



November 2017

# INTERNET FIREARM SALES

## ATF Enforcement Efforts and Outcomes of GAO Covert Testing

# GAO Highlights

Highlights of [GAO-18-24](#), a report to congressional requesters

## Why GAO Did This Study

The current federal legal framework governing buying and selling of firearms does not specifically address the use of the Internet to facilitate these transactions. Additionally, private transactions involving the most-common types of firearms between individuals who are not licensed to commercially sell weapons and who are residents of the same state, including transactions facilitated by the Internet, are generally not subject to federal background-check requirements.

Congressional requesters asked that GAO assess the extent to which ATF is enforcing existing laws and investigate whether online private sellers sell firearms to people who are not allowed or eligible to possess a firearm. This report describes (1) techniques ATF uses to investigate and enforce generally applicable firearm laws in instances where the firearm or firearm-component transaction is facilitated by the Internet and (2) results of GAO's undercover attempts to buy firearms on the Dark Web and Surface Web.

GAO analyzed documents and interviewed officials to identify actions ATF has taken to prohibit illegal firearm transactions. GAO also attempted to purchase firearms from Dark Web and Surface Web marketplaces. The results of the testing are illustrative and nongeneralizable.

## What GAO Recommends

GAO is not making recommendations in this report. ATF provided technical comments, which GAO incorporated as appropriate.

View [GAO-18-24](#). For more information, contact Seto Bagdoyan at (202) 512-6722 or [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov), or Wayne McElrath at (202) 512-2905 or [mcelrath@gao.gov](mailto:mcelrath@gao.gov).

November 2017

## INTERNET FIREARM SALES

### ATF Enforcement Efforts and Outcomes of GAO Covert Testing

## What GAO Found

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is responsible for investigating criminal and regulatory violations of firearms statutes and regulations that govern firearms transactions, including sales that are facilitated by the Internet. Two components of the Internet may be used to facilitate Internet firearm sales: the Surface Web and the Dark Web. The Surface Web is searchable with standard web search engines. The Dark Web contains content that has been intentionally concealed and requires specific computer software to gain access. ATF created the Internet Investigations Center (Center) to investigate buyers and sellers who use the Internet to facilitate illegal firearms transactions. The Center uses several tools to provide investigative support to ATF, which has resulted in the arrests of individuals using the Internet to facilitate illegal firearm purchases. ATF officials with the Center also noted that investigations might involve both the Surface Web and the Dark Web. For example, to identify an anonymous user on the Dark Web, the Center works to establish a user's "digital footprint" on the Surface Web.

In 2016, the Center also issued a report about Internet firearm transactions. This and other ATF reports highlighted the following about Internet-facilitated firearm transactions:

- The relative anonymity of the Internet makes it an ideal means for prohibited individuals to obtain illegal firearms.
- The more anonymity employed by a firearms purchaser, the greater the likelihood that the transaction violates federal law.
- Firearm transactions that occur on the Dark Web are more likely to be completed in person or via the mail or common carrier, versus through a Federal Firearm Licensee.

GAO agents attempted to purchase firearms from Dark Web and Surface Web marketplaces. Agents made seven attempts to purchase firearms on the Dark Web. In these attempts, agents did not disclose any information about whether they were prohibited from possessing a firearm. Of these seven attempts, two on a Dark Web marketplace were successful. Specifically, GAO agents purchased and received an AR-15 rifle and an Uzi that the seller said was modified so that it would fire automatically. GAO provided referral letters to applicable law-enforcement agencies for these purchases to inform any ongoing investigations.

Tests performed on the Surface Web demonstrated that private sellers GAO contacted on gun forums and other classified ads were unwilling to sell a firearm to an individual who appeared to be prohibited from possessing a firearm. Of the 72 attempts agents made to purchase firearms on the Surface Web, 56 sellers refused to complete a transaction: 29 sellers stated they would not ship a firearm and 27 refused after the disclosure of the undercover identities' stated prohibited status. Furthermore, in 5 of these 72 attempts, the accounts GAO set up were frozen by the websites, which prevented the agents from using the forums and attempting to make a purchase.

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## Abbreviations

ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
Center	Internet Investigations Center
CRS	Congressional Research Service
DEA	Drug Enforcement Administration
DOJ	Department of Justice
FBI	Federal Bureau of Investigation
FFL	Federal Firearm Licensee
GCA	Gun Control Act of 1968
NFA	National Firearms Act of 1934
NICS	National Instant Criminal Background Check System

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November 21, 2017

The Honorable Elijah E. Cummings  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Brian Schatz  
United States Senate

The Honorable Elizabeth Warren  
United States Senate

Mass public shootings in the United States, such as those in Las Vegas, Nevada; Newtown, Connecticut; and Orlando, Florida, have sparked debate about existing firearms laws designed to reduce firearm violence. Such debate has included questions about how prohibited individuals, such as convicted felons, may have access to firearms.<sup>1</sup> In 2016, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)—part of the Department of Justice (DOJ)—reported a steady increase in Internet-based criminal enforcement cases within ATF since 2011.<sup>2</sup> According to the ATF FY 2010 – FY 2016 strategic plan, the privacy of the Internet makes it an ideal means for gang members, violent criminals, terrorists, and juveniles to traffic and obtain illegal firearms.<sup>3</sup> Further, the 2016 report noted that the more anonymity employed by a firearms purchaser, the greater the likelihood that the transaction violates federal law.

The current federal legal framework of statutes and regulations governing the buying and selling of firearms does not specifically address the use of the Internet to facilitate these transactions. Federally regulated transactions include those in which the seller is engaged in the business of dealing in firearms and is required to conduct a background check on a

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<sup>1</sup>Throughout this report, we use the term “prohibited individuals” to refer to those categories of individuals who, pursuant to 18 U.S.C. §§ 922(g) and (n) are generally legally prohibited from shipping, transporting, receiving, or possessing firearms or ammunition.

<sup>2</sup>Department of Justice, *Firearms and Internet Transactions: ATF Intelligence Assessment* (Washington, D.C.: 2016).

<sup>3</sup> Department of Justice, *Strategic Plan: Bureau of Alcohol, Tobacco, Firearms, and Explosives FY2010- FY 2016* (Washington, D.C.: 2010).

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prospective nonlicensed buyer.<sup>4</sup> Conversely, private transactions for the most common types of firearms between nonlicensed individuals who are residents of the same state, including transactions facilitated by the Internet, are generally not subject to federal background-check requirements.<sup>5</sup>

You asked us to assess the extent to which ATF is enforcing existing gun laws as they apply to firearms transactions facilitated by the Internet and investigate whether online private sellers sell firearms to prohibited individuals. This report describes (1) techniques ATF uses to investigate and enforce generally applicable firearm laws in instances where the firearm or firearm-component transaction is facilitated by the Internet and (2) results from our covert attempts to buy firearms on the Surface Web and Dark Web.<sup>6</sup>

To describe the investigative and enforcement techniques ATF has implemented to detect prohibited firearm or firearm-component transactions facilitated by the Internet, we reviewed relevant ATF documentation, such as planning and policy documents. We also reviewed and analyzed relevant statutes and regulations to understand the legal framework in which ATF performs its enforcement duties. Further, we examined applicable DOJ and ATF documentation to identify examples of closed adjudicated cases. We performed additional research using public court records to augment these reports in order to describe enforcement actions ATF has taken on prohibited firearms transactions facilitated by the Internet. Additionally, we interviewed ATF officials, including those with its Internet Investigations Center (Center), to understand enforcement actions ATF takes to respond to firearm crimes facilitated by the Internet. We also observed ATF regulatory officials perform a compliance inspection of a Federal Firearm Licensee (FFL) that engages in online commerce of dealing firearms to understand how the

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<sup>4</sup>The term nonlicensed refers to individuals who are not licensed by ATF to engage in the business of importing, manufacturing, or dealing in firearms.

