attention to Truscott. This witness said he believed the detail was used "for show" to impress Truscott's friend.

6. Travel procedures of previous ATF Directors

Most of the witnesses we interviewed had also worked under two previous ATF Directors, John Magaw and Bradley Buckles, and therefore were able to compare the procedures for the prior Directors' travels outside the Washington, D.C. area with the EPB procedures that were established under Truscott's tenure.[92]

According to witnesses, a Special Assistant position was established under Magaw's tenure for the primary purpose of managing his travel logistics. We interviewed the special agent who had served in that position and he told us that when Magaw traveled to a field division, he left it up to the field division

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[92] John Magaw, a former U.S. Secret Service Director, was the ATF Director from 1994 until 1999. Bradley Buckles, who came up through the ATF ranks, was the ATF Director from 1999 until 2004.

to determine the best way to handle the visit. He said that no advance teams were used, nor was a medic required to be present during the visit. He said that generally he would travel with the Director and they would be met by the SAC of the field division and a special agent driver. Several other witnesses who had either traveled with Magaw or who had been SACs at field divisions that Magaw visited gave similar descriptions of Magaw's travel.

According to all witness accounts, Buckles was very informal, traveled infrequently, and preferred to travel alone. Buckles also had an assistant but used him more for logistics than security. One former SAC told us that he would meet Buckles at the airport, but that Buckles did not require much else. He said that Buckles had been in ATF so long, he knew the people and the culture and therefore was comfortable with keeping things low key.

7. Senior managers' observations on Truscott's travel requirements

During our review, most of the eight Assistant Directors we interviewed criticized the amount of resources used to facilitate Truscott's travel and questioned the need for the level of protection provided to Truscott considering the low threat level.[93]

Five of the Assistant Directors said they considered the level of protection provided to Truscott to be excessive. For example, one referred to the level of protection provided on Truscott's trips as "mini-Presidential executive protection details." Another said that Truscott traveled in a way that seemed designed to draw attention to himself. A third commented that Truscott's protective detail gave the impression of lavish spending at a time when everyone else in ATF was suffering financially.

Three of the Assistant Directors also described complaints they had received from the SACs about the protective detail. One told us that Truscott's visits were a huge drain on the field divisions' resources. Another stated that the field divisions complained that they often had to set up "mini-command centers" to support Truscott's visits. This official told us that his impression

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[93] We did not interview the current Assistant Director for the Office of Management because she assumed that position after Truscott learned of the allegations against him. Instead, we interviewed the person who served as Acting Assistant Director from September 2005 until January 2006 (the previous Assistant Director no longer is employed by ATF). Of the eight Assistant Directors we interviewed, two had never traveled with Truscott and therefore were unaware of his travel arrangements. Accordingly, they told us that they had no basis for having an opinion. We did not ask one of the Assistant Directors we interviewed about Truscott's travel arrangements. The remaining five had extensive knowledge of Truscott's travel arrangements through both their personal travels with Truscott and their routine contacts with field division employees.

from conversations with the SACs is that they had never before seen anything like the amount of support, logistics, and personnel required to transport Truscott and entertain his needs day and night. A third Assistant Director told us that he heard from several field division personnel that they considered EPB's protocols for the visits to be "overkill."

We interviewed four SACs about Truscott's security requirements.[94] One SAC told us that the security requirements struck him as relating more to Truscott's preferences than to security needs and said he thought that Truscott was trying to present himself as equal in stature to the FBI Director. This SAC also commented that the "choreographed" nature of Truscott's travel, with all of Truscott's movements timed to the minute, was similar to a U.S. Secret Service protective detail.

Another SAC told us that field office resources were used more for coordination than security purposes during Truscott's visits, but said that he thought providing the resources was appropriate. The third SAC said that while he thought that the arrangements reflected EPB's attempts to present a professional image, he would not necessarily do things the same way if he were the Director. The fourth SAC commented that although he believed Truscott was entitled to some level of security, his understanding was that the threat level relating to Truscott was not very high.

Three of the Office of the Director employees we interviewed also commented on Truscott's security requirements when traveling. One who had traveled with Truscott told us that he had no frame of reference to comment on the level of protection, except that Truscott's detail was not on the scale of the Attorney General's detail. Another stated that Truscott viewed himself as needing a protective detail equivalent to the President's and said it was due to "absolute arrogance" on Truscott's part that procedures had to be developed to address his dislike of waiting. The third employee, who had also traveled with Truscott, characterized the amount of resources used to facilitate Truscott's travel as "excessive" and remarked that the level of engagement and planning reflected Truscott's background with the U.S. Secret Service.

8. Responsibility for EPB procedures

When we asked Truscott about his protective requirements, he attempted to minimize the amount of input he had into EPB procedures. He told us that he generally allowed his Assistant and the EPB Chief to run the protective

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[94] The four SACs we interviewed were witnesses to specific events cited in the complaint letter. While interviewing them regarding these events, we also questioned them on aspects of other allegations that we believed they might have familiarity with, including Truscott's security requirements during visits to their field divisions.

detail as they wished, and that he tried to be "deferential" and not interfere with their arrangements. He said that he tried to show the same respect for his Assistant that the President and others whom Truscott once protected showed him. However, he acknowledged that because he has a lot of experience in this area, he privately gave his Assistant "all sorts of professional guidance" and suggestions, which the Assistant generally accepted.

Both Truscott's Assistant and the EPB Chief told us that before creating the EPB, they had no experience in protection matters. They both said Truscott has extremely high expectations and they learned a lot about protection from him. The Assistant stated that although Truscott generally did not give direct orders, he offered suggestions, exhibited negative body language, and berated the Assistant for unsatisfactory arrangements. The Assistant said he accordingly learned to identify and meet Truscott's needs. He remarked that he "didn't have a problem figuring out [Truscott's] expectations when [he] was getting called on the carpet and [Truscott] was getting on [his] case because maybe a visit didn't go the way he wanted it to go." The Assistant said that he and the EPB Chief tailored the EPB requirements to meet Truscott's expectations and constantly fine tuned them as additional expectations became known.

Other senior level officials confirmed Truscott's Assistant's and the EPB Chief's account of Truscott's influence on the EPB procedures. One witness told us that when Truscott first arrived at ATF, because of EPB's inexperience he did not receive the level of protection that he expected and wanted. This official said that Truscott worked with EPB to improve its level of support until he was satisfied. The witness also said that Truscott told the executive staff that every minute of his time must be accounted for by the protective detail. The witness said this expectation resulted in EPB having an advance team arrange every detail of each trip. Two other senior level officials told us that given Truscott's personality and his prior protective experience, they believe it unlikely that he would defer to his Assistant regarding any security decisions.

Truscott, his Assistant, and the EPB Chief all told us that they believed that the level of protection provided to Truscott was appropriate and considered it to be a "measured" approach. Truscott described his level of protection as slightly more than the U.S. Marshal and much less than the FBI Director and the DEA Administrator. Regarding whether the level of protection provided was appropriate considering the lack of threats against him, Truscott responded that in his experience, "those that don't threaten are often the ones that attack." When asked why he would need to have protection during the work day but not after work hours, he said that people knew ahead of time that the Director of ATF was going to give a speech at a certain place and that his hope was that they did not know where he lived or what he was doing on the weekend.

C. Findings

Before Truscott became Director of ATF, the executive staff approved the creation of EPB despite the assessed low threat level for the position of Director of ATF. The threat level was low during the first two years of Truscott's tenure, although it was raised to medium in early 2006.

ATF was authorized to form the EPB pursuant to DOJ Order 2630.5. Consistent with that Order, ATF officials determined prior to Truscott's arrival that the new director should receive more protection than had been provided to prior directors, in part due to the fact that Truscott was to be the first director appointed by the Attorney General and the first director to serve at ATF since it had become a component of the DOJ. Truscott was given authorization for portal-to-portal use of a government vehicle pursuant to a December 2004 amendment to 31 U.S.C. § 1344(b)(6), an amendment made retroactive to January 1, 2004. Thus, contrary to the anonymous complaint, we found that Truscott did not "create" the EPB. Rather, we determined that the EPB was formed by ATF in contemplation of Truscott's arrival.

Under Truscott's tenure and with Truscott's approval, the EPB grew from a staff of three special agents and a branch chief to four special agents and a branch chief. We found that the number of vehicles assigned to the EPB grew from one sedan and one Suburban to one sedan and two Suburbans during Truscott's tenure.

We found that in and around Washington, D.C., EPB's responsibilities generally included driving Truscott from his home to the office and back each work day, escorting Truscott both within ATF Headquarters and to external meetings and events, and traveling in advance to external venues to ensure that Truscott's security and administrative needs were met. To perform these functions, EPB used a driver and an advance agent. In addition, Truscott's Assistant generally accompanied Truscott in both a protective and administrative capacity.

When Truscott traveled outside the Washington, D.C., area EPB's responsibilities included coordinating with the field divisions to ensure that the EPB protocols were followed, traveling to the location in advance to make the arrangements for the trip, and facilitating Truscott's movements through both the departure and arrival airports. In addition, field divisions in areas to which Truscott was traveling were expected to support EPB's mission by providing special agents and vehicles. Specifically, field divisions were requested at a minimum to provide three vehicles, including a Suburban or SUV; three special agent drivers, including a special agent qualified as a medic; and a special agent designated as the point of contact to coordinate the visit with the EPB advance agent. We found that the field divisions generally provided the

requested personnel and vehicles, and on at least two occasions rented SUVs based on Truscott's stated preference for them.

We found that Truscott was aware and approved of the security and logistical measures taken on his behalf both by the EPB and by field division staff. We further found that Truscott actively participated in shaping EPB protocols by conveying his expectations to his Assistant through suggestions and expressions of disapproval when his expectations were not met. During his interview, Truscott demonstrated a high degree of familiarity with many of the details of his security procedures, and acknowledged that he had some influence on EPB's procedures.

It was reasonable for Truscott to have an interest and involvement in the EPB based on his years of experience with the U.S. Secret Service. However, for these very reasons, we rejected Truscott's efforts to attribute to others many of the EPB actions we questioned. For instance, we declined to accept Truscott's deflection of responsibility for the field divisions' rental of SUVs for his field visits, which Truscott dismissed as resulting from "what people think the expectations are."

We questioned whether Truscott allowed or encouraged his security arrangements to draw upon more ATF resources than were necessary to meet the security objectives authorized under DOJ Order 2630.5.[95] As described throughout this report, Truscott was repeatedly made aware of ATF's worsening fiscal condition. Under the circumstances, we concluded that at a minimum Truscott should have looked for ways to limit his use of the EPB and field personnel resources to necessary security, as contemplated by DOJ Order 2630.5.

We were especially concerned by witness statements questioning the extent of ATF field division personnel and other resources used to facilitate Truscott's travel. We heard repeated complaints from ATF personnel related to the amount of effort and resources that the field divisions were expected to provide when Truscott visited their jurisdictions. Several witnesses described these measures as excessive and only marginally related to security. We credited in particular the frustration expressed by numerous witnesses about field divisions being required to divert four or more agents and three vehicles

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[95] We reviewed budget documents provided to us by ATF and determined that it cost $476,915 to fund the EPB for the last six months of FY 2004; $821,231 to fund it in FY 2005; and an estimated $937,513 to fund it in FY 2006. We were unable to determine what additional costs were expended by the Office of Field Operations and other directorates in support of EPB's mission to provide security for Truscott. However, as described above, we found that substantial resources in the field were used to assist the EPB with security and other functions for Truscott when he traveled.

from their normal operations to facilitate Truscott's visits or having to rent Suburbans to accommodate Truscott's personal preferences.

We were also troubled by Truscott's use of the EPB and special agents in the field to escort him during non-official diversions, such as to visit an old neighbor and to meet a friend for dinner while on travel in California. Truscott contended that although he did not discuss with EPB whether the detail should accompany him on a side visit to a friend, he believed EPB would recommend traveling with him. However, Truscott's Assistant told us that EPB would have permitted Truscott to scale down the protective detail had he requested that. We also noted that Truscott had asked for his detail to be reduced, and EPB had complied, for trips to the ATF gym.

Moreover, we found that Truscott consciously scaled back his security detail at times. Witnesses told us that the use of advance agents and the number of agents escorting Truscott generally were minimized at Truscott's direction when he visited either the DOJ or Capitol Hill. Several witnesses told us that they believe Truscott was sensitive to DOJ officials' perception of the size of his security detail. Truscott's explanation that he scaled down his security detail because Main Justice is a "secure facility" is undermined by the fact that he also scaled down his security detail when he visited Capitol Hill. Moreover, Truscott began to reduce his security detail at all locations after he became aware of the allegations raised in the anonymous complaint. According to one witness, what had typically been a 3-vehicle motorcade with as many as four special agents was reduced to a single vehicle and one special agent driver by March 2006, even after Truscott's threat assessment had been raised from low to medium. We concluded that Truscott's selective ratcheting up and down of his security detail was driven more by considerations of appearance than security needs.

As noted throughout this report, we found especially troubling Truscott's propensity for assigning responsibility to his Assistant and others, including field personnel, when we questioned various aspects of his protective detail. We determined that the expansion of Truscott's security profile over the course of his tenure, including the amount of resources expended and the detailed procedures to be followed, resulted primarily from Truscott's input, rather than from his deferral to the judgment of others. The many witnesses we interviewed were remarkably consistent in their characterization of Truscott's readiness to make known his preferences and expectations for his security, either through suggestions or expressions of disapproval. We also noted, for example, when he disapproved of certain arrangements, such as borrowing Secret Service vehicles, he expressed that disapproval clearly and the practice stopped. We found that the EPB and field division special agents who handled Truscott's security and logistical needs reasonably sought to meet Truscott's expectations and deferred to his guidance, particularly given his extensive experience with the U.S. Secret Service. We thus rejected Truscott's attempts

to shift the blame to his subordinates for judgments for which he clearly was responsible.

VI. Travel

This section analyzes allegations in the anonymous complaint that Truscott misused public funds in connection with three trips – one to London in September 2005; one to New York City in October 2005; and another trip to Boston and Ottawa in January 2005.

A. September 2005 Trip to London, England

1. Allegation

The anonymous complaint alleged that a trip made by Truscott in September 2005 to London was a waste of taxpayer dollars. The complaint alleged that seven ATF people accompanied Truscott to attend four and a half hours of meetings over the course of three days.

2. Evidence

According to travel documents and witness accounts, Truscott traveled to London on Monday, September 12, 2005, and returned on Thursday, September 15, 2005. He was accompanied by his Assistant, his Chief of Staff, the Assistant Director for the Office of Strategic Intelligence and Information (OSII), and the Chief of the Executive Protection Branch (EPB).

Four other ATF employees traveled to London on Wednesday, September 7, 2005, five days in advance of Truscott. These four employees were the Deputy Director of the Terrorist Explosive Device Analytical Center (TEDAC), the Chief of OSII's Violent Crimes Intelligence Division (VCID), and two EPB special agents.[96] The two EPB special agents returned with the rest of the group on the morning of Thursday, September 15. The TEDAC Deputy Director and OSII VCID Chief returned a day later on Friday, September 16. The total cost of the trip for the nine travelers was $37,065.

[96] TEDAC is an FBI-led initiative that is comprised of personnel from multiple agencies. Although the TEDAC Director is an FBI agent, an ATF agent serves as the TEDAC Deputy Director. The TEDAC Deputy Director reports to the OSII Assistant Director.

a. Genesis of the trip

Truscott and other witnesses told us that the purpose of the trip was to meet with the U.S. Ambassador and with officials from the London Metropolitan Police Service (MPS) in order to discuss a proposal to detail an ATF Certified Explosives Specialist (CES) to the MPS's Anti-Terrorist Branch. The OSII Assistant Director said the U.S. Ambassador was involved because the proposed position could not be established without the approval of the U.S. State Department.

The TEDAC Deputy Director told us that he had made a proposal for such a detail in 2000, but that ATF management at that time was not responsive.[97] He said that he reintroduced the proposal within ATF in March 2005 after receiving a favorable reaction to the idea from the Chief of the United Kingdom's (U.K.) Police National Bomb Data Centre.

On May 23, 2005, the TEDAC Deputy Director wrote a memorandum to the OSII Assistant Director proposing the detail. The OSII Assistant Director approved the proposal. The TEDAC Deputy Director told us that he had a subsequent discussion about the proposal with the MPS Anti-Terrorist Branch Detective Chief Superintendent. According to the TEDAC Deputy Director, the MPS official suggested that Truscott and the MPS Commissioner meet to discuss the proposal. The TEDAC Deputy Director said that he recommended the meeting to the OSII Assistant Director, and the OSII Assistant Director agreed.

By letter dated June 14, 2005, the MPS Anti-Terrorist Branch Commander invited Truscott to meet with the MPS Commissioner on September 14, 2005. The letter proposed that the meeting participants discuss issues concerning terrorism and issues of mutual interest to both countries. The letter described four areas of mutual interest, including establishing a partnership between the MPS and TEDAC and an exchange program "where staff can learn skills in a safe working environment (training)." Although the letter did not specifically mention establishing a CES position within the MPS, the OSII Assistant Director told us that he considered it to be an offer to do so.

b. Reasons for individual travel

We asked several witnesses why eight ATF employees traveled to London with or in advance of Truscott for this meeting.

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[97] In 2000, the TEDAC Deputy Director was serving as the Chief of the National Arson Explosives Repository Branch, which is now called the United States Bomb Data Center.

The OSII Assistant Director and others told us that he went on this trip because he was the "point person" for the proposal to detail the CES to MPS's Anti-Terrorist Branch.

Truscott's Chief of Staff told us that Truscott allowed him to decide which of Truscott's trips to attend. He said that at the time of this trip he had only been Chief of Staff for three months and felt he needed to travel with Truscott to further develop their relationship. He also said that his role on the trip was to assist Truscott. Truscott confirmed that he allowed his Chief of Staff to decide whether to accompany him on the trip.

According to the EPB witnesses, the EPB Chief, Truscott's Assistant, and the two EPB agents provided security for Truscott on the trip. The two EPB agents traveled five days in advance of Truscott to make security arrangements for the trip; they also served in a protective capacity once Truscott arrived and for the duration of the trip. The EPB Chief told us that his role was to "augment" security. Truscott's Assistant told us that he accompanied Truscott everywhere and usually served the dual role of providing protection and administrative support to Truscott. Both witnesses also told us that they traveled with Truscott because they preferred to have two people accompany Truscott on international flights for security purposes.

We asked why a 4-person protective detail was necessary for this trip. The EPB Chief said more liaison is needed in a foreign country and there are more potential security pitfalls in a location such as London where there have been terrorist attacks. He also said a 4-person detail was warranted because none of the EPB agents were armed and therefore the detail lacked the "ultimate line of defense." According to the EPB advance report for the trip, the MPS had denied EPB's requests for Truscott to have armed protection due to the low threat level for the Director. The MPS and U.S. Embassy security arrangements were limited to providing drivers and vehicles to transport Truscott and his party during their visit.

In addition, Truscott's Assistant and the EPB Chief said they believed it was prudent to have two EPB advance agents rather than one because the logistics for foreign travel are more complicated than for domestic travel. They said that one of the agents had not traveled overseas before and this trip served as on-the-job training for him. They also said it was reasonable for the two agents to travel to London five days in advance of Truscott. They said that two of those days were weekend days and the advance team therefore only had three working days in which to make the security arrangements; conduct liaison with British law enforcement, State Department, and U.S. Embassy officials; arrange for rental cars and drivers; and make advance visits to the locations on Truscott's itinerary.

