

RMM

ResourceManagement

2nd Quarter 2009
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Financial Management Integration

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RM

This medium is approved for official dissemination of material designed to keep individuals within the Army knowledgeable of current and emerging developments within their areas of expertise for the purpose of professional development.

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Three Views of Money in the Army Enterprise:

Peter E. Kunkel

*Acting Assistant Secretary of the Army
(Financial Management and Comptroller)*

Mr. Kunkel delivered these remarks at the Army PPBE Conference on 24 April 2009.

It's a pleasure to speak with you today. I want to start by thanking General Chiarelli, the Vice Chief of Staff of the Army, for the remarks he made a few minutes ago when talking about the Army's new "enterprise management" approach. I fully agree with his assessment that establishing a cost culture in the Army is an essential element in the successful implementation of enterprise management.

You have often heard me and my predecessor, Nelson Ford, say that there are three different ways of looking at money. This morning I'd like to say a few words about some of the things we've done over the last few years to contribute to our understanding of money in all three perspectives.

The first view of money comes from what I refer to as the "look before you leap" community, and that would be cost estimators and cost analysts. These are the people who look at a proposed concept of operation or a proposed material acquisition and use statistical or parametric analysis to advise Army leaders about lifecycle costs and the cost of material acquisitions. Mr. Steve Bagby, the Deputy ASA for Cost and Economics, has done a great deal of work on this, and it is about to expand. The Secretary of the Army (SA) and Chief of Staff of the Army (CSA) have created the Enterprise Task Force, whose role is to facilitate the implementation of the enterprise management approach and to educate everybody on the challenges that confront the "big Army" beyond the issues faced by any single command. That education function is critical because of the need to adopt a cost culture and create

strategies to reduce costs. This is a major victory for the cost analysis community. We have been working for years to increase awareness of cost consumption, and to enable the Army to focus less on what we can afford in the next budget year and more on the total lifecycle cost of our decisions. There's more to come on this, because the CSA has recently directed that a C – for cost – be added to DOTML-PF. We are now working on the details of how cost considerations will be addressed at various decision points. This represents a major step forward in our long-standing effort to help the Army adopt a cost culture, and reinforces the notion that there are three different ways to look at money.

The second way to look at money deals with the question of identifying our current challenges and determining the funds we need to meet those challenges in the near term. Of course that perspective is addressed in the budgeting process. We believe that the new enterprise management approach, if we get it right, will contribute greatly to our ability to deal with money in its budget perspective. We can use the enterprise approach as an appetite suppressant to help deal with new ideas that arise during the year of execution. We can also use it as a tool to figure out how collaboration can occur across commands to solve enterprise-wide problems.

I want to digress for a moment and talk about the "enterprise" approach to managing the Army, particularly what it means and what it doesn't mean. The Army's structure and the authorities of senior Army executives are driven to a large extent by Title 10 of the U.S. Code. Title 10 is well understood, both within the Army in our

We have been working for years to increase awareness of cost consumption, and to enable the Army to focus less on what we can afford in the next budget year and more on the total lifecycle cost of our decisions.

oversight community. The Title 10 structure is inviolate, and the enterprise approach is not trying to change the structure or the accompanying authorities. However, in my view, the mere existence of material weaknesses – and we do have Army-wide material weaknesses – tells us that the way we're organized doesn't capture everything, and some things fall through the cracks. How do we get at the material weaknesses? The answer is that the enterprise approach creates a venue for discussion. This can be seen at the very top of the enterprise structure, where the SA has created the Army Enterprise Board (AEB), comprising the Senate-confirmed HQDA executives and subordinate commanders. The AEB is a venue where these individuals discuss issues of strategic importance to the Army. The AEB provides the forum in which information can be exchanged, but the

individual members of the AEB retain their Title 10 authorities.

The SA has also established four core enterprises (CE). We have the Human Capital CE, the Materiel CE, and the Services and Infrastructure CE. Those are the “ingredients.” The Readiness CE is both the “chef” and the “recipe.” Unfortunately if you’re trying to prepare a meal, you’ve got to have not only ingredients, a chef, and a recipe. You’ve also got to have a source of heat. That’s the role of our community. The financial management community provides the funds, which are the sine qua non; nothing can be done without money. Thus, vibrant participation by the financial management community is going to be necessary across all four of those core enterprises. And I think we can add a lot of value. That will take shape in the program process and in the budget process. At the most recent AEB meeting a few days ago we presented a concept to provide for CE representation in the programming/budgeting process by providing liaison to the HQDA Program Evaluation Groups. This will ensure that the core enterprises have a voice in resource issues brought before the AEB. In the AEB forum the issues will be discussed and then senior executives will make and execute decisions by exercising existing authorities as vested in them by Title 10.

If the enterprise approach is successfully implemented it will do exactly what the CSA wants to do, and that is to wean us of our \$20-30 billion reliance on supplemental funding. This will considerably improve our budget view of money.

The third way of looking at money is what I call the “rear view mirror” perspective – using execution data to look back, see what we’ve done, and identify lessons learned. It’s a business intelligence function. Our financial statements suffer because we cannot get a clean audit. Does this mean that we don’t have systems and processes in place to capture how we spend the money that is appropriated by Congress



and apportioned down through the chain of command? Of course it doesn’t. I think we do an excellent job of maintaining fiscal accountability. However, it does mean that we don’t have a system that tells us how we consume cost, how we organize ourselves, and how we allocate labor and other assets. We clearly have room for improvement here, and this is where GFEBS – the General Fund Enterprise Business System – comes in. GFEBS will enable us, for the first time, to deal with questions of that nature, particularly in the area of cost management.

I was recently interviewed by the Center of Military History in my exit interview. The interviewer asked a striking question: “What was the most shocking thing that happened to you in this job?” That was an easy question to answer. It happened in my first week. It was the realization that the Army had no organic cost management capability. I was flabbergasted. If you look at our FY08 resources, the Army is a \$250 billion operation. The way I explain the Army to my friends is that we’re parts of General Motors, Federal Express, the California university system, a huge construction company, and numerous other large organizations. To put it in common terms, the Army is humongous. I found it baffling and shocking that an organization so large and complex does not have an organic cost management capacity. And this is why I’m very, very excited about GFEBS and what it means to the Army.

The last thing I want to focus on, apart from the three different ways of looking at money, are two small seedlings that I planted in my tenure. The first is what I call the Generating Force Census. This idea was not my own in isolation, but was prompted by a comment by Lieutenant General (Retired) Dick Trefry at the Army Force Management School. He noted that the Generating Force is always optimized with respect to the Operating Forcer. This in itself is reasonable, but over time leads to strange outcomes. So we collaborated with Major General Dick Formica, at that time the Director of Force Management at Army Headquarters, to optimize the Generating Force for its own sake, not with respect to the Operating Force.

So why did we call it a census?

We called it a census because people are the vast preponderance of our costs. Operations and Maintenance and Military Personnel appropriations are nearly 75% of our budget. Therefore, understanding who is doing what can help us understand the cost drivers for the major portion of our resources. The census did not treat differently active component Soldiers, reserve component Soldiers, civilian employees, contractors, and even contractor man-year equivalents. Rather, the census employed a functional taxonomy to bin our manpower assets in terms meaningful to the enterprise rather than any one command, and it established a process

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to replicate the data call each year. Further, we used this information to build a predictive model that will optimize the Generating Force for its own sake or with respect to the Operating Force, or will identify a balanced steady state for the combined hole. We can use this model to address analytical questions. For example, after we completed the census we found units whose missions were similar but whose demographics were very different. One relied heavily on contractors, while another organization relied on Army civilians. The data will enable us to determine why such differences exist. We can do comparisons and hopefully arrive at the optimum way of organizing for similar functions and thus generate some savings. We are optimistic about the positive results that can be achieved here.

The second seedling deals with the way we disburse funds for our expeditionary forces. Each year from 2003 to 2007 we used cargo aircraft to ship \$1.5 billion in hard cash – actual greenback dollars – to Iraq and Afghanistan for disbursement in theater. Early in the war that was appropriate, but over time it became less and less optimal. And so we came up with new ways of disbursing funds using existing 20th century banking techniques along with 21st century techniques. We can now leverage global technology and get real-time reach-back transaction auditability of our cash payments. This presents the exciting prospect of improving the ability of the financial management community to support the challenging requirements of counterinsurgency operations.

I'm pleased with the results of these two seedlings to date and I hope they will stand on their own two feet after I depart.

I want to close by expressing my thanks and admiration for the members of the Army's financial management community, both

here at the conference and around the world. The work you do is tremendously important to the Army's people and its missions, and will become more so as the Army strives to meet the challenges of dealing with an era of persistent conflict while faced with decreasing fiscal resources. I have been consistently impressed with your talent, dedication, and exceptional competence, and it has been an honor to serve with you.

'DOTML-PF identifies the considerations that analysts and decision makers must take into account when developing solutions to new requirements. The letters stand for Doctrine, Organization, Training, Materiel, Leader Development, Personnel, and Facilities.

– RM –

About the Author:

Mr. Peter Kunkel served as Acting ASA (FM&C) from July 2008 to April 2009. Immediately preceding this assignment he served as the Principal Deputy ASA (FM&C). Previous DoD assignments included positions with the Office of the Under Secretary of Defense (Comptroller) and the Office of the Assistant Secretary of Defense (Legislative Affairs). Before joining DoD he worked in the private sector banking business. He also served four years in the United States Marine Corps, to include an assignment as an infantry company commander.





Title 10, Section 2366a Certification Requirements and Early Cost Estimating in the Army

Stephen T. Bagby
Deputy Assistant Secretary of the Army for Cost and Economics



For the past few years Department of Defense budget reductions have been looming just at the edge of the horizon, and now those budget limitations are upon us. The cost parameter will now play a greater role in the decision-making process than it did in the past. Leaders will rely on quality cost estimates to aid their decisions as competition for limited resources increases. The Army will have

to provide cost estimates earlier in the lifecycle process and show proof that programs are funded in accordance with the estimates.

Acquisition reform is forcing the Department of Defense (DoD) and services to be more accountable for the way they execute acquisition programs by placing greater emphasis on cost, schedule, and resourcing. Section 2366a of Title 10 ties together certification requirements for cost, program execution schedules, and funding. At each milestone decision, the service Milestone Decision Authority (MDA) must certify in writing that reasonable cost and schedule estimates have been developed and that the program is fully-funded through the future years defense plan (FYDP).

Key guidance documents, such as DoD Instruction (DoDI) 5000.02, Operation of the Defense Acquisition System, have recently been revised to make mandatory early decision points and analysis such as the Materiel Development Decision, Milestone A, and Milestone A Analysis of Alternatives. The push for earlier investment decisions, such as Milestone A, strongly impacts the DoD cost and analysis communities. DoDI 5000.02 requires Service Cost Positions at Milestones A, B, C, and Full Rate

Production decision reviews. In the past, Service Cost Agencies did not develop estimates until Milestone B.

Gone are the days when a program could update its Acquisition Program Baseline in order to avoid reporting a Nunn-McCurdy Breach (25 percent growth in acquisition costs). Initial Acquisition Program Baselines are established at Milestone B and programs are now measured against that initial Acquisition Program Baseline, even after Milestone C. In addition, the Office of the Secretary of Defense now requires signed and documented Service Cost Positions for all Milestone A, B, C and Full Rate Production Decisions for all Major Defense Acquisition Programs.

The Army already has a process to develop Service Cost Positions, called Army Cost Positions (ACP), and to ensure that funding is consistent with the ACP. This process is called the Cost Review Board (CRB). The CRB was created in 1993 to increase the level of cost analysis support provided to the Department of the Army's oversight of the acquisition process. Two years ago, my Acquisition Directorate began investigating how to deal with pre-Milestone A and Milestone A cost estimating. Traditional estimating approaches can be used to develop a Milestone A cost estimate for a well-defined program, such as a modification to an existing weapon. However, developing the Milestone A cost estimate when a system is not well-defined has some unique and definite challenges. Army is taking on the challenge of developing cost estimates when lacking programmatic and technical information.

Up until recently, most Army programs first surfaced for a decision at Milestone B, having had Milestone A effectively tailored out of the process. DoD leadership has recently started requiring Milestone A for many Army programs, and there could very well be even more programs going through Milestone A in the future. As programs move toward Milestone B, certain required documents, such as the Capability Development Document (CDD) and the Cost Analysis Requirements Descriptions (CARD), are developed and become available to the analyst. These documents are very helpful to the analysis process because they contain detailed information that analysts can use to develop cost estimates using conventional cost estimating methodologies. Prior to Milestone A, cost analysts would most likely not have access to CDDs, CARDS, or the detailed information that these documents typically include, and they would have to produce cost estimates using less conventional methodologies. In the context of Section 2366a certification requirements and DoDI 5000.2, Army defines an "early" cost estimate as one that is developed during this data-poor, pre-Milestone-A environment.

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The few documents that may be available for analysis at this time are the Initial Capabilities Document (ICD) and results of the Functional Needs Analysis or the Functional Solutions Analysis. An ICD normally identifies capability gaps and shows what capabilities a solution must have in order to fill those gaps. However, the ICD does not provide the level of detail that would normally be available in the post-Milestone-A world. When performing post-Milestone-A cost estimating, an analyst should have enough information to utilize performance, technical, or physical variables, such as the maximum effective range of a weapon system, in a parametric Cost Estimating Relationship. In the pre-Milestone-A world, the analyst may not know the system's required maximum effective range, and the only available information might be that the system must have the capability to shoot within certain scenarios or at certain threats. How do our analysts estimate the cost of something when they only know its capabilities and nothing else? The search for the answer to this question generated the idea of capability-based cost estimating.

Capability-based cost analysis begins with the idea that system capabilities can be mapped to system cost. Once a link between capabilities and cost is established for existing systems, this mapping can be used to estimate the cost of future systems based on their capabilities. Additional information that becomes available can be used to improve the estimate's accuracy. Capability data join physical, technical, and performance data as relevant data sources for use in cost estimates. Two main advantages of capability-based cost analysis are that it can be done with limited data and that it provides a relatively straightforward output. For situations in which minimal information is available, capability-based analysis enables the rapid development of estimates that can be reassessed and refined once additional information is known. Since capability-based cost analysis is based on fairly simple concepts, it produces an intuitive end product that is attractive to decision-makers.