<sup>5</sup>States may impose additional requirements or restrictions, which are outside the scope of this report.

<sup>6</sup>The Surface Web is a portion of the Internet that is readily available to the general public and searchable with standard web search designs. The Dark Web is a hidden part of the Internet that specialized software enables users to access with little risk of detection. For more information please see the sidebar on page 9.

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FFL inspection process works and learn how legitimate FFL transactions are facilitated by the Internet.<sup>7</sup>

To attempt to use the Internet to facilitate test firearm purchases, our agents performed covert tests on the Dark Web and Surface Web. Agents covertly accessed a Dark Web marketplace and attempted to purchase firearms or firearm components from nonlicensed private sellers. For our Dark Web testing, we examined the feasibility of obtaining different types of firearms. We made seven attempts to complete firearm transactions on the Dark Web, and we concluded testing when the transactions were successfully completed. For these covert tests, we did not disclose any information about our presumed prohibited status. On the Surface Web, using a variety of scenarios designed to make the seller believe that the transaction would be illegal, agents accessed gun forums and other classified advertisements and made 72 attempts to purchase firearms or firearm components from private nonlicensed sellers. The results of our testing are for illustrative purposes only and are not generalizable. We also reviewed DOJ and ATF published reports, as well as adjudicated criminal cases, to understand how prohibited individuals may use the Internet to purchase firearms or firearm components. Additionally, we met with third-party groups with knowledge of the firearms industry, including state law-enforcement agencies, a purveyor of a commercial website that hosts online firearm classified advertisements, a gun-control advocacy group, a firearm-industry organization, and an academic research center to learn about online firearm marketplaces, criminal pathways to illegally purchase or sell firearms, and enforcement responses. See appendix I for more information on our scope and methodology.

We conducted this performance audit from July 2015 to November 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted our related investigative work in accordance with the standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

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<sup>7</sup>For the purposes of our report, an FFL is an entity that is licensed by ATF to engage in the business of dealing firearms.

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## Background

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### ATF

ATF is one of several DOJ law-enforcement components, including the Federal Bureau of Investigation (FBI) and the Drug Enforcement Administration (DEA), responsible for fighting violent crime.<sup>8</sup> ATF is the lead agency charged with enforcing federal firearms laws and regulating the firearms industry. ATF is also responsible for investigating criminals and criminal organizations that use firearms, arson, or explosives in violent criminal activity.<sup>9</sup>

ATF investigates and combats violent crime related to firearm trafficking, criminal possession and use of firearms, and the diversion of firearms from legal commerce. This work includes law-enforcement operations and intelligence gathering and analysis. For example, special agents investigate reports of prohibited individuals acquiring or attempting to acquire firearms from private sellers in order to avoid background checks that would otherwise be required if purchasing through an FFL. According to ATF officials, intelligence analysts may help agents by gathering information from the public social-media profiles of individuals under investigation. In addition, ATF investigates reports of individuals engaging in the business of dealing firearms without a license, thereby circumventing background-check, record-keeping, and other requirements.

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### Statutes and Regulations

The National Firearms Act of 1934 (NFA) and the Gun Control Act of 1968 (GCA) are the primary federal laws that regulate the manufacture, sale, distribution, and possession of firearms. There are no laws that specifically regulate firearms transactions facilitated by the Internet. Rather, firearms transactions facilitated by the Internet are subject to the same legal requirements and regulations as traditional firearms sales.

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<sup>8</sup>We reported in April 2011 that DOJ law-enforcement components—ATF, DEA, the FBI, and the U.S. Marshals Service—have overlapping jurisdiction over violent-crime investigations, specifically when the investigations involve illegal drugs, gang violence, firearms, explosives, arson, and fugitive apprehension. See GAO, *Law Enforcement Coordination: DOJ Could Improve Its Process for Identifying Disagreements among Agents*, [GAO-11-314](#) (Washington, D.C.: Apr. 7, 2011).

<sup>9</sup>28 U.S.C. § 599A and 28 C.F.R. §§ 0.130 – 0.131.



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National Firearms Act of 1934,  
as Amended

The NFA defines the specific types of firearms and components subject to the provisions of the act based on the firearm’s function, design, configuration, or dimensions.<sup>10</sup> For example, the NFA applies to machine guns, short-barreled rifles, short-barreled shotguns, and silencers.<sup>11</sup> The NFA requires these firearms and components to be registered with ATF. The lawful transfer of firearms and components subject to the NFA generally requires ATF approval, a process that involves the submission of application forms, fingerprints, and photographs to ATF, as well as payment of a transfer tax. Transfers outside of this ATF-approval process are generally illegal.

Gun Control Act of 1968, as  
Amended

The GCA, the main federal statute applicable to firearms such as handguns, shotguns, and rifles, requires all persons engaged in the business of manufacturing, importing, or dealing in firearms to become an FFL through ATF.<sup>12</sup> The GCA defines a person “engaged in the business” as a dealer of firearms as someone who “devotes time, attention, and labor to dealing in firearms as a regular course of trade or business with the principal objective of livelihood and profit through the repetitive purchase and resale of firearms.”<sup>13</sup> The definition excludes individuals who make “occasional” sales or purchases to enhance a personal collection or for a hobby or who sell all or part of a personal collection of firearms. The GCA requires that FFLs maintain records of all their gun sales. These records are used, among other purposes, to trace a firearm recovered by law-enforcement officials from its first sale by the manufacturer or importer through the distribution chain to the first retail

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<sup>10</sup>The original National Firearms Act of 1934, Pub. L. No. 73-474, 48 Stat. 1236 (June 26, 1934), contained defects that made the law difficult to enforce after the Supreme Court’s decision in *Haynes v. United States*, 390 U.S. 85 (1968). To address the problems raised by the *Haynes* decision, a revised version was reenacted by the National Firearms Act Amendments of 1968, part of the Gun Control Act of 1968, Pub. L. No. 90-618, Title II, §§ 201–207, 82 Stat. 1213, 1227–1236 (Oct. 22, 1968). The NFA is codified, as amended, at 26 U.S.C. §§ 5801–5872, with implementing regulations at 27 C.F.R. Part 479.

<sup>11</sup>The NFA defines the term machine gun as any weapon that shoots, is designed to shoot, or can be readily restored to shoot, automatically more than one shot without manual reloading, by a single function of the trigger. The term includes the frame or receiver of any such weapon, any part designed and intended solely and exclusively or combination of parts designed and intended for use in converting a weapon into a machine gun, and any combination of parts from which a machine gun can be assembled if such parts are in the possession or under the control of a person.

<sup>12</sup>Gun Control Act of 1968, Pub. L. No. 90-618, 82 Stat. 1213 (Oct. 22, 1968), codified, as amended, at 18 U.S.C. §§ 921–931, with implementing regulations at 27 C.F.R. Part 478.

<sup>13</sup>18 U.S.C. § 921(a)(21)(C).