Truscott told us that he was not involved in the security arrangements for the London trip. He said those decisions would have been made by his Assistant or Domenech. He told us that he tried not to "second guess" his Assistant and the others about security. Truscott also told us that if he had designed the trip, he would have tried to reduce the number of vehicles. He said he believed the number of cars was excessive but the use of four cars was not at his request. He also said that sometimes the local authorities decide how security is to be handled.

The TEDAC Deputy Director and the OSII VCID Chief also traveled to London with the two EPB agents five days before Truscott and his party arrived. We received inconsistent explanations about why they traveled to London five days before the others.

Truscott told us that the TEDAC Deputy Director's and the OSII VCID Chief's trip to London had nothing to do with the advance preparations for his visit. He said the two men were in London on other business and just happened to be there at the same time he was. He acknowledged, however, that they were "in and around" events involving Truscott's group.

In contrast, the TEDAC Deputy Director told us that he and the OSII VCID Chief traveled to London on September 7 in order to help the two EPB agents facilitate the security arrangements and logistics for Truscott.[98] He said that the OSII Assistant Director wanted him to be "on the ground" to help maneuver through London because he did not want anything to go wrong with Truscott's trip. The TEDAC Deputy Director said that he had a working relationship with the MPS and that during the days prior to Truscott's arrival, he and the OSII VCID Chief accompanied the EPB agents to New Scotland Yard where the MPS is based. The TEDAC Deputy Director said he introduced the EPB agents to the appropriate people, helped them procure radios and cell phones, and helped them map out the locations where Truscott would be traveling.

The TEDAC Deputy Director also said he, the OSII VCID Chief, and the two EPB agents spent Monday, September 12, making the transportation arrangements for Truscott's visit. The TEDAC Deputy Director told us that four vehicles, including an MPS police vehicle, were used to transport Truscott and his group throughout their stay in London. The EPB advance report for this trip also reflects the planned use of four vehicles.

However, Truscott's Assistant said that the TEDAC Deputy Director and the OSII VCID Chief were not in London at EPB's request. He said that the

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[98] We did not interview the OSII VCID Chief or the two EPB special agents who traveled to London on September 7. We interviewed all the other travelers.

TEDAC Deputy Director was not there for security purposes, but was there at the OSII Assistant Director's behest to "grease the skids" for the meetings that Truscott and the OSII Assistant Director were attending. He said that while there, the TEDAC Deputy Director may have assisted the EPB advance agents with the security arrangements by introducing them to his contacts, but that this was not something that EPB requested him to do. The Assistant said that he did not know what the OSII VCID Chief's contribution to the trip was. The EPB Chief told us that he "assumed" that the TEDAC Deputy Director and the OSII VCID Chief were in London on OSII business.

The OSII Assistant Director told us that the TEDAC Deputy Director and the OSII VCID Chief were in London for several reasons: to assist the EPB advance team by "opening doors" for them with the MPS; to "handle" some business related to the U.S. Bomb Data Center and the TEDAC; to obtain details on the type of bomb used in the July 7 and July 21, 2005, London train and bus bombings; and to conduct business meetings with their UK colleagues.[99]

The TEDAC Deputy Director told us that he and the OSII VCID Chief also spent some time on Thursday and Friday, September 8 and 9, at the U.K. Police National Bomb Data Centre. He stated that the OSII VCID Chief had responsibility for the U.S. Bomb Data Center. According to the TEDAC Deputy Director, the OSII Assistant Director asked him to introduce the OSII VCID Chief to his U.K. counterparts so that he could develop working relationships with them, which he did.

c. Lodging arrangements

According to ATF travel records, all nine travelers stayed at the London Marriott Hotel County Hall, a luxury hotel on the Thames River.[100] Each traveler was reimbursed from $415 to $435 per night for the hotel costs at this hotel.[101] That amount significantly exceeded the maximum applicable U.S. government hotel reimbursement rate of $263 a night for London. The total excess charge to the government for the group's lodging expenses was $7,974.

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[99] An OSII Deputy Assistant Director told us that she believed that the OSII Assistant Director was unaware that the TEDAC Deputy Director and the OSII VCID Chief had spent a total of nine days in London until he saw their travel vouchers. She said that the OSII Assistant Director mentioned to her that he "was not happy that they traveled early and perhaps returned late." The OSII Assistant Director did not indicate to us that he had any concerns regarding the TEDAC Deputy Director's and the OSII VCID Chief's travel schedule.

[100] The OSII VCID Chief stayed in a different hotel on his last night in London.

[101] The rates claimed by the travelers differed because of the slight variations in exchange rates used by the travelers to calculate their costs.

The TEDAC Deputy Director told us that he was responsible for making the hotel arrangements.[102] He said that he had previously used the hotel because it was an American-owned hotel that accepted the U.S. government rate. He said that he selected the hotel for security reasons and for its convenient location. He also stated that he did not contact any other hotels nor did he inquire at the U.S. Embassy regarding local hotels that offered the U.S. government rate.

The TEDAC Deputy Director told us that when he first made the arrangements, the hotel quoted him the U.S. government rate, but the hotel subsequently charged a higher rate. He speculated that this might have occurred because there was a convention in town and the hotel only had a limited number of rooms available at the U.S. government rate, but said he could not recall if this was the case. He told us that he did not recall when he found out that a different rate was being charged. He said that he did not dispute the charges with the hotel and was not aware of any of the other travelers disputing the charges.

The TEDAC Deputy Director also told us that although he reserved a block of rooms, it was up to the individual travelers to make their own reservations with the hotel. However, we were unable to confirm who made these reservations. None of the other travelers expressed any concerns to us regarding the high costs of the hotel. With the exception of the TEDAC Deputy Director, all of the travelers, including Truscott, told us that they were not familiar with the hotel before the trip and were not involved in making the hotel arrangements.

Truscott's travel authorization, which was approved by the Office of the Deputy Attorney General on September 7, 2005, estimated lodging costs based on the U.S. government rate of $263 per night. Travel vouchers and revised travel authorizations for the other travelers were prepared after the trip and approved by the travelers' immediate supervisors.[103] The travel authorizations and vouchers requested reimbursement of actual subsistence costs.[104]

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[102] The TEDAC Deputy Director also told us that his wife and daughter accompanied him on the trip.

[103] Domenech approved the Chief of Staff's and the OSII Assistant Director's travel documents. The OSII Assistant Director approved the TEDAC Deputy Director's and the OSII VCID Chief's travel documents. The Chief of the Security and Emergency Programs Division approved the EPB Chief's and Truscott's Assistant's travel documents, and the EPB Chief approved the two EPB agents' travel documents.

[104] In accordance with § 301-11 of the FTR, federal employees in official travel status are reimbursed for their lodging costs up to a specified maximum daily rate. Under certain circumstances, as specified in § 301-11.300 of the FTR, travelers are allowed to claim reimbursement of actual costs for lodging above the maximum daily rate. These circumstances include when lodging is procured at a place where a meeting, conference, or training session is (continued)

According to the EPB Chief and as required by ATF Temporary Duty Travel Policy (ATF Order 1540.1), prior to a trip travelers electronically submit estimates of the travel costs to their supervisors. The EPB Chief provided us with a copy of his electronic submission, which was prepared on September 7, 2005, and which estimated the lodging rate at $263 per night. He also told us that because the hotel rate was in excess of the U.S. government lodging rate, each traveler was required to submit an amended authorization after returning from the trip.

Truscott's Administrative Assistant told us that when Truscott returned from the London trip she prepared a revised travel authorization based on his actual lodging costs and submitted it and his travel voucher to the Office of the Deputy Attorney General. She said that to the best of her recollection no one in that office raised concerns regarding the hotel costs. We observed that the travel authorizations and vouchers for Truscott and the other travelers did not explain why it was necessary to incur the hotel costs substantially above the government rate.

When asked about the cost of the trip, Truscott responded that it was a "good idea" for him to go on the trip and "unfortunately it cost money to do things and, you know, I don't want to spend a penny if we don't have to." He said that he "would accept responsibility" if the trip was too expensive and a hotel was selected "beyond what should have been selected." However, he said that the choice of hotel was not his decision and that he left such decisions to others.

d. Itinerary

Truscott, his Assistant, the OSII Assistant Director, and the EPB Chief arrived in London the evening of Monday, September 12. They were met at the airport by the TEDAC Deputy Director, the OSII VCID Chief, the two EPB advance agents, MPS police officers, and a Foreign Service National employee.[105] They were transported to their hotel in four vehicles, one driven by an MPS police officer and the other three driven by U.S. State Department contract drivers.

According to the witnesses, over the two full work days in London (Tuesday and Wednesday), Truscott had meetings at the U.S. Embassy, with

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to be held; when costs have escalated because of special events; when lodging within the prescribed allowances cannot be obtained nearby and the cost to commute exceeds the prescribed allowance amount; reasons related to mission requirements; or other reasons approved by the agency.

[105] A Foreign Service National employee is a non-U.S. citizen employed by the U.S. Embassy.

the U.K. Security Service, and with the MPS. However, only a few of the other ATF employees joined him at these meetings.

Most of the witnesses told us that on both days Truscott, his Assistant, his Chief of Staff, and the OSII Assistant Director met in the hotel at around 8:45 a.m. to go over the day's activities. On one of these days they were joined by the TEDAC Deputy Director and the OSII VCID Chief.[106]

On Tuesday, September 13, all nine travelers went to the U.S. Embassy and spent about 1.5 to 2.5 hours there.[107] Truscott, his Chief of Staff, his Assistant, and the OSII Assistant Director met with the U.S. Ambassador and Deputy Chief of Mission (DCM). They also met with the Regional Security Officer (RSO), who gave them a tour of the embassy and introduced them to other law enforcement personnel. During these meetings, the TEDAC Deputy Director, the OSII VCID Chief, the EPB Chief, and the two EPB agents waited either in the lobby or elsewhere in the building.

On that day or the next, British officials took Truscott and the OSII Assistant Director on a 30- to 40-minute tour of Buckingham Palace.[108] During the tour, the TEDAC Deputy Director, the OSII VCID Chief, Truscott's Chief of Staff, Truscott's Assistant, the EPB Chief, and the two EPB agents waited outside the palace gates.

On Wednesday, September 14, the group visited the U.K. Security Service, MI5, for an hour or less. While there, only Truscott and the OSII Assistant Director met with the MI5 Deputy Director. The TEDAC Deputy Director, the OSII VCID Chief, Truscott's Chief of Staff, Truscott's Assistant, the EPB Chief, and the two EPB agents waited outside.

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[106] The OSII Assistant Director's description of the trip activities often varied from the other witnesses' recollections, including Truscott's, which were generally consistent with each other. For example, the OSII Assistant Director said he did not recall any morning meetings at the hotel, although every other witness described such meetings. Also, the OSII Assistant Director told us that the group left the hotel each day at 8:00 a.m. or earlier and did not return until around 7:00 p.m. All the other witnesses stated that the group generally left the hotel at mid-morning and departed to return to the hotel around 4:30 p.m.

[107] While the witnesses we interviewed agreed that the specific activities described in this report took place, they disagreed on the days and times that these events occurred. In this report, we use the dates included in the EPB's advance report, unless otherwise specified.

[108] The Buckingham Palace tour was not included in the EPB advance report. Truscott's Assistant told us that this might have been an impromptu activity that was scheduled after Truscott and the others arrived.

The group also traveled that day to a storage facility outside of London.[109] At the facility, Truscott, his Chief of Staff, the OSII Assistant Director, the TEDAC Deputy Director, and the OSII VCID Chief viewed the rail cars and buses that had been damaged in the July 2005 London bombings and were briefed on the MPS's response to the bombings. Truscott's Assistant, the EPB Chief, and the two EPB agents waited outside the facility.

Also on September 14, the group visited the MPS at New Scotland Yard, where the entire group had lunch in the dining room of one of the MPS officials. Truscott, his Chief of Staff, and the OSII Assistant Director met for approximately an hour with the MPS Commissioner, Deputy Commissioner, and Assistant Commissioner for Specialist Operations. They also received a tour of the U.K. Bomb Data Centre and were briefed on the July 2005 London bombings.

The OSII Assistant Director told us that at the meeting with the MPS officials, they discussed the CES position and mutual training opportunities. Both the OSII Assistant Director and Truscott's Chief of Staff told us that the MPS Commissioner was receptive to the idea of establishing the CES position, but he told them at the meeting that he first wanted to vet ATF's proposal through his colleagues on the Police Executive Research Forum (PERF).[110]

The TEDAC Deputy Director told us that during the meeting and tour he visited with his British counterparts in the U.K. Bomb Data Centre. The EPB Chief and the two EPB agents did not attend the meeting or the tour.

Truscott and all of the other ATF staff except the TEDAC Deputy Director and the OSII VCID Chief returned to Washington, D.C., on Thursday, September 15. The TEDAC Deputy Director and the OSII VCID Chief returned the next day. The TEDAC Deputy Director told us that they stayed the extra day to meet with their counterparts to find out the results of Truscott's meetings with the MPS Commissioner. He said that an MPS official, who did not attend the meeting, told him that he thought the meeting went well, but that he did not get any specific information from his MPS superiors. He said that the official also suggested to him that Truscott follow up with the Commissioner.

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[109] This activity was not included in the advance report. Truscott's Assistant told us that this was an impromptu visit. Most of the witnesses we spoke to believed that this took place on Wednesday.

[110] PERF, established in 1977, is a U.S.-based organization of police executives. According to its website, the organization is "dedicated to improving policing and advancing professionalism through research and involvement in public policy debate."

3. Findings

Truscott traveled to London in September 2005 to conduct official business and thus the trip was authorized under ATF's Temporary Duty Travel Policy. (ATF Order 1541.1, Chapter B.) The witnesses we interviewed confirmed that Truscott met with embassy officials and his U.K. law enforcement counterparts in London to discuss a possible ATF detail position with the MPS's Anti-Terrorism Branch, among other official activities.

However, we concluded that this trip raised concerns as to the number of travelers, the procedures by which the travel arrangements were made, and the overall cost.

We had concerns regarding the number of ATF employees who accompanied Truscott on this trip. The FTR § 301-70.1 states that travel expenses should be limited to that which is "necessary to accomplish the mission in the most economical and effective manner."[111] Truscott was accompanied on this trip by his Chief of Staff, the OSII Assistant Director, two OSII employees, and four agents on protective duty, at a total cost of $37,065. As noted, the purpose of Truscott's trip was to meet with the U.S. Ambassador and with MPS officials to discuss a proposal to detail an ATF Certified Explosives Specialist to the MPS's Anti-Terrorist Branch. We found that each of these meetings was attended by Truscott and two or three ATF employees while the others waited outside. We question why, under circumstances calling for fiscal restraint, Truscott failed to exercise more control over the number of ATF personnel accompanying him on an expensive overseas trip.

We also question whether the TEDAC Deputy Director's and the OSII VCID Chief's arrival in London five days prior to Truscott and the others was consistent with accomplishing the mission "in the most economical and effective manner," as required by the FTR and ATF policy. Two advance agents already were in London well before Truscott's arrival to ensure that the trip went smoothly. We heard conflicting statements as to the need for the TEDAC Deputy Director and the OSII VCID Chief to be on this trip in the first instance, and based on these statements it appeared that their presence in London during the first five days was in part redundant of the advance agents' function. We further found that the reason given for the TEDAC Deputy Director and the OSII VCID Chief to remain in London an extra day – to follow

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[111] ATF Order 1540.1, Chapter B, § 11 similarly states: "It is the policy of ATF to authorize, approve or grant permission to its employees for travel that is necessary to effectively and economically accomplish the purposes of the Government."

up on what had transpired during the previous days' meetings – was a questionable justification at best, given the added expense.[112]

We also question the need for Truscott to be accompanied by four EPB agents during the trip, although we did not determine that Truscott personally requested a security contingent of this size. While in London, Truscott traveled only to highly secure locations for meetings, such as the U.S. Embassy, MI5, and New Scotland Yard. Because of Truscott's assessed low threat level, British authorities denied EPB's request to carry firearms or have Truscott provided with armed protection during the trip. Throughout the visit, Truscott's group was transported around London in vehicles driven by U.S. Embassy contract drivers and escorted by a MPS vehicle driven by an MPS police officer. These arrangements were made before any of the nine travelers left Washington, D.C. Yet despite these security arrangements, Truscott's Assistant, the EPB Chief, and two other agents accompanied Truscott on the trip to provide protection. The four agents accompanying Truscott rode in the vehicles and waited outside while Truscott was in meetings. We believe this level of protection was excessive.

We also found that Truscott and the eight ATF employees on the trip stayed at accommodations costing significantly above the maximum U.S. government lodging rate, resulting in total excess charges of $7,974. The TEDAC Deputy Director, who was responsible for selecting the hotel, told us that at some point he learned that the hotel rate was in excess of the maximum U.S. government lodging rate, but that he made no effort to find alternative accommodations.

However, we did not find that Truscott was aware of the specific travel arrangements, nor did we find that he was aware of the hotel rate charged until after his return from the trip.

We were unable to find any witness willing or able to identify who specifically made the hotel room reservations, but there is no evidence that Truscott was involved in this aspect of the trip. We found the TEDAC Deputy Director's account of his role in selecting the hotel problematic, and were particularly troubled by his professed lack of knowledge as to how the hotel rate escalated far beyond the government rate he claimed he was quoted.

Subsequent to the trip, all of the travelers, including Truscott, submitted travel vouchers requesting reimbursement for the actual hotel costs, along with revised travel authorizations. While FTR § 301-11.302 states that requests for

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[112] The TEDAC Deputy Director brought his wife and daughter along to London, and we could not ascertain whether their inclusion in the trip had any bearing on the length of his stay.

authorization for reimbursement under actual expense should be made in advance of travel, it allows agencies to grant after-the-fact approvals when supported by an explanation acceptable to the agency. ATF Order 1540.1, Chapter B, § 13d states that employees should include a cover memorandum with their travel requests "explaining in detail the specific reasons why a request for the actual subsistence is being submitted." Further, ATF Order 1540.1, Chapter I requires the traveler to include on the travel voucher a statement with "information as to the nature of the assignment, or other unusual circumstances that require use of actual expense basis." None of the subsequent authorizations or the travel vouchers for any of the travelers included an explanation of why it was necessary to incur the excess costs. We recommend that ATF employees be reminded of their need to comply with ATF and other applicable travel policies.

B. October 2005 Trip to New York City

1. Allegation

The complaint letter alleged that in October 2005 Truscott and two members of his protective detail incurred excessive airfare when they traveled to New York City for the day. The complaint letter further alleged that although DOJ officials were aware of and questioned Truscott's travel costs, they were not aware that Truscott took two agents with him, which would "triple" the costs of which the Department had concern. The complaint letter also alleged that a GS-14 supervisor and a GS-13 special agent were instructed to accompany Truscott while he dined with others on this New York City trip.

2. Evidence

On October 31, 2005, Truscott flew to New York City to attend the Marine Corps - Law Enforcement Foundation dinner.[113] He was accompanied on the trip by the EPB Chief.

Truscott and the EPB Chief were met at JFK International Airport by an EPB advance agent, who had flown to New York City the day before, and by a New York Field Division ASAC. The dinner took place from 5:00 p.m. to 9:00 p.m. at a New York restaurant located approximately four miles from the airport.

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[113] The Marine Corps - Law Enforcement Foundation, established in 1995, is a charitable organization that provides scholarship and other financial assistance to the children of military and federal law enforcement personnel killed in the line of duty. The Foundation puts on numerous fundraising events, including an annual dinner that is attended by military and law enforcement officials.

