Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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MEMORANDUM

July 27, 2022

To: Members of the Committee on Oversight and Reform

Fr: Chairwoman Carolyn B. Maloney

Re: The Committee's Investigation into Gun Industry Practices and Profits

Following mass shootings in Buffalo, New York, and Uvalde, Texas, the Committee launched an investigation into the leading manufacturers of AR-15-style assault rifles. These companies sell weapons to civilians that are engineered to kill many people as fast as possible. These rifles are the weapon of choice for mass murderers who have terrorized and slaughtered young children at school, worshippers at churches and synagogues, and families celebrating the Fourth of July.

On May 26, 2022, the Committee sent letters to five gun manufacturers seeking information on their sale and marketing of these deadly firearms and any efforts to monitor or track safety data related to their products.¹ The manufacturers—Bushmaster, Daniel Defense, Sig Sauer, Smith & Wesson, and Sturm, Ruger & Company—have all made and sold AR-15-style semiautomatic weapons that have been used in mass shootings.

This memorandum details initial findings from the Committee's investigation. The Committee has learned that gun companies collected more than \$1 billion over the last decade from selling military-style assault weapons to civilians, even as gun violence increased across the United States. These companies used disturbing sales tactics—including marketing deadly weapons as a way for young men to prove their manliness and selling guns to mass shooters on credit—while failing to take even basic steps to monitor the violence and destruction their products have unleased.

Documents and information obtained by the Committee show:

¹ Committee on Oversight and Reform, *Press Release: Chairwoman Maloney Launches Investigation into Manufacturers of Assault Weapons Used in Mass Shootings* (May 27, 2022) (online at https://oversight.house.gov/news/press-releases/chairwoman-maloney-launches-investigation-into-manufacturers-of-assault-weapons).

- Gun manufacturers collected more than \$1 billion from the sale of AR-15style semiautomatic weapons in the last decade—and sales are increasing as gun deaths and mass shootings rise.
 - **Daniel Defense**'s revenue from AR-15-style rifles tripled from \$40 million in 2019 to over \$120 million in 2021.
 - **Ruger**'s gross earnings from AR-15-style rifles also nearly tripled from 2019 to 2021, increasing from \$39 million to over \$103 million.
 - Smith & Wesson's revenue from all long guns, which include AR-15style rifles, more than doubled between 2019 and 2021, from \$108 million to \$253 million.
 - Combined, these five manufacturers push hundreds of thousands of military-grade AR-style rifles into communities every year.
- Gun manufacturers employ a variety of financing tactics and manipulative marketing campaigns to sell AR-15-style rifles to civilians, including young people.
 - Materials obtained by the Committee show how sellers tout assault rifles' military pedigree, make covert references to violent white supremacists like the Boogaloo Boys, and prey on young men's insecurities by claiming their weapons will put them "at the top of the testosterone food chain."
 - **Smith & Wesson** markets its assault rifle with advertisements that mimic first-person shooter video games popular with children.
 - **Daniel Defense** sells the assault weapon used in the Uvalde shooting on credit, bragging that financing is approved "in seconds."
 - **Sig Sauer** describes its military-style weapon sold to civilians as an "apex predator" that meets the "demands of the Special Operations community."
- Gun manufacturers fail to track or monitor deaths, injuries, or crimes that occur using their products, and fail to track when their products have been illegally modified.
 - All five companies acknowledged that they have no systems or process in place to gather safety data related to their products, and they were unable to produce any internal analyses of the dangers caused by selling their military-style weapons to civilians.
 - Sig Sauer asserted that it does "not have the means" to track deaths caused by its products, while **Ruger** said it only learns of these incidents

through its "customer service department," the media, or "occasionally" from lawsuits.

• **Bushmaster** claimed that, because the brand has been newly acquired by another company, it was "aware of no such deaths or injuries" caused by its products, even though the racist shooter in Buffalo killed ten people with a Bushmaster-branded assault weapon in May 2022.

I. USE OF ASSAULT WEAPONS IN MASS KILLINGS

The five gun manufacturers under Committee investigation are among the most prolific and profitable manufacturers and sellers of AR-15-style rifles in America.

Developed by ArmaLite in the 1950s, the original AR-15 rifle evolved into the militaryuse M-16, which had automatic fire capability.² Such rifles fire bullets at three times the velocity of ordinary handguns.³ Bullets fired from an AR-15-style rifle hit their targets with such force that they rip open cavities inside the human body that then collapse, destroying far more organs and tissue than ordinary handgun rounds.⁴ In 1977, the patent on the AR-15 rifle lapsed, and many gun manufacturers began producing civilian variants of the rifle. As the death toll and sales numbers from AR-15-style rifles have grown over the past decade, they have assumed a totemic status within gun culture. In 2016, the National Rifle Association (NRA) dubbed the AR-15 "America's Rifle."⁵ AR-15-style rifles have been the weapon of choice for the killers responsible for the deadliest mass shootings in American history, including the recent mass murders in Buffalo, New York, and Uvalde, Texas.⁶

The companies under investigation have all sold AR-15-style weapons used in acts of mass gun violence perpetrated in the United States.

• **Bushmaster** made the assault weapon used in the Sandy Hook mass shooting in Newtown, Connecticut, in 2012, and in the recent white supremacist attack in Buffalo, New York.⁷ A Bushmaster AR-15-style rifle was also used in the sniper

⁵ What Is an AR-15 Rifle, Exactly, The Trace (June 7, 2022) (online at www.thetrace.org/2022/06/ar15-rifle-assault-weapon-ban/).

⁶ Id.

² A Brief History of the AR-15, National Public Radio (Feb. 28, 2018) (online at www.npr.org/2018/02/28/588861820/a-brief-history-of-the-ar-15); Defense Advanced Research Projects Agency, *M16 Rifle* (online at www.darpa.mil/about-us/timeline/agile-and-m16) (accessed June 1, 2022).

³ The Simple Physics that make Some Bullets Deadlier than Others, The Trace (June 21, 2017) (online at https://www.thetrace.org/2017/06/physics-deadly-bullets-assault-rifles/).

⁴ All-American Killer: How the AR-15 Became Mass Shooters' Weapon of Choice, Rolling Stone (Feb. 22, 2018) (online at www.rollingstone.com/politics/politics-features/all-american-killer-how-the-ar-15-became-mass-shooters-weapon-of-choice-107819/); Everytown Research & Policy, Assault Weapons and High-Capacity Magazines (online at https://everytownresearch.org/wp-content/uploads/sites/4/2020/07/EFGV02_Assault-Weapons-and-High-Capacity-Magazines Rd2 6-1.pdf) (accessed June 1, 2022).