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purchaser, in order to provide law-enforcement agencies with investigative leads.

As amended by the Brady Handgun Violence Prevention Act, the GCA generally requires FFLs to contact the FBI's National Instant Criminal Background Check System (NICS) prior to transferring a firearm to a nonlicensed individual.<sup>14</sup> During a NICS background check, the buyer provides the FFL with appropriate identification, such as a valid driver's license. The FFL submits descriptive data, including the buyer's name and date of birth, to NICS, which searches three national databases containing criminal history and other relevant records to determine whether federal or state law prohibits the person from receiving or possessing a firearm. The transfer may proceed if NICS informs the FFL that it has no information indicating that the transfer would be in violation of law, or if 3 business days have elapsed without notification that the transfer would violate the law. The GCA prohibits individuals from knowingly making a false statement intended to deceive FFLs with respect to any fact material to the lawfulness of the sale, such as a person claiming that he or she is the actual buyer of a firearm and not acquiring the firearm on behalf of another person, when in fact he or she is purchasing the firearm with the intent to transfer it to a prohibited person. This type of transaction is often referred to as a "straw purchase."

In addition, the GCA establishes the categories of persons generally prohibited from shipping, transporting, receiving, or possessing firearms and ammunition.<sup>15</sup> Specifically, persons are prohibited from shipping, transporting, receiving, or possessing a firearm if they (1) have been convicted of a felony; (2) are a fugitive from justice; (3) are an unlawful user of or addicted to any controlled substance; (4) have been committed to a mental institution or judged to be mentally defective; (5) are aliens illegally or unlawfully in the United States, or certain other aliens admitted under a nonimmigrant visa; (6) have been dishonorably discharged from the military; (7) have renounced their U.S. citizenship; (8) are under a qualifying domestic violence restraining order; or (9) have been convicted of a misdemeanor crime of domestic violence. In addition, federal law prohibits persons under felony indictment from shipping, transporting, or receiving a firearm.

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<sup>14</sup>Pub. L. No. 103-159, § 102(b), 107 Stat. 1536, 1539 (Nov. 30, 1993), codified, as amended, at 18 U.S.C. § 922(t).

<sup>15</sup>18 U.S.C. §§ 922(g) and (n).

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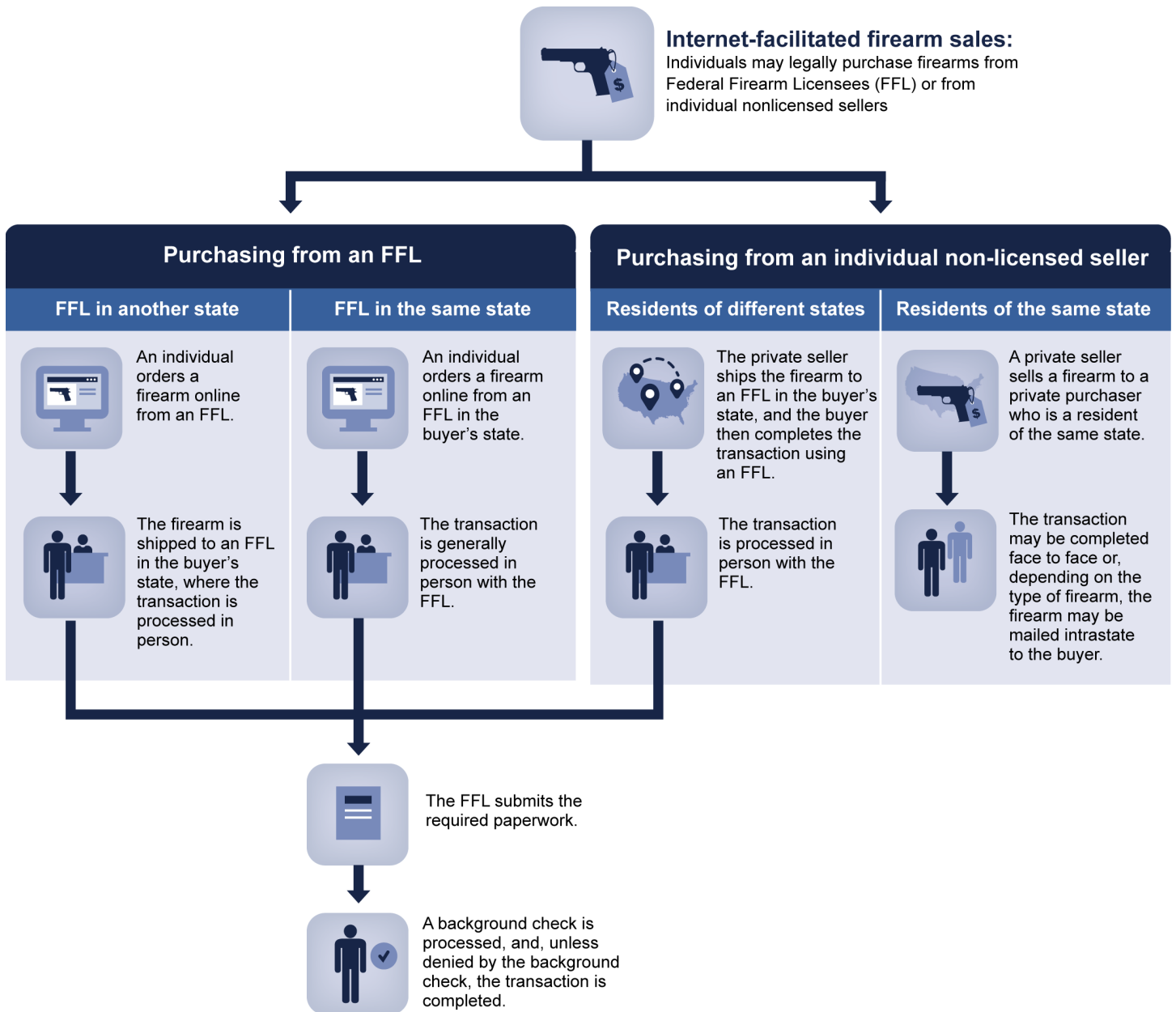
Individuals who are not engaged in the business of dealing in firearms may not legally sell firearms to other unlicensed individuals under certain circumstances.<sup>16</sup> For example, a transaction between unlicensed individuals would be illegal if the seller knows or has reasonable cause to believe that the buyer is legally prohibited from possessing firearms or is a resident of a different state than the seller. If the seller is not aware of these circumstances, the seller may transfer the firearm to the buyer without any record-keeping or background-check requirements.

Nonprohibited, nonlicensed individuals may legally purchase firearms through an FFL or through individual private sales with residents of the same state. Regardless of whether an FFL is involved in an Internet-facilitated firearm purchase, if a seller knows or has a reasonable cause to believe that the prospective recipient is prohibited from possessing firearms, the seller must not transfer the firearm. See figure 1.

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<sup>16</sup>For the purposes of clarity in this report, the term “firearm” refers to all firearms that are not regulated by the NFA. We specifically denote when a firearm is regulated by the NFA.