According to the EPB Chief, the ASAC, and the EPB advance report, when Truscott arrived three field division vehicles with three special agent drivers and a medic were waiting curbside at the airport. The EPB advance agent rode ahead to the function in the first vehicle, a sedan; Truscott, the ASAC, and the EPB Chief rode in the second vehicle, an SUV; and the medic rode in the third vehicle, an SUV.

Only Truscott attended the dinner. The ASAC went home after dropping Truscott off at the restaurant. The other four field division agents waited outside the restaurant until the event ended and then transported Truscott back to the airport. The EPB Chief told us that he and the EPB advance agent did not attend the dinner, but went into the restaurant periodically to check on Truscott.

The ASAC told us that about a week before the event, the New York Field Division SAC directed him to meet Truscott at the airport and transport him to the function. He said that it is standard protocol in the field division for the SAC to greet the Director, but that the SAC was going to be out of town at the time of Truscott's visit. The ASAC stated that in his opinion this was an appropriate level of resources to use for both logistical and security reasons. He said that his presence was not needed, but that it was probably appropriate for him to be there. He said that he discussed operational issues with Truscott on the way to the dinner. He also stated that he did not see a problem with having five agents accompanying Truscott, because Truscott is the Director of one of the major federal law enforcement agencies within DOJ. He said that the medic was present at the request of EPB.

The EPB Chief also told us that he thought that this was a reasonable level of resources for security purposes. He said that other security details also were present at the function and that some of them were much more high-profile and much larger than Truscott's. He said that the New York Police Department Commissioner arrived with only an advance agent and a single vehicle, but that there were military officials accompanied by more extensive security details.

When questioned about the amount of field division resources used for the event, Truscott responded that these were EPB's standard procedures and that these procedures reflected a "measured" level of security.

Truscott and the EPB Chief arrived at JFK International Airport at 4:00 p.m. They returned to Washington, D.C., along with the EPB advance agent, that same evening at 10:40 p.m. The total cost of the trip for Truscott

and the two EPB agents was $2,497.[114] Truscott and the EPB Chief's airfare was $819; the EPB advance agent's was $384.

The difference in airfare costs resulted from Truscott's and the EPB Chief's failure to use a contract carrier.[115] The EPB advance agent flew to JFK International Airport from Dulles International Airport on a contract carrier. Truscott and the EPB Chief flew to JFK International from Reagan National Airport, a routing for which there are no contract carriers. According to a memorandum from the Justice Management Division (JMD), at the time of Truscott's trip the round-trip contract fares between various Washington, D.C., area airports and New York City area airports ranged from $167 to $517.

The EPB Chief told us that he prepared the itinerary for his and Truscott's trip and researched the flights. He said that when making the arrangements, he selected the flights that fit that schedule. He told us that he knew the flight he selected was a non-contract flight, but he did not pay attention to the cost. He told us that if he had noticed how much the cost was, he would have brought it to Truscott's attention and would have suggested that alternate arrangements be made. The EPB Chief said that he took full responsibility for selecting the non-contract carriers.

Truscott's Administrative Assistant told us that she made the flight reservations with Omega Travel on behalf of both Truscott and the EPB Chief. According to ATF travel records, she did this on Friday, October 28. Contrary to the EPB Chief's assertion that he did not notice the cost of the airfare, the Administrative Assistant told us that she brought the cost to the EPB Chief's attention and asked him whether they could schedule those flights. She said that the EPB Chief's response was, "Well, he's the Director." The Administrative Assistant said she did not recall discussing cheaper alternative airfares with the EPB Chief. She also said that she did not bring the cost of the tickets to Truscott's attention.

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[114] This sum includes the EPB Chief's airport parking fees and the advance agent's POV mileage and hotel costs, among other minor expenses. Truscott claimed only airfare.

[115] The FTR § 300-3.1 defines contract carriers as "U.S. certified air carriers which are under contract with the government to furnish Federal employees and other persons authorized to travel at Government expense with passenger transportation service." The FTR § 301-10.107 requires federal employees to use contract carriers except under certain conditions, such as when "space or a scheduled contract flight is not available in time to accomplish the purpose of [the employee's] travel, or use of contract service would require [the employee] to incur unnecessary overnight lodging costs which would increase the total cost of the trip." ATF travel policy (ATF Order 1540.1, Chapter C) requires ATF employees to use government contract airline services unless their travel meets one of the exceptions cited in FTR § 301-10.107.

On Monday, October 31, the Administrative Assistant prepared Truscott's travel authorization form and faxed it to the Office of the Deputy Attorney General (ODAG) at 4:24 p.m., after Truscott had arrived in New York City. The Administrative Assistant told us that the delay in preparing and faxing the travel authorization was an oversight on her part. The travel authorization, which included the airfare amount of $843, was approved on that same day by the ODAG.

After the trip, on November 1, 2005, the Administrative Assistant prepared Truscott's travel voucher and submitted it to the ODAG. The Administrative Assistant told us, and e-mails reflect, that the ODAG inquired why it was necessary for Truscott to travel to JFK International Airport at a higher airfare, instead of to LaGuardia Airport at a lower, contract fare.

The Administrative Assistant responded by e-mail to the ODAG that Truscott could not depart Washington, D.C., any earlier on October 31 because of his heavy meeting schedule that day. She also stated that because of his meeting schedule and his arrival in New York during rush hour, he had to fly into the airport closest to the dinner, which was JFK International Airport.

The Administrative Assistant told us that she notified the EPB Chief that the Office of the Deputy Attorney General was questioning the airfare costs, but said she did not bring the matter to Truscott's attention.

On November 15, 2005, a JMD official sent a memorandum to ATF's Office of Management requesting, on behalf of the ODAG that a revised travel authorization be submitted for Truscott's travel, including a written justification for the higher-cost, non-contract airfare. The Administrative Assistant and EPB Chief prepared the revised authorization and sent it to the ODAG. The revised authorization stated "a non-contract fare @ a higher cost was being requested in order to meet the timing of the official event." It was faxed to the ODAG on November 23, 2006, and approved by that office on November 25, 2006.

The EPB Chief provided us with a copy of the electronic submissions prepared by him and the EPB advance agent containing estimates of their travel costs. Each estimate was submitted on October 28, 2005. The EPB Chief said that he submitted his estimate to his supervisor, the Chief of the Security and Emergency Programs Division, for approval. The EPB Chief was responsible for approving the advance agent's travel authorization.

Truscott said that all he could recall about the arrangements was that he told his Assistant, his Administrative Assistant, or the EPB Chief the approximate times he wanted to travel. He said that no one brought the airfare cost to his attention. In addition, he said that he was not aware of the airfare costs until after he had returned from the trip and saw the travel voucher that

his Administrative Assistant had prepared for him. He said that he was "outraged" by the high cost and brought it to the attention of his Assistant and Domenech. He said that he was unaware that the ODAG had questioned the cost.

His Assistant told us that a couple of days after the trip, when Truscott saw the travel voucher that the Administrative Assistant prepared for him, he questioned the Assistant about the excessive airfare cost. The Assistant said that Truscott directed him to pay more attention to travel costs in the future and to consider cheaper transportation options whenever possible. The Assistant told us that he was perplexed by Truscott's sudden concerns about cost because in the past Truscott's primary concern had been getting in and out of travel sites as quickly as possible. He added that Truscott's "marching orders" had been that he did not want to spend the night anywhere unless he had no other choice.

Domenech also told us that Truscott spoke to him about the excessive travel costs associated with the New York City trip. Domenech said that when Truscott brought the matter to his attention, Truscott already was aware of the excess costs because of the ODAG's queries. He said that Truscott told him that he would not have approved the cost if he had known how much it was.

Domenech said that he later spoke to Truscott's Assistant and Truscott's Administrative Assistant who told him that Truscott "wouldn't and didn't want" to stay overnight and therefore they had to select a late night return flight, which happened to have a non-contract fare. Domenech added that Truscott did not have any pressing business the day after the event and that Domenech thought it would have been cheaper for him to stay overnight in New York and either fly or take the train back the next day. Domenech told us that he told the Assistant and the Administrative Assistant to advise Truscott of any non-contract fares in the future.

3. Findings

We found that an excessive amount of ATF resources was used in connection with Truscott's attendance at the Marine Corps – Law Enforcement Foundation dinner held in New York City in October 2005. Truscott was met at the airport and transported to the dinner by an ATF advance agent and five ATF New York Field Division employees. The caravan was composed of three ATF field division vehicles. Four field division agents and the EPB employees waited outside the restaurant for four hours while Truscott attended the dinner and then drove Truscott back to the airport. We questioned the propriety of committing five special agents from the New York Field Division to transporting Truscott four miles to a restaurant to attend a charity function.

We were troubled by Truscott's indifference to the amount of ATF resources that were used to transport him to this event and by his characterization that having seven ATF employees, including a medic, accompany him to the function reflected a "measured" level of security. For the reasons discussed in Section V of this chapter, above, we were also troubled by Truscott's failure to take responsibility for the amount of resources used and his deferral of responsibility for this to EPB.

We also found that during this trip Truscott and one member of his protective detail incurred airfare costs that were substantially higher than the government contract flight fares. However, the evidence showed that Truscott was not made aware of the cost of the flights prior to the trip.

C. January 2005 Trips to Boston, Massachusetts, and Ottawa, Canada

1. Allegations

The complaint letter alleged that in January 2005, Truscott, accompanied by his protective detail and ATF's New Headquarters Building Project Manager, traveled unnecessarily to Boston, Massachusetts, to visit the architect of the new ATF Headquarters building. The letter alleged that this trip was unnecessary because the building plans had already been drafted and finalized and ATF staff and contract employees were subject matter experts qualified to deal with any building-related issues.

The complaint letter also alleged that after visiting Boston, Truscott went to Ottawa, Canada, accompanied by ATF's New Headquarters Building Project Manager and an Assistant Director. The letter alleged that although Truscott traveled to Canada to meet with ATF personnel and the Royal Canadian Mounted Police (RCMP), he spent much of the trip visiting buildings designed by the architect of the new ATF Headquarters. In sum, the letter alleged that this series of visits to examine examples of architectural design resulted in an expenditure of funds for which there was no apparent benefit to the government.

2. Evidence

On January 5, 2005, Truscott traveled to Ottawa, Canada. On the way to Ottawa, Truscott stopped off in Boston, Massachusetts for a total of 4.5 hours before continuing to Ottawa. We discuss the Boston and Ottawa legs of the trip in turn below.

a. Boston

In Boston, Truscott visited the office of Moshe Safdie, the architect of ATF's new Headquarters building. He also traveled to Salem, Massachusetts, to tour the Peabody Essex Museum, a building Safdie had designed. Truscott was accompanied on the trip by his Assistant, his Executive Assistant, the Assistant Director for the Office of Management (OM), and the New Headquarters Building Project Manager.

The idea for the trip appears to have originated with the Project Manager. The Project Manager told us that during this period of time she had been traveling to Boston at least monthly to meet with Safdie. She said that Safdie told her that he would like to meet Truscott the next time Truscott was in Boston. Safdie suggested that he give Truscott a computerized "virtual tour" of the new ATF Headquarters building and show him the Peabody Essex Museum auditorium, which was similar in design to the new ATF Headquarters auditorium.

The Project Manager said that she learned that Truscott was planning to travel to Boston to visit the company that manufactures ATF's badges. She said she and Truscott's staff decided that "it would make good economic sense" for Truscott to meet with Safdie at the same time. However, after the trip was scheduled, Truscott cancelled his visit to the badge manufacturer when he learned that he would not have sufficient time to visit both the company and Safdie and still make an early afternoon flight to Ottawa.

Truscott told us that on the Project Manager's recommendation, he stopped in Boston on the way to Ottawa to "get a sense of [Safdie's] vision for the building." Truscott told us that this was the first time he had met Safdie. He said Safdie subsequently visited Washington, D.C. and Truscott also met with him there.

Truscott told us that the OM Assistant Director went on the trip because she expressed an interest in going and because she was the Project Manager's supervisor. Domenech stated that Safdie had extravagant tastes and that the Project Manager had been screening Safdie's suggestions before presenting them to Truscott. He told us that before Truscott's trip to Boston, the OM Assistant Director and the Project Manager expressed concerns to him that Safdie might propose expensive design changes directly to Truscott that he might accept. He said that the OM Assistant Director decided to go on the trip so that she could try to prevent this from happening.[116]

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[116] We did not interview the OM Assistant Director because she is no longer employed by ATF.

Truscott told us that he asked his Executive Assistant to go on the trip because she was involved in decisions relating to the new Headquarters building and was interested in learning more about the building. The Executive Assistant told us that Truscott requested that she accompany him but did not tell her why. She said that at the time Truscott was trying to include her in a variety of different things. She told us that she did not feel that there was a good reason for her to be on the trip and believes that it was an inappropriate use of resources for her to go.[117] She added that she believes Truscott sometimes traveled with too many personnel.

When Truscott and the others landed in Boston, they were met by an EPB advance agent who had traveled to Boston from Washington, D.C., the day before. The Special Agent in Charge (SAC) of ATF's Boston Field Division and another field division Special Agent also met them at the airport gate. Waiting curbside at the airport were three Special Agent drivers, including a medic assigned to the Springfield Field Office (about an hour and 15 minutes away) in three ATF field division vehicles.

The SAC and the four field division agents drove Truscott and his group in the three vehicles first to Safdie's office and then to the Peabody Essex Museum. Truscott, his Assistant, his Executive Assistant, the Assistant Director, the Project Manager, and the SAC met with Safdie and visited the Peabody Essex Museum. The four field division agents waited either in their vehicles or in the lobbies of Safdie's office and the museum. After the museum tour, the field division agents drove Truscott's group back to the airport, where the Executive Assistant and the Assistant Director caught a return flight to Washington, D.C. Truscott, his Assistant, and the Project Manager continued to Ottawa.

We asked Truscott whether he thought the number of field division resources used for the Boston leg of this trip was appropriate, especially considering that he did not visit the field division. Truscott responded, "Anything . . . where the Director is in the district is a direct relation to the field division . . . ." He also stated that the EPB guidelines were "codified" by the Assistant Director for the Office of Professional Responsibility and Security Operations and by Domenech and not by him. Finally, he said that "when the Director and the executive staff, meaning the Deputy Director and the Chief Counsel, had decided that it's important enough for the Director to go to Boston, then if it takes some resources for a short period of time to facilitate that, I absolutely think it's appropriate."

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[117] During the OIG/Truscott meeting, Truscott stated that his Executive Assistant wanted to go on the Boston trip.

b. Ottawa

Truscott traveled to Ottawa to meet with various U.S. Embassy, ATF, and RCMP officials. He also visited two Safdie-designed buildings while there.

Truscott, his Assistant, and the Project Manager arrived in Ottawa at approximately 5:00 p.m. on January 5. They were met at the airport by the Assistant Director of ATF's Office of Enforcement Programs and Services (EPS), who had traveled separately from Washington, D.C. The EPS Assistant Director's responsibilities include oversight of ATF's office in Ottawa. The EPB Chief served as the advance agent and traveled to Ottawa on January 4. The entire group returned to Washington, D.C. on the afternoon of January 7.

During Truscott's stay in Ottawa, the RCMP provided two vehicles for transportation and armed security for the group.[118] The U.S. Embassy provided an additional vehicle which the EPB Chief used as the advance vehicle.

According to the EPB advance report, on the first full business day, January 6, Truscott and his party first traveled to the U.S. Embassy. Truscott, his Assistant, the EPS Assistant Director, and the ATF Attaché met for approximately 30 to 45 minutes with various embassy officials, including the Ambassador.[119] The EPS Assistant Director told us that the group discussed substantive issues at the meeting with the Ambassador. He said that the meetings with the other embassy officials, including the Assistant Regional Security Officer, the Secret Service Attaché, and the CIA Station Chief, were brief courtesy visits.

After that meeting, Truscott, the EPS Assistant Director, and the ATF Attaché met with the RCMP Commissioner and a Deputy Commissioner for about 30 minutes. The EPS Assistant Director told us that this was a substantive meeting concerning ATF mission-related topics. The EPB Chief and the Project Manager waited outside during this meeting and the embassy meetings.

Truscott and the rest of his party went to the Canadian Police College after the meeting with the RCMP Commissioner. The ATF Attaché accompanied them. At the college they were given an RCMP precision riding demonstration, a tour of the stables, and a briefing on the horse program and the history of the RCMP. Afterwards, Truscott and most of his party attended a 2-hour working lunch with RCMP officials. The EPB Chief said that he and the

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[118] Due to Canadian law, the EPB agents were not permitted to carry their weapons.

[119] ATF maintains an office at the U.S. Embassy in Ottawa.

Project Manager did not attend the working lunch but instead had lunch on their own.

At approximately 2:30 p.m. that day, the group traveled to the National Gallery of Canada. According to one witness, they took a "very long" tour of the museum with a Safdie associate. The group then traveled to the Ottawa City Hall for an additional tour with the Safdie associate. At about 5 p.m., the group returned to the hotel.

On January 7, Truscott and his group went to the U.S. Embassy. There Truscott met with the ATF Attaché, the Assistant Attaché, and the Chief of Station from approximately 9:30 to 10:30 a.m. Afterwards, the group went to the RCMP National Operations Center, where they were given a 45-minute tour. Truscott, his Assistant, the EPS Assistant Director, the EPB Chief, and the Project Manager then went to a restaurant for lunch and afterwards were taken to the airport for their return flights.

Truscott said that he visited the two Safdie-designed buildings in Ottawa because Safdie and the Project Manager wanted him to see them since they were similar in some ways to the new ATF Headquarters building. He emphasized that seeing these buildings was not the main purpose of the trip. He said that the Project Manager came along on the trip because she was familiar with the two buildings and knew the individuals who took them on the building tours. Domenech also said the Project Manager was the only person who could clearly articulate the design of the museum as it related to the design of the new Headquarters building.

The Project Manager said she was on the trip solely to accompany Truscott to the Safdie buildings. She said she did not attend the embassy or RCMP meetings, and that she "tagged along" with Truscott to the RCMP riding demonstration and the National Operations Center.

3. Findings

We found that it was not improper for Truscott, as Director of ATF, to meet with the architect for the new Headquarters building and to view buildings that the architect had designed. Although it is reasonable to question why a component head would choose to spend his time and agency resources on such a trip, it was within Truscott's discretion to determine that a meeting with the architect and tours of buildings the architect had designed could help inform his decisions on the project.

However, we question Truscott's judgment in involving so many Headquarters and Field Division resources on the meeting with Safdie and tour of the museum in Boston. Truscott was accompanied in Boston by five ATF Headquarters employees. Of those five employees, only the Project Manager

was extensively involved in the new building project. Moreover, Truscott's Executive Assistant told us that she did not know why Truscott wanted her on the trip and felt that it was inappropriate for her to be there.[120] The Executive Assistant, the OM Assistant Director, and the EPB advance agent returned to Washington, D.C. after the Boston visit. The travel costs for the Executive Assistant and the OM Assistant Director for their brief visit totaled approximately $849.

In addition, five Boston Field Division agents – the SAC and four field division agents – joined the EPB advance agent in escorting Truscott and his group from the airport to Safdie's office and then to the museum. Three ATF vehicles were used to transport the group. The SAC joined Truscott and others with the architect and at the museum while the four field division agents and the EPB advance agent waited in the cars or lobbies of the buildings.