⁷ Buffalo Supermarket Shooting: What Do We Know So Far?, Associated Press (May 16, 2022) (online at https://apnews.com/article/buffalo-shooting-what-to-know-bcb5e0bd2aedb925d20440c2005ffef8)(accessed July 25,

attacks in Washington, D.C., in 2002.⁸ The company was previously a part of Remington, the nation's largest gun company. Remington filed for bankruptcy in 2018, and Franklin Armory purchased the Bushmaster trademark and continues to manufacture substantially similar AR-15-style rifles, trading on the reputation, history, and notoriety of the Bushmaster name.⁹

- **Daniel Defense** manufactured the AR-15-style rifle that an 18-year-old used to murder 19 children and two teachers in an elementary school in Uvalde, Texas, in May 2022. Four Daniel Defense AR-15-style rifles were found in the arsenal of the 2017 Las Vegas shooter.¹⁰ Ninety percent of the company's sales are direct to civilian consumers, but the company's marketing heavily emphasizes the tactical uses of its products.¹¹
- **Sig Sauer** sold the AR-15-style rifle used by a mass shooter to kill 49 people at Pulse nightclub in Orlando, Florida, in 2016, and three of the weapons used by the shooter in Las Vegas, Nevada, in 2017 to kill 60 people.¹² The company recently won the contract to replace the U.S. Army's M-4 carbine and is selling a version of its new rifle to civilians "in a configuration that is a near match" to what America's soldiers will soon be carrying into battle.¹³
- Smith & Wesson sold the assault weapons used in the Fourth of July massacre in Highland Park, Illinois, as well as the mass shootings in Parkland, Florida, in

¹⁰ Texas School Shooting: Shooter Legally Purchased 2 Rifles Upon Turning 18 Days Before Shooting, Fox News (May 25, 2022) (online at www.foxnews.com/us/texas-school-shooting-legally-2-rifles-days-before); *LIST: Guns and Evidence from Las Vegas Shooter Stephen Paddock*, KTNV Las Vegas (Jan. 19, 2018) (online at www.ktnv.com/news/las-vegas-shooting/list-guns-and-evidence-from-las-vegas-shooter-stephen-paddock).

¹¹ Congressional Committee Demands Answers from Daniel Defense, Other Gun Manufacturers, Savannah Morning News (June 3, 2022) (online at www.savannahnow.com/story/news/local/2022/06/03/uvalde-shooting-ar-15-style-rifle-daniel-defense-bryan-county-ga-house-committee/7473708001/)(accessed July 25, 2022).

¹² Weapons Gunman Used in Orlando Shooting Are High-Capacity, Common, USA Today (June 14, 2016) (online at www.usatoday.com/story/news/2016/06/14/guns-used-kill-49-orlando-high-capacity-commonweapons/85887260/); LIST: Guns and Evidence from Las Vegas Shooter Stephen Paddock, KTNV Las Vegas (Jan. 19, 2018) (online at www.ktnv.com/news/las-vegas-shooting/list-guns-and-evidence-from-las-vegas-shooterstephen-paddock).

^{2022);} *Main Gun in Newtown Also Used in D.C. Sniper Shootings*, USA Today (Dec. 17, 2012) (online at www.usatoday.com/story/news/nation/2012/12/17/bushmaster-assault-rifle-in-newtown-shootings/1772825/) (accessed July 25, 2022).

⁸ Expert Ties Rifle to Sniper Shootings, Washington Post (Nov. 7, 2003) (online at www.washingtonpost.com/archive/politics/2003/11/07/expert-ties-rifle-to-sniper-shootings/826c92b4-ae9e-4cb1-987f-c33a97689fa2/).

⁹ After Another Massacre, One Gunmaker Maintains a Familiar Silence, The Washington Post (May 29, 2022) (online at www.washingtonpost.com/business/2022/05/29/uvalde-rifle-gunmaker-morality/).

¹³ Sig Wins Key Army Contract to Replace M4, M249, Guns.com (Apr. 20, 2022) (online at www.guns.com/news/2022/04/20/sig-wins-key-army-contract-to-replace-m4-m249).

2018, and San Bernadino, California, in 2015.¹⁴ Smith & Wesson was the second largest maker of rifles in the United States in 2020.¹⁵

• Sturm, Ruger & Company, Inc. Ruger's AR-15-style rifle and pistol variants were used by mass shooters in Sutherland Springs, Texas, in 2017 and Boulder, Colorado, in 2021.¹⁶ Ruger is the largest maker of rifles of all types in the United States.¹⁷

II. RECORD PROFITS, SALES—AND DEATHS—FROM GUNS

The Committee has obtained internal financial data showing that major gun manufacturers have been enjoying record-breaking sales and profits from AR-15-style rifles, even as gun deaths and mass shootings have risen in the United States.

In the past decade, these five manufacturers have collectively amassed more than \$1 billion in revenue from AR-15-style firearms. Sales skyrocketed in 2021. According to data obtained by the Committee, in 2021, Daniel Defense and Ruger nearly doubled their revenues from the sale of AR-15-style firearms compared to the previous year, with each company accumulating more than \$100 million in gross sales from these weapons.

Smith & Wesson refused to provide specific revenue and profit information for its AR-15-style firearms, instead providing aggregate "long gun" revenues that totaled over \$250 million in 2021, more than doubling from 2020. Smith & Wesson informed the Committee that assault rifles make up more than half of overall long gun sales, meaning the company brought in at least \$125 million from AR-15 style rifles in 2021 alone.

¹⁶ Suspect Charged with 10 Counts of Murder in Boulder, Colo., Shooting, New York Times (Mar. 23, 2021) (online at www.nytimes.com/live/2021/03/23/us/boulder-colorado-shooting); Why the AR-15 Keeps Appearing at America's Deadliest Mass Shootings, USA Today (Feb. 14, 2018) (online at www.usatoday.com/story/news/nation/2018/02/14/ar-15-mass-shootings/339519002/).

¹⁴ Illinois State Police Director Defends Decision to Give Suspected Highland Park Killer a Gun Permit in 2020, Chicago Sun Times (July 6, 2022) (online at https://chicago.suntimes.com/2022/7/6/23197100/highland-park-mass-shooting-gun-mith-wesson-mp15-semiautomatic-rifle-fourth-july-parade-robert-crimo); Guns Used in San Bernardino Shooting Were Purchased Legally from Dealers, Washington Post (Dec. 3, 2015) (online at www.washingtonpost.com/world/national-security/suspects-in-san-bernadino-shooting-had-a-small-arsenal/2015/12/03/9b5d7b52-99db-11e5-94f0-9eeaff906ef3_story.html); Florida Gunman Had Extra Ammo at School, Fired for 3 Minutes, Associated Press (Feb. 15, 2018) (online at https://apnews.com/article/health-tallahassee-north-america-us-news-ap-top-news-a6fd450470d4464ab423b8b3a911b42d).