**Figure 1: Using the Internet to Facilitate the Firearm Purchasing Process**



Source: GAO review of federal firearm statutes and regulations. | GAO-18-24

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### Defining the Surface Web, the Deep Web, and the Dark Web

According to a 2015 Congressional Research Service (CRS) report, the layers of the Internet go far beyond the surface content that many can easily access in their daily searches. The Surface Web is a portion of the World Wide Web that is readily available to the general public and searchable with standard web search engines. Deep Web content, however, has not been indexed by traditional search engines such as Google. Examples of Deep Web sites include certain classified listings, forums, and invite-only groups. A small portion of the Deep Web, known as the Dark Web, contains content that has been intentionally concealed and requires specific software. The Dark Web may be used for legitimate purposes, for example some news organizations have sites on the Dark Web that enable users to transmit information anonymously. However, some users may access the Dark Web to conceal criminal or otherwise malicious activities.

Source: Bureau of Alcohol, Tobacco, Firearms and Explosives and Congressional Research Service. | GAO-18-24

As outlined in figure 1, the Internet can facilitate legal purchases either through FFLs or through nonlicensed private sellers. For purchases through an FFL, an individual orders a firearm online, and generally completes the transaction process in person. The FFL submits the required paperwork to ATF. A background check is processed directly by NICS or through a state government that checks NICS. Unless denied by the background check, the transaction is completed. If the individual is purchasing the firearm from an FFL in another state, the original FFL will transfer the firearm to an FFL in the state the buyer resides in to complete the transaction. If both the buyer and seller are residents of the same state, transfers between private nonlicensed parties facilitated by the Internet without the involvement of an FFL may be lawful. The firearm may be transferred in person between the buyer and the seller, or, if the firearm is a shotgun or rifle, it may be mailed intrastate between the individuals.<sup>17</sup> The seller has no record-keeping obligations, and no NICS background check is performed on the buyer. However, a nonlicensed individual is usually prohibited from directly transferring a firearm to a person who the transferor knows or had reasonable cause to believe is residing in another state.<sup>18</sup> In addition, it is usually illegal for any nonlicensed individual to transport into or receive in the state where he resides any firearm purchased or otherwise obtained outside that state. Therefore, interstate transactions between two nonlicensed individuals are likely to be illegal unless an FFL becomes a party to the transaction. For a legal transaction between residents of different states, the seller must send the firearm to an FFL in the buyer's state.<sup>19</sup> The FFL submits the paperwork, a background check is processed, and, unless denied by the background check, the FFL transfers the firearm to the buyer.

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<sup>17</sup>Although unloaded rifles and shotguns may be mailed through the United States Postal Service, pistols, revolvers, and other firearms capable of being concealed on the person may not be mailed by nonlicensed individuals, pursuant to 18 U.S.C. § 1715.

<sup>18</sup>There are exceptions for the transfer, transportation, or delivery of a firearm in accordance with the settlement of a decedent's estate or for the loan or rental of a firearm to another person for temporary use for lawful sporting purposes. 18 U.S.C. § 922(a)(5).

<sup>19</sup>Nonlicensed individuals may ship a firearm to an FFL in a different state through the United States Postal Service if the firearm is a rifle or shotgun. In addition, a nonlicensed individual may ship a handgun, rifle, or shotgun to an FFL in a different state through a carrier such as FedEx or UPS with proper written notice. 18 U.S.C. § 922(e).

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## Internet Firearm Marketplaces

Potential gun buyers can view firearm advertisements and make purchases from the following categories of websites: major retailers, online retailers, online auctions and marketplaces, online classified listings, online forums and social media networks, and Dark Web websites. According to ATF reports, major retailers and online retailers meet the definition of firearm dealers and therefore must be FFLs in order to operate. To see how purchases may be facilitated by various Internet marketplaces, see figure 2.

Figure 2: Description of Internet Firearm Marketplaces

How the Internet Facilitates Firearm Sales	
	<b>Major retailers</b> Major retailers advertise via the Internet, but ultimately customers must go to a specific store operated by the retailer to make the purchase.
	<b>Online retailers</b> Online retailers transfer the purchased firearm to a Federal Firearm Licensee (FFL). Some online retailers refer customers to certain FFLs in the buyer's state or have their own FFL storefronts. These transactions can occur anywhere in the United States.
	<b>Online auction and marketplace</b> Online auction and marketplace sites conduct transactions in a variety of ways. For example, some enable users to search for firearms by major city or zip code, which may facilitate person-to-person transactions. Others enable users to search only by state, which may increase potential for an FFL transfer between states.
	<b>Online classifieds</b> Online classifieds enable searches within major cities, regions of a state, or by distance, such as within a 5-mile radius. These provide greater potential for a person-to-person transfer to occur instead of an FFL transfer.
	<b>Online forums</b> Online forums and social-media networks enable users to advertise firearms for sale in addition to sharing firearms knowledge. When firearms are sold via these forums, the transfer can occur door-to-door (meaning the firearm is mailed or shipped) or person-to-person.
	<b>Dark Web</b> Dark Web websites facilitate sales between sellers and buyers who seek to remain anonymous and operate outside of laws and regulations. Buyers and sellers use special technological tools to complete the entire transaction online in a way that is designed to keep the identities of both parties private. Sellers ship the firearms, often disassembled and concealed in other items such as electronics, to the buyer.

Source: Bureau of Alcohol, Tobacco, Firearms and Explosives. | GAO-18-24

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## Prior Reporting on Internet Firearms Sales

GAO, DOJ, and the Congressional Research Service (CRS), as well as a gun-control advocacy group, have reported on the issue of Internet firearm sales since the early 2000s. In 2001 we reported the results of our undercover inquiries to private individuals who advertised firearms online. We attempted to purchase firearms from two of these individuals. Both individuals were willing to complete the transactions in person, though we did not complete the sales.<sup>20</sup>

Also in 2001, as part of a larger report on reducing gun violence, DOJ identified issues related to firearms sales facilitated by the Internet.<sup>21</sup> Among the issues outlined in the report was the possibility prohibited individuals may use the Internet to acquire firearms. The report also stated that the Internet may facilitate illegal sales by individuals selling firearms commercially without a license. The report stated that enforcement mechanisms must be established to prevent prohibited individuals from obtaining firearms through the Internet and to make sure that both FFLs and nonlicensed sellers follow existing law when conducting sales through the Internet. The report noted that ATF was working to establish a unit to identify and respond to criminal violations involving the Internet and other new computer technology and worked with other federal law-enforcement agencies to establish enforcement mechanisms to prevent prohibited individuals from obtaining firearms through the Internet and to make sure both FFLs and nonlicensed sellers follow existing law when conducting sales through the Internet.

In 2012, CRS reported on Internet firearm and ammunition sales.<sup>22</sup> The report outlined the extent to which federal law regulates the sale of firearms via the Internet, which is not treated as legally distinct from sales not facilitated by the Internet. CRS noted that this situation has raised concerns about the possibility of increased violation of federal firearm laws and about challenges that law-enforcement agencies may face when attempting to investigate violations of these laws.

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<sup>20</sup>GAO, *Firearms Purchased from Federal Firearm Licensees Using Bogus Identification*, GAO-01-427NI (Washington, D.C.: Mar. 19, 2001).

<sup>21</sup>Department of Justice, *Gun Violence Reduction: National Integrated Firearms Violence Reduction Strategy* (Washington, D.C.: 2001).

<sup>22</sup>Congressional Research Service, *Internet Firearm and Ammunition Sales* (Washington, D.C.: Aug. 28, 2012).