For the reasons stated in Section V of this chapter, above, we found the extensive use of field division resources on the Boston leg of the trip to be troubling. Moreover, Truscott's justification that the use of these agents was "in direct relation to the field division" simply because he was in the district indicated to us a disturbing indifference to the need to use agency resources efficiently. Further, because of our knowledge of Truscott's involvement in shaping EPB procedures, we were troubled by his tendency to place responsibility for EPB's actions on others, in this case the Assistant Director for the Office of Professional Responsibility and Security Programs and Domenech, whenever EPB's procedures came under scrutiny during the investigation.

We did not find Truscott's tours of Safdie-designed buildings while in Ottawa to be improper. It is undisputed that Truscott's trip to Ottawa had a legitimate agency purpose and that a substantial amount of time during the trip was spent in official meetings with U.S. Embassy, ATF, and RCMP officials. We concluded that it was within Truscott's discretion to tour the two buildings and therefore his actions were not improper.

VII. ATF Reception at International Association of Chiefs of Police Conference

A. Allegation

ATF hosted a reception aboard a yacht during a September 2005 International Association of Chiefs of Police Conference in Miami Beach,

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[120] As noted, during the OIG/Truscott meeting Truscott stated that the Executive Assistant wanted to participate in the Boston trip.

Florida. According to the anonymous complaint, ATF had contracted for 200 guests to attend the event; however, at least 600 people attended, resulting in a charge to ATF of $46,354. Appropriated representation funds available for that fiscal year were only $25,000, resulting in a potential Anti-Deficiency Act violation. The anonymous complaint alleged that the cost of the event and related security services was excessive and illustrated a "gross mismanagement of public funds" by Truscott.[121]

B. Evidence

1. Chronology of the ATF reception

The International Association of Chiefs of Police (IACP) holds an annual conference for members of the law enforcement community.[122] The 2005 IACP Conference was held in Miami Beach, Florida, from September 24 through 28. On September 25, 2005, ATF hosted a dockside reception aboard a 120-foot yacht at the Conference.

ATF's Office of Public and Governmental Affairs (PGA), Liaison Division, had primary responsibility for planning the reception. According to the Senior Program Analyst (Program Analyst) assigned to organize the reception, planning began in February or March 2005 with a tour of available hotels and venues in Miami Beach. The Program Analyst said that her office narrowed the selection down to three possible venues, including a 120-foot, four-level yacht owned by a charter boat company. The company had been identified during the tour and recommended by an employee in ATF's Miami Field Division who used to be in the hotel business.

The Program Analyst said that in late July or early August 2005, she and the Chief of the Liaison Division went to Miami Beach to explore the three options. She said that by the time of this trip, she had been told by Domenech that the ATF reception was likely going to be sponsored by three organizations – a company and two foundations – contributing a total of $20,000, and that she and the Chief of the Liaison Division thus knew they had to keep the cost

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[121] The cost overrun portion of this allegation is the subject of at least one Congressional inquiry from Senator Bill Nelson of Florida. The ATF Chief Counsel told us that ATF has received two Congressional inquiries into this matter, but was unable to recall who made the other inquiry.

[122] According to an IACP website, "The International Association of Chiefs of Police is the world's oldest and largest nonprofit membership organization of police executives, with over 19,000 members in over 100 different countries. The IACP Conference is a closed show which is open only to IACP members and their guests."

of the event under that amount.[123] Domenech told us that sponsors have been paying for these events on ATF's behalf for the past five or so years.

The Program Analyst stated that she and the Chief of the Liaison Division met with the charter boat company to discuss the reception. She said that she and the Chief told the company that ATF had sponsors for the event who would pay directly to the company. She said that the company asked for an estimate of how many people would attend the reception and that she and the Chief told the company that historically about 200 people had attended. She said the company assured them that it could handle at least that number of guests.

The Program Analyst stated that a few days after she and the Chief of the Liaison Division returned from Miami, she presented the three proposed venues to the ATF's Executive Staff.[124] She said she, the Chief, Truscott, Domenech, Truscott's Chief of Staff, Truscott's Assistant, Truscott's Executive Assistant, and the PGA Assistant Director were at the meeting. The Program Analyst said her office passed out a briefing booklet that described each of the venues and that each venue's proposal was based on 200 attendees.

According to the Program Analyst, Truscott asked a lot of specific questions at the meeting about all the venues. She said that initially Truscott was not keen on the charter idea until it was explained to him that the boat could be docked so that people would be free to come and go. Truscott's Assistant said Truscott asked if anyone would be monitoring to ensure that only invited guests were let in and that he asked what would happen if a police official showed up without an invitation. The Assistant said the answer was that they would "check out" the person. He said that Truscott responded, "Well, you're not going to turn them away, are you?" He said that Truscott did not want anyone to be embarrassed. The Assistant also stated that the overall $20,000 cost of the reception was discussed at this meeting, but not the basis on which the cost had been calculated.

According to the Program Analyst, the PGA Assistant Director told her that a few days after the meeting Truscott and Domenech selected the yacht charter as the reception site. The Assistant Director, however, told us that the

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[123] The event was sponsored by Sony BMG Music Entertainment ($10,000); the Federal Drug Agents Foundation ($5,000); and the Federal Enforcement Homeland Security Foundation ($5,000). Because the event was held at the end of the fiscal year, ATF would not have had sufficient funds remaining in its $25,000 representation fund to cover the full cost of the event. On September 19, 2005, in anticipation of the reception, ATF purchased commemorative lapel pins at a cost of $2,320. Based on a review of the representation fund logbook for FY 2005, the representation fund had an available balance of $4,387 after the lapel pin purchase.

[124] The three venues were the yacht, the ballroom of the hotel where ATF was staying, and a theme park.

Executive Staff decided on the venue as a group. Truscott told us that the decision to hold the reception on the yacht was the result of a "recommendation," and that because of a "unanimous decision of my staff, I went along with that." Truscott stated that he polled his staff on the decision because he was "concerned about the perception of having a reception on a boat." The Chief of Staff also told us that the PGA staff recommended holding the event aboard the yacht and that both he and Truscott were concerned about perception but went along with the idea.

The Program Analyst said that once the venue was selected, her office contacted all the Assistant Directors for their final invitation lists. She said she believed that her office forwarded the compiled list to Truscott to ensure that no one had been overlooked. She said that because they wanted to keep the attendee numbers down, ATF requested that the IACP indicate in its booklet of events that the ATF reception was by invitation only. The OIG reviewed an IACP Conference Tentative Reception Schedule (dated September 6, 2005), which stated that the ATF reception was to be by "Invitation Only."

Truscott told us that he was unaware of whether the reception was to be by invitation only, adding, "I'm sure [invitations] were handed out, but the idea is if I handed one to you and you brought two people from your organization, obviously, they would be welcome."

The Program Analyst said that ATF sent out a total of 500 invitations in anticipation that only half of the invitees would attend. Domenech told us that in addition to the list of invitees approved by Truscott, which based on the list reviewed by the OIG numbered approximately 80, ATF also gave each of its 23 field divisions five to ten invitations that they could provide to local law enforcement officials. Some invitations were also given to the Assistant Directors to distribute.

On August 24, 2005, the charter boat company faxed to the Program Analyst an event contract, a menu selection, and an invoice for the event. Both the event contract and the invoice indicated that the event would cost a total of $19,251, including a charter fee and a $1,000 refundable security deposit.[125] The contract and invoice also showed that the overall cost was determined by multiplying the "unit price" for food and bar service by the "quantity" of 200. The contract provided to the OIG by ATF is unsigned. The Program Analyst told us that to her knowledge the contract was never signed by ATF, and that this was probably because the sponsors, not ATF, would be making direct payments to the charter boat company for the event.

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[125] According to the Program Analyst, ATF decided to apply the $1,000 security deposit toward the purchase of an ice sculpture of the ATF seal to be displayed aboard the yacht during the reception rather than return it to the three sponsors.

The ATF employees we spoke with generally understood ATF's arrangement with the charter boat company to be based on a 200-guest limit. The Program Analyst told us that she interpreted the terms of the contract to mean that ATF was only authorizing the charter boat company to provide enough food and beverages for 200 people and that when the food and beverages ran out, no more would be provided. She said that in the past, once ATF and the vendor signed a contract for a specific amount of food and beverages, no additional food and beverages were provided. She also stated that in the past ATF had signed contracts with the vendors because only half of the cost was paid by the sponsors with the balance coming out of the ATF representation fund.

Similarly, the PGA Assistant Director stated that he was told that the cost for the event was based on a flat rate and that this rate was negotiated based on the number of anticipated attendees. Domenech told us his understanding was that the cost was based on a combination of number of hours for the event and the "projected headcount for the food." Truscott said that he was not aware of the terms of the contract prior to and at the time of the event and that based on his experience with a previous ATF reception at an IACP conference, it would have been a "bad business practice" to agree to a per person arrangement.

ATF's Chief Counsel told us that he had not been made aware of the terms of the contract or the basis for the invoice until after the event, when a dispute arose regarding a second invoice from the charter boat company. The Chief Counsel said he was not certain whether anyone in his office had been asked to review the terms of the contract or the invoice prior to the event.

The ATF reception was held from 6:00 to 8:00 p.m. on September 25, 2005. According to several witnesses, many more people than expected came to the reception, and the yacht became extremely crowded with guests. The Program Analyst told us that after the first hour the food was gone, the bar was going dry, and people were complaining. She also told us that three of the four levels of the yacht were being used and that at one point, a decision was made to open up a fourth level to accommodate the extra people.[126]

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[126] The PGA Assistant Director and Domenech told us that the captain agreed to open up a fourth level for an extra fee. Domenech told us that he gave the Assistant Director verbal authorization to do this. The Program Analyst told us the level was opened for about 20 minutes but was then closed because no one was using the space. Domenech told us that ATF may have been charged between $1,500 and $2,500 for this extra space. A log of expenditures from the representation fund lists an entry dated September 29, 2005, showing that $2,500 was spent on the ATF reception for "catering services." This charge is not separately itemized on either of the invoices sent to ATF by the charter boat company, and it is not clear if the payment actually was made or otherwise reimbursed by a sponsor. A January 31, 2006, e-mail from the Program Analyst to Truscott's Executive Assistant and others states that no FY 2005 representation funds were used for the reception.

Several witnesses also told us that the captain of the vessel sat by the entrance and held a clicker, which the witnesses generally assumed was for the purpose of counting the number of people boarding the yacht. The Program Analyst stated that several people came aboard the yacht but then turned around and left upon seeing how crowded it was. She said that the captain clicked them in anyway. Domenech told us that so many people arrived that they had to "stagger" their entrance onto the yacht. A photographer from ATF's Visual Information Branch (VIB) told us that he recalled that the yacht became so crowded that ATF employees were asked to disembark, leaving only the guests and dignitaries on board.

Several witnesses stated that Truscott mainly stayed aboard the yacht by its entrance during the event. Truscott's Assistant said that he was with Truscott on the "receiving line" as Truscott greeted arriving guests. The VIB photographer also said Truscott greeted guests at the entrance. The Program Analyst told us that Truscott was on the receiving line from about 6:00 to 7:00 p.m. or 7:30 p.m. and that he then went upstairs on the yacht.

Truscott told us that he did not see anyone showing invitations as he greeted them when they arrived. The Program Analyst stated that attendees were not required to show their invitations to enter the venue, just their conference identification (ID). She said that the Executive Protection Branch security agents checked conference IDs at the entryway. Domenech told us that he was on the "receiving line" with Truscott and that invitations of arriving guests were checked, but only for the first half-hour of the reception.

2. Security at the ATF reception

Domenech told us that when he arrived at the reception, he observed that approximately 15 to 20 ATF special agents from the Miami Field Division were providing security for the event. He stated that a patrol boat manned with local police and an ATF special agent also had been provided by a local municipality to make sure no one came close to the yacht. Domenech said he found this security arrangement to be "excessive . . . overkill." The Assistant Director for the Office of Field Operations told us that the ATF Miami Field Division office "virtually shut down" during the reception to provide security.

Domenech stated that he ordered the number of special agents providing security for the event reduced to approximately three or four. Domenech told the OIG that he believed Truscott would have approved the original security arrangements involving the larger group of agents because in his experience Truscott always wanted to know every detail of the security arrangements. Domenech also stated that Truscott would have been briefed by Truscott's Assistant about security prior to the reception.

Truscott's Assistant told us that Truscott had suggested to him having a security patrol near the yacht in case someone fell into the water. The Assistant said that this was Truscott's way of "educating" him on proper procedures. The Assistant said that he contacted the Miami Field Division about this and that the field division made arrangements for the Miami Beach police to run a patrol boat around the yacht. According to the Assistant, the Miami Beach police agreed to patrol near the yacht as part of its routine water patrol, although he personally did not see the patrol boat during the reception. The Chief of the Executive Protection Branch also told us that the patrol boat was coordinated through the Miami Field Division and that the Executive Protection Branch's only responsibility was the protection of Truscott and the executive staff.

Truscott's Assistant also told us that he recalled seeing between six and eight special agents from the Miami Field Division providing security at the reception.[127] He stated that Truscott never requested any particular number of agents to provide security, although the Assistant said he would have told Truscott about the security arrangements as a matter of course. He stated that Truscott may have asked him how many agents would be used and where they would be posted, but that would have been the extent of Truscott's involvement.

Truscott told us that he spoke with his Assistant about the idea of having a patrol boat near the yacht because "you're going to have the heads of many law enforcement agencies there. . . . I did think it was appropriate to make sure that we did something so we had some idea what was taking place on the water so we didn't have some sort of waterborne attack." When we asked Truscott whether he knew the extent of the resources drawn from the Miami Field Division in connection with the event, he responded, "I don't have any idea."

3. Developments after the ATF reception

On September 26, 2005, the day after the reception, the charter boat company faxed another invoice to ATF in the amount of $46,354. The invoice included a service fee, crew gratuities, and the same "unit price" for food and bar service as the August 24, 2005, invoice but this time multiplied by a "quantity" of 600. The e-mail from the charter company transmitting the invoice to the Program Analyst stated, in relevant part:

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[127] The Assistant said it was possible that 15 to 20 special agents were involved in providing security if they were working in shifts, which he did not know to be the case. As noted, the event was scheduled to last two hours.

> I hope all went well last night. Your event must definitely be the talk of the convention! Attached, please find the invoice reflecting the balance for the overage of 600 passengers. Please note that only the food, bar service fee and gratuities are being charged.

The Program Analyst said that when the charter boat company representative who had sent the e-mail to her did not hear back from her that day, the representative called the Chief of the Liaison Division. According to the Program Analyst, that was when her Division Chief first learned that the charter boat company was taking the position that the cost of the event was based on the number of attendees. The Program Analyst stated that ATF's position was that it only ordered the quantities listed on the contract and did not authorize any additional quantities. The Program Analyst also said that the Chief told the representative that the food had run out about an hour into the event.

The Program Analyst stated that the captain of the yacht claimed he provided extra food that had been ordered for the next day's charter on the same vessel. She said that ATF asked the company to prove this by showing them the contract for the other charter. The Program Analyst said that the company never provided this documentation. She told us that she was in Miami for three or four days after the reception and noticed that the yacht was docked and closed during that entire time. She therefore questioned the captain's assertion about a charter the next day.

The Program Analyst stated that shortly after she returned from Miami, the Liaison Division Chief advised her that he had turned the matter over to ATF counsel and that counsel had advised him to refer all calls and e-mails to the Chief Counsel's Office.

ATF's Chief Counsel stated that his office has asked the charter boat company for an itemization of costs incurred "above what was agreed upon," and had not received a response as of July 27, 2006. The Chief Counsel said he was aware of two Congressional inquiries into the alleged cost overrun matter and stated that his office has requested more information from the charter company. He said that ATF has not yet made any determination as to whether it is legally obligated to pay the overage to the charter company. The Chief Counsel also said that he had not discussed the matter with Truscott.

ATF's Office of Public and Governmental Affairs Liaison Division prepared an IACP Conference "After-Action Report" (November 29, 2005) to "determine which areas were successful and which areas can be fine-tuned in the future to promote outreach and education." The report noted that the reception "drew the largest attendance in ATF's reception history (reportedly over 600 guests)." Under a section entitled "Suggestions for 2006," the report stated that larger reception sites should be selected in the future, and that ATF should

"specifically negotiate (and put in contract) clear guidelines on the point in which the caterer is to cut-off food service and/or entry so we are charged for the amount of food/beverage consumed and not the number of attendees." (Emphasis in original). The report also suggested printing more invitations for next year to hand-deliver at the conference. The Program Analyst told us that she does not think ATF is planning a reception for the 2006 IACP conference.

Truscott told us that he first learned about the cost dispute concerning the reception a "couple of weeks" before his March 9, 2006 interview with the OIG. In a January 31, 2006, e-mail to the Associate Deputy Attorney General, he stated:

> I was just handed a congressional inquiry from Senator Bill Nelson (Florida) on behalf of his constituent (the reception venue) with a discrepancy of $46,354.44 versus ATF's acknowledged discrepancy of $2,500.00 which I mentioned earlier today. An enormous discrepancy and we are still sorting through it.
>
> I am not asking for any action on your part. I just wanted to clarify what I told you earlier today which was the most up-to-date information I had at the time of our discussion.[128]

C. Anti-Deficiency Act Issues

Acting Assistant Attorney General for Administration Lee Lofthus told us that, according to the Justice Management Division's Office of General Counsel, ATF was limited to the $25,000 that had been appropriated for its representation fund in FY 2005 and would be in violation of the Anti-Deficiency Act if it exceeded this amount to pay for the reception. Lofthus stated that so long as no valid claims have been filed against ATF for additional payments, there would be no deficiency issues.

Lofthus also stated that pursuant to DOJ Order 2030.4E, entitled "Control of Funds Under Apportionment" (May 6, 1993), ATF would have committed a reporting violation in connection with the reception had it in fact violated the Anti-Deficiency Act. Specifically, under Paragraph 16 a. of the DOJ Order, "The head of an [office, board, division] or a bureau must report to the Assistant Attorney General for Administration through the Controller any violations of Sections 1341(a), 1342 and 1517(a) [of the Anti-Deficiency Act].[129] Lofthus told us that the duty of the head of a bureau – in this instance

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[128] The OIG believes that the $2,500 "discrepancy" is an apparent reference to the cost of opening up a fourth level of the yacht.

[129] See also 31 U.S.C. § 1351 (requiring officer or employee in violation of section 1341(a) to report such violation to the President and Congress).

Truscott – to report the violation is "non-delegable." Lofthus added that DOJ Order 2030.4E has now been superseded by 2030.4F, which states, in relevant part: "Any individual who knows of *any possible* Anti-Deficiency Act violation must report it." (Emphasis added.) That order took effect on February 14, 2006, and thus would not apply to the ATF reception.

D. Findings

We concluded that the ATF reception was poorly planned and executed by the agency, but that Truscott was not responsible for the resulting problems.

We found that ATF did not pay for the reception out of its FY 2005 representation fund appropriation as implied in the anonymous complaint. The testimony and documents considered by the OIG established that three sponsors paid for the undisputed portion of the bill for the event.

A review of ATF's representation fund logbook showed that the only expenditures ATF paid in connection with the event were $2,320 for commemorative lapel pins and $2,500, presumably to open a fourth level on the yacht. While it is not yet clear whether ATF will have legal liability for any portion of the $46,354 in extra costs claimed by the charter boat company, we concluded that Truscott was not responsible for planning the ATF reception and was not aware of the terms of ATF's arrangement with the charter boat company.[130] Truscott relied instead on those who had experience planning similar events in the past.