¹⁵ Bureau of Alcohol, Tobacco, Firearms and Explosives, 2020 Annual Firearms Manufacturers and Export Report (AFMER) (online at www.atf.gov/resource-center/2020-annual-firearms-manufacturers-and-export-reportafmer) (accessed July 22, 2022); 6 Charts Shows Key Role Firearms Makers Play in America's Gun Culture, Ohio Capital Journal (May 30, 2022) (online at https://ohiocapitaljournal.com/2022/05/30/6-charts-shows-key-rolefirearms-makers-play-in-americas-gun-culture/).

¹⁷ Bureau of Alcohol, Tobacco, Firearms and Explosives, 2020 Annual Firearms Manufacturers and Export Report (AFMER) (online at www.atf.gov/resource-center/2020-annual-firearms-manufacturers-and-export-reportafmer) (accessed July 22, 2022); 6 Charts Shows Key Role Firearms Makers Play in America's Gun Culture, Ohio Capital Journal (May 30, 2022) (online at https://ohiocapitaljournal.com/2022/05/30/6-charts-shows-key-rolefirearms-makers-play-in-americas-gun-culture/).

Sig Sauer claimed it did not track revenue and profits from specific product lines but stated that AR-15-style rifles make up approximately 3% of its total revenues—financial figures that it has refused to provide to the Committee.

Bushmaster claimed to the Committee that as a "new company," it had no financial data from the previous owners of the Bushmaster trademark, despite public reporting that the 2020 sale of the brand to Franklin Armory included "historic sales, vendor and customer data, and the technical data packages for numerous Bushmaster-branded firearms."¹⁸

Figure 1: AR-15-Style Rifle Revenue and Recent Mass Murders		
	AR-15-Style Rifle Revenue, 2012-2021	Recent Mass Murders with the Company's AR-15-Style Rifles
SMITH & WESSON	At Least \$695 Million	Highland Park (7 dead) Parkland (17 dead) San Bernadino (14 dead)
RUGER	\$514 Million	Sutherland Springs (25 dead) Boulder (10 dead)
DANIEL DEFENSE	\$528 Million	Uvalde (21 dead) Las Vegas (60 dead)*
SIG SAUER	REFUSED	Orlando (49 dead) Las Vegas (60 dead)*
BUSHMASTER	\$2.9 Million (2021 Only)	Buffalo (10 dead) Sandy Hook (27 dead)

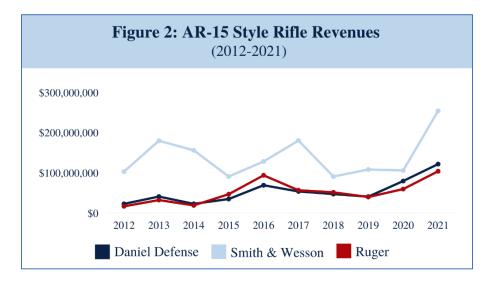
* Killer used weapons from multiple companies

Figure 2 below shows annual rifle revenues for Smith & Wesson, Daniel Defense, and Ruger from 2012 through 2021.¹⁹ Each of these companies has seen significant increases in revenue from assault weapons since 2019. Daniel Defense's revenue from AR-15-style rifles tripled from \$40 million in 2019 to over \$120 million in 2021. Ruger's gross earnings from AR-15-style rifles also nearly tripled from 2019 to 2021, increasing from \$39 million to over \$103 million. Smith & Wesson provided only data on gross revenues from all long-gun sales, which

¹⁸ Bushmaster Announces a Comeback, Guns.com (Feb. 15, 2021) (online at www.guns.com/news/2021/02/15/bushmaster-announces-a-comeback).

¹⁹ Smith & Wesson produced only total long-gun revenues but asserted that assault rifles make up more than half of all such sales. Sig Sauer claimed it does not track AR-15-style revenues but estimates these weapons encompass 3% of total revenue. Bushmaster, because it claims to be an entirely new company, produced sales figures only for 2021.

include AR-15-style rifles. The company's revenue from that broad category of weapon more than doubled between 2019 and 2021, from \$108 million to \$253 million.



During the Committee's June 8, 2022, hearing on gun violence, gun industry expert Nick Suplina noted that "the gun industry has grown tremendously over the last two decades, business is booming, [and] profits are breaking records." He further remarked that "so are rates of gun violence."²⁰ According to data from the Centers for Disease Control and Prevention and other sources, 2020 and 2021 witnessed the highest gun-related death totals in the United States in decades.²¹

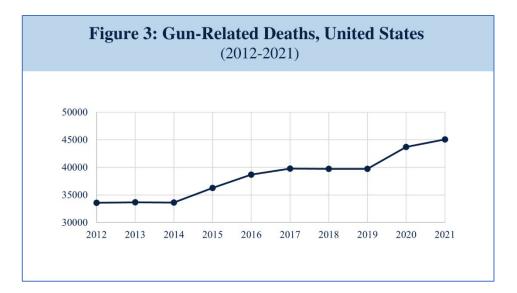
Studies by the Harvard Injury Control Research Center have found a strong correlation between an increase in gun availability and rates of homicides, suicides, and accidental gun deaths.²² Figure 3 below shows the annual number of gun-related deaths from 2012 through 2021.²³ Figures 4a and 4b show internal rifle sales data from this same period. Daniel Defense and Ruger's figures are for "AR platform" rifles only. Smith & Wesson reported total long gun sales, although the company reported that AR-15-style rifles comprise more than half of that category. Sig Sauer and Bushmaster refused to provide concrete information on the number of AR-15-style rifles sold during this requested time-period.

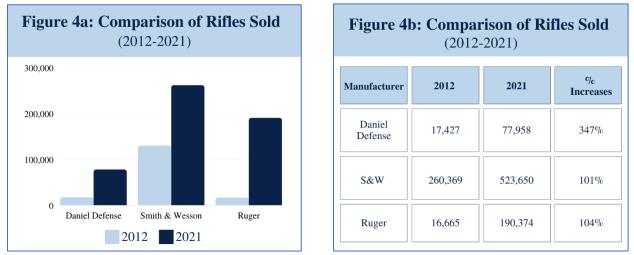
²⁰ Committee on Oversight and Reform, Testimony of Nick Suplina, *Hearing on The Urgent Need to Address the Gun Violence Epidemic* (June 8, 2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Suplina%20Testimony.pdf).