Currently, multiple estimates are developed to support acquisition decisions: the program office has an estimate and the service cost center develops a cost estimate. Multiple estimates are helpful because the delta between them provides decision-makers with information about the risks and uncertainty of the acquisition program. Estimates that are close to one another may mean there is sufficient data to accurately project costs, and there should be confidence in the estimate. Estimates that are far apart usually mean there is little supporting data or the program contains significant risks. Although multiple estimates help identify the range of possible costs, decision-makers usually require a point estimate. In the past, decision-makers just picked an estimate without the knowledge of the underlying quality of the estimate,

such as information on what data sources were used, what assumptions were made, and what methodologies were used.

As discussed earlier, the Army developed the CRB in order to bring stakeholders together and reach consensus on a single cost position. The end-state of the CRB process is a lifecycle cost estimate called an Army Cost Position (ACP). The ACP is then used to create a cost basis for Army program baselines, acquisition decisions, programming, and budgeting. The ACP is also the basis for the Acquisition Program Baseline submitted to the Office of the Secretary of Defense and Congress. The CRB process brings together senior leaders from the acquisition, requirements development, financial management, programming, installation, manpower, and logistical communities, with the purpose of developing ACPs that are acceptable to all Army stakeholders. Figure 1 below identifies the organizations represented on the CRB.

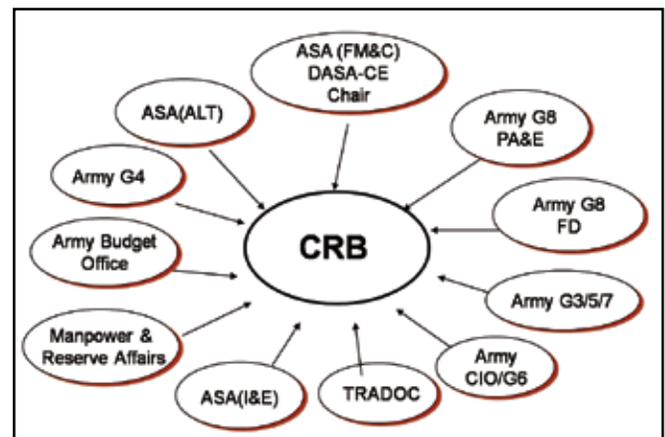


Figure 1: Army Cost Review Board Membership



The five major steps in the CRB process are summarized as (1) define and describe requirements, (2) estimate the costs, (3) reconcile the estimates, (4) conduct affordability analysis, and (5) gain ACP approval. The CRB process is shown in greater detail in Figure 2 below.

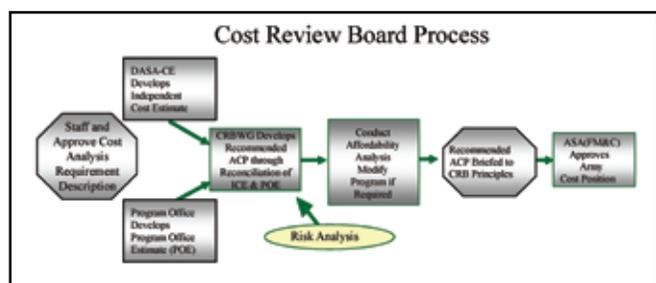


Figure 2: The Cost Review Board Process Flow Diagram

Step 1 – Define and Describe Requirements. Requirements are identified using the CARD. The CARD is written by the acquisition program office and provides both narrative and tabular data, covering the areas listed in Table 1 below.

Cost Analysis Requirements Description Contents
System description and characteristics
Technology maturity levels of critical components
Reliability/maintainability/availability
System operational concept
System support concept
System training concept and materials
Time-phased system quantity requirements
System manpower requirements
System activity rates (operating tempo or similar information)
Acquisition plan or strategy

Table 1. Cost Analysis Requirements Description Contents

The CRB process requires the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) to staff the CARD through the Headquarters, Department of the Army (HQDA) offices represented on the CRB. The staffing process ensures that the Army as a whole is in agreement with the program requirements described in the CARD. The CARD staffing and approval process culminates with a formal CARD presentation to the CRB. Once approved, the CARD becomes the basis for all

cost estimates developed in support of the milestone decision.

Step 2 – Estimate Costs. The estimates developed for the acquisition decision review are the program office estimate (POE), developed by the program office, and the independent cost estimate (ICE), developed by the Acquisition Directorate of the Office of the DASA-CE. In cases in which the Office of the Secretary of Defense (OSD) is the MDA, then the OSD Cost Analysis Improvement Group also develops an independent estimate using the CARD.

Step 3 – Reconcile Estimates. The CRB Office convenes the Cost Review Board Working Group (CRBWG), composed of action officers from the organizations represented on the CRB, to develop the recommended ACP through the reconciliation of the ICE and the POE. The reconciliation takes about two weeks and is designed to produce a recommended ACP that accurately reflects the program’s lifecycle costs. The process ensures the estimate is based on sound and defensible cost estimating methodologies and that the program adheres to HQDA policies. Issues and inconsistencies are identified and resolved.

Step 4 – Conduct Affordability Analysis. Once the reconciliation is completed, the Program Analysis and Evaluation Directorate in Army G8 conducts an affordability analysis to determine if the program is fully funded through the FYDP. If there are funding shortfalls, the Army identifies alternate funding sources or modifies the program to live within its existing funding. If there is excess funding, the program is accelerated or the funding is used for other priorities.

Step 5 – Convene CRB. The CRB convenes to review the recommended ACP and resolve any outstanding issues and come to a consensus on the ACP. It is important to note that the resulting ACP is not the program office’s position nor ODASA-CE’s position. The ACP has the Army’s endorsement and is truly the Army’s Cost Position. Based upon CRB recommendation, the ASA (FM&C) approves the ACP, signifying that the program under review has a reasonable cost estimate and the program is affordable through the FYDP. The ASA (FM&C) provides the ACP documentation to the Army Acquisition Executive to support the 2366a certification requirement.

The Army is well-positioned to meet the cost estimating needs of senior leaders as they deal with difficult decisions brought on by budget constraints. Army anticipated this requirement over two years before its institution into policy, in order to position the Army to develop the capability to provide cost estimates that support investment decisions earlier in a program’s lifecycle. This will enable leadership to make cost-informed decisions as they develop early acquisition strategies. And most importantly,

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the CRB process gives the Army the ability to meet the Title 10 certification requirements. It produces a quality cost estimate that is documented, defensible, and affordable.

— RM —

About the Author:

Mr. Bagby is currently assigned as the Deputy Assistant Secretary of the Army for Cost and Economics. He is responsible for Army policy and technical direction of all cost and economic activities. He delivers the Army's independent cost estimates for weapons & information systems; manages the development of Army cost positions on all systems reviewed by the Army Cost Review Board; and directs cost analyses dealing with force structure, personnel - military, civilian, and contract labor, base operations, and weapons & information systems operation and support. Mr. Bagby supports the Army's Programming and Budgeting processes with cost and economic analysis. He also directs the Army's cost management and performance management activities for internal and external reporting. He manages the Army wide cost research program to deliver cost tools, databases, and models throughout the Army.

Mr. Bagby has served the Army's Financial Management Community for 30 years, primarily in budgeting and cost analysis fields. He served in the U.S. Army from 1967 to 1969. He began his civilian career in budgeting at the U.S. Army Corps of Engineers and has held budgeting positions at installation, major command, and headquarters levels.

He has served as Chief of the Procurement Division, Army Budget Office, in the Pentagon. In addition, he also functioned as the Chief of Budget Execution in the Army's Budget Office. Mr. Bagby has served as the President of the American Society of Military Comptrollers (ASMC) - Washington Chapter. He currently serves as a Society of Cost Estimating and Analysis (SCEA) Director.

Mr. Bagby earned both his Bachelor of Science in Accounting and his Masters Degree in Business Administration from Youngstown State University. He is a graduate of the Industrial College of the Armed Forces and has attended the Professional Resource Management Course at Syracuse University and the Military Comptrollers School at Maxwell AFB. The American Society of Military Comptrollers recognized Mr. Bagby's contributions with its research award for his work in Managerial Costing for Base Operations. He has also received the Army's Meritorious Civilian Service Award, the Under Secretary of Defense (Comptroller) Financial Management Initiatives Award, and twice has received the Army's Resource Management Annual Award.

FCR CORNER

By: Terry Placek

ATTENTION: All Army civilian and military financial management professionals. I challenge each of you to formally acknowledge the great accomplishments that you, your peers and your bosses have made. Now is the time to begin thinking about the outstanding accomplishments made throughout the year and begin writing justifications for the FY 2009 Resource Management Awards Program. The first step is to complete and submit the nomination requirements.



In this issue of the Resource Management publication there is an article highlighting the FY 2008 Resource Management Award winners including short narratives of their accomplishments. The Comptroller Proponency Office received only 136 award nominations from the over 16,500 Army financial management professionals in all the components. There are so many more of you who are doing great things and we must take the time to recognize the accomplishment of our people. Now is the time!

The FY 2009 Resource Management Awards nominations are due in the Comptroller Proponency Office Friday, October 30, 2009. Remember the nomination is only two pages with the first page containing basic information like name of nominee, contact information, etc and the second page highlighting the nominee's accomplishments. You may nominate yourself for an award as long as your nomination comes thru command channels.

In addition to the Resource Management Awards Program there are other opportunities and programs to recognize the outstanding accomplishments of Army financial managers such as the Neil R. Ginnetti Award, the LTG® Jerry L. Sinn Award, the Under Secretary of Defense (Comptroller) Awards Program and numerous award programs sponsored by professional associations like the Association of Government Accountants and the American Society of Military Comptrollers.

Please check the ASAFM web site and the AKO Proponency Page for the various award programs announcements. Together let's accept the challenge and increase award nominations by 200 per cent!

Fiscal Year 2008 Army Resource Management Award Winners

By: *Cathy Rinker*

Congratulations to all Winners!!!

The OASA (FM&C) sponsors the RM Annual Awards Program to recognize and encourage outstanding performance of individuals, teams, and organizations that make significant contributions to the improvement of resource management. Open to both Soldiers and civilian employees, the RM awards are an excellent opportunity for the Assistant Secretary to recognize the accomplishments of extraordinary performances of resource managers in the Army comptroller community.

The panels met and Mr. Peter Kunkel, the Acting Assistant Secretary of the Army for Financial Management and Comptroller approved the selections for the FY 2008 Resource Management (RM) Awards. He is proud to announce the following awards for each deserving recipient:

ASSISTANT SECRETARY OF THE ARMY (FM&C) CIVILIAN AWARD

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Civilian Award recipient is Mr. James J. DeAngelis, Comptroller, U.S. Africa Command (AFRICOM), Resources Directorate, Stuttgart, Germany – Mr. DeAngelis was a member of the core transition team that established the U.S. Africa Command. Under the leadership of Mr. DeAngelis, the Resources Directorate as a whole worked extensively with OSD (Comptroller), the Joint Staff and HQDA, the executive agent, to ensure that sufficient funding and manning was made available for the stand-up and operation of this innovative combatant command. He and his team developed FY 2008 requirements and provided material to the Services' Three Star Programmers committee the Joint Chiefs of Staff, the Deputies Advisory Working Group, and the Secretary of Defense. Mr. DeAngelis exhibited tremendous leadership, initiative, creativity and diligence and played a significant role in positioning AFRICOM to assume missions and seamlessly transition to Unified Command Status on 1 Oct 2008.

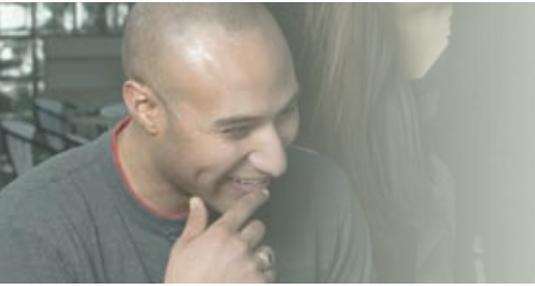
ASSISTANT SECRETARY OF THE ARMY (FM&C) MILITARY AWARD

The ASA (FM&C) Military Award recognizes the top Soldier serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Military Award recipient is LTC Marcia J. Smith, Contingency Operations Division Chief, HQ, U.S. Army Central Command (USARCENT), Fort McPherson, GA – LTC Smith is responsible for managing and allocating Contingency Operations (CONOPS) funding, conducting liaison and performing financial reviews and analyses with OSD, CENTCOM, HQDA, MNF-I, MNC-I, MNSTC-I, CJTF-101, USFOR-A, CSTC-A, USARCENT units in Kuwait and Qatar, and DFAS for \$23B of GWOT dollars in support of Operations Enduring and Iraqi Freedom. She applied her vast CONOPS experience and extensive knowledge of deployed financial management operations to aggressively execute a robust professional development program that empowered her Soldiers to quickly gain relevant financial management knowledge. LTC Smith simultaneously provided hands-on training to RMs heading into Iraq and Afghanistan to ensure smooth transitions between rotational units and augmentees. Her efforts resulted in a highly effective team that successfully executed funding for over 20 RM offices across the area of responsibility. LTC Smith's highly effective management style and financial management expertise were cornerstones of USARCENT's ability to accomplish its wartime mission.

FUNCTIONAL CHIEF REPRESENTATIVE (FCR) SPECIAL AWARD

The FCR Special Award recognizes someone serving in a leadership capacity that the FCR personally cites for outstanding contributions to the CP11 Program. The FCR Special Award recipient is Ms. Debora A. Day, Chief, Programming & Budgeting Analysis Integration Division, U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC), Fort Leavenworth, KS -- Ms. Day is a keen analyst and as Planning and Budgeting Analysis Integration Division (PBAID) director, she has led, trained and coached her employees so that they are all subject matter experts and highly skilled technical operators. Under her watch, her team has consistently provided the analysis that has enabled CAC to successfully defend its programs to HQDA and achieve above average funding levels in the Program Objective Memorandum (POM). She sets the tone, leads by example, and insists on employees taking time to attend training and professionally develop themselves.