We believe the ATF should have exercised more diligence in the planning of the event. The initial contract and invoice sent to ATF on August 24, 2006, reflected that the cost of the reception was to be based on a per-person formula. This is evident from the columns designated "unit price" and "quantity" on both documents. While the terms of the agreement were not otherwise explicitly delineated, the documents as written should have caused ATF's event planners to consider the possible implications if more than 200 guests were to attend. At a minimum, staff in the Public and Governmental Affairs directorate who reviewed the contract and the invoice should have sought the advice of the Chief Counsel's Office on this matter.

Based on the materials provided to the OIG, we saw no evidence that ATF entered into a written contract with the charter boat company. The absence of

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[130] It was not clear from the wording of the invoices and other relevant documents whether the charter boat company intended the second invoice for $46,354 to be an update of the first invoice for $19,251 or to be a charge in addition to the amount of the first invoice.

a firm agreement with the company was bound to invite the kind of dispute in which ATF finds itself embroiled.

Truscott said he did not become aware of the second invoice for $46,354 until on or about January 31, 2006, when ATF received an inquiry from Senator Nelson about the outstanding bill. The DOJ Order in effect at the time of the event only required notification if an anti-deficiency violation had occurred. We found that there was no deficiency at that time and Truscott was under no duty to provide notice of a potential deficiency based upon the charter boat company's claim for additional payment.

Several witnesses we interviewed questioned the need for such extensive security at the event, including a patrol boat in the harbor suggested by Truscott. While we agree that some level of security was appropriate for this event, we question the amount of ATF resources used for security and the need for a patrol boat. However, the security arrangements did not cost the ATF additional money. While we question the need for such a level of security, we cannot conclude that it was improper for the ATF to arrange for this security at this event.

VIII. Use of Representation Fund

A. Allegation

The anonymous complaint alleged that on numerous occasions Truscott invited individuals with no apparent connection to ATF activities to have lunch at U.S. government expense in his office or at nearby restaurants. The complaint alleged that this was a misuse of Congressional earmarked representation funds and therefore a violation of appropriations law.

B. Evidence

ATF's annual appropriations specially designate the amount to be used for official reception and "representation" expenses. The amount designated for this purpose was $18,000 for FY 2004, $25,000 for FY 2005, and $40,000 for FY 2006.

DOJ Executive Order 2110.31B, dated March 22, 2002, authorizes the representation funds of DOJ components to be used to: (1) extend courtesies to representatives of foreign countries, (2) fund official activities that further the interests of DOJ, or (3) host events and provide mementos to State and local officials and community leaders, in furtherance of the interests of DOJ.

ATF Order 1100.163A, dated August 10, 2004, prescribes procedures applicable to ATF's representation fund. The Order states that the purpose of

the representation fund is "to pay for official, exceptional expenses in support of furthering an official mission of the Bureau that cannot be paid for from general appropriations." The directive allows the representation fund to be used for "[e]ntertainment . . . to promote personal relationships necessary to enhance the performance of [ATF]," but not for "[s]trictly personal relationships serving merely the individual and not the Bureau as a whole."

We reviewed ATF documents concerning representation fund expenditures for the period April 19, 2004 (Truscott's arrival date), through February 21, 2006. We found 17 instances during this period in which the representation fund was used to pay for lunches that took place either in Truscott's office or at a nearby restaurant. Participants in these lunches included representatives of nonprofit organizations such as the Boys & Girls Clubs of America and HEROES, Inc.; foreign dignitaries; former ATF management officials; U.S. Senate staffers; and employees of other federal agencies.[131] These 17 expenditures totaled $392.66.[132]

We found that three of these lunches were questionable uses of the representation fund, although they involved very small amounts of money. We discuss each of these lunches below.

On December 21, 2005, Truscott, his Chief of Staff, and two ATF Assistant Directors had lunch in Truscott's office with a former DEA employee who was involved in a DEA museum.[133] A National Football League (NFL) referee who was a friend of the former DEA employee also attended the lunch. Truscott used the representation fund to pay for both of the guests' lunches. One of the Assistant Directors who was present told us that his directorate was responsible for developing ATF exhibits for the new Headquarters building and that at the lunch the former DEA employee provided information on how DEA's museum operated. However, this Assistant Director, Truscott, and Truscott's Chief of Staff told us that the NFL referee had no connection with ATF business and was basically just tagging along with the former DEA employee. We

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[131] HEROES (Honor Every Responsible Officer's Eternal Sacrifice), Inc. is a nonprofit organization dedicated to aiding families of law enforcement officers and firefighters who have died in the line of duty in the Washington, D.C. metropolitan area.

[132] Truscott stated during the OIG/Truscott meeting that no representation fund money was used to pay for any ATF employee's lunch.

[133] None of the witnesses had a clear recollection of the nature of the former DEA employee's involvement with the DEA museum. Truscott told us that this individual used to work for the DEA and was "instrumental still in the museum that DEA has." Truscott's Chief of Staff said that the individual was "associated" with the DEA museum and gift shop. One of the Assistant Directors said that this individual "headed up" DEA's memorial foundation and was working on creating a traveling exhibit. The other Assistant Director said that this individual was "involved" with a DEA memorial project.

therefore question the use of the representation fund for the NFL referee's lunch. The cost of the NFL referee's lunch was $20.43.

In addition, Truscott had lunch in his office on June 20, 2005, with a Lockheed Martin employee. This individual's lunch was paid for from the representation fund. Truscott told us that at the time of the lunch ATF had no current or pending business with Lockheed Martin. He said that he has known this individual for years from meeting her at various U.S. Secret Service events and that they met for lunch at her suggestion.[134] He said that the reason they had lunch in his office was that he wanted to avoid having her pay for his lunch out of Lockheed Martin funds. He also told us that he spent most of the time at the lunch telling her about the great things going on at ATF. We were unable to discern why this lunch was "necessary to enhance the performance" of ATF. Moreover, according to Lee Lofthus, the DOJ Acting Assistant Attorney General for Administration, this lunch was problematic because it could give the appearance of ATF giving preferential treatment to a potential contractor. The cost of the Lockheed Martin employee's lunch was $10.60.

On February 25, 2005, Truscott, Domenech, and a senior official in the Office of the Director had lunch in Truscott's office with the former Director and former Deputy Director of the U.S. Marshals Service (USMS). Lofthus told us that DOJ does not use representation funds for intra-DOJ meetings or for intra-DOJ component head meetings. He said that the rationale behind this practice is that the purpose of the representation funds is to promote "relationships of value" with outsiders and that the Department has a pre-existing "relationship of value" with its components. Lofthus also said that this was an unwritten policy, but was based on DOJ's interpretation and application of the DOJ Order. Accordingly, we questioned this use of the representation fund. The total cost of the USMS officials' lunches was $19.00.

When we asked Truscott about his use of the representation fund for lunches, he told us that "scheduling requests" are sent to the Chief Counsel's Office for review and approval for all of Truscott's meetings, including lunches.[135] Truscott also told us that the responsibility for ensuring that

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[134] Truscott stated that the Lockheed Martin employee "has an affiliation with law enforcement" and speculated that she "likes to maintain professional relationships with people in the law enforcement community." Truscott did not elaborate on the employee's affiliation with law enforcement.

[135] Truscott reiterated this point during the OIG/Truscott meeting, and stated that any lapse in this process was due to the Chief Counsel's failure to review the scheduling request or his Administrative Assistant's failure to make note of the scheduling request, although Truscott said he takes ultimate responsibility for any lapse.

representation funds are properly used belongs to the fund custodian and with Domenech, who is the approving official for the expenditures.

However, Truscott's Executive Assistant told us that Truscott did not specify that he wanted scheduling requests approved by the Chief Counsel's Office for lunches until the end of January 2006. In addition, we observed that the representation fund file contained documentation of only one instance where the Chief Counsel's Office provided a legal opinion on the propriety of a lunch. Moreover, ATF's Chief Counsel told us that he had no specific recollection of discussing the propriety of any representation lunch expenditures with Truscott. In addition, an e-mail from an attorney in the Chief Counsel's Office to Domenech dated March 21, 2006, stated "We do not normally see [representation] fund charges before they occur."[136]

Domenech told us that because he is the approving official for the representation fund, he tried to ensure that Truscott was aware of the proper use of the fund. He said that he told Truscott on at least half a dozen occasions that there had to be an official reason for the government to pay for a lunch and that the reason had to be more than Truscott's desire to have a lunch. Domenech told us that typically Truscott would invite him to the lunches and ask him for input regarding the guests, and, if he did not attend, brief him afterwards on the results of the lunch. He said that typically Truscott would also ask one of the Assistant Directors to put together a briefing paper regarding the organization whose representative was coming to lunch. Domenech said that in December 2005 Truscott stopped inviting him to or informing him of the results of the lunches and stopped requesting briefing papers to prepare him for the lunches. Accordingly, Truscott did not provide Domenech with details about every lunch.[137]

According to the Deputy Assistant Director for the ATF's Office of Management, she and Domenech are responsible for certifying that the representation funds are used correctly. She told us that when certifying a particular expenditure, she reviews the overall appropriateness of the expenditure. Specifically, she determines whether the expenditure falls within the guidelines for allowable expenditures and is not something specifically

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[136] The e-mail also stated that the ATF's Financial Management Division was in the process of rewriting its representation fund order and that it had agreed with Counsel's request that Counsel be consulted before a representation fund charge is processed. The e-mail also indicated that Counsel was planning to provide training to ATF's senior executive staff on the use of the representation fund.

[137] As noted earlier, Domenech was present at the lunch that we questioned involving USMS officials. He was not present at the lunch with the Lockheed Martin employee. He told us that he was not present at and had not been briefed on the lunch involving the former DEA employee and the NFL referee. We did not ask Domenech whether he was aware of, or had been briefed on the lunch involving the Lockheed Martin employee.

prohibited under ATF policy. She said that it was not possible for either her or Domenech to know whether all of Truscott's lunch meetings were related to ATF business. Therefore, they had to rely on Truscott to make that judgment.

C. Findings

Our review identified three instances where Truscott hosted lunches in his office that did not appear to "promote personal relationships necessary to enhance the performance of [ATF]" as required under ATF Order 1100.163A. The total cost of the questionable expenditures was $50.03. According to Lee Lofthus, the DOJ Acting Assistant Attorney General for Administration, there is no "de minimis" exception to improper usage of the representation fund based on the amount of money involved.

Once again, we were troubled by Truscott's attempts to shift responsibility for the propriety of the expenditures to the Chief Counsel's Office and Domenech. As the Director of ATF, Truscott was responsible for ensuring that his use of appropriated representation funds was in accordance with DOJ and ATF regulations. We found that despite his assertions to the contrary, Truscott rarely sought Counsel's opinions on the appropriateness of his lunch meetings.

IX. Creation of a Hostile Work Environment

A. Allegation

The anonymous complaint alleged that Truscott required two female administrative staff members, a GS-12 and GS-13, to arrange for and serve lunch to him and his guests in the Director's office. The two staff members were instructed to announce that "Lunch is served," causing them humiliation and forcing them to engage in a work activity that was outside the scope of their duties.

B. Evidence

As discussed in the previous section of this report, Truscott frequently invited guests to his office for lunch. According to several witnesses, initially the lunches were modest, consisting of cold cut sandwiches and chips on Styrofoam plates. In approximately December 2005, after Truscott told his executive staff at a meeting that he wanted to "kick it up a notch," the lunches escalated into more elaborate events consisting of hot meals on china.

One of the Administrative Assistants who served the lunches was Truscott's Administrative Assistant and the other was Domenech's

Administrative Assistant.[138] Both women confirmed that they prepared for, served, and cleaned up after the lunches.[139]

Truscott's Administrative Assistant told us she typically prepared for the lunches by laying out a linen tablecloth and then setting up china, glassware, and silverware. She said she did not recall Truscott directly asking her to do this. She told us that her predecessor had handled the lunches for Truscott and had given her instructions on how to prepare the table settings, and so she believed she was expected to do so as well. She said she also was responsible for retrieving ice from the basement of the ATF building for beverages.

Truscott's Administrative Assistant told us that as the lunches grew more elaborate, her duties increased. She stated that Truscott's additional instructions, which were relayed to her through Truscott's Assistant, included laying out the condiments, sauces, salads, and desserts before the guests arrived, and then waiting a specified amount of time before serving the main dish. After the meals, she and the other Administrative Assistant served coffee to Truscott and his guests, and then the two cleaned up. She stated that Truscott usually offered to help clean up, but that she and the other Administrative Assistant would tell Truscott that they could handle it.

Truscott's Administrative Assistant told us that at one point Truscott's Assistant told her that Truscott would like her to say, "Lunch is served, sir." She said she recalled making this announcement at only one lunch. She said she found this request "a little bold" and "somewhat demeaning." She also stated that "he's the Director, he's my boss, so I do what I'm asked to do."

Truscott's Assistant confirmed the Administrative Assistant's account of the lunches. Specifically, he told us that Truscott gave him instructions to pass along to the Administrative Assistant as to how to set the table and how long to wait before serving the food to Truscott and his guests. He further told us that Truscott had asked him to instruct the Administrative Assistant to announce "Lunch is served, Director," on at least one occasion.[140] Truscott's

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[138] Truscott's Administrative Assistant began working for him in January 2005. Domenech's Administrative Assistant began work in March 2005.

[139] Our review of the representation fund log and supporting documents indicates that three hot lunches were served in Truscott's office between November 29, 2005, and January 19, 2006. The lunches consisted of salad, bread, baked lasagna and ziti, and cheesecake. The food had been brought in from a nearby restaurant.

[140] During the OIG/Truscott meeting, Truscott disputed that he had instructed his Assistant to tell the Administrative Assistant to announce that "Lunch is served." Truscott stated that his Assistant had asked if it would be permissible to interrupt Truscott's meetings in his office with the lunch guests because the Assistant needed to know when to break into the meeting when lunch was ready. According to Truscott, he agreed that staff could interrupt (continued)

Assistant also told us that Truscott told him to instruct the Administrative Assistants to be sure that the food was warm when it was served.

Domenech's Administrative Assistant said she was responsible for the same general responsibilities described by Truscott's Administrative Assistant. She also said that she and Truscott's Administrative Assistant took turns taking the linen tablecloth home to have it dry cleaned. She said that she put the cost of the dry cleaning on her government credit card.

Truscott's Executive Assistant stated that both staffers had come to speak to her regarding the lunches. The Executive Assistant said it was her impression that they did not like serving the lunches, but felt it would have been inappropriate to raise any objections. She told us one of the Administrative Assistants was upset because Truscott had once complained that the food was not hot enough. The Executive Assistant also told us that both staffers participated in picking up and plating the lunches even before Truscott elevated the meals to hot food.[141]

Truscott told us that it was not his idea to have staffers in his office present the lunches. He said that initially the predecessor to his current Administrative Assistant had offered to pick up and set out his lunches for him, and that her successor – one of the two current Administrative Assistants – continued the practice without objection and "seemed to be amenable to it." Truscott said he often helped clean up and that "more often than not, they stopped me from doing that, so . . . it was that sort of behavior on their part that made me think that they were okay with it."

Truscott said that he never gave the two Administrative Assistants any direction or made any suggestions regarding the preparation of the lunches in terms of plating the food, heating it, or announcing in any particular fashion that the food was being served. He stated that he was unaware that the Administrative Assistants were heating up the food and that he did not think that they spent a lot of time working on the lunches. However, Truscott's Assistant also told us that Truscott told him to instruct the Administrative Assistants to be sure that the food was warm when it was served.

We asked Truscott whether he viewed serving lunches as a part of his Administrative Assistant's duties. He responded that "you probably wouldn't find it on her position description," but he believed she was "fine with it." He added that if the lunches took time out of the Administrative Assistant's

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the meeting when the food was ready, but that any directive to require the Administrative Assistants to announce that "lunch is served" came from the Assistant, not Truscott.

[141] One witness told us that sometimes Executive Protection Branch special agents were sent to pick up the food orders from the restaurant.

schedule, he thought that was "in the best interests of ATF." Truscott reiterated that he often helped to clean up the dishes and stated that some might ask whether that was a good use of his time as the Director.

We asked Truscott whether it was reasonable to assume that a GS-13 Administrative Assistant would voice discomfort to the Director of ATF with respect to her lunch responsibilities. Truscott responded that if she were uncomfortable, she would have told either his Executive Assistant or Domenech and it would "make its way" back to him. Truscott told us that after he met with the Associate Deputy Attorney General on January 30, 2006, and learned of the anonymous complaint, he apologized to both Administrative Assistants and ceased the practice. He added that "I still believe in my heart that the lunches I had and the work that [the Administrative Assistant] did was in the best interest of ATF."

One of the Administrative Assistants told us that preparing for and cleaning up after the lunches was very time consuming and that she had to stay late to complete other work as a result. The other Administrative Assistant told us the lunch responsibilities did not interfere with her ability to complete her other tasks. She stated that she has worked for two political appointees before and had never had to serve lunches. She stated that she was not told that serving lunch was to be a part of her duties with ATF, and she found it a little unusual.

C. Findings

We concluded that Truscott encouraged or allowed the Administrative Assistants in his office to pick up meals, arrange the table settings, heat the meals, serve the meals, and clean up afterward. In addition, Truscott conveyed to his Assistant his wishes as to how the Administrative Assistants should present the meals.

We believe that serving lunches was not among the duties reasonably to be expected of Administrative Assistants in the Office of the Director. In addition, we found that it was not reasonable for Truscott to assume from the Administrative Assistants' acquiescence in performing these tasks and rejection of his attempts to help clean up that they were comfortable with these responsibilities. We believe Truscott failed to grasp how the supervisor-subordinate relationship might inhibit his subordinates' willingness to express their discomfort with his expectations regarding the lunches.

We believe that Truscott exercised poor judgment by placing his subordinates in the demeaning position of serving lunch to him and his guests. We concluded that Truscott's expectations for the role of his Administrative Assistants in this regard were inappropriate.

Finally, we were troubled by Truscott's statement to us that he never gave the two Administrative Assistants any direction or made any suggestions regarding the preparation of the lunches in terms of plating the food, heating it, or announcing in any particular fashion that the food was being served. Truscott's Assistant told us that Truscott instructed him to tell the Administrative Assistants to set the table, make sure the food was hot, and even to announce that "lunch is served." The Administrative Assistants also told us that Truscott conveyed his instructions to them through the Assistant.

X. Personnel Practices

A. Allegation

The anonymous complaint alleged that Truscott selected a longtime personal friend and former colleague at the Secret Service for an Assistant Director position at ATF. According to the complaint, Truscott personally suggested to the former Secret Service official that he apply for the position and selected him for it even though he was not among the candidates recommended by ATF's Executive Resources Board. In addition, the complaint alleged that Truscott gave the former Secret Service official an "Outstanding" job performance rating and a significant monetary award after nine months of employment, despite a low performance assessment of the former Secret Service official's directorate in an independent management study. The complaint alleged that these practices were violations of the federal civil service laws.

B. Evidence

1. Truscott's relationship/association with the former Secret Service official

Truscott told us that he has known the former Secret Service official (who we sometimes refer to in this report as "former official") since approximately 1980, when the two worked together as investigators with the New Jersey Department of Law and Public Safety. Truscott stated that he joined the Secret Service in 1981, and the former Secret Service official joined the Secret Service about a year or two later. Truscott stated that he did not have much interaction with the former official at the Secret Service because they were usually posted in different cities.

The former Secret Service official told us that he worked for Truscott at the Secret Service when Truscott was an Assistant Director and the former official was the SAC of one of Truscott's divisions. The former official told us he had regular contact with Truscott during this period and that Truscott was familiar with his work.

Both Truscott and the former Secret Service official told us they had little contact beyond work and events such as retirement dinners. Truscott stated that they do not "get together socially."