²¹ National Safety Council, *Safety Topics: Gun Data Details* (online at https://injuryfacts.nsc.org/homeand-community/safety-topics/guns/data-details/) (accessed June 23, 2022); Centers for Disease Control and Prevention, *Fatal Injury and Violence Data* (online at www.cdc.gov/injury/wisqars/fatal.html) (accessed July 19, 2022); Gun Violence Archive, *Past Summary Ledgers* (online at www.gunviolencearchive.org/past-tolls) (accessed July 18, 2022).

²² Harvard T.H. Chan School of Public Health, Harvard Injury Control Research Center, *Firearms Research—Homicide* (online at www.hsph.harvard.edu/hicrc/firearms-research/guns-and-death/) (accessed July 14, 2022).

²³ Gun Violence Archive, *Past Summary Ledgers* (online at www.gunviolencearchive.org/past-tolls) (accessed July 18, 2022).





Figures 4a and 4b include "AR platform" rifles sold by Daniel Defense and Ruger and all long guns sold by Smith & Wesson.

The Committee's findings are consistent with longstanding trends of the gun industry. Gun sales tend to peak in the immediate aftermath of elections, civil unrest, and mass shootings, resulting partly from consumer anxieties and panic-purchasing.²⁴ This pattern culminated in record-breaking sales numbers for all firearm types during the coronavirus pandemic.²⁵ A June 2021 Smith & Wesson investor presentation bragged, "In a year of turmoil, we gained market

²⁴ An Arms Race in America: Gun Buying Spiked During the Pandemic. It's Still Up., New York Times (May 29, 2021) (online at www.nytimes.com/2021/05/29/us/gun-purchases-ownership-pandemic.html); The Pandemic and Fears of Civil Unrest Led to a Historic Boom in Gun Sales This Year, Buzzfeed News (Nov. 3, 2020) (online at www.buzzfeednews.com/article/peteraldhous/2020-record-us-gun-sales-election).

²⁵ Id.

share" and concluded, "we're just getting started."²⁶ The editor of a gun industry trade magazine described the first year of the coronavirus pandemic, when gun sales and gun deaths reached unprecedented levels, as a moment of "opportunity" for gun manufacturers.²⁷

III. GUN MANUFACTURERS' MARKETING PRACTICES

The Committee's investigation found that gun manufacturers' multimillion-dollar marketing campaigns have emphasized the AR-15-style rifle's military roots and its capacity to kill. The investigation also showed that gun makers use aggressive financing tactics to entice buyers. This is consistent with testimony at the Committee's June 8, 2022, hearing from Nick Suplina, who explained that "in a now crowded field, manufacturers of these guns are trying to market in increasingly brazen ways, often touting the deadliness of products, glorifying combat, and attempting to appeal to younger audiences."²⁸

A. <u>Selling Guns to Mass Shooters on Credit</u>

Documents obtained by the Committee show that gun manufacturers use a variety of incentives and tactics to increase sales, including allowing their products to be purchased easily online, and offering rebates, free gifts, and financing opportunities for purchasing their weapons. Although these sales and financing innovations are not unique to the gun industry, these products are far more dangerous than other consumer goods. Daniel Defense, the manufacturer of the rifle purchased and used by the Uvalde shooter, offers its firearms for sale through a buy-now, pay-later, financing system advertised on the front page of its website.²⁹ To order the exact weapon used by the shooter in Uvalde requires just five clicks, and a pickup at a local gun store which includes a background check and proof of age.³⁰

Several Daniel Defense advertisements obtained by the Committee emphasize generous financing packages for its assault rifles. The advertisement shown below is for the exact weapon used in the Uvalde shooting.³¹ The company's website advertises financing approvals "in

²⁷ Id.

²⁹ Buy Now, Pay Later Dragged into Uvalde Shooting Controversy, Australian Financial Review (May 30, 2022) (online at www.afr.com/markets/equity-markets/buy-now-pay-later-dragged-into-uvalde-shooting-controversy-20220529-p5apdi); Daniel Defense, *Shooting Sports Financing* (online at https://danieldefense.com/daniel-defense-financing) (accessed June 23, 2022).

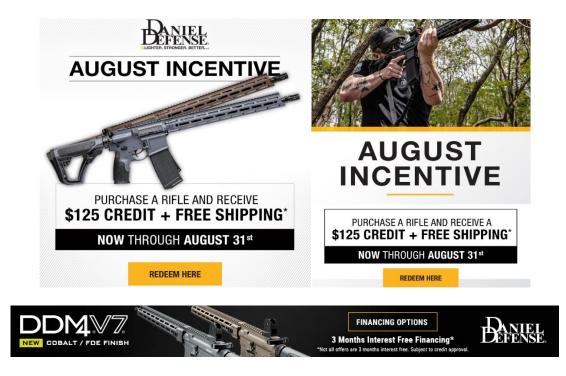
³⁰ We Ordered the Same Gun Used in Uvalde. Here's How Easy It Was., Quartz (May 26, 2022) (online at https://qz.com/2170207/we-ordered-the-ar-15-rifle-used-in-uvalde-heres-how-easy-it-is/).

²⁶ Shootings Have Surged—and Gun Companies Have Made Billions, Rolling Stone (May 27, 2022) (online at www.rollingstone.com/politics/politics-news/gun-profits-surge-violence-1359155).

²⁸ Committee on Oversight and Reform, Testimony of Nick Suplina, Senior Vice President for Law and Policy, Everytown for Gun Safety, *Hearing on The Urgent Need to Address the Gun Violence Epidemic* (June 8, 2022) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Suplina%20Testimony.pdf).

³¹ Uvalde Victims Demand Answers from Daniel Defense—Maker of Rifle Used by Shooter, Forbes (June 4, 2022) (online at www.forbes.com/sites/annakaplan/2022/06/04/uvalde-victims-demand-answers-from-daniel-defense-maker-of-rifle-used-by-shooter/?sh=9b16322324f9).

seconds," making it easier to purchase a more expensive firearm.³² Public reporting on prior mass shooting events uncovered that mass shooters have utilized multiple credit cards to accumulate weapons and ammunition.³³



B. Emphasizing Military and Law Enforcement Connections

The Committee has obtained documents showing that gun manufacturers seek to leverage the military lineage of the AR-15 to increase sales to civilians, depicting their AR-15-style rifles with military and law enforcement units and alongside their uniforms. These advertisements draw a direct connection between AR-15-style weapons on the civilian market and weapons of war, whose sole purpose is to inflict as many casualties in combat as possible.