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ENDING

OUTSTANDING RESOURCE MANAGEMENT ORGANIZATION AWARD

(Above Army Command) – Headquarters, Department of the Army (HQDA), Assistant Secretary of the Army (Financial Management & Comptroller) (ASA, FM&C), Financial Operations, Internal Review Directorate, Arlington, VA – this Organization completed a comprehensive review of the Army's Temporary Change of Station (TCS) travel program. HQDA Internal Review's efforts and recommendations directly resulted in the Army taking action to assign Installation Management Command to centrally manage of Army-wide TCS funding which will strengthen the program's internal control. The Army also contracted for additional contract housing at TCS locations reducing lodging costs. The Army will also be implementing the Defense Travel System for TCS. These actions will reduce the opportunity for fraud, waste, and abuse and when all actions are fully implemented will reduce TCS travel costs by more than \$225 million annually.

Organization Members: Donald L. Friend, Salvatore M. Gambone, Hee W. Lee, Errol L. Murdock, and Jay R. Shaw.

(Below Army Command) – U.S. Army Training and Doctrine Command (TRADOC) Army Combined Arms Center (CAC), Office of the Assistant Chief of Staff, G8, Fort Leavenworth, KS – this organization has exceeded Army standards across the breadth of the organization in a whole host of areas. The team performed complex analysis on the Leader Development initiative in order to submit a realistic, defensible program for POM 10-15. The team also completed sixteen Lean Six Sigma projects resulting in savings of several hundred thousand dollars and thousands of man-hours for TRADOC. Other successes for Fort Leavenworth were identified in the travel, manpower, and budget areas.

Organization Members: LTC (P) Frank Holinaty, Maureen Thomas, Dana Thomas, Walter Dawson, Ting Young, Alexander Brown, Miranda Nichols, Agnes Vossmer-Meza, John Fitzgerald, Kelly Grooms, Denice Brown, Carrie Harrod, Jacki Cornell-D'Echert, Rose Cantrell, Debbie Day, Michael Hanley, Betty Klinedinst, Hung Nguyen, Burl Fletcher, Julie Carlile, Paula Collins, Jason Walker, Pam Budke, Terry Ozarkiewicz, LTC Clyde Dopheide, Skip Reed, Lynne Wagner, Erica Lewis, Della Thornton, Ruth Eckert, Connie Will, Julie McElroy, Petra Arnold, Cindy Atkinson, Shannon Kester, Dave Richardson, Jackie Kania, Shane Kolbaba, Vickie Atkison-Clark, Patrick

Lord, Eugene Graves, Amy Blankenship, Olive Filbert, Tanya Potter, Michelle Claudy, Eric Fain, Ian Hall, Armor Brown, Pam Gilbert, Dave Knorr, Ken Duchnowski, Mike Meinhardt, Kyle Wingo, and Stephen Spataro.

OUTSTANDING RESOURCE MANAGEMENT TEAM AWARD

(Above Army Command) – Performance Based Adjustment Model (PBAM) Workgroup, U.S. Army Medical Command (MEDCOM), Fort Sam Houston, TX – this multi-disciplinary team developed, refined and implemented the Command's Performance Based Adjustment Model (PBAM), a resourcing model designed to improve efficiencies and quality of healthcare delivered in Army Medical Treatment Facilities. PBAM's successes have attracted the attention of numerous high-ranking officials within DoD who expressed interest in adopting PBAM methodologies for their organizations. This team, through PBAM, identified significant improvements in Army MEDCOM's financial and clinical performance, which is not only good for MEDCOM, but can be for other organizations and Services as well!

Team Leader: LTC Bradley A. Lieurance

Team Members: COL Karl Kerchief, COL Kathy Harrington, COL Steven Braverman, COL Daryl L. Spencer, LTC William LaChance, Vera L. Hanna, Michael O'Brien, Paulette Richards, Romona Bacon, Ron James, Richard Meyer, Bruce Gidney, Harold Cardenas, and Evelyn Patterson.

(Below Army Command) – Interest Reduction Team, U.S. Army Corps of Engineers (USACE), Millington, TN – in an effort to pave the way for Army, this team established a FY 2008 aggressive interest payment reduction goal of 50%. The team improved internal processes, enhanced current and suggested new automation tools, and developed tools to identify potential interest penalty payments. In FY 2008, interest payments were 54% less than in FY 2007. Each dollar saved in USACE interest payments provided additional funds for mission accomplishment to include the Global War on Terror.

Team Leader: Lee Autry

Team Members: Anne Schmitt-Shoemaker, Nancy Nemnich, Stephanie Mathewson, John Hughes, John Henderson Lucius Othman, Michael Rye, Kevin Heath, Callie Hammonds, Renee Coulston, Kathleen Molony, Rosemary Hooker, Anne Hartz, Jeremy McEntire, Gary Snodgrass, Jennifer Peete, and Ryan Braithwait.



CIVILIAN INDIVIDUAL AWARDS

Accounting and Finance

(Above Army Command) - Ms. Naomi Simmons, Accountant, U.S. Army Special Operations Command (USASOC), Fort Bragg, NC -- Ms. Simmons is recognized for her extraordinary performance as a senior system accountant within the U.S. Army Special Operations Command. She was personally responsible for and led the USASOC team of accountants to conduct three quarterly Pre-Joint Reviews/Joint Reviews. Her meticulous efforts and attention to detail resulted in adjustment of over 5,000 accounting lines and recovering over \$10.5M in adjustments. Her professionalism and utmost dedication establishes an exceptional standard for others to follow.

(Below Army Command) - Mr. Stephen C. Tye, Managerial Accountant, U.S. Army Training and Doctrine Command (TRADOC), Fort Jackson, SC – Mr. Tye developed an implementation plan for processing Temporary Change of Station (TCS) authorizations in the Defense Travel System (DTS) for Fort Jackson. He wrote a comprehensive operating instruction for organizational administrators on how to request lines of accounting and funding. Mr. Tye's initiative resulted in a smooth transition to a complex procedure for everyone, and ultimately ensured reservists continued to get their monthly TCS payments without interruption. Mr. Tye is a solid performer in every respect and a valued asset to the Fort Jackson mission resource management team.

Analysis and Evaluation

(Above Army Command) - Dr. Lawrence E. Wooldridge, Operation Research Analyst, U.S. Army Network Enterprise Technology Command (NETCOM), Fort Huachuca, AZ – Dr. Wooldridge manages and defends the NETCOM/9th Signal Command (Army) Training Resource Model (TRM) database that captures Army training policy, force structure, cost factors, and program and budget decisions. He developed the methodology to explain how the requirements for each program element was generated and his analyses and clear communication resulted in a \$3M increase in FY 08 Funding Letter and decrement avoidance in FY 10-15 Program Objective Memorandum (POM) to the tune of \$29.7M in OPTEMPO and \$133.6M in OPRED. Dr. Wooldridge acts to promote a positive climate, good morale, and cooperation within the team reflecting great credit upon himself, NETCOM Deputy Chief of Staff for Resource Management, the Command, and the Department of the Army.

(Below Army Command) - Ms. Debora A. Day, Chief, Programming & Budgeting Analysis Integration Division, U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC), Fort Leavenworth, KS -- Ms. Day is the focal point for all of CAC's programming efforts. She was critical to CAC's success in getting the Army's Leader Development Program (ALDP) requirements submitted and funded in the FY 10-15 Program Objective Memorandum (POM). Ms. Day's analyses and scrutiny transformed a \$1.2B wish list to a \$472M realistic and defensible program. Her efforts were directly responsible for the ALDP being fully funded in the POM, a rare achievement. Ms. Day managed, led or advised on nearly every CAC, G8 programming issue for FY 08 making her scope of contributions wide and her impact significant to the success of the Combined Arms Center.

Auditing

(Below Army Command) – Mr. John J. Vietor, Supervisory Auditor, Army Audit Agency (AAA), St. Louis, MO – Mr. Vietor worked as a supervisory auditor on five complex and highly technical audits of transportation charges that were performed at DoD activities. His efforts on the five audits were instrumental in the identification of about \$3B in potential monetary benefits. Mr. Vietor has shown he readily accepts additional responsibility to help the Army Audit Agency achieve its goals by representing his field office as a recruiter. He has also volunteered for Lean Six Sigma and attended the requisite training so that he can help AAA and its customers improve operations. Mr. Vietor has shown that he is and will continue to be a valuable asset to the Agency and the U.S. Army.

Author of the Year

(Below Army Command) – Mr. Dominic A. D'Orazio, Director, Army Materiel Command, CECOM LCMC, Fort Monmouth, NJ – Mr. D'Orazio wrote an article which identified loose internal controls that could occur within a manual travel system. He stresses that managers should take time to review travel vouchers submitted by their subordinates rather than just a cursory review. Mr. D'Orazio warns that travelers should be aware of the consequences of filing false claims. His article appeared in a book titled "Fraud Casebook: Lessons from the Bad Side of Business" which was edited by Mr. Joseph T. Wells. Mr. D'Orazio's article was titled "Aloha Hawaii" and was Chapter 4 of the book. An edited version of his article appeared in the June 2008 edition of the CPA Journal, which is published by the New York State Society of Certified Public Accountants. (See Mr. D'Orazio's article in this Resource Management Publication.)



Budgeting

(Above Army Command) – Ms. Cynthia R. Arnold, Acting Chief, Budget Division, HQ, Installation Management Command (IMCOM), Arlington, VA – Ms. Arnold used initiative, judgment, and originality in resolving budgetary issues including problems stemming from erroneous distribution of funds for specific initiatives. Her efforts resulted in restoring funding to the proper areas, thereby saving the credibility of IMCOM with Army and other commands and ensuring proper funds application and project completion. Ms. Arnold reduced Army costs by supporting the use of Lodging Success Program to house Soldiers in Temporary Change of Station (TCS) status; saving Army an estimated \$230M through IMCOM TCS initiatives while ensuring Soldiers received a proper and consistent standard of quality lodging. She encouraged an environment of support for teamwork and cohesion by conducting multiple Team Building sessions both within Budget Division and in conjunction with another Division.

(Below Army Command) – Ms. Patricia M. Burch, Budget Analyst, United States Army Corps of Engineers (USACE), Hanover, NH – Ms. Burch led a task force to develop an analytic construct upon which the entire command financial review process would be based. The result of her efforts was a concise, well-organized template and associated operating procedure that can guide any budget analyst through a thoughtful and productive review of the Engineer Research and Development Center's (ERDC) over \$1B in annual funding. She has enhanced the skill level and capabilities of the entire organization by working with over 15 different analysts and meticulously going over the quarterly financial reports to ensure each person understood the numbers and what they represented. Ms. Burch exemplifies the best qualities one could hope to encounter in an employee with her tireless devotion to duty, honor, keen analytical mind, and tremendous professional attitude.

Comptroller/Deputy Comptroller

(Above Army Command) – Mr. James J. DeAngelis, Comptroller, U.S. Africa Command (AFRICOM), Resources Directorate, Stuttgart, Germany – Mr. DeAngelis was a member of the core transition team that established the U.S. Africa Command. Throughout FY 2008, he established numerous financial processes and orchestrated a successful first year of fiscal operations. His guidance enabled the programs team to establish critical path timelines, make assumptions, identify key tasks and cost drivers, and outline a concept of operations in order to develop FY 10-15 manpower and dollar requirements and review, analyze and consolidate input in a short period of time.

Mr. DeAngelis is a dedicated professional and a valued team member. He is commended for his distinguished performance in the resource field, “can do” attitude, and outstanding and unwavering dedication to the mission.

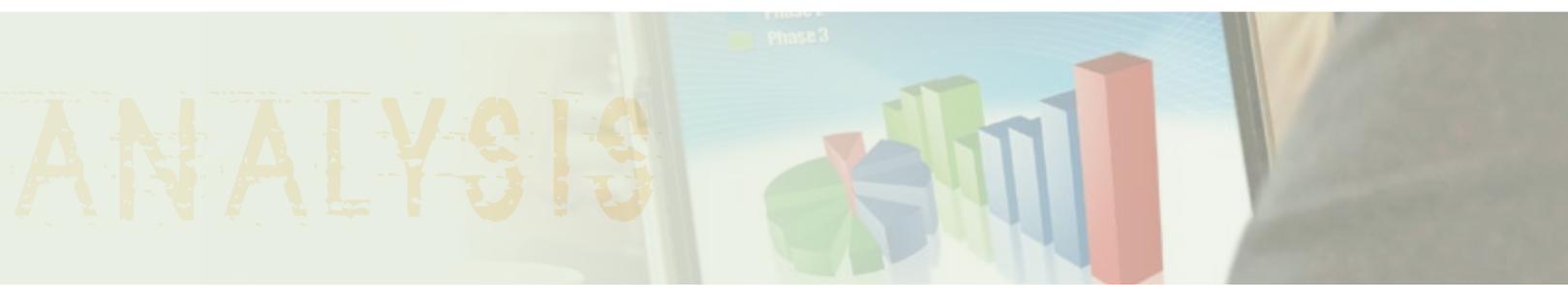
(Below Army Command) – Ms. Jeannice M. Malave, Garrison Budget Officer, Installation Management Command (IMCOM), Garrison Budget Officer, Fort Gordon, GA – Ms. Malave directed the execution of the Garrison's \$234.3M annual Operations & Maintenance (OMA) funding portfolio. Under her leadership, the garrison processed over 3,000 financial documents. Ms. Malave streamlined the obligation process, which facilitated the execution of fallout dollars received in the last two weeks of the fiscal year. She implemented a formal in-house training program resulting in over 200 man-hours of training for the Garrison Resource Management Office in the 4th quarter of the fiscal year. Ms. Malave sets the pace for other financial managers to follow with her initiatives, her example, her hard work and her unflinching dedication.

Cost Analysis

(Below Army Command) – Mr. Clemente Cecere, Operations Research Analyst, Army Materiel Command (AMC), CECOM Life Cycle Management Command (LCMC), Fort Monmouth, NJ – Mr. Cecere serves as his command's point of contact for Lean Six Sigma (LSS) procedures for project validation. He independently developed his own LSS project, which would streamline the financial validation effort. Mr. Cecere's guidebook is presented to LSS project owners to assist them in preparing financial cost benefits. HQ, AMC is reviewing the guidebook for implementation throughout AMC based on the success with the CECOM LCMC projects. His initiative to improve the validation time of the financial components of LSS projects has an estimated cost avoidance of \$316K over the next five years. Mr. Cecere's dedication to the LSS validation process has earned him an admirable reputation as a subject matter expert and makes him a great asset to both CECOM LCMC and the Army.