2. Hiring the former Secret Service official

In July 2004, a few months after Truscott was sworn in as ATF Director, the former Secret Service official applied to ATF for the position of Assistant Director/Certified Information Officer (CIO) for the Office of Science and Technology (OST). The former Secret Service official stated that he is a certified CIO and was the Deputy CIO at the Secret Service at the time he applied for the ATF position. The former official stated that Truscott called him to tell him about the opening, although the former official said he also may have seen the position advertised on the USAJobs website.[142] Truscott also told us that he contacted the former official about the opening.

The former Secret Service official was interviewed by a 3-person ATF panel for the position.[143] The panel was drawn from the members of ATF's Executive Resources Board (ERB), which is comprised of the Senior Leadership Team, and also included a DOJ senior manager.[144] The ERB panel interviewed a total of ten applicants, one of whom was recommended for the position. The selectee was hired and entered on duty on October 17, 2004.

Truscott stated that he did not hire the former Secret Service official because "he was not the best person for that position." The former official said that Truscott told him to keep an eye on the USAJobs website because additional positions might be coming available.

In September 2004, the former Secret Service official applied for the position of Assistant Director for the recently created Office of Strategic Intelligence and Information (OSII). Truscott told us he had suggested that the former official apply for that position as well. The former official stated to us that he applied upon seeing the job announcement online and only heard from Truscott about the position after he already had submitted his paperwork to ATF. The former official told us that while his application with ATF was

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[142] A USAJobs vacancy announcement for the position stated that the job was open to all federal civilian employees or candidates having Senior Executive Service (SES) reinstatement eligibility. The former Secret Service official received his SES certificate on April 22, 2004.

[143] The panel was composed of two Assistant Directors, including one Assistant Director who is no longer with ATF, and DOJ's Chief Information Officer.

[144] According to Domenech, the Executive Resources Board is convened to review applicants for SES-level vacancies. As Deputy Director, Domenech is the chair of the ERB and selects the interview panels.

pending, he retired from the Secret Service in October 2004 and took a job as a GS-15 Supervisory Special Agent with the Environmental Protection Agency's (EPA) Criminal Investigative Division. The former official stated that he decided to accept the EPA position instead of waiting for a decision on his ATF application because the EPA provided him a bona fide offer.

The former Secret Service official was interviewed for the OSII Assistant Director position on October 14, 2004, by an ERB panel composed of two current and one former Assistant Director. The panel interviewed six candidates for the position, including four applicants from within ATF (the internal ATF candidates). According to Truscott, all applicants selected to be interviewed by the panel had already been screened by a subgroup of the ERB to ensure they were technically qualified for the job.

One of the Assistant Directors on the interview panel, who had also served on the interview panel for the OST vacancy, stated that when the panel asked the former Secret Service official why he was interested in the OSII position, he stated that Truscott had called him and asked him to apply and acknowledged that he did not have much experience in the intelligence arena. This Assistant Director told us that he did not think the panel made a formal ranking of the applicants, but that he would have ranked the former Secret Service official no higher than fourth. He said he considered the former official a "non-selection" due to his lack of intelligence experience.

Another Assistant Director, who served as the chair of the panel, also told us that he would have ranked the former Secret Service official fourth out of the six applicants. This Assistant Director also said that the former official told the panel that he had applied at Truscott's suggestion. The Assistant Director said the former official's responses to the panel's questions were not good and that the Assistant Director did not think that the former official really wanted the position. Both Assistant Directors told us that they liked the former official personally and had a lot of respect for his "professionalism."[145]

The panel ultimately recommended one of the internal ATF candidates for the position. According to one of the Assistant Directors on the interview panel, there was a lot of internal disagreement over this decision regarding whether the internal ATF candidate had the right management qualifications for the position.

The Assistant Director chairing the panel said that as the chair of the panel it was his responsibility to provide Truscott and Domenech with the panel's recommendations. The Assistant Director said that he told Truscott

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[145] We did not interview the third Assistant Director on the interview panel because she had left ATF prior to the OIG's initiation of the investigation.

and Domenech that the panel's first choice was one of the internal ATF candidates. He said that Domenech did not agree with this selection because of "personality" reasons.

The Assistant Director stated that Truscott then called him in to his office and asked who else the panel had picked. He said that he told Truscott and Domenech that the number two candidate was someone from the Congressional Research Service whom he said had a good intelligence background with the Department of Defense, the FBI, and on Capitol Hill, but who lacked law enforcement experience.[146] He said that Truscott then asked, "Who else?" He said that he gave the name of the third candidate, another of the internal ATF candidates. He said that Truscott then asked him how the former Secret Service official ranked. He said that he told Truscott that the former official did not do well and that he had admitted to the panel that he had no intelligence experience, but that he could learn. According to the Assistant Director, Truscott said that he knew the former official and was familiar with his work on intelligence matters. The Assistant Director told us that Truscott then said that he was selecting the former official for the position.

Domenech confirmed that he had "concerns" about the selection of the internal ATF candidate who had been ranked first for the position. He said that because of some personnel issues involving the individual, he could not concur with the panel's recommendation. Domenech said that Truscott asked him whether he was bound by the recommendation to select the internal ATF candidate and Domenech answered that he was free to select anyone he deemed appropriate.

Domenech said that Truscott told him he had based his decision to hire the former Secret Service official on his knowledge of the former official's skills. Domenech said that it was an "open secret" during the interview process that the former official and Truscott knew each other, but added that he did not become aware that they had known each other since 1980 until after the former official had been selected. Domenech told us that at that time he would have either asked Truscott to withdraw himself from the selection process or seek the advice of ATF counsel as to whether his participation in the selection process was appropriate had Domenech known the length of Truscott's association with the former official.

The Assistant Director who served on the interview panels for both the OST and the OSII vacancies also told us that he did not become aware of the length of Truscott's association with the former Secret Service official until after

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[146] The selection of one of the internal ATF candidates as the number one candidate and the Congressional Research Service candidate as number two is memorialized in an October 15, 2004, document summarizing the panel's recommendations.

the former official had been hired. This Assistant Director stated that he believed Truscott should have recused himself from all personnel decisions concerning the former official. He also stated that his low ranking of the former official was based solely on the former official's qualifications, and would not have been affected had he known of the former official's long association with Truscott.

The former Secret Service official told us that in late November 2004 he got a call from Truscott telling him that the ERB had recommended him, that the Deputy Director concurred, and that he had accepted their recommendation and selected him for the position. The former Secret Service official assumed his duties as Assistant Director for OSII on December 27, 2004.

One of the Assistant Directors on the interview panel told us that this was the first time in his experience in which the ERB's recommendation was ignored. Another Assistant Director on the panel told us that Truscott "usually" followed the recommendation of the interview panel.

Truscott told us that he hired the former Secret Service official because "he is a leader, first and foremost." Truscott stated that a major component of the OSII directorate is information technology and that "[t]here are few people, if any, in the organization that have the wherewithal and the experience that [the former official] has" in that regard. He stated that "[the former official] is one of the finest assistant directors at ATF today and it was a great decision that I made to hire him." Truscott stated that he had reviewed the other applicants' qualifications before selecting the former official. Truscott said he thought the former official had not been selected by the interview panel because he was "an outsider, he doesn't have the ATF background."

Truscott also stated that if he had wanted to bring the former Secret Service official into ATF, he could have done so when the AD position for the OST directorate was open. He stated that he did not know at that time that an SES position for the new OSII directorate would be approved by the Justice Department. We reviewed documents which indicated that the vacancy announcement for the OSII position was dated September 8, 2004, approximately two months after the former official applied for the OST position and two weeks after his August 25, 2004, interview for that position.

3. The former Secret Service official's performance evaluation

Domenech told us that he is responsible for reviewing the performance evaluations of all SES employees, but that Truscott must approve them. He stated that at the end of FY 2005, he gave the former Secret Service official a rating of "Fully Successful." He stated that Truscott elevated the rating to

"Outstanding." Domenech said that he could never give an "Outstanding" rating to anyone who had been on a job for less than a year because "there's just not enough to base that on."[147]

Domenech said that the former Secret Service official received a bonus and a salary adjustment as a result of Truscott's action. A Standard Form 50-B (Notice of Personnel Action) shows that in December 2005 the former official received an SES performance award of $11,648. Another document indicated that the former official was recommended for a pay adjustment of $5,197. The former official told us that he received a pay increase of approximately $6,500. Truscott confirmed that Domenech had recommended a "Fully Successful" for the former official but that because Truscott believed the former official "was functioning at a higher level than that," he boosted his rating to "Outstanding." Truscott stated that he raised the ratings of at least two other managers.

In 2005, a non-profit government consulting firm was retained by ATF to perform an organizational assessment.[148] Among other conclusions, the assessment found that only 17 percent of ATF's field division SACs found the work of OSII's Intelligence Research Specialists to be timely and of quality. The assessment noted that there was no "clear delineation of roles, responsibilities, products" between the intelligence support provided by Field Operations and by OSII.

The results of the assessment were presented to the Senior Leadership Team, including Truscott, in August 2005, before Truscott raised the former Secret Service official's performance rating. One Assistant Director cited this finding in the assessment to us as evidence that the former official did not deserve a performance award. The former Secret Service official stated that the results of the assessment reflected the frustrations of the SACs based on what they believed ATF's intelligence capability was versus what they thought it should be. The former official also questioned the accuracy of the SAC survey, adding that the satisfaction rate would be 80 percent if the survey were taken again more currently.

C. Findings

We concluded that Truscott acted within his authority in hiring the former Secret Service official and in elevating his performance rating. Based on Domenech's statement to us in his capacity as the chair of the Executive

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[147] Domenech stated that he gave 7 "Outstanding" performance ratings out of the approximately 28 SES employees he evaluated at the end of FY 2005.

[148] The assessment considered whether ATF was operationally efficient with respect to its mission, legislative mandates, and administrative priorities.

Resources Board, Truscott was not bound by the interview panel's recommendation and was free to select from the full pool of applicants. Domenech himself rejected the panel's first choice for the position based on his prior experience with that applicant.

We also noted that Truscott did not hire the former Secret Service official for the Assistant Director position in the OST directorate. The former official had applied for that position, at least in part at Truscott's suggestion, approximately two months before the OSII vacancy was advertised. Truscott selected another applicant for the OST vacancy, undercutting the allegation that Truscott's actions amounted to preferential treatment for a friend.

We considered this allegation in the context of the merit system principles applicable to executive agencies, as set forth in 5 U.S.C. § 2301(b), and concluded that the process which led to the hiring of the former Secret Service official was the result of "fair and open competition," and that Truscott made his selection on the basis of his assessment of the "relative ability, knowledge, and skills" of the applicant.[149] That Truscott was familiar with the former official's qualifications as a result of his longstanding professional relationship with him did not disqualify the former official from consideration or selection. As stated in Merit Systems Protection Board v. Nichols, 36 M.S.P.R. 445 (1988), "a manager is as free to hire a fully qualified friend as she is an unknown." Id. at 465.

We also considered whether Truscott and the former Secret Service official had a "covered relationship" under 5 CFR § 2635.502 (Personal and business relationships), which would have required Truscott not to participate in personnel decisions concerning the former official. The provision describes several categories of familial and business affiliations, but did not include a description of former colleagues. See 5 CFR § 2635.502(b)(1)(i)-(v) and examples cited therein. As a result, Truscott was not foreclosed from participating in personnel decisions involving the former official.

Regarding Truscott's decision to elevate the former Secret Service official's rating to "Outstanding," we noted that roughly a quarter of the SES managers received an "Outstanding" rating for the FY 2005 rating period. According to Truscott, he elevated the ratings of at least two other managers in addition to the former official, although it is not clear he did so during the

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[149] 5 U.S.C. § 2301(b)(1) states:

> (1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

same FY 2005 rating period. While Domenech told us that it was his opinion that such a rating should not be given to employees with less than one year on the job, it would be unreasonable to hold Truscott to Domenech's management philosophy.

In sum, we concluded that Truscott did not act improperly either by hiring the former Secret Service official or by awarding him a higher job performance evaluation than had initially been given.

XI. Use of Visual Information Branch Resources

A. Allegation

The anonymous complaint alleged that Truscott used ATF's Visual Information Branch (VIB) resources, particularly its photographers, for self promotion without regard for the appropriate use of VIB staff time and resources. The complaint stated that Truscott routinely was accompanied by one and often two photographers who were expected to be with him at all times. The complaint cited the September 2005 IACP Conference as an instance in which two photographers were assigned to cover Truscott. The anonymous letter also alleged that Truscott's excessive use of VIB photographers impacted the VIB's ability to perform legitimate mission critical tasks, and the drain on the VIB's resources became so excessive that other directorates using its services had to pay for the VIB's travel expenses.

The complaint further alleged that Truscott directed ATF to produce a glossy 35-page publication about ATF at a cost of over $60,000 when the same material more cost-effectively could have been posted on ATF's intraweb. Lastly, the complaint alleged that Truscott decided to have a video produced about ATF at a cost of $80,000. The complaint alleged that funding for the video has been at the expense of funding for core mission functions.

B. Evidence

ATF's Visual Information Branch (VIB) is in the Office of Science and Technology (OST) directorate.[150] At the time of the complaint, the VIB had a staff of 12, including a Branch Chief, audio visual production and graphics specialists, and two photographers.[151] The VIB mission is to produce, or coordinate production of, graphics, audio visual, and photographic products for

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[150] The VIB recently was renamed Visual Information Services, but is referred to as the "VIB" in this report for consistency purposes.

[151] Based on our review of employee rosters, a third photographer, a contractor, is no longer with the VIB.

use by ATF in training, public relations, congressional hearings, and in support of litigation.

The VIB Chief told us that he has noticed a "tightening of the belt" in the VIB since he became branch chief in December 2003. He stated that the VIB's FY 2006 total budget is only 75 percent of its actual FY 2005 expenditures. We also interviewed two other VIB employees, one a photographer and another a visual information specialist. The photographer told us that the VIB has found it increasingly difficult to hire new personnel. The visual information specialist told us he did not notice any change in the VIB's operations since Truscott's arrival.

The FY 2006 Impact Statement for OST indicated that the VIB will continue to support ATF's needs "within available resources."[152] The Impact Statement further indicated that "additional services above and beyond available funds shall be paid by customers," and that the VIB's services will be reduced where travel is required. The Assistant Director for OST told us that this statement was based on a "worst-case scenario" and was the result of both a projected agency-wide increase in demand for the VIB's services coupled with a reduction in the VIB's budget. The OST Assistant Director stated that the VIB has not had to "charge" any other directorates for its services through at least the first three quarters of FY 2006.

The VIB Chief told us that requests on behalf of Truscott for VIB's services sometimes came from staff within Truscott's office, but more often come from the Office of Public and Governmental Affairs (PGA).[153] The VIB Chief stated that the VIB is "overloaded" with work and that Truscott and his intermediaries have contributed to this. He stated that the situation is exacerbated by the tendency of the Director's Office to not understand the time it takes his staff to turn around an assignment. The OST Assistant Director also told us that the Office of the Director gives the VIB very short deadlines for its requests.

1. Use of VIB photographers

Domenech told us that Truscott required two photographers from the VIB to "mirror his every movement" at both the 2005 IACP Conference and at

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[152] The OST Impact Statement was prepared in December 2005 as part of an exercise by all ATF directorates to project how cuts to FY 2006 operational funds could affect ATF operations. The Impact Statements are discussed in more detail in Section I of this chapter.

[153] A review of requests for VIB services between June 2005 and February 2006 indicates that, of 1,462 requests, 102 were from the Office of the Director and 385 were from PGA. The other requests were from other ATF offices and directorates. According to the VIB Chief, the VIB services approximately 2,200 project requests per year.

the prior year's IACP event in Los Angeles. Domenech stated that Truscott thought it was very important for ATF employees to see him on the ATF website and in newsletters "so the employees would feel connected to the activities of the Director."

Truscott told us that he did not know whether he had requested any photographers for the IACP Conference, although he stated there probably was a photographer at both the 2004 and 2005 events. Truscott stated that he travels frequently and that "rarely, if ever have I asked a photographer to come on the trip." However, Truscott also stated that "there may have been conversations" about having a photographer at an IACP event, adding, "Sometimes you'll find when a Director says, is there going to be a photographer, everybody runs out and gets a photographer. So to the extent I may have said 'Is there going to be a photographer there,' to take that to mean that I asked for a photographer, it is possible that that happened." Truscott said it was in the best interests of ATF and of the government to have a photographer present at the IACP Conference.

Regarding the 2005 IACP Conference, the VIB Chief told us that he had dispatched two photographers to New Orleans after Hurricane Katrina to document the work of ATF, but was then told by the OST Assistant Director to bring the photographers to Miami Beach to (as the Chief stated) photograph Truscott "schmoozing at the IACP Conference." The OST Assistant Director told us that the order to take the photographers out of New Orleans came from Domenech, who did not want ATF to appear to be "grandstanding." Domenech confirmed that he had ordered the photographers out of New Orleans because he did not want ATF to be seen as exploiting a tragedy in that manner. The OST Assistant Director said he did not think Truscott was involved in the decision to withdraw the photographers from New Orleans.

Ultimately, only one photographer went to Miami Beach from New Orleans. That photographer told us he was the only ATF photographer at the ATF reception on the yacht discussed previously in Section VII of this chapter. He said that the other photographer took annual leave and remained in New Orleans. The photographer also stated that he was planning to go to Miami Beach from New Orleans even before being ordered to leave New Orleans. Truscott's Assistant told us he also recalled only one photographer at the event.

The photographer told us that just before the 2004 IACP Conference, he had been asked by Truscott's Assistant to be Truscott's photographer.[154] The photographer stated that Truscott's Assistant told him Truscott had specifically

[154] The photographer told us that he was hired by ATF in 1997 as ATF's first "official" photographer.

requested him over another VIB photographer. The Assistant told us he had frequent contact with the photographer in connection with requests from the Office of the Director, but that he did not recall Truscott ever specifically requesting this photographer.

Truscott said that he was aware of the allegation that he takes two photographers with him when he travels, and stated that "that simply is not the case." He stated that no photographer from ATF has gone along with him when he travels. He also said that his Assistant had a camera that he used while traveling with Truscott. Truscott said that "as you might imagine, when you go around and visit, people like to have a picture with the Director."

In contrast with Truscott's statement that no photographer accompanies him when he traveled, the VIB photographer stated that he has been requested to travel to cover Truscott's events, although he has never flown with Truscott. In addition to the two IACP Conferences, the photographer also traveled to Phoenix in April 2005 to cover Truscott's speech at a U.S. Attorney's Conference.

The photographer stated that in late 2005 he was told to get a passport.[155] The photographer said that the OST Assistant Director told the VIB Chief that Truscott really liked having him covering his events. According to the photographer, the OST Assistant Director told him that he envisioned having the photographer spending 80 to 90 percent of his time covering Truscott. The photographer told us that he suggested hiring a GS-7 or GS-9 to handle this responsibility. He stated that he saw his job as servicing the field divisions and that he refused to spend 90 percent of his time traveling with Truscott.

The photographer stated that Truscott is never accompanied by more than one photographer when he travels. Truscott's Assistant also told us that only one photographer has ever been assigned to cover Truscott. The photographer said that on two occasions the VIB has been asked to have two photographers follow the executive staff touring the new Headquarters building site.[156] The OST Assistant Director told us that he has seen two VIB

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[155] Truscott's Assistant told us that he was the one who told the photographer to get a passport. The Assistant stated that this was his idea, based on his assumption that the photographer would be asked to cover assignments overseas.