One advertisement produced to the Committee—shown below—depicts a Smith & Wesson M&P rifle, a variant of the AR-15, as "the chosen one" that is "selected by professionals," featuring the insignia of police, sheriff, highway patrol, and other law enforcement. In a complaint to the Federal Trade Commission alleging unfair and deceptive marketing practices, the Brady Center to Prevent Gun Violence and Everytown for Gun Safety have alleged that Smith & Wesson advertisements contain false endorsements from military and law enforcement. The complaint details that "only a small percentage of Smith & Wesson's

³² Daniel Defense, *Shooting Sports Financing* (online at https://danieldefense.com/daniel-defense-financing) (accessed July 11, 2022).

³³ How Banks Unwittingly Finance Mass Shootings, New York Times (Dec. 24, 2018) (online at https://nytimes.com/interactive/2018/12/24/business/dealbook/mass-shootings-credit-cards.html).

overall sales are to law enforcement, and those appear to be mostly handguns, not rifles." The complaint also notes that Smith & Wesson has secured only one military contract in the past decade, a 2012 contract to deliver 250 revolvers destined for Thailand.³⁴



Young people with an affinity for law enforcement and the military have purchased assault weapons marketed in this manner, and some of these young people have used them to kill civilians. The shooters in the Parkland, Florida; Kenosha, Wisconsin; and Poway, California; synagogue shootings were all teenagers drawn to the military and law enforcement. The Parkland shooter was a student in his Junior Reserve Officer Training Corps class and member of the school's air rifle team, while Kyle Rittenhouse, who fatally shot two people and injured a third at a Black Lives Matter protest in Kenosha, Wisconsin, planned a career in law enforcement after being turned away from the military. The Poway, California, shooter wrote a militaristic, anti-Semitic manifesto and described himself as a soldier defending his country. All three used Smith & Wesson M&P rifles, like the one pictured above.³⁵

Sig Sauer also prominently features its military connections in advertisements to civilian gun buyers. Sig Sauer advertisements obtained by the Committee make explicit visual and textual connections between their AR-15-style civilian rifles and the military. The advertisement for the company's popular SIG MCX Virtus AR-15 platform, below, exemplifies several of these techniques.

³⁴ Letter from Brady: United Against Gun Violence and Everytown for Gun Safety to Acting Director Samuel Levine, Bureau of Consumer Protection, Federal Trade Commission (Aug. 17, 2021) (online at https://everytownlaw.org/wp-content/uploads/sites/5/2021/08/2021.08.17-SW-FTC-Submission.pdf).

NEXT LEVEL IN MODULARITY AND PERFORMANCE



Though the rifle is being advertised to civilians, the advertisement shows five men in a destroyed building in a warzone. All are wearing military-style camouflage and tactical gear emblazoned with camouflage American flags and are carrying military versions of the Sig Sauer rifle. The rifle held by one the central kneeling figures appears to be modified with a grenade launcher. The text of the advertisement emphasizes that the rifle's "modularity" makes it "ready for every possible mission."

Sig Sauer's website reinforces the impression that this rifle, despite being sold to civilians, is intended for military use. The product page for the "patrol" version of the MCX Virtus boasts that the original version of the rifle was "conceived for the demands of the Special Operations community" and describes the rifle as "the apex predator of the carbine world."³⁶

³⁶ Sig Sauer, *Sig MCX Virtus Patrol* (online at www.sigsauer.com/sig-mcx-virtus-patrol.html) (accessed July 18, 2022).



Daniel Defense also uses military tropes and references in its marketing materials to civilians. Although 90% of the company's sales are direct to consumers, its advertisements heavily emphasize the military lineage and tactical uses of its products.³⁷ The advertisement to the left depicts a Daniel Defense rifle in the hands of a person wearing all black tactical gear and helmet, suggestive of a special forces operative. One description in the product pages of its website emphasizes that the rail system on its AR-15-style rifle "has been in use by US Special Operations Command (SOCOM)" for many years.³⁸

Ruger did not produce any marketing materials to the Committee that referenced military or law enforcement themes. In 2010, however, the company used military themes to market weapons of war to civilians. As documented by the Violence Policy Center, Ruger advertised its Mini-14 Tactical Rifle (below) as "Combat Customized."³⁹



C. <u>Linking Violence and Gun Ownership to Masculinity</u>

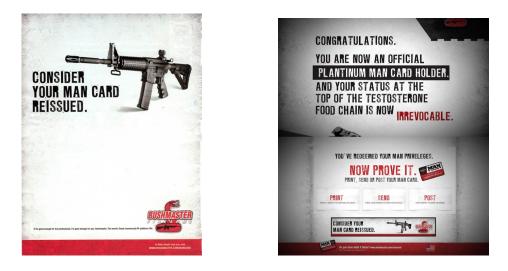
Advertisements obtained by the Committee also seek to appeal to consumers' masculinity, suggesting that purchasing an assault rifle will allow the consumer to retain their "manhood." One Bushmaster advertisement depicts an AR-15 with the caption, "Consider your mancard reissued." Another advertisement suggests that by purchasing an AR-15, "your status at the top of the testosterone food chain is now irrevocable." One commentator found that the

³⁷ Congressional Committee Demands Answers from Daniel Defense, Other Gun Manufacturers, Savannah Morning News (June 3, 2022) (online at www.savannahnow.com/story/news/local/2022/06/03/uvalde-shooting-ar-15-style-rifle-daniel-defense-bryan-county-ga-house-committee/7473708001/).

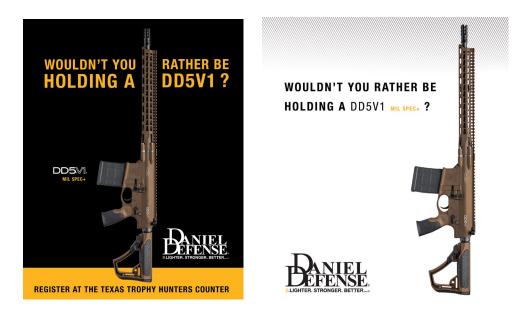
³⁸ Daniel Defense, *M4A1 CALIFORNIA COMPLIANT* (online at https://danieldefense.com/m4a1-california-compliant.html) (accessed July 20, 2022).