Cost Savings Initiatives

(Below Army Command) – Mr. Hung Nguyen, Director, Business Transformation Office, U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC), Fort Leavenworth, KS – Mr. Nguyen is the life's blood of CAC's Lean Six Sigma (LSS) effort; the key to its success. He established CAC's Business Transformation Office and initiated CAC's LSS Green Belt Training program. Mr. Nguyen, a Lean Six Sigma Black Belt, is responsible for overseeing all LSS projects and training and mentoring and coaching LSS Green



Belts for all of TRADOC's Schools and Centers of Excellence. His impact is vast, covering the entire expanse of TRADOC. In fiscal year 2008, he guided the teams that completed sixteen LSS projects that saved TRADOC several hundred thousand dollars and thousands of man-hours. Mr. Nguyen is an extremely dedicated technical expert who has the people skills needed to get organizations to do the hard work of dissecting processes to focus on those value added steps required to produce needed outputs, and discard the rest.

Education, Training, and Career Development

(Below Army Command) – Mr. Ting Young, Deputy Transition Manager (NSPS), U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC), Fort Leavenworth, KS – Mr. Young's work establishing CAC's NSPS program in fiscal year 2008 has been simply amazing. From absolutely nothing, he created CAC's entire NSPS program that was hailed by HQ's TRADOC, during our initial NSPS audit, as having "best practices" in seven out of seven inspection areas, and was taken back to HQ's TRADOC to become the basis for the command-wide NSPS policy. Mr. Young became CAC's chief NSPS instructor. He personally trained each and every new NSPS employee, and each military supervisor of an NSPS employee. Mr. Young is an NSPS subject matter expert without par, a master teacher and coach, a human dynamo, and superb organizer and leader.

Resource Management

(Above Army Command) – Ms. Karen K. Bistricea, Program Analyst, U.S. Army Forces Command (FORSCOM), Deputy Chief of Staff G-8, Resource Integration Division, Fort McPherson, GA – Ms. Bistricea used her valuable RM experience and knowledge of financial management systems and applications to identify, evaluate, recommend, gain approval, and successfully implement Resource Management Tool (RMT). She worked tirelessly to ensure RMT users had immediate and easy access to RMT subject matter experts (SMEs) that supported RMT's implementation and use. Ms. Bistricea also provided critical RMT training (classroom and virtual online) on all three modules of RMT, which enhanced users' performance. Due to her dedication, efforts and professionalism, RMT provided and continues to provide FORSCOM virtually real-time financial data for important day-to-day decision-making. Ms. Bistricea's in-depth knowledge of RM systems and financial information/policies make her an excellent source of information and an extremely valuable asset to the Command and the Army.

(Below Army Command) – Mr. Kenneth W. Voegelé, Resource

Management Officer, U.S. Army Reserve Command, 89th Regional Readiness Command (89th RRC), Wichita, KS – Mr. Voegelé has provided performance management and oversight to 15 Budget Analyst within the 89th RRC Resource Community that supports 225 units in 11 states consisting of over 12,307 Soldiers. He introduced a comprehensive financial management-training plan designed to teach and mentor the 89th RRC staff and others in developing the Un-resourced Requirements process. Mr. Voegelé implemented Wide Area Work Flow, was able to establish video teleconference 40-hour block of instruction for Fiscal Law Class, and rewrote course curriculum for the Financial Managers Orientation Course and Budget Management Course at Fort McCoy. He demonstrates a positive "can do" attitude with meticulous attention to detail. Peers, subordinates, and superiors recognize Mr. Voegelé's outstanding contributions and accomplishments throughout the Command.

Resource Management in an Acquisition Environment

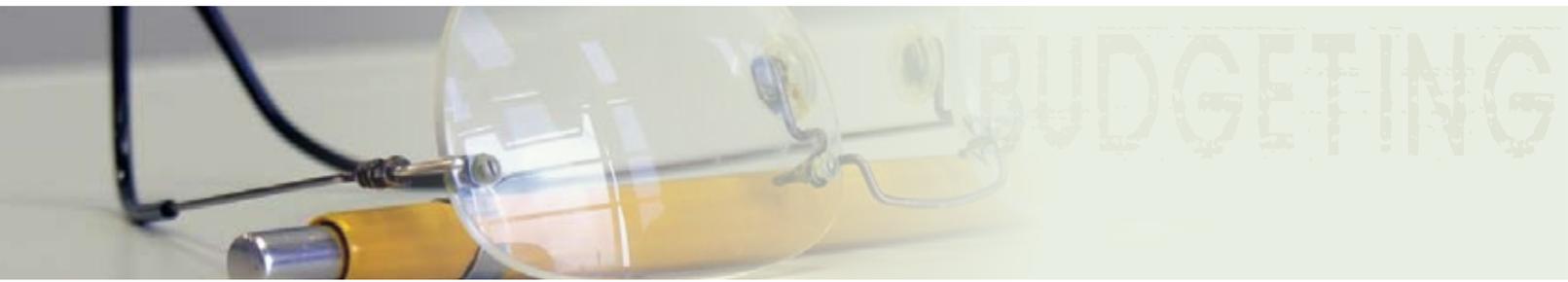
(Below Army Command) – Mr. Robert D. Walker, 160th SOAR (A) Deputy Comptroller, HQ, 160th Special Operations Aviation Regiment (Airborne), Fort Campbell, KY – Mr. Walker supervises 17 officers, 15 enlisted, three civilian, and 30 contractor personnel and creates an atmosphere that elicits peak performance in the work place and excellent ethical behavior. For nearly six months he was the acting Director of the Systems Integration and Maintenance Office (SIMO) while the Director was deployed to OIF and on long-term TDY for schools. Mr. Walker was also dual-hatted for an additional period of six months as the Avionics Maintenance Project Specialist due to a position vacancy. Upon a sudden and unexpected departure of the Logistics Chief at the Technology Applications Program Office during critical year-end, he stepped in without hesitation and performed admirably. Mr. Walker skillfully executes SIMO's contract funding and capably performs duties as the Contracting Officer Representative for many of the Regiment's support contracts. Mr. Walker is a consummate professional.

MILITARY INDIVIDUAL AWARDS

Accounting and Finance

(Above Army Command) – SFC Kuoway Ho, Defense Travel Administrator, U.S. Army North (ARNORTH), Fort Sam Houston, TX – SFC Ho has become the "ARNORTH go to person" for all Defense Travel System questions and maintenance issues. He oversees in excess of 500 travelers from organizations all across the continental United States. SFC Ho assists 29 staff

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Organizational Defense Travel Administrators, 12 Reviewers and 78 Approving Officials, in addition to flawlessly managing over 200 lines of accounting and 75 routing flows. He is committed to continuous learning and promotes a learning climate as he executes his duty to train and share his knowledge with the staff. SFC Ho's attitude is infectious and stimulates the staff to improve their skills and knowledge of DTS. He generates customer accolades daily. SFC Ho is a team player that is mission focused and his selfless dedication and loyalty to Army values reflects the highest standards upon himself and the U.S. Army.

Analysis and Evaluation

(Above Army Command) – LTC Terrell C. Boyd, Budget Analyst, Assistant Chief of Staff for Installation Management (ACSIM), Washington, DC – LTC Boyd quickly became the “go to” person for Joint Basing resource issues. He was called upon by OSD Comptroller and the Army Budget Office to validate and explain the intricacies of Joint Base resourcing for supported and supporting components. LTC Boyd aggressively developed recommendations for ACSIM guidance that addressed seams in Facilities Sustainment, Restoration and Modernization, Supplemental requirements, and resourcing to achieve the OSD Common Output Levels of Support. As the action officer responsible for ensuring and enabling the integration of MILCON requirements across the Army, he expertly analyzed and made recommendations on over 1,900 projects and developed a strategy to resource over 400 new projects. LTC Boyd also developed an improved methodology for validating and funding MILCON “tails”; ensuring that furnishings, fixtures and equipment are available for newly constructed facilities.

Budgeting

(Above Army Command) – MAJ Yong S. Cassle, Deputy Director, DCS-G8, U.S. Army South (USSOUTHCOM), San Antonio, TX – MAJ Cassle performed superbly as Chief of the 23-employee Budget Division. He successfully led the challenging and laborious effort to timely accommodate the budgetary requirements of USSOUTHCOM's total reorganization. MAJ Cassle established transparent and reproducible processes for corporate decision-making by developing the USSOUTHCOM program Budget Activity Committee Standard Operating Procedure (SOP). His excellent overall management of the Command's budget execution enabled USSOUTHCOM to use virtually all of its monetary resources to best advantage and culminated in laudatory comments by the Army Budget Office upon final closeout. MAJ Cassle has been successful in obtaining additional OMA funds to support the Commander's priority activities and is credited with many other outstanding achievements.

Comptroller/Deputy Comptroller

(Below Army Command-Military) – MAJ Scott A. White, 160th SOAR (A) Deputy Comptroller, U.S. Army Special Operations Command (USASOC), Fort Campbell, KY - MAJ Scott's duties and responsibilities covered the entire spectrum of comptrollership and his performance was extraordinary. He is keenly proficient in all aspects of the Regiment's robust \$164M Flying Hour Program and its myriad of inherent acquisition issues, and his daily efforts and energies have ensured sufficient resources for equipping, training, and readiness of the unit to enable its continual success. MAJ Scott developed an automated budget tracking report which is used as the Regiment's “balance sheet” and is displayed at all Command and Staff meetings. He served with distinction as the Regiment's acting Comptroller for a period of four months between April and July. MAJ Scott is a proven leader and consistently builds relationships and fosters teamwork and continues to dedicate personal time and effort to continue his own professional development.

Education, Training, and Career Development

(Below Army Command) – MAJ Michael H. Greenberg, Instructor/Course Writer, U.S. Army Training and Doctrine Command (TRADOC), Fort Jackson, SC – MAJ Greenberg developed a well-defined and relevant “Deployed Operations Resource Management Course (DORMC)” that gives deploying resource managers (RMs) the tools they need to operate with confidence and certainty in theater. He won over \$674K to spearhead the establishment of a stand-alone facility within Fort Jackson's tactical training area and designed the layout to mirror the funding flow/organizational structure of the deployed theater. MAJ Greenberg has also trained over 250 students across the spectrum of financial management (FM) courses. His leadership, passion, and energy positively impacts students and staff to do their best and his initiative has created a working relationship with other services and other FM schools. MAJ Greenberg produces phenomenal results that will help to posture the school to become the premier FM training institution within DoD.

Resource Management

(Above Army Command) - MAJ Brian J. Ketz, Program & Budget Analyst, HQ, U.S. Army Europe (USAREUR) & 7th Army, Office of the Deputy Chief of Staff – G8, Germany – MAJ Ketz developed and implemented the resource management concept and plan for the deployment of a major strategic asset to a foreign nation. The magnitude of the project is in the millions of dollars. MAJ Ketz deployed on short notice to the host nations where this asset will be emplaced and operated. He



negotiated Acquisition and Cross Servicing Agreement Orders with the host nation. MAJ Ketz drove the entire funding solution for a very complex and fast-moving, high visibility mission. He demonstrated superior dedication to mission accomplishment. MAJ Ketz showed particular deftness dealing directly with a foreign nation, combatant command counterparts, and a defense agency to ensure the successful execution of a unique, complex mission.... a superb job by a superb resource manager.

(Below Army Command) – LTC Marcia J. Smith, Contingency Operations Division Chief, HQ, U.S. Army Central Command (USARCENT), Fort McPherson, GA – LTC Smith deployed to Afghanistan, Iraq and Kuwait with her Branch Chiefs and Desk Officers to conduct in-country staff assistance visits to ensure proper oversight. She constantly displayed initiative by tackling the toughest jobs without hesitation. She raised issues to CENTCOM and OSD, which ensured that the U.S. Government received maximum reimbursements (over \$300M) from coalition partner countries for U.S.-provided services and support. LTC Smith rewrote Commander's Emergency Response Program (CERP) guidance to improve required reporting and personally monitored daily execution of \$1.7B in CERP dollars. She reviewed monthly/quarterly Congressional CERP reports prior to submission to HQDA and OSD. LTC Smith's solid working relationships with higher headquarters and major subordinate units paid off exponentially providing critical funding for War-fighters without fail.

Outstanding Intern Award

(Above Army Command) – Ms. Janet L. Avery, Financial Management Analyst Intern, U.S. Army Accessions Command (USAAC), Fort Knox, KY – Ms. Avery mastered the intricacies of the Base Realignment and Closure Team (BRAC) appropriations during a 90-day rotation in the Investment Directorate of the Army Budget Office. She overhauled the semi-annual Congressional submission of the BRAC Audit Trail Report, which consisted of line item budget and cost detail for 165 construction projects totaling \$6.8B for FY 2006-2008. Ms. Avery's work on this project will serve as a model and will greatly enhance future submissions, increasing the accuracy of the report and the time and manpower resources required to complete it. In addition to the required intern classes, she took the initiative to complete additional classes and received certificates in Financial Management and Program and management Analysis. Ms. Avery has admirably performed responsibilities and duties that are not typically assigned to interns and has demonstrated a high degree of competence and professionalism in all that she has accomplished.

(Below Army Command) – Ms. Kara K. Hershberger, Auditor, Army Audit Agency (AAA), St. Louis, MO – Ms. Hershberger's overall accomplishments exceeded her job standards for a Staff Auditor/Auditor and exceeded the expectation of AAA's leadership. She constantly requested additional responsibilities and more challenging work. Ms. Hershberger successfully performed multiple roles on four concurrent audit engagements, effectively managing competing priorities from two different program directors. As a result of Ms. Hershberger's significant contributions, the Army was positioned to avoid about \$137M of transportation costs. She enhanced the Agency and Army's professional reputation by seeking both professional certifications and advanced degrees. Ms. Hershberger accomplishments add to the Agency's credibility and reputation as a world-class audit organization.

I would also like to congratulate the winners of other various awards that are very worthy of recognition.