[156] The VIB photographer also stated that there are photo boards on each floor of ATF Headquarters that are constantly rotated and that someone from PGA is always asking the VIB whether they have shot anything new. An Assistant Director told us that there were pictures of Truscott on every floor of the ATF Headquarters building and in the elevator banks, but that the pictures were taken down and replaced with pictures of ATF employees shortly after these allegations surfaced.

photographers at some ATF events, including holiday receptions. The Assistant told us that there may have been more than one photographer at the 2004 IACP Conference.

The VIB Chief stated that the VIB does a fair amount of "grin and grip" photography, which consists of taking pictures of various officials shaking hands with Truscott at events. Truscott said it was "normal" to have a photographer document certain events in Washington, D.C., such as awards ceremonies, although he had not issued such a request.

The VIB photographer stated that he was told to be unobtrusive at events. He said that Truscott's Assistant has told him to take as many pictures as he can, but not to look like he is following Truscott.[157] He said that his level of involvement also depends on who else is present at the event. He said that if there are higher ranked individuals at the party, such as the FBI Director, the DEA Administrator, or the Attorney General, Truscott does not want to "show them up" by having him take photographs. He said that if, however, Truscott feels like he is the "big dog" in the room, he will want photographs taken.

2. ATF publication and video

In November 2004, ATF published a 36-page booklet entitled "ATF our future your role." The booklet contains an introductory statement by Truscott, followed by a summary of ATF's missions, a description of basic ATF operations, charts showing employee and budget statistics, and plans for "strategic growth." The narratives are interspersed with photographs and graphs.

The Chief of the Office of Public Affairs (OPA) told us she was actively involved in the booklet project. She stated that the publication was only distributed internally and that the idea for it came out of discussions between herself, Truscott, Domenech, and maybe Truscott's Executive Assistant. She said the purpose of the publication was to inform ATF employees about Truscott's "vision" for ATF and on their role as ATF employees. According to the OPA Chief, the text, script, photographs, and the coordination for the booklet were done by the VIB, and the overall design was contracted out. Contractor documents, which refer to the project as "The Director's Vision Book," indicate that the cost of producing the booklet was $24,018.

The OPA Chief told us she attended several meetings on the project. She said that she gave Truscott a number of proposals and options on how to disseminate the information, including the printed booklet, a PDF file on the

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[157] The Chief of the VIB also told us that Truscott's Assistant worked closely with the VIB in setting up photo shoots for Truscott's appearances.

ATF intraweb, or a DVD that could be distributed. She said that Truscott was aware there would be a cost savings if they posted the information online, but that he thought it was important for employees to have something physical to read, to keep on their desks, and to be able to reference.

The OPA Chief also told us that ATF retained a contractor to produce a video entitled "This is ATF." The video is scheduled to be shot in August 2006 at a cost of $70,251.[158] Domenech confirmed the project and that the plan had been for Truscott to narrate a portion of the video. The OPA Chief said that the video is being produced to update a video that was made several years ago, and that it will be used for "community outreach." The OPA Chief stated that when she was a field office PIO, she used her video all the time in making presentations to community groups, schools, U.S. Attorney's Offices, and the Lions and Kiwanis Clubs. She stated that the videos are an important tool to educate the public about ATF.

C. Findings

We concluded that the allegations regarding Truscott's use of the VIB photographers were not fully accurate. Truscott did have a role in having at least one photographer assigned to accompany him while traveling to ATF and other law enforcement events. Truscott himself acknowledged as much by explaining how he was aware that his asking whether a photographer would be at the IACP Conference was interpreted to be a request that a photographer be present. Further, while two photographers were assigned to cover one or perhaps two events at which Truscott was participating, we found no basis to conclude that these assignments were at Truscott's direction or that Truscott was to be the focus of the coverage.

We found, based on a review of contractor documents, that the cost of publishing the ATF booklet was $24,018, exclusive of the cost of VIB staff time. We did not find Truscott's decision to issue a written statement of his vision for ATF to be unreasonable, nor did we conclude that his preference for a booklet over an electronic version of the message amounted to a waste of ATF resources.

Lastly, we found that ATF has contracted for production of a promotional video that will cost between $70,000 and $78,000. The video will update an outdated version. Based on the statements of ATF's OPA Chief about the need for the video, we cannot say such an expenditure was improper.

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[158] A purchase order indicates that the video will be approximately 10 minutes long and will cost $70,251 to produce. A second purchase order indicates a separate charge of $8,000 to "research and write a video script to update the existing ATF video . . . ."

CHAPTER FOUR:
OIG CONCLUSIONS

As we described throughout this report, our investigation substantiated various allegations raised in the anonymous complaint against Truscott. Beyond those allegations, we also found that Truscott exercised poor fiscal judgment in many instances. While we did not find that these financial decisions constituted misconduct, we questioned his aggressive hiring policy and numerous specific expenditures related to design changes to the new Headquarters building and other construction projects, particularly given the state of ATF's budget.[159] Many of Truscott's decisions relating to hiring ATF personnel and to various construction projects would have had a more adverse impact on ATF operations had they not been reversed by others. We were also troubled by the drain on ATF resources that resulted from Truscott's excessive use of personnel and vehicles in connection with his security, particularly when he traveled.

We found that Truscott acted improperly by directing or authorizing ATF employees to assist his nephew in making a video for a high school project. We concluded that Truscott improperly allowed government property and official time of ATF personnel to be used in connection with the project.

Over the course of the investigation, we also identified several overarching concerns with respect to Truscott's leadership and management of ATF. First, as noted throughout the report, we were troubled by Truscott's lack of acceptance of responsibility for many of the decisions on these matters. From relatively minor issues, such as decisions on how to furnish the Director's Suite in the new Headquarters building, to major policy directives, such as how many new employees to hire, Truscott attempted to deflect responsibility to his subordinates, misrepresented the amount of involvement he had in the actions, or otherwise sought to distance himself from his own decisions. We found several instances where Truscott's statements to us about his conduct were contradicted by numerous other witnesses, and in some instances, by documents as well.

We were also troubled by Truscott's failure to seek or accept the counsel of experienced ATF managers on a range of important issues. For example, Truscott dismissed advice from senior managers that ATF could not sustain the level of hiring he had proposed for FY 2006 without depleting resources necessary for agency operations. Truscott also was warned by several senior

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[159] A discussion of Truscott's hiring policy and its impact on the ATF budget is discussed in Chapter Three, Section I, above.

officials of the repercussions his revisions to the design of the new Headquarters would have on the cost of the project and on ATF's operating budget, but he disregarded those warnings as well. Truscott also ignored or failed to seek counsel on various issues such as allowing ATF resources to be used for his nephew's video project and on the use of the representation fund to pay for lunch for him and his guests.

Our specific findings regarding Truscott's conduct are set out below.

I. Construction Projects

We found that Truscott was responsible for ordering several hundred thousand dollars worth of upgrades to the Director's Suite in the new Headquarters building, including expensive millwork and unnecessary amenities. We also found that Truscott had indirect but overall responsibility for expensive design changes to the JSOC, although we did not conclude that these changes were unrelated to ATF's mission. However, we determined that the JSOC design changes that Truscott encouraged and approved related more to the appearance of the JSOC than to its functionality. We further found that Truscott proposed several structural changes to the gym and suggested purchasing approximately $100,000 in new equipment. We concluded that Truscott was advised by senior budget and management officials that his proposed modifications to the new Headquarters building would have to be paid for out of operational expenses, and that Truscott was therefore aware of the cost implications.

When Truscott arrived at ATF, the design for the new Headquarters building was complete and construction had begun. Truscott became deeply involved in the details of the project, and in particular in the design of the Director's Suite, the JSOC, and the gym. Truscott either proposed or authorized numerous design changes and upgrades to these areas of the new Headquarters building. We also found that Truscott devoted an excessive amount of time to the redesign and upgrading of his suite and the gym, immersing himself in details at a level that we would not expect of the Director of a major law enforcement agency.

After ATF was told by a congressional staff member not to spend any FY 2006 appropriated funds on the new Headquarters, senior managers took the lead in scaling back the project and cancelled many upgrades requested or authorized by Truscott. Without those modifications Truscott's design changes would have had a substantially more severe impact on ATF's operational budget.

We also found that Truscott authorized an expansion and renovation of the gym in ATF's current headquarters, at a total cost of $16,449, but we concluded that it was within Truscott's discretion to approve this expenditure.

With respect to ATF field facilities slated for relocation, we found that an ATF committee, comprised of mid-level managers from all ATF directorates, authorized expanding or constructing space for gyms and training rooms, and did so independently of Truscott's involvement. However, we found that Truscott was responsible for setting aside $750,000 in the FY 2006 budget to purchase equipment and furnishings for the expanded facilities, a finding that is in contrast with Truscott's recollection of the matter. We also questioned why Truscott did not re-examine the committee's authorization to build or expand gyms and training rooms at a time when SACs were bringing to Truscott's attention the lack of adequate work space for personnel.

In addition, we found that Truscott ordered a garage to be built to house an NRT truck at a field training facility at a cost of approximately $156,000. Contrary to Truscott's statements to us, he tracked the progress of the project and was briefed on its cost prior to construction. Although we concluded that it was within Truscott's discretion to approve the construction of the garage, we had concerns about Truscott's forthrightness with the OIG on this matter.

On a related matter, we found insufficient evidence to support the allegation that Truscott improperly expanded the scope of a Federal Firearms Licensing Center feasibility study beyond Congress's directive.

II. Assistance in Nephew's High School Project

We found that Truscott improperly authorized his subordinates to assist his nephew in producing a video about ATF for a high school project. Truscott and approximately 20 ATF employees extensively assisted the nephew with his project in a variety of ways, including providing background information, writing scripts, providing stock footage, conducting on-camera demonstrations and tours, and being interviewed. Substantial employee time and ATF resources were used over an approximately 10-month period to complete and critique the video.

We also found that Truscott had sufficient knowledge of the extent of resources being used on the project to know that it was inappropriate. Truscott's nephew provided him with a detailed outline of what he wanted the video to include and a list of many interviewees. An official in the Office of Public Affairs stated that she also kept Truscott informed of his nephew's requests regarding the project. Moreover, Deputy Director Domenech advised Truscott that he should not use ATF resources to assist with his nephew's school project. Notwithstanding this advice, Truscott allowed ATF's

participation in the project and never placed limits on the ATF resources that could be used in support of the project.

By authorizing the use of ATF resources for his nephew's project, we believe Truscott violated various ethics regulations, including 5 CFR § 2635.702 (use of public office for private gain); 5 CFR §§ 2635.101(b)(9) and 2635.704 (relating to unauthorized use of government property); and 5 CFR § 2635.705(b) (use of subordinate's official time).[160]

III. Security for Truscott

ATF security for Truscott was extensive and involved a significant drain on ATF resources, both in the Executive Protection Branch (EPB) and when Truscott traveled to the field. This extensive use of resources for Truscott's security occurred with Truscott's knowledge and approval. Given ATF's fiscal circumstances and considering Truscott's low threat assessment, we questioned whether Truscott permitted more resources to be committed to his security than were necessary.

The EPB was created under authority of DOJ Order 2630.5 prior to and in anticipation of Truscott's arrival as Director of ATF. However, under Truscott's tenure, the EPB grew in number of personnel, vehicles, and overall use of resources. Many of the resources used to provide security for Truscott came from field divisions, which we found were expected to provide numerous special agents, vehicles, and even a medic when Truscott traveled to the field. Many witnesses we interviewed expressed frustration at being required to divert these resources from conventional field division functions. We also questioned Truscott's occasional use of EPB and field division personnel and vehicles in connection with non-official excursions, such as to accompany him while meeting a friend on a Saturday during a trip to California.

We further concluded that, on various occasions, Truscott used EPB and field divisions selectively and based more on considerations of appearance than on fluctuations in security needs. This selective use was evidenced by, among other practices, Truscott's scaling down his protective detail when he visited the Main Justice Department building, which witnesses told us was driven by Truscott's concern over how a larger detail might be perceived by DOJ officials.

Truscott claimed that his security arrangements were the result of his subordinates' decisions and judgments and were not his responsibility. We

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[160] Contrary to the statement in Truscott's letter to the OIG, which asserted that our report did not find any administrative misconduct by Truscott, these violations do constitute misconduct.

determined that Truscott had significant input into both EPB and field division procedures regarding his security arrangements. He made his preferences known, and he also expressed displeasure when he believed the security arrangements were inadequate. Truscott's assertions that he was merely deferring to the recommendations of the EPB special agents were contrary to the evidence we found.

IV. Travel

We also questioned the arrangements for several of Truscott's trips, including the number of other ATF employees who accompanied him. Truscott and eight other ATF employees traveled to London, England, in September 2005 to meet with U.K. officials to discuss a possible ATF detail position with the London's Metropolitan Police Service (MPS), among other issues. We had concerns about the number of travelers who accompanied Truscott on the trip, and in particular the need for four ATF security personnel, especially given the protection provided by the MPS that had been arranged in advance and the secure facilities at which Truscott was scheduled to meet the U.K. officials. We also questioned why two ATF employees, whose overall purpose for participating in the trip was not clear, traveled to London five days in advance of Truscott's arrival and left one day after Truscott's departure. The total cost of the trip for the nine ATF employees was over $37,000.

On another trip in October 2005, Truscott traveled to New York City to attend a charity dinner for law enforcement agents killed in the line of duty. We found that excessive ATF resources were used to escort Truscott to and from the function, including two EPB agents, five field division agents, and three vehicles.

In January 2005, Truscott traveled to Boston, Massachusetts, to meet with the new Headquarters architect and to tour one of the architect's buildings, and then traveled to Ottawa, Canada, for official meetings with U.S. Embassy officials, Canadian officials, and ATF employees, and to visit buildings that had been designed by the architect. We found that Truscott was accompanied by five ATF Headquarters employees in Boston. An additional five field division employees, including the SAC, were involved on the Boston leg of the trip. Again, we questioned Truscott's judgment in allowing such an extensive use of resources for that portion of the trip. We also were troubled by Truscott's denial of responsibility for the use of these resources.

V. ATF Reception at IACP Convention

We found that ATF's reception aboard a yacht at the September 2005 IACP Convention in Miami Beach, Florida, was poorly planned and resulted in

a potential claim by a charter boat company against the agency for additional costs based on the alleged attendance of several hundred more guests than originally planned for. The potential claim, if meritorious, could cause ATF to incur expenses beyond those authorized to be expended from the FY 2005 representational fund. However, we did not find that Truscott was responsible for the planning of the event.

VI. Use of the Representation Fund

Truscott often used ATF funds for lunches in his office with guests. We identified three questionable instances in which Truscott hosted lunches in his office that did not appear to "promote personal relationships necessary to enhance the performance of [ATF]," the applicable standard for appropriate use of the representation fund under ATF Order 1100.163A. The amount of the funds used for these lunches was small. However, we were troubled by Truscott's shifting of responsibility for his use of the representation fund onto others. We also had concerns that Truscott did not seek sufficient guidance from the Chief Counsel's Office on the proper use of the fund, notwithstanding his assertions that he had done so.

VII. Creation of a Hostile Work Environment

We found that Truscott directed two female administrative staffers to assist in preparing for and serving lunches to him and his guests. We determined that, contrary to Truscott's statements to us, he conveyed his instructions to the Administrative Assistants, through another employee, regarding how he wanted the meals prepared and served. That employee confirmed, for example, that on at least one occasion, Truscott directed that one of the Administrative Assistants announce, "Lunch is served." Although we did not find that Truscott violated any regulations or agency policies through these actions, we concluded that he exercised poor judgment by requesting his subordinates to perform such functions which were not part of their job duties.

VIII. Personnel Practices

We found that Truscott acted within his discretion by hiring a longtime acquaintance and former Secret Service colleague for an ATF Assistant Director position, even though a panel that reviewed the applicants ranked others as better suited for the position. We also found that Truscott acted within his discretion in elevating the performance rating of this individual above the rating he had initially been given after nine months on the job, notwithstanding that the upgrade in the rating entailed a monetary benefit.

IX. Use of Visual Information Branch Resources

We found that Truscott did not make improper use of VIB resources, and in particular of ATF photographers. We concluded that the allegation that Truscott often required two photographers to accompany him at events was not substantiated. We also concluded that Truscott did not use excessive ATF resources in directing that a booklet for ATF employees be published, and he acted within his discretion in authorizing an update of a video about the ATF.

X. Recommendations

Because Truscott resigned as the ATF Director on August 4, 2006, we make no recommendations regarding his actions.

In the course of our investigation, however, we learned of two additional areas of ATF's procedures that we recommend the ATF address.

First, as noted in Chapter Three, Section VI, above, we found that ATF employees failed to comply with FTR and ATF travel procedures by failing to document the reasons for incurring costs beyond the government rates for hotel accommodations. We recommend that ATF employees be reminded of the need to comply with all ATF and Department travel procedures.

Second, as discussed in Chapter Three, Section VII, above, concerning the September 2005 ATF Reception at the IACP Convention in Miami Beach, ATF failed to enter into a clear agreement with the charter boat company servicing the event. The absence of a written contract led to a misunderstanding between ATF and the company regarding the amount to be charged for extra food and services alleged to have been provided.

We recommend that in the future ATF, through its Chief Counsel's Office, review contracts with vendors who will be providing ATF services for events. If the event is to be paid for by sponsors, as was the case here, we recommend that ATF create an accounts receivable for the sponsors' donations so that ATF can pay for its events pursuant to binding agreements.

APPENDICIES

A

September 25, 2006

Mr. Glenn A. Fine
Inspector General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Mr. Fine:

Thank you for providing me with the opportunity to respond to your Draft Report concerning anonymous allegations made during my tenure as the Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). In the Draft Report, you found no basis for substantiating a single allegation relating to administrative misconduct. In spite of this, you have chosen to bury these conclusions in a Draft Report that: 1) is negative in tone; 2) impugns my character and integrity without basis; and 3) second-guesses my professional judgment, discretionary decisions, and management style based upon criticisms from unidentified sources. The unidentified sources were likely persons within ATF who were resistant to my status as an outsider from another rival federal law enforcement agency and my efforts at necessary change.

Your Draft Report also fails to put the allegations made in context, to make mention of the significant progress ATF made during my stewardship and under difficult circumstances, or balance the allegations made against my unblemished professional career. As Attorney General Alberto R. Gonzales noted in his August 2006 public statement, I have been a leader in law enforcement and have had "a long and distinguished career in government service including the personal protection of four presidents while at the Secret Service before [taking] the helm of the ATF in 2004."[1] I consistently received favorable views from other Department of Justice leadership, and from officials who have served in leadership posts throughout my career, including during my time at ATF. Many of those leaders are prepared to step forward and vouch for me, my integrity and my professional judgment. One of those officials, the ATF Chief of Staff, strongly condemned the allegations made against me in the attached declaration to the executive staff.[2] If your Report were made public in its current form, none of this would be recognized. On this basis alone, the Draft Report should not be released until appropriate revisions are made.

I believe strongly in the inspector general concept, but inspectors general, given their awesome powers, have an obligation to be impartial and fair, to make judgments based upon legal norms and a careful review of the facts, and to operate within their statutory mandates. Nothing in the Inspector General Act gives you the license to second-guess professional discretionary judgments. You have, in my view, not been guided by these principles in this Draft Report. I respectfully request, therefore, that the Report be revised in substance and tone to reflect in unequivocal terms that there were no findings of administrative misconduct; and that decisions made with respect to all of the other allegations, with the single exception of my nephew's high school project, were within my discretion to make. More specific responses to these allegations and recommendations on modifying the Draft Report are set forth below.