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Additionally, a prior report by an advocacy group explored how the Internet may facilitate firearm sales to prohibited individuals.<sup>23</sup> However, the report described how prohibited individuals may use the Internet to find firearms for sale and then to conduct face-to-face transactions. The report did not demonstrate how prohibited individuals may have firearms mailed directly to them, thus circumventing the FFL purchase process, or otherwise break the law. Representatives from the investigative organization that performed this work stated that they did not break the law when performing their testing.

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## ATF Takes Various Actions to Enforce Firearm Regulations Related to Prohibited Firearm Transactions Facilitated by the Internet

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### ATF Does Not Distinguish between In-Person Sales and Sales Facilitated by the Internet when Enforcing Firearms Statutes and Regulations

As we noted above, there are no specific statutes or regulations pertaining to Internet firearms transactions. Hence, ATF does not distinguish between private firearms transactions taking place in person versus those that use the Internet to facilitate the sale. Licensed and nonlicensed sellers use the Internet to facilitate firearm sales in a variety of ways. Major retailers with a federal firearms license enable customers to browse available firearms on their websites but require transactions to be made in person at the store. Online retailers with a federal firearms license advertise firearms online and transfer the firearm to the purchaser through either a storefront that qualifies as an FFL or another FFL in the buyer's state. Online auction and marketplace websites, online classifieds, and online forums also facilitate sales between buyers and both licensed and nonlicensed sellers. Depending on the website, potential buyers can search for firearms nationwide or narrowed down to city or zip code. According to ATF, searching capabilities can affect

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<sup>23</sup>Mayors Against Illegal Guns and the City of New York, *Point, Fire, Click: An Investigation of Illegal Online Gun Sales* (New York, N.Y.: 2011). Mayors Against Illegal Guns is now known as Everytown for Gun Safety.

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whether transactions among nonlicensed individuals are more likely to occur in person or through an FFL as well as the potential for illegal activity to occur.

A private sale between two nonlicensed individuals would have an unlawful component if, for example, (1) the seller knows or has reasonable cause to believe that the buyer is legally prohibited from possessing firearms or is a resident of a different state; (2) the seller is engaged in the business of dealing in firearms without a license; or (3) the item is an NFA-restricted weapon.<sup>24</sup> ATF officials who oversee Internet-related investigations said that it is not possible to monitor private firearms transactions coordinated over the Internet as they take place. Federal law does not require the seller in a private firearm transaction to conduct a background check or otherwise process paperwork through ATF.

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### ATF Developed an Internet Investigations Center to Help Identify Individuals Unlawfully Transferring Firearms Using the Internet

According to ATF officials, in 2012 the agency created a national center for Internet-related investigations, now known as the Internet Investigations Center (Center).<sup>25</sup> ATF officials noted that, as an example of its activities, field agents who perform work involving the Internet will coordinate with the Center to ensure they have the necessary training to operate online in an undercover capacity. The Center has access to a variety of tools to facilitate Internet investigations. Much of the Center's software that is used to analyze online content for investigations is free and open source. For example, according to ATF officials, using free open-source software allows analysts to glean information from public websites without violating users' privacy rights.

ATF officials stated that the Center investigates buyers and sellers who use the Internet to facilitate illegal firearms transactions. The officials with the Center noted that these investigations are generally reactive, meaning that the Center initiates them after receiving a tip or a request from a field agent. For example, in November 2014 the Center received a tip from a person who was selling firearms on an online firearms marketplace and was suspicious of a prospective buyer attempting to obtain a pistol

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<sup>24</sup>NFA-restricted weapons are specific classes of firearms that must be registered with ATF in accordance with the National Firearms Act (NFA), including machine guns, short-barreled shotguns, and short-barreled rifles, among others.

<sup>25</sup>According to ATF officials, the Center was initially named the Cyber Intelligence Branch.

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without involving an FFL. The Center identified the prospective buyer and engaged in an undercover operation in which the individual agreed to provide the undercover agent with components designed to turn pistols and rifles into fully automatic firearms in exchange for a pistol and cash. The undercover agent and the buyer met in person and completed the transaction. ATF agents arrested the buyer at the scene, and he was later sentenced to 33 months in prison.

ATF officials said the agency frequently receives tips about nonlicensed sellers engaging in the business of firearms. For example, ATF investigated a nonlicensed seller who posted more than 280 firearms for sale on multiple online firearms marketplaces; purchased at least 54 firearms; and sold at least 51 firearms at a profit. The seller, who was also found to have made straw purchases for other buyers, was sentenced in August 2010 to 2 years in prison.<sup>26</sup> For additional examples of ATF enforcement actions involving sales facilitated by the Internet, please see appendix II.

According to ATF officials, the Center also performs investigative work on the Dark Web, which requires knowledge of the Internet and investigative techniques. For example, ATF analysts must understand virtual currency, such as Bitcoin values. They must also know what sellers are charging for their products, because prices on the Dark Web “skyrocket” due to the criminal nature of the merchandise. In addition, the analysts learn common terms associated with firearm culture, in order to communicate with users engaged in criminal activity.

ATF officials with the Center also noted that investigations might involve both the Surface Web and the Dark Web. For example, to identify an anonymous user on the Dark Web, the Center works to establish the user’s “digital footprint” on the Surface Web. In some cases, users might conduct illegal activity on the Dark Web but might then go to the Surface Web, such as a social-networking website with chat forums on a wide variety of topics, and discuss their illegal activity. From there, analysts can link the user to other social-media accounts, where the user may post a photo showing a street sign or other characteristics to help investigators narrow the user’s location. The ATF officials with the Center noted that

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<sup>26</sup>A “straw purchase” occurs when an individual knowingly makes a false statement on the federal background-check form with respect to being the actual buyer of the firearm, when in fact the purchase is being made with the intent to transfer the firearm to another person.

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posts on some websites contain meta-data, which includes geo-coding that helps the analysts identify where posts originated.

ATF issued the Firearms and Internet Transactions Intelligence Assessment Report in April 2016 to provide information and analysis in the area of online firearm sales, including both legal and illegal transactions. The report highlighted several key findings about how firearm transactions are facilitated by the Internet. Specifically, the ATF analysis of the online marketplaces for firearms demonstrated the ease with which individuals can choose to circumvent the generally applicable law in this arena. Within the report, ATF detailed a market analysis of firearms transactions, including Surface Web and Dark Web marketplaces. Firearm transactions that occur on the Dark Web are more likely to be conducted in person or via the mail or common carrier, versus through an FFL. Additionally, the report noted that it appears that the price of a firearm increases as the transaction becomes more covert or when parties attempt to subvert laws and regulations. According to ATF staff, they plan to update the report when there is a significant shift in Internet gun trafficking. The ATF officials with the Center said they have not determined the frequency with which updated reports will be issued but they do not plan to update it annually.

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## ATF Enforces Firearms Laws through Regulatory Inspections of Licensed Firearms Dealers to Detect Prohibited Firearms

To enforce the NFA, GCA, and related firearms regulations, ATF carries out a variety of regulatory activities. For example, ATF monitors the firearms industry from manufacture and importation through retail sale. Specifically, ATF Industry Operations Investigators determine whether FFL applicants are qualified to engage in firearms commerce through routine inspections and regulatory oversight. Industry Operations Investigators also routinely inspect FFLs to ensure continued compliance with statutes and regulations. ATF officials stated that investigators conduct compliance inspections of FFLs—who must renew their licenses every 3 years. ATF conducts these inspections at least once during the 3-year licensing period. Additionally, ATF officials stated that as part of each inspection, officers will review all sales transactions an FFL has made in the last 12 months and analyze the data for aberrant patterns. Based on a review of DOJ Office of Inspector General documentation and our own observations during an FFL inspection, we determined that, during these inspections, ATF

- performs an inventory of the FFL’s firearms and checks it against the FFL’s inventory to ensure that firearm transactions reconcile with the firearm inventory;
- reviews the FFL’s records of background checks for purchases processed through NICS;
- checks the prior year’s Firearms Transaction Record forms, which document acquisition and disposition information that ATF uses to trace firearms involved in crimes;<sup>27</sup> and
- reviews sales records to ensure that the FFL has recorded appropriate tax information.