The Lieutenant General (Retired) Jerry L. Sinn Award

The Lieutenant General (Retired) Jerry L. Sinn award is given in honor of his selfless service and significant contributions to Army financial management while serving as the Military Deputy for Budget, Office of the Assistant Secretary of the Army (Financial Management and Comptroller) from 2003 to 2006. The LTG(R) Jerry L. Sinn award marks the Army's steadfast commitment to encouraging financial management transformation to sustain funding for current and future challenges. This award recognizes individual contributions in revitalizing Army resource management to effectively address the 21st century military and security environment.

The FY 2008 winner of the LTG(R) award is Colonel Thurman M. Pittman, U.S. Army Central Command (ARCENT). As the Multi-National Corps-Iraq Comptroller, COL Pittman implemented numerous business process initiatives, codified fiscal policy, and established cost management practices to both expedite the delivery of services and goods to meet Commander's needs while concurrently ensuring proper stewardship of funds. Under his tutelage, he built a high performing team that turned over almost twice during his tenure.

COL Pittman's leadership, fiscal acuity and tenacity earned the respect and confidence of his superior officers and supported staff and units. He dug deeply into every issue to ensure requirements were properly scoped and all alternatives considered which resulted in hundreds of millions of dollars in both cost avoidance and direct savings. Throughout this deployment, he always maintained a customer-service orientation, while being

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an exceptional fiscal steward. His outstanding performance and dedication to duty has inspired all around him to strive for excellence. In all areas, COL Pittman's leadership, dedication, and superior performance will have a lasting impact on both the Multi-National Command and the people of Iraq.

–Congratulations COL Pittman!

Neil R. Ginnetti Award

The Neil R. Ginnetti award is given in honor of the late Neil R. Ginnetti, who served as the Principal Deputy Assistant Secretary of the Army for Financial Management and Comptroller from 1994 to 2001. This award acknowledges his selfless service and enormous contributions to Army financial management. The Neil R. Ginnetti award marks the Army's steadfast commitment to mentoring the dedicated professionals who make up the financial management community. This award recognizes individual contributions in support of military and civilian professional development and comptroller career management.

There are two Neil R. Ginnetti award winners for FY 2008, Colonel Milton L. Sawyers, U.S. Army Central Command (USARCENT) and Ms. Barbara Pate, Army Materiel Command (AMC). COL Sawyers' and Ms. Pate's outstanding professionalism and performance in the Financial Management and Comptroller community have contributed to their recognition for the Neil R. Ginnetti award.

Ms. Barbara Pate has been employed as a resource manager in the Army for 47 years. During that time, she has constantly and actively mentored new employees to make them better stewards of Army resources. In her most recent assignment (1998-2008) as the Executive Officer for the Deputy Chief of Staff Resource Management, G-8 in the Army Materiel Command (AMC), Ms. Pate has been a member of the Comptroller Junior Executive Council (CJEC). In this capacity, she represents the AMC G-8 Career Program 11 (CP-11) career field. With 2,064 out of 10,034 careerists, AMC has one of the largest CP-11 populations in the Army, and Ms. Pate has helped to shape the CP-11 program.

Over the last five years, Ms. Pate has brought 149 interns and 54 fellows into AMC. Ms. Pate, as well as the many CP-11 careerists at AMC personally nurtures the interns and fellows assigned to the HQ AMC. She has served on the Army's CP-11 Central Selection Board for the last 10 years, and is also working on the AMC Fellows Selection Board as well. Barbara Pate's contributions to the CP-11 program are too numerous and

too valuable to measure. She is truly a role model for those who mentor interns, fellows and other professionals in the financial management arena.

COL Milton L. Sawyers is the epitome of a Financial Management leader in the Army; indeed across the Department of Defense. FY 2008 found COL Sawyers in the thick of one of the most challenging situations every experienced by a senior Army Comptroller. As the Assistant Chief of Staff, G8 for USARCENT, COL Sawyers was personally responsible for planning and execution of over \$23B. His area of responsibility began in Atlanta and stretched across the CENCOM area of responsibility (AOR) to include operations in Iraq, Afghanistan, Kuwait, Qatar, the horn of Africa and many other nations.

Using honed RM skill sets from his vast comptroller experience, COL Sawyers developed a myriad of relevant training events for ARCENT's G8 Warriors. He integrated these into the Command's Key Exercises and used real-world deployment situations to coach and mentor his Soldiers and Civilians, both in Atlanta and forward in Kuwait. COL Sawyers conducts training and mentoring with the ARCENT G8 Military and Civilian Staff team members on a regular basis. He also implemented a new rapid training program where AOR desk officers and subject matter experts (SMEs) train deploying financial managers and budget officers prior to deployment to the CENTCOM AOR. COL Sawyers is among the most seasoned, innovative, and technically proficient financial managers in the Army today.

–Congratulations Ms. Pate and COL Sawyers!

Under Secretary of Defense (Comptroller)
Financial Management Awards

Category: Financial Management Internal Controls Individual Award (Headquarters and Major Command Level)

Project: Establishment of Internal Controls within the DLA Inter-fund Billing Process

Recipient: Michael K. Johnson

**Location: U.S. Army Medical Command
Fort Sam Houston, TX**

Category: Financial Management Initiative Individual Award (Headquarters & Major Command Level)
Project: Reduction of Aged and Abnormal Reimbursable Accounting Conditions and Providing Training and Assistance



to the Numerous U.S. Army Medical Command Activities
Recipient: Maria Jordon
Location: U.S. Army Medical Command
Fort Sam Houston, TX

–Congratulations Mr. Johnson and Ms. Jordon!

Also announcing:
 United States Army
 American Society of Military Comptrollers
 (ASMC) Award Winners!

The FY 2008, Army Financial Managers award winners received their awards at the ASMC Professional Development Institute (PDI) in San Antonio, Texas are as follows:

FY 08 ASMC AWARD WINNERS PDI 2009	
Accounting and Finance	At or Above Meritorious SFC Kuoway Ho, USARNORTH Below Distinguished Ms. Jo Ann F. Evans, USACE
Analysis and Evaluation	At or Above Distinguished LTC Terrell C. Boyd, HQDA, ACSIM
Auditing	Below Meritorious Mr. John J. Vietor, AAA
Budgeting	Below Meritorious Ms. Patricia M. Burch, USACE
Comptroller/Deputy Compt	At or Above Distinguished Mr. James J. DeAngelis, AFRICOM Below Meritorious MAJ Scott A. White, USASOC
Intern/Trainee	At or Above Meritorious Ms. Janet L. Avery, AAC
Education/Training and Career Development	Distinguished MAJ Michael H. Greenberg, TRADOC, Ft Jackson
Resource Management	At or Above Meritorious Ms. Jacquelyn M. Anthony, HQDA, ACSIM Below Distinguished LTC Marcia J. Smith, USARCENT Meritorious Mr. Michael Ordija, USARC 85th RSG
Team	At or Above Distinguished IMCOM GWOT TCS Management Team Team Lead: Ms. Wilett W. Bunton, HQ IMCOM Meritorious Performance Based Adjustment Model (PBAM) Workgroup Team Lead: LTC Bradley A. Lieurance, MEDCOM

–Congratulations to all ASMC award winners!

The FY 2009 RM Awards Program announcements will be available at the Comptroller Proponency Office ASMC PDI booth center in San Antonio, TX. The announcements will also be available on the ASA, (FM&C) website: <http://www.asafm.army.mil/> and on the Comptroller Proponency Office AKO site.

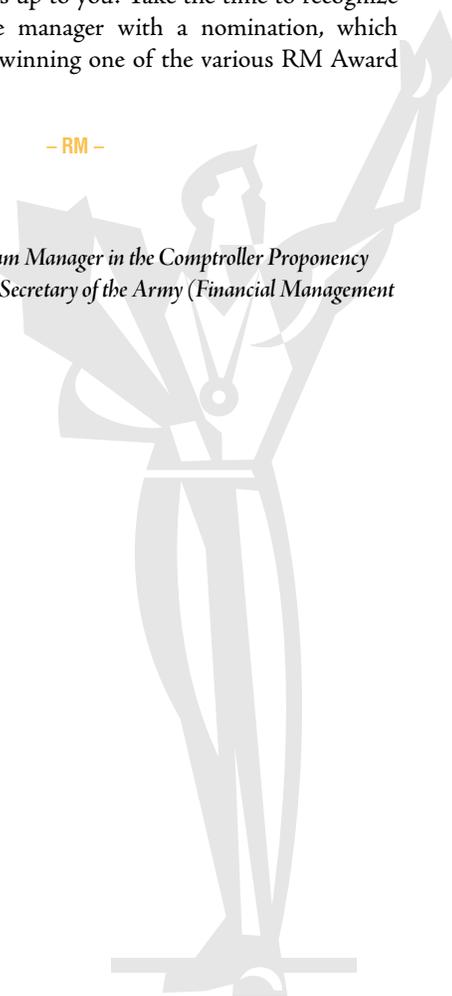
Our Army resource managers did an excellent job in FY 2008 receiving awards. The goal is to increase the number of winners in FY 2009. The key to obtaining this goal is to submit nominations of the many resource managers who make significant contributions to their organizations and the Army.

Nomination is easy; just follow the instructions included in the announcements. It is up to you! Take the time to recognize that motivated resource manager with a nomination, which may lead to him or her winning one of the various RM Award opportunities.

– RM –

About the Author:

Ms. Cathy Rinker is a Program Manager in the Comptroller Proponency Office, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).



Aloha, Hawaii!

Dominic A. D'Orazio, CECOM LCMC IR

Marin Jensen seemed to have it all. A self-proclaimed family man, he married a lovely gal named Julia and had two young children. His wife stayed home to manage the active lives of their kids, while Marin appeared to be a model employee at the American Logistics Agency. From the exterior, their lives were picturesque.

The Jensens' home was nestled away on a quiet tree-lined cul-de-sac in one of the Northeast's more affluent communities. The two-story colonial sits on two acres of beautifully landscaped property that was purchased by the Jensens for almost \$400,000. The dead-end street was ideal for his kids, since it does not have a heavy flow of traffic. A state park, which is located near the neighborhood, is used for various athletic competitions and has an adjoining farm that resembles what daily lives were like before the advent of the industrial age. Because of the proximity to the state park, one can bike around the neighborhood in the late afternoon and spot deer meandering through the residents' yards.

At first glance, one might surmise that the area consists of the type of folks who spend a great portion of their professional lives climbing the corporate ladder. Indeed, this is not the type of neighborhood one would associate with a middle-management government worker. Of course, it is no crime for a middle-management employee to live in such a neighborhood. Certainly, there are other ways to accumulate the type of wealth one would need to afford the property, but if the lifestyle one is living cannot be explained by the income one is earning, questions arise.

Marin's home, though modest compared to some of the more elegant houses that dot this high-income town, contains features common among families who prefer to have amenities close to them. For example, the back yard contains a playground area and an in-ground swimming pool, surrounded by flowers and bushes. These quiet and serene conditions could persuade one to meditate. Like many of their neighbors, the Jensens employ landscapers who mow and edge the lawn, trim the bushes, and maintain the yard.

Marin took pride in coaching his children's sports teams and running the usual family taxi service, transporting his kids to their respective sports and extra-curricular activities. While most of today's families own minivans, the Jensens had the original family conveyance: a station wagon.

After working for American Logistics for several years, Marin

rose to the position of senior logistics management specialist. He was considered likable, and several program directors wanted to use his services. During one particular year, he split his work time between his main office and two other customers. When a third customer inquired about his services, Marin's supervisor stated he had already used up his available work time for the year. The prospective third customer suggested that if Marin would agree to work for him, he would be willing to pay for the overtime. Marin agreed to put in the time, over and above his normal workweek. Once his work for the third customer was finished, Marin began to struggle financially. He had become accustomed to the extra cash. With his real estate taxes climbing, he had to come up with another way to supplement his salary.

The American Logistics Agency is a part of the Federal Government, located in the northeast region of the United States. As an integrated entity, it develops, fields and sustains base command and control, intelligence, surveillance and reconnaissance systems. American Logistics deals with research and development, management, and distribution of equipment to support soldiers who are fighting overseas. The company employs about 10,000 people worldwide and is also supported by thousands of contractors.

Although American Logistics is located on a site with other Federal Government entities that covers over 1,000 acres of prime real estate, it is self-sustained, complete with its own fire and police departments, post office, supermarket, gas station, church, child care center, liquor store, thrift shop, credit union, and motor pool. It also contains a range of outdoor amenities: three swimming pools, a physical fitness center, tennis courts, softball fields, a bowling center, a golf course, an athletic complex, and a picnic area.

As typical of any Federal Government entity, and in addition to its list of researchers, procurement officials, and logistics specialists, American Logistics also employs lawyers, internal auditors, and criminal investigators, along with a resource management office and a personnel office that ensures the Agency is properly financed and staffed.

American Logistics is one of the state's largest employers and produces \$3.4 billion for the state's economy.

The Copycat

As supervisor to Marin, Arthur Kiley never had any complaints. But one Monday, that changed. After Marin made photocopies of his new travel order, he mistakenly left the document in the machine. Mr. Kiley was the first to notice, and when he looked at the travel order, he observed that the signature block had been cut



out of a previously signed order and taped to the new one.

“Marin, may I ask what you’re doing with this signature block taped to your travel order?” asked Mr. Kiley. Marin replied that he was simply trying to make the signatures darker because when he faxed them to the ticketing office, the color was muted.

Later that day, Mr. Kiley approached Marin again to inquire about the taped travel order. Still, Marin assured him that he was “just making sure the signature was dark enough to be legible for the ticketing office.” Mr. Kiley pressed on, threatening him with an audit of his past reimbursements of travel claims if he didn’t come clean.

At the end of the day, Marin had not fessed up to any wrongdoing, so Mr. Kiley decided to do a little detective work. It didn’t take long for the evidence to surface. When he looked inside Marin’s trashcan, he found a travel order with the signature cut out of it, copies of pay stubs, and copies of other travel orders where the initial “J” was handwritten by Marin. The “J” pertained to the first name of Mr. Kiley’s boss, Mr. James Heyward, who was the authorizing official for Marin’s travel orders and subsequent travel voucher claims.

