



U.S. OFFICE OF SPECIAL COUNSEL
1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

The Special Counsel

May 8, 2025

The President
The White House
Washington, D.C. 20050

Re: OSC File No. DI-23-000271

Dear Mr. President:

I am forwarding to you reports transmitted to the Office of Special Counsel (OSC) by the Department of Justice (DOJ) in response to the Special Counsel's referral of a disclosure of wrongdoing at the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Boston Field Division, Industry Operations, Boston, Massachusetts. OSC has reviewed the disclosure, agency reports, and whistleblower comments, and, in accordance with 5 U.S.C. § 1213(e), I have determined that the reports contain the information required by statute and the findings appear reasonable.¹ The following is a summary of the allegations, DOJ's findings, and the whistleblower's comments in response.

The whistleblower, who chose to remain confidential, disclosed that ATF employees failed to provide adequate oversight of federal firearms licensee [REDACTED] to ensure public safety. The whistleblower alleged that the ATF first issued a notice of revocation of [REDACTED]'s federal firearms licenses on September 17, 2020, based upon over 600 willful, repeated violations of the Gun Control Act and its implementing regulations (27 C.F.R. § 478.73), dating back to 2011. In 2022, ATF had not yet finalized the revocation and [REDACTED] entered into a non-prosecution agreement with the U.S. Attorney's Office for the District of Connecticut (USAO). In the agreement, the revocation was stayed until September 26, 2022, to allow [REDACTED] to sell or transfer its firearms and ammunition in arms-length transactions. The whistleblower alleged that the ATF improperly extended the stay of revocation even as [REDACTED] engaged in additional Gun Control Act violations by failing to report approximately 68 multiple sales to the ATF, as required by 27 C.F.R. § 478.126a.

¹ The whistleblower's allegations were referred to former Attorney General Merrick B. Garland for investigation pursuant to 5 U.S.C. § 1213(c) and (d). Attorney General Garland delegated the authority to review and sign the agency report to former Associate Deputy Attorney General Bradley Weinsheimer. The ATF's Office of Professional Responsibility and Security Operations, Internal Affairs Division conducted the investigation.

The agency investigation did not substantiate the whistleblower's allegations, finding that ATF personnel acted in accordance with federal law and ATF policies and procedures. The agency confirmed that ATF had a revocation action pending against [REDACTED] in 2020 and that [REDACTED] received multiple extensions to the effective date of the revocation. The agency reported that although the resolution of [REDACTED] revocation action took longer than customary, there is no evidence this was because any ATF employee engaged in misconduct. Rather, the agency found that delay to the revocation was because [REDACTED] was the subject of a criminal investigation, and ATF's general policy is to prioritize criminal investigation and enforcement over regulatory enforcement because criminal violations represent more serious conduct and penalties beyond license revocation are typically appropriate.

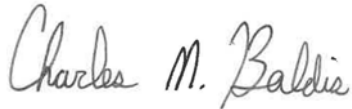
The agency also confirmed that the criminal investigation resulted in a non-prosecution agreement with the USAO. Under the terms of the agreement, [REDACTED] agreed to sell or transfer the company to an independent third party, and the ATF was directed to stay the revocation of the [REDACTED] federal firearm licenses for 90 days to facilitate the sale or transfer and approve extensions of 60-day increments based on [REDACTED] status reports on the efforts to complete the sale or transfer. The agency found that the USAO was the appropriate party to determine whether a breach of the agreement occurred, and they had not made such a determination. The agency also concluded that the status reports provided by [REDACTED] were adequate to support the extensions and even though [REDACTED] sent some Multiple Sales Reports to the wrong e-mail address due to a clerical error, that does not constitute an intentional or willful violation of the Gun Control Act or the non-prosecution agreement. The agency reported that ATF ultimately revoked [REDACTED] federal firearms licenses on November 2, 2023.

In response, the whistleblower notes that when the initial disclosure was made to OSC in January 2023, [REDACTED] was still in business and operating as usual. The whistleblower believes the agency delayed their response to OSC until after [REDACTED] was finally put out of business. The whistleblower questions the reasonableness of the ATF taking over 3 years to revoke the federal firearms licenses of an owner with numerous, well-documented violations. The whistleblower states that since at least 2004, ATF has been notified repeatedly by the DOJ Office of Inspector General of the shortcomings of their inspections of federal firearms licensees and the timeliness of revocations. The whistleblower recommends greater oversight of Field Divisions to ensure licenses are timely revoked after Notices of Revocation are issued. In addition, the whistleblower recommends that stays of revocation should stipulate that the owner may no longer acquire or manufacture additional firearms and emphasize that the purpose of the stay is to allow only the orderly transfer of inventory and close out of the records, not for continuing business as usual, as was allowed with [REDACTED].

The President
May 8, 2025
Page 3

I thank the whistleblower for bringing these allegations to OSC. As required by 5 U.S.C. § 1213(e)(3), I have sent a copy of this letter, the agency report, and whistleblower comments to the Chairs and Ranking Members of the Senate and House Committees on the Judiciary. OSC has also filed redacted copies of these documents and the letter referring the matter to DOJ in our public file, which is available online at www.osc.gov. This matter is now closed.

Respectfully,

A handwritten signature in dark ink that reads "Charles M. Baldis". The signature is written in a cursive, slightly stylized font.

Charles N. Baldis
*Senior Counsel and Designee
of Acting Special Counsel Jamieson Greer*

Enclosures