While ATF investigators routinely monitor firearms transactions of FFLs, the agency does not monitor private firearms transactions among nonlicensed individuals. As noted above, private sales among nonlicensed individuals who are residents of the same state are not subject to record-keeping or background-check requirements, so ATF does not have a means by which to monitor these sales as they take place.

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<sup>27</sup>Firearms tracing is the systematic tracking of movement of a firearm recovered by law-enforcement officials from its first sale by the manufacturer or importer through the distribution chain to the first retail purchaser.

## ATF Law-Enforcement Operations Investigate Firearm-Related Crimes, Including Those Facilitated by the Internet

One aspect of the enforcement work undertaken by ATF agents is to investigate reports of individuals engaging in the business of dealing in firearms without a license. According to agency officials with the ATF Violent Crime Intelligence Unit, as part of these investigations, agents gather information about a suspect’s firearm transactions. On the basis of the activity detected, agents will determine whether the extent of the sales history is significant enough to warrant further action.

In fiscal years 2014–2016, ATF made 322 arrests for engaging in the business of dealing in firearms without a license. These figures represent all arrests, as ATF does not identify or track whether transactions were facilitated by the Internet. During the same time, ATF also made 53 arrests for charges related to the unlawful interstate transfer of firearms, 204 arrests for charges related to the sale of firearms to a prohibited person, and 12,586 arrests for charges related to the possession of a firearm by a prohibited person. These arrests may include but are not limited to Internet-related investigations. According to documentation provided by ATF, 89 percent of the defendants in these arrests received a conviction. See table 1.

**Table 1: Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Firearm Arrest Statistics, Fiscal Years 2014–2016**

Charge	2014	2015	2016	Total
Dealing firearms without a license	112	96	114	322
Unlawful interstate transfer of firearms	18	19	16	53
Sale to prohibited individual	83	72	49	204
Prohibited person in possession of firearm	4,116	4,237	4,233	12,586

Source: ATF. | GAO-18-24

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## Agents Purchased Two Firearms on the Dark Web, but Covert Attempts to Illegally Purchase Firearms on the Surface Web Were Unsuccessful

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### Agents Successfully Purchased Two Firearms on the Dark Web

Our agents successfully purchased two firearms from sellers we located on a Dark Web marketplace as a result of seven total attempts.<sup>28</sup> ATF officials stated that the Dark Web is completely anonymous and is designed to facilitate criminal activity online. Further, an ATF report states that most used firearms are sold via the online auctions, online marketplaces, and on the Dark Web as compared to the Surface Web. In the seven attempts, our agents did not disclose any information indicating they were prohibited from possessing a firearm. In the five attempts where we did not ultimately purchase a firearm, the prospective seller stopped responding to our inquiries, stated the firearm was no longer for sale, refused to use an escrow account for payment, or experienced technical problems using the Dark Web marketplace. The first weapon that we purchased was an AR-15 rifle, which is a semiautomatic firearm. The serial number on the firearm was obliterated. The Dark Web seller shipped the dismantled weapon directly to the undercover address provided by our agent. It is unlawful for any person to possess or ship in interstate commerce a firearm which has had the importer's or manufacturer's serial number removed, obliterated, or altered, if the individual had such knowledge about the serial number. Additionally, because the firearm was shipped across state lines, the seller may not have been a resident of the same state as our agent. We did not confirm whether the seller notified the shipping company that the package contained a firearm. Any of these circumstances—removing a serial number, selling to a resident of a different state, or failing to properly notify the shipping company that the shipment contained a firearm—if

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<sup>28</sup>According to an ATF report, most Dark Web websites that sell firearms are scams. Unlike our Surface Web testing, our agents did not get scammed by sellers on the Dark Web.

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proven, would likely violate federal law. A photo of the weapon can be seen in figure 3.

**Figure 3: Photo of AR-15 Rifle Purchased by GAO Agents on the Dark Web**



Source: GAO. | GAO-18-24

The second weapon we purchased was an Uzi, which is an Israeli-made semiautomatic firearm, and was advertised as a fully automatic firearm. See photo in figure 4.

**Figure 4: Photo of Uzi Purchased by GAO Agents on the Dark Web**



Source: United States Postal Inspection Service. | GAO-18-24

Note: The United States Postal Inspection Service retrieved this firearm from the mail stream for our agents and took photographs documenting the firearm on our behalf.



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If the firearm meets the NFA's definition of a machine gun, the seller's prior possession of the Uzi, and the shipment to our agent, likely violated federal law. Generally, only machine guns that were lawfully possessed prior to May 19, 1986, may continue to be possessed and transferred, with ATF approval, if they are registered in accordance with the NFA.

We are referring information regarding our two Dark Web purchases to applicable law-enforcement agencies to inform any ongoing investigations for any further action they deem appropriate.

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### All of Our Attempts to Illegally Purchase Firearms from Private Sellers on the Surface Web Were Unsuccessful

Our covert testing involving GAO agents attempting to purchase firearms illegally on the Surface Web were unsuccessful. Specifically, private sellers on Surface Web gun forums and in classified ads were unwilling to sell a firearm to our agents that self-identified as being prohibited from possessing a firearm. In our 72 attempts to purchase firearms from private sellers on the Surface Web, 56 sellers refused to complete a transaction once we revealed that either the shipping address was across state lines or that we were prohibited by law from owning firearms. The scenarios we applied to the purchases were derived from provisions in the GCA. The five scenarios disclosed status information that would disqualify our agents from purchasing a firearm. For example, in one scenario we stated that we were a convicted felon; in another scenario, we informed the seller that we had a dishonorable discharge from the military.<sup>29</sup> In these 56 attempts, 29 sellers refused because they would not ship a firearm and 27 refused after we presented the scenario. Furthermore, in five of these attempts, the accounts we set up on several forums were frozen by the websites, which prevented us from using them