Mr. Kiley contacted Samuel Mezzacante at American Logistics’ legal office for guidance. Upon being informed of the possible fraud, Mr. Mezzacante first contacted the criminal investigators. Next, he called my department, the internal review evaluators, and set up a meeting to examine the evidence. Mr. Mezzacante requested our services to review Marin’s travel vouchers and to determine how many vouchers were fraudulently filed.

In the meantime, Mr. Kiley had obtained several of Marin’s settlement vouchers and tried to compare the dates of supposed travel to what Marin was actually doing on those dates. The settlement vouchers were subsequently turned over to us in the Internal Review Evaluator Department.

We notified the Defense Finance and Accounting Service and requested copies of all vouchers that were paid to Marin. It took several weeks to receive all of the copies. We had asked for vouchers going back five years, which meant the Finance Service had to research within their archives to find them, make copies of the documents, and mail them to us.

The next step was to contact the Bank of Commons, the contractor that managed the Government Travel Card program. All government travelers are required to use the Government Travel Card for all official travel related expenses such as hotels, car rentals, limousines, airlines, or trains.

Since I had three staff members working on this review, I decided to divide the scope of the project into three timeframes. Each member worked on a one-and-a-half year timeframe.

Have Committed Fraud, Will Travel

While reviewing Marin’s travel vouchers and receipts, we noticed that on trips down to Springfield, Virginia, he stayed at a hotel chain that was not familiar to us. We searched the Internet to find the phone number of the hotel’s corporate office. When we contacted them, they confirmed that the hotel was located in four cities in Virginia—but none in Springfield.

In an attempt to give Marin the benefit of the doubt, we contacted Joseph Somers, an evaluator from our corporate office in Virginia, and asked him to go to Springfield to the address listed on the hotel receipt and verify whether any hotel existed at that location. Perhaps Marin had accidentally listed the wrong hotel name. When Joseph tried to go to the address, he could not find it. None of the locals were aware of a hotel with a similar address, either. The hotel simply did not exist.

The next day, March 25th, Joseph called our office and reported his findings. Afterward, we drafted a letter and sent it certified mail to see if there was any chance that Joseph was mistaken. The letter was returned a few weeks later, stamped NSA—No Such Address. Our fears began to take shape. This scheme would require us to research the records and “leave no stone unturned,” as our director, Martin Dais, instructed us. In other words, Mr. Dais told us to check every receipt and contact every vendor and to ask for legitimate receipts from the companies involved. We were also to ask the vendors if Marin had stayed in their establishments or used their car rental services as he claimed on his travel vouchers.

On some claims, Marin would use his Government Travel Card to charge for car rentals with one company, while his travel

The letter was returned a few weeks later, stamped NSA—No Such Address. Our fears began to take shape. This scheme would require us to research the records and “leave no stone unturned” ...



vouchers would show that he used a different one: Alamo Rent-A-Car. In all of those cases, Marin's claim for River Run Rent-A-Car was higher than his actual charge on his Government Travel Card. Also, when we looked at the River Run receipts that were attached to his vouchers, we noticed that the receipts were always in the same position on the letter size paper, which indicated that Marin had a template in his computer's hard drive and was printing out his receipts as he needed them for "proof" of his various trips. We contacted the corporate headquarters for River Run and asked them if Marin had used their agency to rent cars for his business trips. The River Run official told us that Marin was not showing up in their database as ever having rented a car. The official also faxed us an example of a valid receipt. When we compared that receipt to the ones that Marin had printed, we realized that the only difference was a five-digit code that appeared at the bottom of the valid receipt. This code identified either the person handling the transaction or a specific River Run agency office.

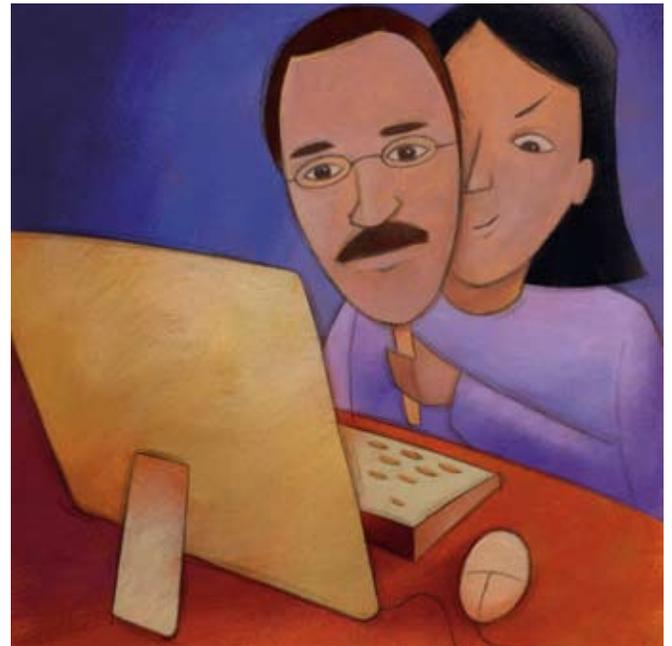
When we compared Marin's travel claims to his Government Travel Card charges, we noticed that he had used his Government Travel Card to charge for train tickets at the station nearest to the airport. However, on Marin's travel vouchers he would claim that he took a limousine from his residence to the airport and back. The cost was always under \$75, which did not require him to submit a receipt to our finance office. So an \$11 charge (cost of a one-way train ticket) became a claim for \$74 (cost of limousine), a net profit of \$63 for each direction for each trip that Marin claimed.

Another travel voucher showed that he had gone to a location in northeast Pennsylvania. However, his Government Travel Card transactions showed that he was gambling in an Atlantic City, casino which is located in southeastern New Jersey. We thought it unlikely that Marin was capable of being in two places at the same time.

As we scrutinized the travel vouchers, we realized that each year Marin's claims would grow to a larger amount. Also, when we conducted a review of the Government Travel Card transactions, Marin's name came up because he was using the Government Travel Card in restaurants close to his residence. These types of transactions are classified as a misuse of the Travel Card since there was no official purpose for him eating at the local restaurants. At the end of that particular review, the names of the misusers were turned over to their respective directors who coordinated the disciplinary actions with the personnel office. When Marin was notified that he was found to have misused the Travel Card, he probably thought he got away with submitting all of the fraudulent vouchers. After receiving administrative

disciplinary action, he began upping the ante by claiming parking costs of \$18 per night at the hotel that did not exist in Springfield, Virginia.

We noticed a pattern developing while reviewing the travel vouchers. Marin would always leave a few days before his scheduled date of departure or would always stay a few days after his travel had ended. After piecing his travel vouchers together, we noticed that over a three-month stretch, Marin was basically on the road 100 percent of his time. For example, his travel vouchers showed him leaving on a Monday and returning on a Thursday. Then he



would leave the next day (Friday) and return Tuesday. Again, he would leave the next day (Wednesday) and return Monday, and so on. I joked to my staff that he might as well not even unpack. Obviously, we questioned whether he was actually on travel status the whole time.

Another claim showed that Marin had traveled to Virginia for a meeting. We contacted the host for that meeting and were told that Marin had called ahead to say that his car broke down. The host had canceled the meeting and scheduled it for another day. While Marin did not stay in Virginia for his entire travel time, the documentation on his voucher claimed that he stayed there for three days.

In one part of the review, we noticed Marin had scheduled a trip in February—just a few months back. He made reservations through the government ticketing office for a plane ticket that

took him to Savannah, Georgia. On the day that he departed for Savannah, he went to the Delta Airlines counter and charged a round-trip flight to Savannah through his Government Travel Card. Then, he went to the Continental Airlines counter and had the counter person exchange his government-issued round-trip ticket to Savannah for a one-way personal ticket returning from Los Angeles. A few weeks after returning from Savannah, he called Continental and had the company exchange the one-way trip from Los Angeles to a round-trip ticket to Hawaii for July 15. Since that date had not yet come, we knew that Marin was planning a vacation. We had to work fast.

Permanent Vacation

During the course of our investigation, Marin had his security clearance taken away from him, which meant that he could not work on any classified or secret work. In essence, he was relegated to administrative duties that were very minor and that did not require any type of security clearance. Soon after, Marin's computer was taken away from him so that the forensic investigators could retrieve all of his electronic mail, along with any files he may have stored in his hard drive.

Having no security clearance or a computer to do even minor tasks, Marin wrote an e-mail during the week of April 11 to Mr. Kiley, claiming that since he no longer had a way to complete his work, he felt that there was nothing to do but resign from American Logistics. His last day was April 15. We had to get all of our paperwork to the prosecuting attorney before Marin could go to Hawaii.

While checking his computer files, the forensic investigator retrieved electronic files for his fabricated hotel claims and for his car rental claims, which is what the internal evaluators had suspected all along. In addition to the files, there was e-mail correspondence between Marin and his wife, who asked him point-blank when the next travel check was coming in. They needed the proceeds to pay for the current month's mortgage. The Jensens were desperate to make this scheme work.

In the early stages of our investigation and while working with the criminal investigators, Agent Stone Huntington and Agent Thomas Harter, we learned that the office of the U.S. Attorney only took cases that exceeded a certain dollar amount. Once we calculated that the scheme exceeded \$100,000, Agents Huntington and Harter brought it to the attention of the U.S. Attorney's Office. After showing Giovanni Falcone, the Assistant U.S. Attorney, what we had pieced together, he had us go back to all of the voucher claims and reconstruct them to allow for valid claims to which Marin may have been entitled. It was this reconstruction

that forced us to compare the travel voucher claims against Marin's Government Travel Card charges. Unfortunately for Marin, he didn't realize that he was leaving a trail whenever he used his Government Travel Card.

Falcone told the investigation team that he needed the field work done at least 30 days before July 15 so that he could have the warrant signed and issued to Marin before he left for Hawaii.

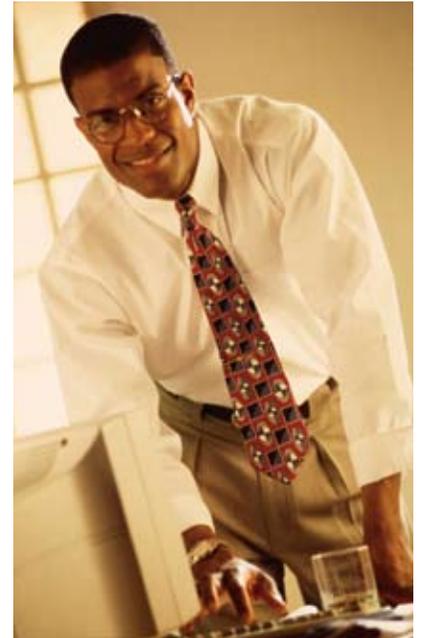
Agents Huntington and Harter, along with a couple of local police officers, went to Marin's house around

5:00 p.m. on July 14 with a warrant for his arrest. As he was handcuffed and led out of his house, his wife came running down the stairs to ask, "Marin, what about our trip to Hawaii?"

Huntington and Harter advised Marin of his Miranda rights. The two agents drove him to the county jail where he would spend the night. Along the way, the two agents asked Marin why he carried out this scheme to defraud the Federal Government. He replied that he worked harder than most people in the federal government, but was not justly compensated for his work.

The next day, Huntington and Harter escorted Marin to the federal courthouse at the state capital. At Marin's arraignment before the federal judge, his attorney asked if Marin could go to Hawaii with his family since they were scheduled to depart that day. But the judge confined Marin to the state of his residence. Meanwhile, his wife took the children and spent a week in Hawaii without him.

Marin was charged with one count of wire fraud covering over 150 fraudulent vouchers and totaling over \$150,000. He was found guilty and was ordered to pay \$151,460 to the federal government for fabricating expense vouchers. He was also sentenced to 20 months in federal prison and ordered to serve three years of supervised release upon the completion of the prison term. According to the transcript filed in the federal court, Marin took the money over a five-year period to pay off mounting credit card debt.





Lessons Learned

After talking to various parties who were involved in ensuring that Marin traveled and performed his duties in conjunction with his travel orders, no one could unequivocally state that he or she knew exactly whether Marin had properly performed his duties. He fell through the cracks. He had everyone fooled. If he worked for Mr. Kiley, he would tell customers A and B that he was working for his immediate supervisor. Other times, he would tell Mr. Kiley that he was working for customer A or B, regardless of where he was. Mr. Kiley had no control of Marin, nor did he corroborate with customer A or B to attest that Mr. Jensen was indeed traveling for them. It was sheer luck that Mr. Kiley found the taped travel order in the copier – and sheer stupidity for Marin.

Although many “red flags” appeared during the perpetuation of this fraudulent scheme, nobody investigated them. For example, when the travel account for one customer had totally been expended, the budget analyst did not ask why all of the funds were spent. Individuals who are responsible to review and authorize the travel claims need to ensure that they review the travel claims for its accuracy, and legitimacy.

Recommendations to Prevent Future Occurrences:

Implement Electronic Travel Order and Travel Voucher Claim System.

Since the scheme unfolded, American Logistics has started using a new electronic travel order and travel voucher claim processing system. Controls are set to prevent the oversight of individuals who might manipulate the system, like Marin. Still, the individuals who are responsible for authorizing travel claims should be vigilant in the review of claims for accuracy and legitimacy.

Require and Check for Appropriate Documentation.

Travelers should submit appropriate documentation (i.e., receipts for any costs at \$75 or higher) when filing their travel voucher claims. Otherwise, the voucher should be returned to the traveler until he or she can support the claim.

Use Common Sense.

Ensure that the travel voucher claims, especially where the traveler has to list them, pass the commonsense test. For example, parking costs to stay at a particular hotel are usually charged to your room and appear on the final hotel bill. If the traveler claims parking fees but they do not appear on the hotel bill, the authorizing official should investigate the claim.

Establish and/or Utilize a Cross Communication System within the Organization.

All authorizing officials should take the time to review the vouchers for padded or incorrect claims. Establish a system that ensures that all departments are notified and capable of reacting when a false claim is uncovered so that proper actions can be taken to minimize damage and weed out those individuals responsible for the fraud. Directors who have oversight of employees should be included in the voucher-reviewing process, so that they can cumulatively corroborate the travel status of the employee.

Inform the Travelers of Consequences and Maintain a Watchful Presence.