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[1] Statement of Attorney General Alberto R. Gonzales on the Resignation of ATF Director Carl J. Truscott, (Department of Justice Press Release), dated August 4, 2006.

[2] Statement of ATF Chief of Staff Greg Harris to the ATF executive staff shortly after the existence of the anonymous letter was made public. Permission granted telephonically by Greg Harris on September 24, 2006 to include his full statement in my response.

Construction Projects[3]

I believed ATF's move into its first permanent headquarters' building would be an organizational and institutional transformation and have a long-lasting and professional influence on the bureau. My detail-oriented experience coupled with sentiments such as those expressed below by building architect Moshe Safdie, motivated me to be attentive to the new ATF headquarters' building in general. Specifically, I believed that the Director's office area should not be built and designed in accordance with my personal preferences, but for any Director and staff who occupy them and in the best interests of the American taxpayer.[4] ATF's plan was consistent with similar space which I had seen first-hand at the offices of other Departmental component heads and the General Services Administration has stated that ATF acted within established guidelines.

The first time it was brought to my attention that certain items for the Director's office and contiguous areas had not been previously budgeted for, I – not the Deputy Director, notified the executive staff and I told them that given the current budget environment the items should be eliminated – and they were. These discussions occurred before I was made aware of the existence of the anonymous letter. Additionally, a process was initiated subsequent to my discussion with the executive staff, guided by the Deputy Director, to consider and execute other cost-saving measures. Also, I did not ask on two occasions that wood floors remain in the Director's office after they had been eliminated.

Additionally, in unsolicited correspondence I received from Moshe Safdie, he wrote in part:

> "In reading the commentary of your "over-involvement" in the design of the ATF headquarters, I could not help but reflect how misinformed and misunderstood the subject of architecture and the environment are in the public eye. Afterall, the working environment of the ATF is of far-reaching impact on the effectiveness on the working community for generations to come. **It is not only worthy of the Director's attention, but absolutely demands it.** How many public buildings have we seen conceived and constructed only to take their toll on the efficiency and effectiveness of the working community within them?"[5] (Emphasis added)

Assistance on Nephew's High School Project

My nephew is a young man who is passionate about everything he does – particularly as it relates to his personal interests of videography and his career aspirations of following in my footsteps as a career public servant in the field of law enforcement. He wanted to produce a video and I facilitated his request, assuming that the bureau's participation would be minimal while advancing a good story about ATF.[6] I was not contemporaneously aware of the role of every ATF employee as you suggest, but I should have been aware of the anticipated extent of ATF involvement and I should have placed appropriate limits on the resources that could be used in support of the project. I only wish I had received the advice and counsel as described by the witness.

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[3] Those issues from your review which are not addressed in my response are not implicit acceptance of those issues. Rather, I am intentionally silent on those issues based on other statements I have made throughout this response.

[4] I never relinquished the overall ATF budget authority to the Deputy Director. I did ask him to oversee future decisions regarding the Director's office after I was made aware that an anonymous letter had been written.

[5] Letter from Mr. Moshe Safdie, Moshe Safdie and Associates Inc. to Carl J. Truscott, dated August 16, 2006. Permission granted telephonically by Moshe Safdie on September 19, 2006 to include the passage in my response.

[6] Appendix B (Documentary Outline) provides a detailed summary, however I spent little time reviewing it as I should have.

Security

As you substantiated, the security for the ATF Director was established and approved by ATF senior leadership prior to my arrival as Director; it was reviewed by and comported with the Department of Justice Executive Protection Program[7]; and it was codified in Title 31, Section 1344, Passenger Carrier Use[8]. Additionally, I believe the overall security arrangements were a measured approach for a bureau head with direct responsibility for firearms and explosives crimes and contributing to the Department's highest priority of preventing terrorism. I never requested additional personnel, vehicles or other resources above what had been established by the ATF senior leadership.

As an example of a weakness in your Draft Report and notwithstanding your lengthy discussion regarding Suburbans, several weeks prior to my arrival at ATF the Deputy Director was driven to Secret Service headquarters to meet with me to discuss my pending arrival at ATF. He was driven in a Suburban by the same special agent who ultimately headed the Executive Protection Branch when I arrived at ATF. The suggestion that Suburbans were utilized after my arrival and based solely on my personal preference is undeniably wrong.

Travel

My travel to Boston, Massachusetts and Ottawa, Canada; London, England; and New York, New York, was undertaken to "effectively and economically accomplish the purposes of the Government"[9] and to build necessary relationships to advance ATF. If the purposes of the trip had not met those thresholds, the ATF personnel would not have traveled. With respect to my travel, my expenses would not have been reimbursed without the approval of the office of the Deputy Attorney General – and they were.

I concur with your recommendations regarding two additional areas of procedures that ATF should address. First, you found that ATF employees failed to comply with FTR and ATF travel procedures by failing to document the reasons for incurring costs beyond the government rates for hotel accommodations. ATF employees, particularly the executive staff, should be reminded of the need to comply with all ATF and Departmental travel procedures. Second, concerning the September 2005 ATF reception at the IACP Convention in Miami Beach, ATF failed to enter into a clear agreement with the charter boat company servicing the event. The structure which I incorporated at ATF requiring Chief Counsel review of every activity relating to the Director's office should have included reviewing contracts with vendors who would be providing ATF services and I should have ensured they had done so.

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[7] Department Order 2630.5, dated June 26, 1979.

[8] A provision for a passenger carrier to be used to transport the ATF Director between residence and place of employment.

[9] "It is the policy of ATF to authorize, approve or grant permission to its employees for travel that is necessary to effectively and economically accomplish the purposes of the Government." (ATF Order 1540.1, Chapter B, Section 11).

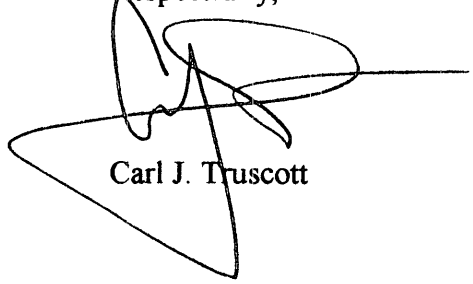
Requested Modifications and Summary

1. Your Draft Report found no basis for substantiating a single allegation relating to administrative misconduct. Hence, the Report should unequivocally state that you found no evidence to substantiate a single allegation relating to administrative misconduct. As such, there is no justification for the public dissemination of this unbalanced Draft Report as it is presently written. Additionally, your anticipated public disclosure of ATF component head security matters is irresponsible despite the fact that I have resigned. The "Security" section of your Draft Report (including Appendices C, D, and E were written and approved by others within ATF and unseen by me until after the anonymous letter had been written) does not contain classified information, but most-assuredly contains operational security information which is of value to an adversary of current and future ATF Directors. You should also re-evaluate your public disclosure regarding the security posture for the Director of the U.S. Marshal's Service and redact appropriately.
2. I will accept responsibility for everything that actually occurred at ATF during my tenure. That point is unmistakable, as I alone am answering to you and ultimately to the Attorney General for the allegations which have been made. Your Report should not indicate that I was reluctant to do so.
3. The tone of your Report should be modified so that it is not unjustifiably negative and does not make insinuations based on contradictory witness statements that are not based on contravention of statute, regulation, or policy.
4. The title of your Draft Report includes the words "mismanagement" and "misconduct." The Draft Report did not substantiate misconduct; and mismanagement is a subjective editorial observation and has no place on a title page. The title page should be edited accordingly.
5. I request that my response be included as an appendix in your final Report and please mail me a printed copy of the final Report.
6. Please provide me with a copy of the anonymous letter, dated January 20, 2006.

Under the leadership of President George W. Bush, Attorney General Alberto R. Gonzales and former Attorney General John Ashcroft, my contributions and leadership at ATF have been noteworthy and I will forever be proud of them. I departed public service earlier this year grateful for the honor and privilege of serving with the trust and confidence of the American people.

Please respond to my requested modifications in writing prior to the finalization of your Report.

Respectfully,



Carl J. Truscott

Attachment

cc: Attorney General Alberto R. Gonzales

B

[redacted]

From: [redacted]
Sent: Friday, August 26, 2005 1:31 PM
To: [redacted]
Cc: [redacted]
Subject: List/Notes on Direcxtor's Suite to prepare Moshe
Attachments: Suite500Prog'g-Furn.xls

Hope this helps

Suite 500 - Requests/preference/requirements of Director Truscott

Corridor outside of Suite

Entry/Presence toward Suite from elevators - very important
Former Director's portraits wall - Director is still not comfortable with this area
New requested glass wall/door to define area leading to suite 500

Reception

Semi-formal seating for 5-6
Sofa 3 Occasional tables 2 Lounge chairs
Receptionists desk - is currently very uncomfortable with this area as redesigned
At wood wall - flanking flags and ATF seal for formal photo-taking
Flags
First impression of the Director's suite, office, position
Semi-formal and comfortable
Receptionist to screen visitors
Duress button
Special lighting
Artwork - being developed via exhibits -undecided
Plants

Interior Reception out side Director's ofc. / Director's Staff Assistants

Transitional area between Reception and Director's Office
Desk per design intent - ***see elevations and transaction height - very fond of this***
Staff assistants to be seated 12 feet apart or more
Staff assistants to have a separation element - see DI
Staff assistants to have separate file storage, visitor seating
3 2-drawer lateral files, ea.: total 6
1 guest chair, ea; total 2
Lighting into this room important
Wood accent wall
Formal double door entrance to Director's Office, with remote control from Asst's desk
Duress button
Flat panel monitor, 21" per assistant - must be placed as noted on DI's
Art - TBD
Plants

Director's Office

View to desk from entrance door
Formal entry vestibule
Wood floor starting from Wood double doors
Formal double door entrance to Director's Office, remote control from Director's desk
Will probably only use one opening
Formal furniture to invoke Federal DC look - but comfortable
Seating for 8-10 including:
2 sofas
4 occasional tables
2 lounge chairs
2 guest chairs at desk
Library table
Credenza
Executive task chair

- Desk
- Coffee table
- Accent carpet - in seating group area
- Lighting

Wall storage unit (items per Director's request)
- Historic detailing to invoke federal DC look
- Matching wood and detailing
- Flat panel TV monitor, approx. 42" diagonal - hidden when not in use
- Undercounter refrigerator
- Base cabinet storage with lockable areas
- Open bookcase shelving
- Some lockable storage
- Two display units with glass doors
- CD/DVD/radio control (stereo inside base cabinet)

Closet with custom storage interior
- Short hanging
- Tall hanging
- Drawers
- Shelves
- Shoe/boot storage
- Tall storage

Flags and Seal - per current display in Director's office
Special lighting
Duress button
Soft window treatments

Director's Bathroom (Per Director's request)

Lavatory
- Closed storage underneath for supplies and sandals
- Drawer storage
- Granite counter to match building standard restroom lavatories
- Counter-to-ceiling mirror
- Special lighting

Toilet
Glass wall shower enclosure
Executive look/matching accessories:brushed nickel discussed
- Sconces
- Fixtures
- Towel bars
- Toilet paper holder
- Several hooks

Tile walls
- Building standard men's room accent tile: khaki
- Tile in horizontal straight stacked layout vs brick

Quartzite tile floor to match Atrium flooring
Open shelf wall mounted storage: chrome/brushed nickel hotel towel shelf above toilet
Bench
- Open storage underneath for supplies and sandals
- To fit in alcove between door and shower
- Water resistant wood seat

Telephone, TV flat panal and radio speakers to listen/view news (he is an avid exerciser)

Private Conference Room

Seating for 8

- Conference table to reconfigure for different functions ***(likes small breakfast mtgs)***
- Connectivity: telephone, large flat panel monitor, stereo speaker
- Credenza
  - Small hiding bar sink
  - Undercounter refrigerator
  - Trash storage: retractable arm with baskets
  - Storage for serving items
- Close to Office Door
  - ***so that visitors don't have to go through Director's office for meetings***
- A/V closet

Deputy Director's Office

- Formal furniture but comfortable
  - Conference table to accommodate 6
  - Six conference chairs
  - Two lounge chairs
  - Occastional table
  - Credenza
  - Executive task chair
  - Desk
  - Bookcase
  - Lighting
- Large flat panel in wall
- Flags
- Soft window treatments
- Special lighting
- Duress button
- Close proximity to Director's office and to the Staff Assistants' office

Deputy Director's Bathroom

- Lavatory
  - Open storage underneath for supplies and sandals
  - Drawer storage
  - Granite counter to match building standard restroom lavatories
  - Counter-to-ceiling mirror
  - Special lighting
- Toilet
- Shower enclosure
- Executive look/matching accessories:
  - Sconces
  - Fixtures
  - Towel bars
  - Toilet paper holder
  - Several hooks
- Tile walls
  - Building standard men's room accent tile: khaki
  - Tile in hoizontal straight stacked layout
- Quartzite tile floor to match Atrium flooring
- Open shelf wall mounted storage: chrome hotel towel shelf above toilet
- Connectivity: telephone, small flat panel monitor, stereo speaker

Copy Corridor

- Copier
- Shredder
- Wood wall cabinetry to match large conference room
- Wood base cabinetry to match large conference room
- Black Zodiaq countertops
- No backsplashes
- Undercabinet task lighting
- Closet for Reception Area storage
- Art

Pantry

- Wood wall cabinetry to match large conference room
- Wood base cabinetry to match large conference room
- Black Zodiaq countertops
- No backsplashes
- Undercabinet task lighting
- Full-size refrigerator
  - Two freezer drawers
  - Custom door panel to match cabinetry
- Two-drawer dishwasher with custom door panel to match cabinetry
- Range/oven/overhead microwave-vent
- Large single bowl stainless steel sink
  - Brushed chrome ADA compliant faucet
  - Brushed chrome ADA compliant spray handle
  - 1/2 horse power garbage disposal
- Undercounter ice maker
- Large coffee urn
- Undercabinet coffee maker
- ***Resilient floor (Director does not like the standard pantry tile)***
- Recycling bins
- Stools at counter
- Water cooler
- Art

Conference Room

- Large formal eliptical conference table to accommodate 14
- 14 (only) formal conference chairs, four wood legs, upholstered high backs and arms
- No casters on chairs
- ***No seat at HEAD and FOOT of table - not a "working" conference room***
- Formal side seating to accommodate 8
  - 3 settees
  - 4 occasional tables
  - 2 formal conference chairs to match those at table
- Special lighting
- Flags and wall displays
- Credenza with historic detailing to invoke federal DC look
  - Base cabinet storage with lockable areas
  - Flat panel monitor, 42" diagonal or larger
  - Retractable Projector screen
  - Wood to match detailing on ceiling and opposite accent wall
- Projector shelf

Soft window treatments
Non cluttered walls - few art or historical certificates only - not like present
Plants (?)

Conference room Pantry

Wood wall cabinetry to match large conference room
Wood base cabinetry to match large conference room
Black Zodiaq countertops
No backsplashes
Small bar sink: black
Black ADA compliant faucet
Black ADA compliant spray handle
1/2 horse power garbage disposal
Undercabinet task lighting
Undercounter refrigerator
Trash storage: retractable arm with baskets
Storage for serving items
Direct access from Reception Area
Secondary access to main Pantry
A/V closet

Resource Closet

Four metal storage cabinets: 36" wide x 18" deep x 72" high
Two lockable metal storage cabinets: 36" wide x 18" deep x 72" high
Small work table: 48" long x 24" deep

Executive Assistant

Building standard Type E office: 200 square feet
Furniture style to match Director's

Chief of Staff

Building standard Type E office: 200 square feet
Furniture style to match Director's

Physical Security Detail

Two building standard Type B offices: 100 square feet
No guest chairs
Plus weapons/storage cabinets

C

DIRECTOR: CARL TRUSCOTT

ATF DOCUMENTARY OUTLINE

KEY: First Box In Row Relates With First Box In Row Located Under The Sub Topics.

TOPICS	*FIREARMS*	*ALCOHOL & TOBACCO*	*EXPLOSIVES & ARSON*
	• National Integrated Ballistic Information Network (NIBIN)/Gun Forensics	• Gang Resistance Education and Training (GREAT)	• National Response Team (NRT) -ATF Response Truck
	• Project Safe Neighborhoods (PSN)	• Tobacco Analysis	✓ Explosives Detection Canines
		• Alcohol Analysis	• Fire Research Lab (FRL)

SUB TOPICS

FIREARMS	*ALCOHOL & TOBACCO*	*EXPLOSIVES & ARSON*
➢ Mission ➢ Purpose ➢ Goals ➢ Technology ➢ Violations ➢ Investigations (Undercover Work?)	➢ Mission ➢ Purpose ➢ Goals ➢ Cities Involved	➢ Mission ➢ Purpose ➢ Goals ➢ Equipment on Truck ➢ Technology ➢ Past Locations (Ex. 9/11) ➢ Accomplishments ➢ People Involved
➢ Mission ➢ Purpose ➢ Goals ➢ Technology	➢ Mission ➢ Purpose ➢ Goals ➢ Technology ➢ How it's analyzed	✓ Mission ✓ Purpose ✓ Goals ✓ Accomplishments ✓ Relationship with K-9's. ✓ Training
I'd like to interview you about the broad and general description of the ATF. (Ex. History, Mission, Accomplishments, Purpose, Goals [Future], Stats, etc)	➢ Mission ➢ Purpose ➢ Goals ➢ Technology ➢ How it's analyzed ➢ Their communication with industries	➢ Mission ➢ Purpose ➢ Goals ➢ Technology ➢ Equipment ➢ The Lab Itself ➢ How it's used

INTERVIEWEES

❖ Ballistic Agent [to talk about NIBIN and the technology used to link incidents and the culprit.]	❖ G.R.E.A.T. Leader/Director [to briefly talk about the program]	✓ K-9 Trainer Agent [I can handle this one.]
	❖ Alcohol/Tobacco Agent [to briefly talk about the technology and their lab workings.	❖ Explosives Agent [to briefly talk about the NRT truck.]
Simply stated, by briefly "Interviewing" the agents/personnel, the viewers can gain knowledge on the topic. "Interviewing" can be done by sitting down in a chair with proper lighting, etc [which is what I'd like to do when I interview you,]to simply getting a few sentences from an agent standing outside in the hallway.		❖ Fire/Arson Agent [to briefly talk about the lab and reconstructing the fires.]

— Thanks again for all your help! —

November 17, 2004

Uncle Carl,

After studying the information over the last couple weeks, I'm proud to have produced a very clear and organized Outline for you.

You may think this looks complicated, however, it is not...

- The top half of the paper has a box which includes the Major Topics I thought necessary to cover in the ATF.
- The bottom half over the paper has an even bigger box with sub-topics for each Major Topic. [These are in relation with the Major Topics.]
- The very bottom of the page includes a box with possible interviewees for those Major topics. [These aren't in order with them.] I just suggested those positions to be interviewed.

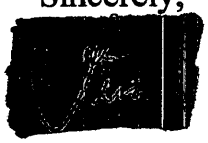
F.Y.I. : The kinds of "interviews" I will be conducting won't include me, the "host" or the "Interviewer." In fact, I will never be on camera. I simply just want the interviewee, or the ATF Agent in this case, to be talking about the topic infront of the camera.

However, since you are the Director of the ATF, it's up to you who I can interview and place on camera.

In conclusion, once you have reviewed this Outline and made any changes you deem necessary, then we can discuss possible interviewees for the near future.

Thank you very much!

Sincerely,



P.S. The "Explosives Detection Canines" Topic I believe I can cover with this woman of the Philadelphia Division. Therefore you don't have to worry about that. I just put it on the Outline to include it all.