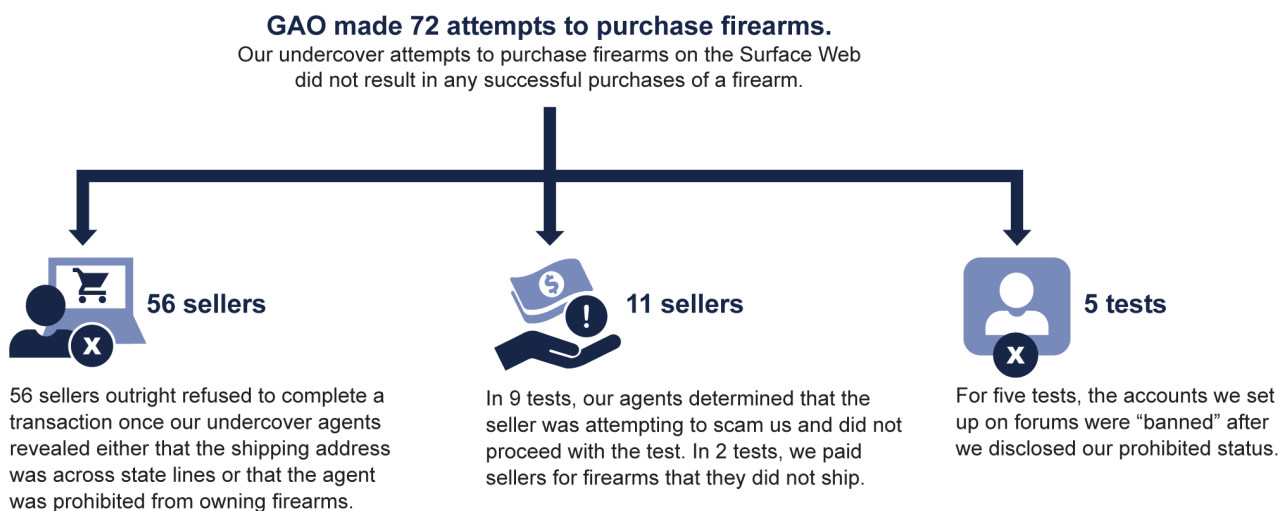
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<sup>29</sup>Investigations by law-enforcement agencies may also involve undercover buyers voluntarily disclosing disqualifying information to individuals suspected of selling firearms or ammunition to prohibited individuals or residents of different states. See, e.g., *United States v. Clements*, 686 Fed. Appx. 849 (11th Cir. 2017) (affirming conviction for selling ammunition to a local police department's confidential informant who told the defendant that he was an alien illegally in the United States); *United States v. Peters*, 403 F.3d 1263 (11th Cir. 2005) (affirming conviction for selling a firearm to an ATF confidential informant who told the defendant that he was a convicted felon); *DiMartino v. Buckles*, 129 F. Supp. 2d 824 (D. Md. 2001) (granting ATF's motion for summary judgment in petition for review of denial of a federal firearms license renewal application where the defendant, among other things, transferred ammunition to an ATF confidential informant who told the defendant that he was a convicted felon and transferred a firearm to an undercover ATF agent who told the defendant that he was a resident of a different state).

after we disclosed our prohibited status or requested interstate shipment and attempted to make a purchase.

In the 11 remaining attempts, we encountered private sellers that appeared to have scammed us, or attempted to scam us, after we disclosed our prohibited status or asked to avoid using an FFL.<sup>30</sup> In two of these instances, we made a payment and never received the firearm or a refund. In the remaining nine attempted scams, our agents determined that the seller may not be legitimate and therefore did not complete the purchase. For example, in one attempt, the agent conducted investigative research on the seller and found evidence suggesting that the seller may be involved in online fraud. As a result, the agent did not follow through with the purchase attempt. ATF does not have jurisdiction over fraud cases so, when it encounters such circumstances, the agency may refer the case to the Joint Support and Operations Center or to local or state law-enforcement agencies or may encourage the victim to file a police report. The results of our attempts on the Surface Web are summarized in figure 5.

**Figure 5: Summary of Surface Web Purchase Attempts**



Source: GAO. | GAO-18-24

<sup>30</sup>We use the term scam in instances we remitted payment for a firearm we did not receive, or our agents otherwise determined that the firearm would not be shipped.

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## Agency Comments

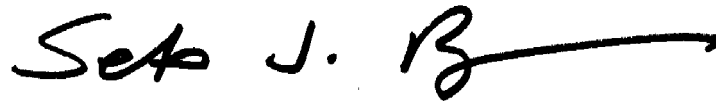
We provided a draft of this report to ATF and DOJ on October 31, 2017, for review and comment. ATF provided technical comments, which we incorporated as appropriate.

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As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Deputy Director of ATF and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

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If you or your staff have any questions about this report, please contact Seto Bagdoyan at (202) 512-6722 or [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov), or Wayne McElrath at (202) 512-2905 or [mcelrathw@gao.gov](mailto:mcelrathw@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

A handwritten signature in black ink that reads "Seto J. Bagdoyan". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Seto J. Bagdoyan  
Director of Audits  
Forensic Audits and Investigative Service

A handwritten signature in black ink that reads "Wayne McElrath". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Wayne McElrath  
Director of Investigations  
Forensic Audits and Investigative Service

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# Appendix I: Methods for Performing GAO Covert Testing

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## Scope

For our covert attempts to buy firearms on the Internet, we performed tests on both the Dark Web and the Surface Web to compare and contrast how transactions are completed. For the tests, our agents employed undercover identities and accessed online marketplaces where firearms were advertised for sale. In both Dark Web and Surface Web testing, the agents contacted sellers that posted ads online, and attempted to complete firearm purchases. For our testing, we did not proactively attempt to purchase firearms from Federal Firearm Licensees (FFL), focusing our efforts on private sellers. We counted an attempt as successful if we received a firearm. We counted an attempt as a failure if we contacted the seller and expressed interest in purchasing the advertised firearm and the seller refused to complete the purchase, or if the seller failed to respond after initial contact was made. In some instances on the Surface Web, after we contacted a seller and described our prohibited status, we were “banned,” or prohibited from accessing the gun forum or classified ad website. Additionally, in two instances, our agents were apparently “scammed” in that we remitted payment for a firearm we did not receive, or our agents otherwise identified indicators that the firearm would not be shipped. The results of our testing are for illustrative purposes only and are not generalizable.

Prior to beginning our testing, to understand how prohibited individuals may use the Internet to purchase firearms or firearm components, we reviewed Department of Justice (DOJ) and Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) published reports, including adjudicated criminal cases. We also met with third-party groups with knowledge of the firearms industry, including state law-enforcement agencies, a purveyor of commercial website that host online firearm classified advertisements, a gun-control advocacy group, a firearm-industry organization, and an academic research center, to learn about online firearm marketplaces, criminal pathways to illegally purchase or sell firearms, and enforcement responses.

Additionally, we reviewed reports by a gun-control advocacy group to understand how prior similar work in this area was performed. We learned through our review and our subsequent interviews with individuals who performed this work that no federal laws were broken when this testing was conducted. Accordingly, to demonstrate how the Internet may facilitate illegal firearm transactions, we decided our agents would complete the firearm purchases.

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## Methodology for Dark Web Covert Testing

Agents also accessed firearm advertisements on a Dark Web marketplace and attempted to purchase firearms or firearm components from nonlicensed private sellers. Agents focused on one Dark Web marketplace for this stage of testing. Our agents performed a preliminary test to assess the feasibility of purchasing a firearm on the Dark Web. This attempt was successful, so our agents proceeded with additional planned attempts to purchase additional firearms on the Dark Web. Testing ended once a firearm was successfully purchased and received by our agents, with a total of seven attempts completed. For these covert tests, we did not disclose any information about our presumed prohibited status. We also focused our efforts on purchasing a firearm that appeared to be restricted by the National Firearms Act of 1934 (NFA).

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## Methodology for Surface Web Covert Testing

To perform Surface Web testing, our agents accessed public gun forums and other classified ads where private nonlicensed sellers listed firearms for sale. These forums and classified ads were identified from our meetings with ATF and third-party entities, and a review of available documentation. We considered the following factors when selecting online classified websites:

- hosted nationwide or regional ads,
- quantity of ads,
- variety of firearms available, and
- accessibility of website.