Travelers should be aware of the consequences of filing false claims. Communicate the penalties that can be imposed. Also, periodically conduct independent reviews so that selected travelers can be contacted directly and questioned about individual charges.

– RM –

About the Author:

Dominic A. D’Orazio, CGFM, is Director of Internal Review for the U.S. Army CECOM Life Cycle Management Command, Aberdeen Proving Ground South, MD and has over 31 years of auditing and fraud experience.

GFEBs: Implementing Benefits Beyond Financial Management

COL Simon L. Holzman

On April 1, 2009, the United States Army provided the General Fund Enterprise Business System (GFEBs) to more than 1500 users as part of the first of seven deployment "waves."

GFEBs wave 1 includes:

- Full functionality to:
- Ft Jackson, SC
- Ft Stewart, GA
- Ft Benning, GA
- Installation Management Command Headquarters (HQ IMCOM)
- IMCOM Southeast Region (SE)

Selected functionality to:

- US Army Training & Doctrine Command Headquarters (HQ TRADOC)
- US Army Forces Command Headquarters (HQ FORSCOM)
- Headquarters, Department of the Army (HQDA)
- Defense Finance & Accounting Service (DFAS) - Indianapolis, IN
- DFAS - Rome, NY

Wave 1 uses the current GFEBs version, Release 1.3 (R1.3), which heavily leverages the financial management capabilities deployed in R1.2. R1.3 provides enhancements in transaction processing, depreciation, Real Property, time tracking and payroll processing to the 40 existing interfaces and adds 10 new interfaces. The GFEBs Project continues to build R1.4 enhancements to the system and prepares for the Army-wide implementation of the system through the remaining six waves of deployment. Once fully implemented, GFEBs will impact the day-to-day activities of Army financial operations all the way from the soldier to the Command level.

GFEBs is the Army's web-based Enterprise Resource Planning (ERP) system, replacing over 80 legacy accounting, financial and asset management systems including the Standard Finance System (STANFINS) and Standard Operation and Maintenance Army Research and Development System (SOMARDS). It will be used

by the Army, the Army National Guard and the Army Reserve. Ultimately, GFEBs will be one of the world's largest ERP systems and will provide Army leadership with an essential decision-making tool.

GFEBs is a significant step towards transforming how the Army does business and moving from a spending culture to a cost management culture. Army leaders and managers are regularly required to make decisions that impact and consume resources across the Army. The Army needs integrated, enterprise-wide data for informed decision making, and GFEBs will meet this need. COL Simon L. Holzman, GFEBs project manager, recently emphasized the changes GFEBs will make across the Army: "Today's Army is the best led, trained and equipped Army on the face of the Earth. GFEBs will revolutionize the Army's ability to provide senior decision makers - for the first time - with accurate, reliable, and timely financial and asset information and the wherewithal to be just as agile, efficient, and effective as the Warfighters it serves." GFEBs capabilities will modernize business processes; allow sharing of financial data; lower the Army's cost of financial management; enable reduction of "inventory-carrying costs," accounting costs and record keeping costs; increase process transparency; and reduce potential variation between "stand-alone" systems.

This article, the third in a series of four, provides a summary of the GFEBs Project status; an update on the deployment strategy; an overview of considerations for users as they transition to GFEBs; and details on the property, plant & equipment business process, impacts and changes affecting resource managers (RMs).

Leadership Focus: Moving GFEBs Forward

GFEBs project leadership is driving forward to meet key milestones and finalize the GFEBs delivery approach, in addition to wave 1, deployment sustainability efforts and wave 2 deployment readiness activities. The Milestone C (MS C) acquisition decision from the Under Secretary of Defense for Acquisition Technology and Logistics (AT&L) Milestone Decision Authority provides the formal regulatory and statutory approval to move into the production and deployment phase and conduct Initial Operational Test and Evaluation (IOT&E) in a true operational environment. The outcome will determine if the system is suitable, effective and survivable. After the IOT&E concludes, GFEBs will undergo a Full Deployment Decision Review (FDDR), the goal of which is to declare Initial Operational Capability (IOC) and begin fielding to the rest of the Army.

Part of the GFEBs Milestone B (MS B) approval included the decision to implement the federated approach, a requirement to develop a common design and business process standardization

continued on pg. 24

between several Army ERP initiatives including Global Combat Support System-Army (GCSS-A), Army Enterprise System Integration Program (AESIP), and GFEBS. Since MS B approval in 2008, the GFEBS project has made great progress in collaboration with the other Army ERP programs toward finalizing the design for the federated approach. "The federated approach allows the major Army ERP systems to communicate with one another, thereby streamlining financial and asset management from the desk to the field, and taking another step toward achieving the Army's goal of supporting the warfighter," stated Clayton Covey, GFEBS deputy functional director.

Strategic Review to Improve GFEBS Deployment Strategy

Following wave 1 deployment in April 2009, GFEBS leadership began a six month strategic review cycle to compile lessons learned from R1.2, wave 1 and other Department of Defense (DOD) SAP deployments including Army Logistics Modernization Program (LMP) and the Navy ERP Program. Specifically, the review focuses on the overall GFEBS deployment strategy in addition to looking at how well it has positioned the Army to sustain the GFEBS transformation after go-live. All aspects of the GFEBS deployment and transformation were considered. Mr. Len Cayer, GFEBS deployment and plans division chief, noted "GFEBS is using this strategic review period to work with the R1.2 and wave 1 organizations to develop a streamlined strategy that incorporates best practices for the Army's unique composition."

While the GFEBS project to date has emphasized preparing the GFEBS solution for the Army, during this review period equal emphasis is being placed on preparing the Army for the GFEBS solution. Executive alignment and organizational readiness to implement a standardized set of business processes are required to ensure the Army can sustain the GFEBS transformation. Achieving executive alignment and organizational readiness requires that deployment activities engage all levels of the Army organization and to prepare for the new system, implement the new business processes, and manage the Army's assets in a new way.

The outcome of the strategic review period will result in the improvement of role mapping, training enrollment and data conversion processes. It will also provide the time needed to prepare the additional support requested from wave 2 organizations. Wave 1 training, the largest effort to date included approximately 180 completed training sessions for over 1500 end users. Deployments with larger end user populations require enhanced preparation and engagement. Ultimately, the strategic review process allows GFEBS to implement a more effective and efficient deployment strategy

with the appropriate level of engagement to ensure sustainability of the product.

Transitioning to the New System

Approximately one million transactions per day are processed in the Army's current legacy systems, making it difficult to convert all data to GFEBS. In order to minimize the impact of this transition, the decision was made by the Assistant Secretary of the Army (Financial Management & Comptroller) (ASA (FM&C)) executive business process owners not to convert legacy transaction data into GFEBS.

The complexity of this transformation therefore requires the field to work in both legacy systems (i.e., STANFINS, SOMARDS) and GFEBS for several years. This is referred to as working in "dual systems."

Additionally, in the dual system environment, users will also need to export comparable data from both legacy systems and GFEBS and integrate these data for analyses and consolidated reports. As GFEBS moves towards Full Operational Capability (FOC), the number of tasks performed in GFEBS will gradually increase as those performed in the legacy systems decrease, ultimately making Army business operation more efficient and effective.

Deputy Assistant Secretary of the Army for Financial Operations (DASA(FO)), Defense Finance and Accounting Service (DFAS) and GFEBS staff are actively working to develop a comprehensive solution to assist end users with the transition from legacy systems to GFEBS. This solution provides guidance on how to consolidate data from multiple systems so Army personnel, at all levels, can determine an overall status of funds and determine other necessary data needed for their day to day operations.

For R1.3, several tools have been set forth for completing tasks in GFEBS:

Approximately one million transactions per day are processed in the Army's current legacy systems, making it difficult to convert all data to GFEBS.



Business guidelines provide instructions for accomplishing common, Army-wide processes and activities, but are not mandatory. These guidelines focus on management, operational, and supporting processes and how to work effectively to accomplish a specific goal. The business guidelines have been incorporated into a GFEBS transition users guide (G-TUG) and posted to Army Knowledge Online (AKO).

Business rules provide mandatory instructions for accomplishing processes and activities to produce consistent Army-wide data that are essential for headquarters to meet statutory and regulatory requirements. Most business rules are incorporated into the GFEBS solution.

CONOPS, or concept of operations, provide detailed instructions to complete operations manually. Until GFEBS reaches FOC, several processes will be done manually. A complete list of manual processes is available for all GFEBS end users on AKO.

Crosswalk of duties assists in the transition of responsibilities from the legacy systems to GFEBS. The crosswalk maps the current “as is” process to the GFEBS “to be” processes at Army sites, and helps end users relate GFEBS business processes to the activities they used to perform in the legacy systems.

As end users work in GFEBS, especially during the “dual system” period, tools such as the CONOPS, the crosswalk and the GFEBS business guidelines and rules will help ease the transition and improve operational readiness.

Functional Spotlight: Property, Plant and Equipment

Once GFEBS is deployed to a site, RMs will see a positive change in their day-to-day activities. These changes expand beyond the expected financial areas —RMs will also be impacted by new property, plant and equipment (PP&E) capabilities in the directorate of public works (DPW). This section gives an overview of the PP&E business process and provides details on how this functionality will change the daily work of a RM.

The Army uses GFEBS in cooperation with other Army and DOD systems to account for its general PP&E, military equipment (ME), and stewardship PP&E. Within the GFEBS PP&E business process, there are four sub-process areas in which end users can capitalize upon: project systems, real property, plant maintenance and equipment & assets. Some benefits of the PP&E process area include:

Integrated Data: property managers can see an integrated view of real property records. For the first time, RMs will have integrated real property valuation and depreciation information.

Increased Visibility: Information is tracked during the full life cycle

of each real property entity. From acquisition and maintenance until disposal, all real property information is available real-time at both the installation and headquarters level.

More Effective Reporting: Integrated reporting capabilities in real property inventory optimize management decisions. Key figures and benchmarking increases efficiency in assessing performance.

Differentiation for top-line growth: Identifying available space becomes simpler and faster, reducing the risk of submitting requirements for unneeded new facilities.

Productivity and efficiency for bottom-line growth: More effective tools for managing real property projects and performing plant maintenance activities saves time and money. User satisfaction increases while administrative costs in service management are reduced.

Standardize Facilities Maintenance Processes: Provide the Army with a standard tool to process service orders, individual job orders (IJO) and preventive maintenance.

Dr. Craig E. College, Deputy Assistant Chief of Staff for Installation Management, stated, “having all the financial information within GFEBS should allow for visibility of PP&E day to day operations without interfaces to the legacy financial systems. Managers can obtain answers to real-time questions on spending and schedules from within the GFEBS system.”

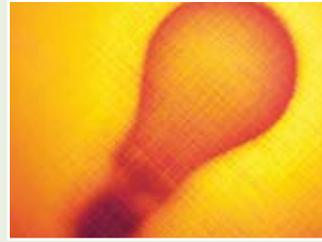
Project Systems

One of the key components of the PP&E business process is project systems. Project systems allows the DPW at each site to monitor and track their spending plans and manage their own projects at a micro-level. Additionally, with this functionality, RMs can monitor project resource requirements. The RM office works jointly with the DPW to fund projects as well as budget the associated costs. The RM office can track specific dollars needed to execute a project and the costs related to planning for and inspecting project completion. This data was not previously captured in legacy systems, which may have resulted in under-funded projects.

In the PP&E business area, RMs primarily work in the project systems sub-process. Project systems serves as a means of relating lines of accounting (LOA) to budgetary expenditures. GFEBS allows RMs to monitor projects occurring within their sites, and track the funds and expenditures allocated to each project.

Army legacy PP&E systems (e.g., IFS) included certain PP&E data when they interfaced with STANFINS; however, with GFEBS, the data is maintained in the same operating environment as the resource management (financial) operations. This functionality

—continued on pg. 26



allows for “real time” visibility of all PP&E operations without the need for end of day cycles and interfaces to the legacy financial systems. Previously, users would experience a one to two day lag in the data being reported in STANFINS, a significant delay to the timeline set for a project, especially if that project is only scheduled for 30 days. The real time data GFEBS provides allows RM and DPW managers to access information and make more effective decisions about project and budget.

workings of the other three PP&E business process areas: real property, plant maintenance, and equipment & assets.

Real Property

The objective of the real property sub-process is for GFEBS to serve as the single Army repository for real property inventory and management, and to provide the business process support for acquisition space management and disposal of Army real property.

Real property is defined as the land, buildings, structures, and installed equipment attached to buildings and structures (not including movable equipment). GFEBS allows the Army to manage each of its individual buildings and links real property information to other business process areas such as equipment & assets, plant maintenance and project systems. Most real property activities are performed by the DPW.

	PLAN \$	ACTUAL \$	Timeline
Engineer Design	\$50,000.00	Actual cost is captured as the project is completed	1 April – 30 Days
In-house site work	\$10,000.00		1 May – 30 Days
Construction Contract	\$500,000.00		1 July – 260 Days
Project Inspection	\$10,000.00		

Plant Maintenance

Plant maintenance refers to any processes required to sustain, restore or modernize real property and installed equipment, specifically

allowing the Army to manage different restoration projects. For example, if an HVAC unit is broken, GFEBS allows individuals to manage the repair process from creating a work order to billing for the repair service. “GFEBS significantly improves Army facility maintenance efforts. For the first time, a modern and standardized system will be implemented at all Army installations, not just those who can afford to purchase their own,” said Mr. Lyle Fogg, IMCOM West - Public Works (PW).

In order to efficiently manage many projects, RMs are interested in the bottom-line. The integrated data in GFEBS increases overall visibility across the Army by enabling both the DPW and RM office to check balances and ensure that money is being managed properly. GFEBS allows the DPW to answer questions in real-time such as: “What have I spent so far this year? This month? Am I on-track with my spending plan?” rather than contacting the RM office for the data.