³⁹ Violence Policy Center, *The Militarization of the U.S. Civilian Firearms Market* (June 2011) (online at https://vpc.org/studies/militarization.pdf).

intended effect of these advertisements appeared to be to "humiliate men into arming themselves with combat weapons."⁴⁰



Numerous Daniel Defense advertisements obtained by the Committee also make overt appeals to masculinity. Multiple advertisements intended for placement in men's bathrooms depict AR-15 style weapons with the suggestive text, "Wouldn't you rather be holding a DD5V1?" The DDD5V1 is Daniel Defense's AR-15-style rife.



Gun manufacturer advertisements often combine the promise of an adrenaline rush with violent undertones. One Smith & Wesson advertisement obtained by the Committee depicts spent shell casings, its M&P rifle, and the caption, "Kick Brass." The advertisement claims the rifle will deliver "Pure Adrenaline."

⁴⁰ How Gun Makers Bait Insecure Young Men into Buying Weapons, MSNBC (Feb. 20, 2022) (online at www.msnbc.com/opinion/msnbc-opinion/gun-maker-sandy-hook-settlement-exposed-predatory-ads-n1289394).



Other manufacturers have used similar advertising techniques. In April 2022, Remington settled a landmark lawsuit for \$73 million with the parents of children killed in Sandy Hook Elementary School, marking the first time since the enactment of the Protection of Lawful Commerce in Arms Act (PLCAA) that a firearm manufacturer was held liable for the destruction and death caused by its product. The Sandy Hook plaintiffs argued the civil case under a recently passed New York State law that enabled manufacturers to be sued for creating a "public nuisance" that endangers the public's safety and health. Plaintiffs successfully argued that Remington "tapped into anxieties of masculinity" to sell firearms to "impressionable" and lonely young men who are prone to violence.⁴¹

D. <u>Marketing to Violent White Supremacists</u>

The firearm industry has been marketing directly and indirectly to white supremacist and extremist organizations for years, playing on fears of government repression against gun owners and fomenting racial tensions. The increase in racially motivated violence has also led to rising rates of gun ownership among Black Americans, allowing the industry to profit from both white supremacists and their targets.

Extremist imagery has frequently appeared on merchandise available at large industrysponsored conventions such as the National Shooting Sports Foundation (NSSF) Shot Show and the NRA Annual Meeting, as well as in advertisements by major gun manufacturers.⁴² One Daniel Defense inventory catalogue from 2017 features an image of a shooter with a tattoo of a Norse symbol known as the Valknot. This symbol is closely associated with transnational white

⁴¹ Id.

⁴² The Gun Industry Created a New Consumer. Now It's Killing Us, The Atlantic (July 25, 2022) (online at www.theatlantic.com/ideas/archive/2022/07/firearms-industry-marketing-mass-shooter/670621/).

supremacists and is identified as a hate symbol by the Anti-Defamation League.⁴³ The Valknot has become a recurring symbol in right-wing militant and extremist contexts. The self-anointed "QAnon Shaman," who attacked the Capitol during the January 6 insurrection, has a Valknot tattoo on his chest.⁴⁴





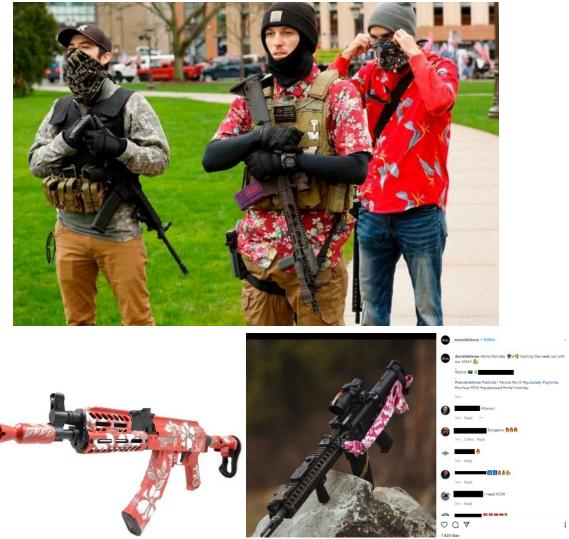
One example of explicit marketing to white supremacists is Palmetto State Armory's "Big Igloo Aloha" AK-47-style assault rifle, shown below.⁴⁵ The name of the rifle is a reference to the "Boogaloo Movement," a group of anti-government extremists and white supremacists who believe a second civil war or race war is imminent, and who often wear floral print shirts with similar patterns. Individuals associated with the "Boogaloo Movement" have been involved in numerous violent acts and criminal conspiracies, including the 2020 murder of two law enforcement and security officers in California, and a plot to kidnap Michigan Governor Gretchen Whitmer and violently overthrow the state government.⁴⁶

⁴⁴ Id.

⁴³ Why Far-right Extremists Co-opt Norse Symbolism, The Week (June 20, 2022) (online at www.theweek.co.uk/news/crime/957122/why-far-right-extremists-co-opt-norse-symbolism); Anti-Defamation League, *Hate Symbol—Valknot* (online at www.adl.org/resources/hate-symbol/valknot) (accessed June 29, 2022).

⁴⁵ *POTD: PSA "Big Igloo Aloha" Custom Series AK*, The Firearm Blog (Feb. 3, 2020) (online at www.thefirearmblog.com/blog/2020/02/03/potd-psa-big-igloo-aloha-custom-ak/).

⁴⁶ Southern Poverty Law Center, "*Boogaloo Boy*" Arrested in Texas, Charged with Plotting to Murder Cops on Facebook Live (May 15, 2020) (online at www.splcenter.org/hatewatch/2020/05/15/boogaloo-boy-arrestedtexas-charged-plotting-murder-cops-facebook-live); 41-year Sentence for Ex-Air Force Sergeant Who Killed Guard, Associated Press (June 3, 2022) (online at https://apnews.com/article/us-air-force-san-francisco-oakland-policegovernment-and-politics-54ee0fa4316354d893b691c5f8d44023); Whitmer Conspiracy Allegations Tied to



Top, members of the Boogaloo Boys. Bottom left, Palmetto State Armory's "Big Igloo Aloha" rifle. Bottom right, Daniel Defense's floral accessorized rifle.⁴⁷

In June 2021, Daniel Defense posted a photo of its M4A1 assault rifle, accessorized with a similar floral pattern, on its Instagram account.