Recently posted ads on these sites were selected if they fell within a designated price range, and were for transactions between private nonlicensed individuals.

The purpose of our Surface Web purchase attempts was to determine whether private sellers would knowingly sell a firearm to an individual prohibited from possessing one, as outlined by the Gun Control Act of 1968 (GCA). Our agents used one of five scenarios based on a provision of the GCA when attempting to purchase a firearm. The scenarios

involved overtly explaining why our agent was prohibited from possessing a firearm.<sup>1</sup> The scenarios based on the GCA covered the following:

- a felon avoiding a background check,
- an individual with a domestic-violence background or a restraining order against him or her,
- an individual who unlawfully uses controlled substances (or is an addict),
- an individual who was dishonorably discharged from the military, and
- an individual who has renounced his or her citizenship or is otherwise an unlawful alien.

Before we began testing, we determined that we would run each scenario iteratively until we successfully completed a purchase, we exhausted the number of applicable ads, or we capped out our predetermined cap of 15 purchase attempts, with a total of 75 attempts to be made in total. However, due to investigative decisions, we only employed 72 attempts.

We conducted this performance audit from July 2015 to November 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted our related

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<sup>1</sup>Although it is unlawful to sell a firearm to a prohibited individual if the individual knows or has reasonable cause to believe that the person is prohibited, private sellers are not required to ask a prospective buyer if they are prohibited from possessing a firearm. Therefore, law-enforcement agencies may utilize confidential informants or undercover agents who voluntarily disclose their prohibited status or different state of residency to a potential seller as part of an investigation. See, e.g., *United States v. Clements*, 686 Fed. Appx. 849 (11th Cir. 2017) (affirming conviction for selling ammunition to a local police department's confidential informant who told the defendant that he was an alien illegally in the United States); *United States v. Peters*, 403 F.3d 1263 (11th Cir. 2005) (affirming conviction for selling a firearm to an ATF confidential informant who told the defendant that he was a convicted felon); *DiMartino v. Buckles*, 129 F. Supp. 2d 824 (D. Md. 2001) (granting ATF's motion for summary judgment in petition for review of denial of a federal firearms license renewal application where the defendant, among other things, transferred ammunition to an ATF confidential informant who told the defendant that he was a convicted felon and transferred a firearm to an undercover ATF agent who told the defendant that he was a resident of a different state).

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investigative work in accordance with the standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.



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# Appendix II: Examples of Illegal Firearms Sales Facilitated by the Internet

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As noted above, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) does not track statistics on firearm enforcement actions that involve illegal transactions facilitated by the Internet. However, ATF officials provided several examples of closed, adjudicated cases where the agency took enforcement action against individuals who were using the Internet to facilitate illegal transactions. The following summaries provide examples of the type of investigative and enforcement work ATF agents perform:

- One individual was indicted in February 2015 for being a felon in possession of firearms and for possessing a machine gun. In November 2014, ATF's Internet Investigation Center (the Center) received a tip from the ATF Tip Line; a legitimate seller was suspicious of a buyer who was attempting to obtain a firearm without involving a Federal Firearm Licensee (FFL) and suggested the seller could obliterate the serial numbers. The Center identified the prospective buyer as a convicted felon. The individual agreed to provide the undercover agent with a Glock auto sear—which, when attached to a firearm makes it a fully automatic weapon—and firearm components that could be used to transform an M-16 style rifle into a machine gun. In exchange, the undercover agent would provide the individual with a Glock pistol and \$300 cash.<sup>1</sup> The individual and an undercover agent completed the transaction and the individual was immediately arrested. The individual's criminal history included a recent prior felony gun-possession conviction. The individual pleaded guilty to being a felon in possession of a firearm and to the illegal transfer or possession of a machine gun, and was sentenced to 33 months imprisonment and 36 months of supervised release.
- In 2009, one individual was indicted on six counts of federal criminal violations, including one count for engaging in the business of firearms without a license. According to the indictment, from approximately January 1, 2005, to May 8, 2008, while serving as an FBI agent, the individual purchased multiple firearms from various sources including private sellers, local stores, and sellers he dealt with over the Internet. He posted at least 280 firearms for sale on a legitimate firearm website, some of which were multiple listings of the same item in the event that interested bidders did not meet his target price. During this period, he purchased at least 54 firearms and sold at least 51 firearms. He profited from all the sales, collecting more

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<sup>1</sup>As noted earlier in this report, firearm components that enable a weapon to fire automatically are considered machine guns.

than \$118,000 in gross receipts. The individual was also indicted on four counts of causing a firearms dealer to maintain false records, which related to his purchasing firearms for third parties (straw purchases). In addition, the individual was indicted on one count of providing ATF with a false document listing the firearms he bought and sold; agents recovered a more-extensive and more-descriptive list. The individual was found guilty on all counts in April 2010, and was sentenced in August 2010 to 2 years in federal prison.

- According to an affidavit from an ATF Special Agent, an individual offered silencers, pistols, and rifles for sale on the Dark Web, as well as nationwide shipping. The ATF Center “proactively targeted” the individual’s vendor name “through various methods of analysis,” identified numerous Internet forum and social-media profiles associated with the individual, and ultimately discovered his true identity. The Center referred “an investigative lead” and the corresponding evidence and analysis to the respective ATF Field Division. According to the affidavit, the Special Agent conducted a controlled purchase through one of the Dark Web marketplaces, reviewed U.S. Postal Service security video and observed the individual mail the firearm, and executed arrest and search warrants. The individual pled guilty to one count of causing a firearm silencer to be delivered by the U.S. Postal Service without proper notification, and was sentenced to 6 months in federal prison and 3 years of supervised release.
- In October 2013, an individual was indicted for illegal exportation, shipment, and delivery of firearms and firearm components that were sold on a Dark Web site. The man shipped a handgun concealed in a video game system to a buyer in Sydney, Australia. Australian Federal Police intercepted the package and alerted ATF, which began an investigation. During the investigation, the individual shipped a 9 mm pistol with an obliterated serial number to the United Kingdom, various assault-rifle parts to Australia, and a .22-caliber pistol with an obliterated serial number and a weapon magazine to Sweden. Each firearm was disassembled and concealed in a broken electronic device. The individual pleaded guilty and was sentenced to 2 years imprisonment and 2 years of supervised release.
- In February 2015, an individual was indicted for dealing in firearms without a license and selling firearms to residents of other states. The individual sold firearms via two Dark Web sites and shipped them to buyers in the United States and internationally. In an attempt to hide his identity, the man placed false return-address labels on the packages, used aliases to send the packages, and packed the

firearms so that they appeared to be computer hard drives. The individuals agreed to sell handguns to undercover ATF agents posing as gun buyers and then shipped the guns from Alabama to Nebraska and New Jersey. The individual was found guilty and sentenced in November 2015 to 51 months in prison and 36 months supervised release.

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# Appendix III: GAO Contacts and Staff Acknowledgments

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## GAO Contacts

Seto J. Bagdoyan, (202) 512-6722 or [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Dave Bruno (Assistant Director), Dean Campbell, Julia DiPonio, Robert Graves, and Kristen Timko made key contributions to this report. Other contributors include Marcus Corbin, Colin Fallon, Maria McMullen, James Murphy, Anna Maria Ortiz, Julie Spetz, and Helina Wong.

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