Gun retailers have also used extremist advertising materials. Big Daddy Unlimited (BDU) is a licensed retailer of all five gun manufacturers under investigation by the Committee and frequently appears at gun conventions such as the NSSF Shot Show.⁴⁸ Following Kyle

[&]quot;Boogaloo" Movement, NBC News (Oct. 8, 2020) (online at www.nbcnews.com/tech/tech-news/whitmer-conspiracy-allegations-tied-boogaloo-movement-n1242670).

⁴⁷ What Do You Do When Extremism Comes for the Hawaiian Shirt?, New York Times (June 29, 2020) (online at www.nytimes.com/2020/06/29/style/boogaloo-hawaiian-shirt.html).

⁴⁸ Big Daddy Unlimited, *Big Daddy Unlimited Brands* (online at https://bigdaddyunlimited.com/big-daddy-unlimited-brands) (accessed June 30, 2022); Shot Show Planner, *Big Daddy Unlimited—Exhibitor* (online at

Rittenhouse's 2021 acquittal on charges of homicide, BDU made a post to its company social media accounts with an image of Rittenhouse alongside its products, with the caption "Be a Man Among Men." The text refers to the slogan of the Rhodesian colonist army, which has become a source of inspiration in white supremacist circles.⁴⁹ White supremacist Dylann Roof, who murdered nine Black churchgoers in 2015, created a manifesto that was posted to a website called "The Last Rhodesian." Roof's manifesto included "photographs of himself wearing a jacket with a patch of the green-and-white Rhodesian flag."⁵⁰ BDU has claimed there was no connection between its graphic and its racist connotations.⁵¹

There have been an increasing number of mass shootings in recent years carried out by shooters acting on their white supremacist beliefs, including the shootings in Buffalo, El Paso, and at the Tree of Life Synagogue in Pittsburgh.⁵²

As a result of the increase in racially motivated violence, firearms manufacturers profit from the business of both white supremacists and those extremists' targets. Gun ownership among Black Americans has soared by more than 50% since 2020, in response to increasing gun violence and the spike in anti-Black hate crimes.⁵³ The firearms industry has capitalized on this fear and begun marketing directly to minority communities with taglines such as "it's a jungle out there," and "mi casa no es sú casa."⁵⁴ This marketing has increased the number of guns in these communities, which are already the most negatively impacted by rampant gun violence. Black Americans experience gun violence and assaults at dramatically higher rates than other ethnicities.⁵⁵

E. <u>Marketing Through Video Games</u>

⁵⁰ Id.

⁵¹ Big Daddy Unlimited Intel, *Big Daddy Unlimited in the New York Times* (June 21, 2022) (online at https://intel.bigdaddyunlimited.com/bdu-ny-times/?amp=1).

⁵² White Supremacist Extremism Takes Up Arms in the United States, El País (May 22, 2022) (online at https://english.elpais.com/international/2022-05-22/white-supremacism-takes-up-arms-in-the-united-states.html).

⁵³ Why More Black People Are Looking for Safety in Gun Ownership, NBC News (June 14, 2022) (online at www.nbcnews.com/news/nbcblk/black-people-are-looking-safety-gun-ownership-rcna32150); Black Americans Flock to Gun Stores and Clubs: "I Needed to Protect Myself," The Guardian (Apr. 5, 2021) (online at www.theguardian.com/us-news/2021/apr/05/us-gun-ownership-black-americans-surge).

⁵⁴ Violence Policy Center, *How the Firearms Industry and NRA Market Guns to Communities of Color* (Jan. 2021) (online at www.vpc.org/studies/marketingexecsum2021.pdf).

⁵⁵ Everytown for Gun Safety, *Impact of Gun Violence on Black Americans* (online at www.everytown.org/issues/gun-violence-black-americans/) (accessed June 30, 2022).

https://n1b.goexposoftware.com/events/ss22/goExpo/exhibitor/viewExhibitorProfile.php?__id=2290) (accessed June 30, 2022).

⁴⁹ Gun Sellers' Message to Americans: Man Up, New York Times (June 22, 2022) (online at www.nytimes.com/2022/06/18/us/firearm-gun-sales.html); *Rhodesia's Dead—but White Supremacists Have Given It New Life Online*, New York Times (Apr. 10, 2018) (online at www.nytimes.com/2018/04/10/magazine/rhodesia-zimbabwe-white-supremacists.html). *The Gun Industry Created a New Consumer. Now It's Killing Us*, The Atlantic (July 25, 2022) (online at www.theatlantic.com/ideas/archive/2022/07/firearms-industry-marketing-mass-shooter/670621/).

Documents provided to the Committee show how manufacturers use the imagery of firstperson shooter video games to market their products. Below is a comparison of two Smith & Wesson M&P advertisements and the video game Call of Duty Modern Warfare, in which the player is using a similar M4 rifle.⁵⁶



Smith and Wesson advertisements:

Call of Duty Modern Warfare video game:



Gun manufacturers also enter into licensing agreements to have their weapons featured in first-person shooter video games. Ralph Vaughn, who negotiates licensing agreements with game developers on behalf of sniper rifle manufacturer Barrett, said: "It is hard to qualify to

⁵⁶ Reddit, *Just Found Out About the Cleanest Iron Sight for the M4* (May 3, 2020) (online at www.reddit.com/r/modernwarfare/comments/gcnhdr/just_found_out_about_the_cleanest_iron_sight_for/) (accessed July 25, 2022).

what extent rifle sales have increased as a result of being in games, but video games expose our brand to a young audience who are considered possible future owners."⁵⁷

IV. THE GUN INDUSTRY'S FAILURE TO TRACK CRIMES AND DEATHS CAUSED BY ITS' PRODUCTS

The Committee's investigation found that the five gun manufacturers under review do not have any systems in place to monitor and analyze deaths and injuries associated with their products.⁵⁸ In response to the Committee's inquiries, all five companies asserted that they do not monitor or track injuries and deaths caused by their AR-15-style rifles, either from accidental discharge, product malfunction, or deliberate use, nor do they track crimes committed with the products.

- **Bushmaster** represented that it "does not formally 'monitor' or 'track'" incidents,⁵⁹ and also claimed that there were no such deaths or injuries with its products, even though the mass shooter in Buffalo used a Bushmaster-brand assault weapon to kill ten people.⁶⁰
- **Ruger** emphasized that the company becomes aware of deaths, injuries, and crimes associated with its products only through its "customer service department, through media reports, or occasionally in connection with actual or potential litigation." Ruger maintained that it deals with each customer claim of injuries or deaths associated with its products individually, and "does not create or maintain records based upon the nature of the injury claimed."⁶¹
- Sig Sauer asserted that it does "not have the means" to track such incidents.⁶²

⁵⁷ These licensing agreements provide a steady source of income for the gun manufacturers, ranging from 5-10% of the retail price, or involving fixed royalties. *Shooters: How Video Game Fund Arms Manufacturers*, Eurogamer (May 14, 2019) (online at www.eurogamer.net/shooters-how-video-games-fund-arms-manufacturers).

⁵⁸ Committee on Oversight and Reform, *Press Release: Chairwoman Maloney Launches Investigation into Manufacturers of Assault Weapons Used in Mass Shootings* (May 27, 2022) (online at https://oversight.house.gov/news/press-releases/chairwoman-maloney-launches-investigation-into-manufacturers-of-assault-weapons).

⁵⁹ Internal letter from Bushmaster Firearms International to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (June 3, 2022).

⁶⁰ Buffalo Supermarket Shooting: What Do We Know So Far?, Associated Press (May 16, 2022) (online at https://apnews.com/article/buffalo-shooting-what-to-know-bcb5e0bd2aedb925d20440c2005ffef8).

⁶¹ Internal letter from Sturm, Ruger & Company, Inc. to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (June 3, 2022).

⁶² Internal letter from Sig Sauer, Inc. to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (June 6, 2022).

• Both **Daniel Defense** and **Smith & Wesson** asserted that they do "not monitor or track this information."⁶³

In response to the Committee's request for internal company analyses of the use of their assault weapons "in mass shootings or other homicides," the "risks posed" by the marketing or sale of these weapons, and "the ability to modify these weapons to increase their lethality," none of the five companies produced a single document.

These gun companies fail to track the deaths and crimes caused by their products even though they are included in a tracing process run by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). When law enforcement seizes a gun at a crime scene, they contact ATF's National Tracing Center to track the firearm from the manufacturer, through dealers and retailers, and into the hands of the most recent buyer.⁶⁴ During this tracing process, ATF works directly with firearm manufacturers to gain information about the gun.⁶⁵ Despite their involvement in this tracing process, each company claimed that they do not monitor or track this information.

As the Committee has previously demonstrated, a "small number of retailers" are often responsible for supplying an inordinate number of guns used in crimes, suggesting that industry attention to where and how their products are misused by criminals could help curb violent crime or rising homicide rates.⁶⁶

Gun manufacturers' failure to monitor injuries, deaths, and crimes associated with their products also stands in stark contrast with other consumer product industries, which are required to alert the public to risk of harm from their products through Consumer Product Safety Commission (CPSC). Manufacturers, importers, distributors, and retailers of consumer products must notify the CPSC within 24 hours if they become aware of information suggesting their product "creates an unreasonable risk of serious injury or death."⁶⁷

Other industries have similar requirements. For instance, the Food and Drug Administration (FDA) requires companies with prescription drugs to submit detailed "adverse event" information to FDA, and manufacturers of medical devices are "required to report to the FDA when they learn that any of their devices may have caused or contributed to a death or serious injury."⁶⁸

⁶⁵ Id.

⁶⁶ 6 Gun Shops, 11,000 "Crime Guns": A Rare Peek at the Pipeline, New York Times (Apr. 28, 2022) (online at www.nytimes.com/2022/04/28/us/politics/gun-shops-weapons-resell.html).

⁶³ Internal letter from Daniel Defense to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (June 6, 2022); Internal letter from Smith & Wesson to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (June 7, 2022)

⁶⁴ Bureau of Alcohol, Tobacco, Firearms and Explosives, *National Tracing Center* (online at www.atf.gov/firearms/national-tracing-center) (accessed June 23, 2022).

^{67 15} U.S.C. § 2064(b).

⁶⁸ 21 C.F.R. § 314.80(a) (2014); Food and Drug Administration, *Mandatory Reporting Requirements: Manufacturers, Importers and Device User Facilities* (online at

Even where a product operates as intended, an industry typically will face legal liability where their distribution or marketing practices yield excessive or unintended use of the product. For instance, a pharmaceutical company will face legal liability for failing to curb negligent monitoring or distribution practices of dangerous drugs such as opioids. Yet the gun industry faces no such consequences for its failure to track deaths, injuries, or crimes committed with their products.

In 2005, Congress passed PLCAA which granted gun manufacturers and dealers extraordinary protections from civil liability for how they sell, market, or distribute their products. Under this liability shield, gun manufacturers and dealers possess little financial incentive to make safety improvements to their products or track gun data to ensure that the firearms they sell do not end up in the hands of criminals.

Recently, however, successful state suits in Pennsylvania, New York, Connecticut, and other jurisdictions have begun to erode PLCAA's blanket immunity for gun manufacturers and dealers. In 2022, the families of many of the Sandy Hook victims and Remington agreed to a \$73 million settlement under the legal theory that Remington's marketing practices for the Bushmaster XM-15 rifle violated the state's consumer protection law, overcoming Remington's argument that PLCAA barred the suit.⁶⁹ Nevertheless, as this memo demonstrates, these companies continue to design and market weapons of war to the public without adequate oversight of their products' destructive potential.

V. CONCLUSION

The right to bear arms is protected by the Second Amendment. Firearms manufacturers, however, do not have a constitutional right to engage in the irresponsible marketing and sale of dangerous assault weapons that are used to terrorize communities across the United States.

Congress must act to rein in the irresponsible business practices of the gun industry, prohibit the sale of dangerous weapons of war to civilians, and reassess the liability protections that prevent the American people from accessing the courts to hold gun manufacturers accountable for the deadly effects of their business decisions.⁷⁰ Congress and federal agencies should also consider requiring death and crime reporting requirements for the gun industry, similar to those imposed on other industries, which will force manufacturers to develop compliance systems and take reasonable precautious to ensure their products are not misused. Additionally, Congress should consider imposing reasonable regulations on how the gun industry advertises its products, such as age limitations, content warnings, and further enabling agencies like the Federal Trade Commission to regulate misleading advertisements.

www.fda.gov/MedicalDevices/DeviceRegulationandGuidance/PostmarketRequirements/ReportingAdverseEvents/u cm2005737.htm) (accessed July 25, 2022).

⁶⁹ Sandy Hook Families Settle with Gunmaker for \$73 Million Over Massacre, New York Times (Feb. 17, 2022) (online at www.nytimes.com/2022/02/15/nyregion/sandy-hook-families-settlement.html).

⁷⁰ See H.R. 2814 (repealing PLCAA and expanding access to firearm trace data maintained by the ATF).

Finally, the Committee's investigation highlights the need for Congress to increase funding for gun research and to take additional steps to curb the gun violence epidemic in the United States.