For large maintenance and repair, as well as minor construction projects, GFEBS provides the capability to track all project activity costs and associated timelines. When the work requirement is identified, the project is established in the project systems area of GFEBS. Establishing the project in project systems allows the DPW and RM to build the project schedule and include estimated or planned costs. Once the project begins, the RM can capture all applicable cost and control the cost to prevent over obligation of the project. For example, a project to add a wing to the child development center could be built in project systems as follows:

Although, the majority of RM day-to-day PP&E activities will occur in the project systems process area, the integrative nature of GFEBS data makes it important for RMs to understand the basic

GFEBS provides the capability to control and monitor fund execution by maintenance activities. For example, funded programs can be established within GFEBS for maintenance funding execution structure (MFES) to include service base costing activities (SBC Cost) and IJO. Each funded program provides a funds control mechanism to prevent over-execution of maintenance funding. As demand maintenance orders (DMO), IJOs, and preventive maintenance orders are executed, a funds check is processed to ensure funding is available for the order. Additionally, GFEBS will present warnings as provided funding levels become exhausted. The warnings provide the DPW and RM advance notification that funding is nearly depleted and action is required to obtain additional resources.



Equipment & Assets

The equipment & assets business area allows GFEBS to serve as the auditable, single source for Army asset valuation. Before GFEBS, the Army was able to report on how much they spent on assets, but not necessarily how many assets were purchased. Using the equipment & assets function, RMs can track exactly how many capitalized assets they have and report the individual acquisition cost of each and the depreciation over time. GFEBS preserves the visibility of capitalized equipment assets as they move between units, and allows for a more accurate and comprehensive display of asset valuation across the Army. Mr. Fogg noted, “For the first time Army personnel will have access to accurate real-time data on equipment inventories and actual functional locations of equipment and not just facility numbers, enabling them to be proactive about asset management rather than constantly trying to play catch up.”

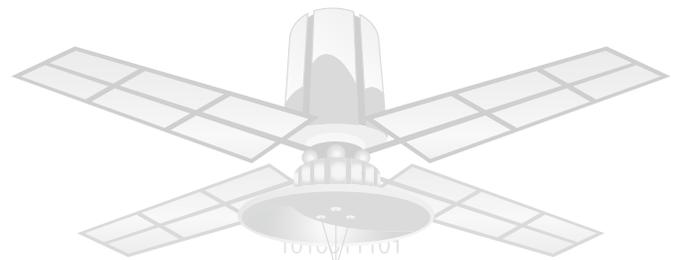
Conclusion

GFEBS will change the way RMs operate—for the better. Even process changes on the DPW side, not typically associated with the RM office, will improve the day-to-day activities of RMs. GFEBS will provide the Army with increased quality, efficiency, and effectiveness and will reduce waste, cycle time and variance, freeing human and financial resources for higher priorities.

This article provided updates on the deployment strategy, training and gave RMs highlights of the PP&E business process. The next article, the fourth in the GFEBS series, will give an overview of the user provisioning process and what type of operations and support services can be expected after GFEBS goes live at each site. The fourth article will also highlight GFEBS final business processes: spending chain and reimbursables.

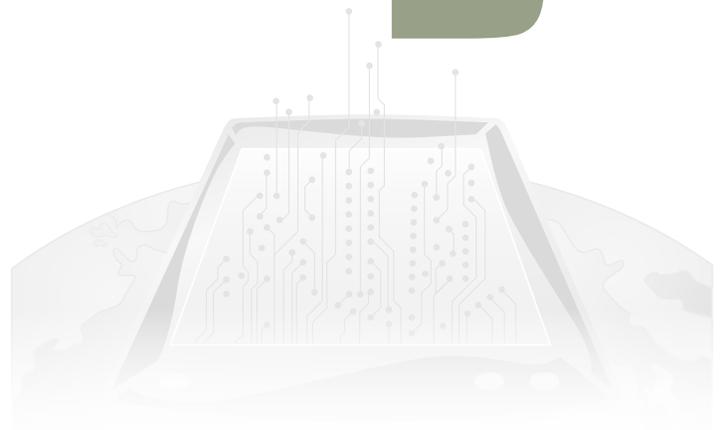
– RM –

Questions and feedback can be sent to the GFEBS Project email at gfebs.info@us.army.mil. Requests for demos, presentations, and/or roadshows can be made using the online Event Request Form at <http://gfebs.army.mil/contact/request/>. For further questions, contact COL Simon L. Holzman at (703) 682-3650 or Simon.Holzman@us.army.mil.



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GFEBS





How Do You Grow A Comptroller

By: COL David Coburn

Meet your peers

I am continually amazed at the number of Financial Managers I talk with that do not know their counterparts in the community. It is essential that you build relationships with fellow officers and civilians of all services. Not only for the camaraderie, but for the benefits these relationships bring. I can't count the number of times I've needed help from an organization and found that an old friend happened to be sitting in a position responsible for providing that support. When CERP funding was first established, it helped considerably that the guy in charge of the program, LTC Dave Dolph, was an old friend I met at the Professional Military Comptroller School. Dave helped me get the Command's first funding document for \$10K. When those funds were expended, he walked me through the process of clearing the account so we could get the next iteration of \$10K to support the Commander's intent. Financial Managers need to use organizations like the American Society of Military Comptrollers (ASMC) to make and retain contacts. Life is much easier, especially from a deployed location, when you can pick up the phone and talk to someone you have a history with. When I arrived at MNSTC-I I found out that an important piece of the Iraqi Security Force Funding, Quick Response Funds (QRF), wasn't issued to the Command on a Funds Authorization Document (FAD). The funding came through ARCENT to MNC-I and then down to MNSTC-I on a Resource Distribution Document (RDD). This convoluted funding stream was a holdover from the days when QRF was cash based system and inhibited the Commander's use of the funding. Even though the system was outdated, there was a reluctance to change it. Fortunately, two of the key individuals working in the Army Budget Office and the US Army Corps of Engineers were good friends that were glad to listen to reason and agreed to change the funding stream to meet the MNSTC-I Commander's requirements.

Look for diverse opportunities to expand your knowledge base

It's very easy to seek similar assignments that keep you in your professional comfort zone. As a Financial Manager, there are always opportunities to go to a standard budget job of programming or

executing Operations and Maintenance funds. While this is a key component of our skill set, there are other types of funding where you must develop different competencies to be successful. I have executed funding appropriations from Special Operations, National Foreign Intelligence, State Department, and NATO. Each category of funding required research and study of the regulations and fiscal law that ultimately helped round out my general knowledge as a Comptroller. When I became the MNSTC-I Comptroller, the Commander was also in command of the NATO Training Mission-Iraq. Utilizing my experience with NATO funding, and working with the JFC Naples head of Contingency Operations, LTC Jeff Powell, I was able to broker a deal where NATO contributed \$3M from a Multi-National Trust Fund into the Iraqi Security Force Fund (ISFF) to build a range at the Iraqi Military Academy at Ar Rustimayah. Without the knowledge gained from a tour at NATO, and Jeff's help, this funding arrangement would never have been possible.

Ask for advice, and listen

One of the most important lessons I've learned in my career is that you don't have to be the smartest person in the room to succeed. You do, however, have to be smart enough to seek out advice from individuals with more experience or more situational awareness than you. Once you find these enlightened individuals, ask their advice and listen to what they have to say. When I deployed to Northern Iraq with the 173rd Airborne Brigade in March 2003, I had been on the ground for over a month when the 4th ID arrived. Having worked issues in country, I understood how to get things done in that austere environment. When I tried to pass on my lessons learned to the Division's Comptroller, he chose not to listen and went about doing things the way he accomplished them in home station. Seeing that the 173rd was receiving better support, the 4th ID G3 asked me to brief MG Odierno on our Resource Management procedures. I'm not sure what happened after my meeting with the 4th ID Commanding General, but he took detailed notes and thanked me for the help.





Seek out experts in complimentary areas

As I have moved through my career as a Comptroller, I have found that my best allies in a unit were usually the lawyers. The Staff Judge Advocate (SJA) has always been an asset that I could count on for advice and counsel. This was definitely the case when I was involved with units that used special operations funding or when dealing with unfamiliar appropriations. The SJA isn't the only advocate a Comptroller has. You can always count on the Logistics guys to fund requirements and also help in developing justifications for your higher headquarters. Logisticians are important customers that can provide you with a number of purchasing methods that help mission accomplishment and obligation rates. The J4 in MNSTC-I was instrumental in the one month push to expend over \$800M of expiring funding that remained of the \$5.5B ISFF program. They assisted in our teleconferences with CONUS providers at TACOM and CECOM, and worked tirelessly to execute identified requirements.



... you don't have to be the smartest person in the room to succeed. You do, however, have to be smart enough to seek out advice from individuals with more experience or more situational awareness than you.

Conclusion

The Comptroller is a key Staff Officer for the Commander, and properly trained Comptrollers are literally worth their weight in gold. My advice for young officers starting out in the career field is to seek out the hard jobs and learn in them. Regardless of where you are stationed or what position you're in, you will always have the opportunity to learn, grow and meet people that you may rely on in the future. Take full advantage of the challenges that the Army offers to include attending Syracuse University, Training with Industry (TWI) and Joint assignments. Make sure that your Commander is able to use money as a weapons system and that you are a trained and prepared triggerman.

– RM –

About the Author:

Colonel David Coburn was commissioned as an Infantry Officer in 1982. He graduated from Syracuse University, Army Comptrollership Program in 1994. Currently he is assigned to J8 for the Multi-National Security Transition Command - Iraq in Baghdad.





Whitman's Defense Programs Help Build a Resource Managers Network

By: Amy Mebringer Schmitz

What do you get when you unleash more than two-dozen federal government resource managers in the remote Adirondack Mountains? **Teamwork.**

Twenty-seven mid-level military and civilian resource managers convened at Syracuse University (SU)'s Minnowbrook Conference Center as part of the inaugural Executive Comptroller Course (ECC), administered by the Defense Programs office in the Whitman School of Management. The course, born from the original Army Resource Manager Course, which started in 1979, thrusts seasoned professionals based at the Department of Defense, the Department of Homeland Security, and other federal government agencies around the world, into small groups for three and a half weeks. Most of the time is spent at Whitman, where the emphasis is on financial management skills.

But an additional goal of the course is team building. "For people in this business, financial management is about more than just analysis or business plans," says Col. Dave Berg (R), director of defense programs at Whitman. "It's about influencing people in order to keep resources or get new ones. So relationships are important for success. That doesn't mean you don't do analysis, but relationship building matters monumentally."

The time at Minnowbrook reinforces the importance of working together and communicating well. "We all know our

individual roles and responsibilities back in our separate offices," says Micha Tam, a budget analyst based in Korea. "Being here together lets us see the big picture. We're all working together on one mission. This course helps us eliminate tunnel vision."

Over the course of the three days at Minnowbrook, the ECC students work in teams to determine responses to budget simulations. In one example, they are asked to make recommendations for a \$78 million budget cut without eliminating important programs or taxing the field.

ECC students also hone their presentation for the course's Capstone project, the Resource Management Simulation, which requires a rigorous analytical mock briefing to the Army Budget Office to meet a \$2 billion decrement. The end results of the program are the enhanced skills and agility that help take these professionals to the next level in their careers.

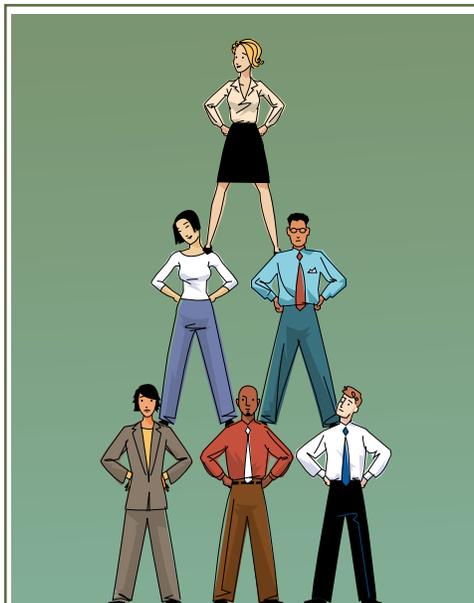
"I see financial management from a completely different perspective because of the ECC," says David W. Penhollow, who manages the budget for the 1.2 million acre training area at Fort Bliss in Texas. "Now I am equipped to ask the right questions and think about the right answers."

Vernell Lewis, a budget analyst for the Army, concurs. "I work in the comptroller headquarters in the Pentagon," she says. "This has vastly enhanced my knowledge set. I think everyone in headquarters should come."

It's not all work and no play at Minnowbrook. At the 28-acre retreat, surrounded by woods and more than 30 miles from the nearest town, the program purposely builds in leisure time for the students to continue team building through ping pong matches, fireside chats, and hiking around Blue Mountain Lake. But frivolity is short-lived for these driven professionals. After winning at ping pong, Shaune Griffin, a financial systems analyst at Fort Bragg in N.C., puts down his paddle and says to his team, "OK. Let's get back to work."

- RM -

--Amy Mebringer Schmitz



"This has vastly enhanced my knowledge set. I think everyone in headquarters should come."



“We’re all working together on one mission. This course helps us eliminate tunnel vision.”



“Now I am equipped to ask the right questions and think about the right answers.”



Teamwork

Whitman's

SIDEBAR

Other programs administered by Whitman's Defense Programs include:

The Defense Comptrollership Program.

Started in 1952, this specialized program educates financial managers to handle multibillion dollar resources for the Department of Defense. It is a 14-month 60-credit MBA/ Executive Master of Arts in Public Administration Program

Senior Resource Managers Symposium.

Senior resource managers meet for five days at Minnowbrook to discuss current issues in the management of resource management; to better understand the changing resource management environment of the Army and Department of Defense; to provide a venue for senior resource managers to discuss issues and share solutions; and to develop solutions to management of resource management issues.

Army Comptroller Course.

The purpose of the Army Comptroller Course (ACC) is to provide a basic multi-disciplined financial and resource management (RM) overview to Department of Defense military and civilian personnel newly assigned to the comptroller career field and to other personnel without a multi-disciplined background. The course blends current DoD/Army management and the latest in academic management techniques. The ACC provides graduates the ability to operate within the current environment and gives them the skills necessary to be more effective and efficient.

LEADERSHIP

CFO Leadership Certificate

The Information Resources Management (IRM) College of National Defense University, with the sponsorship of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, created the new Chief Financial Officer (CFO) Academy. The academy, located on NDU's campus at Fort Lesley J. McNair (Washington DC), offers leadership courses toward the CFO Leadership Certificate. With endorsement from the Federal CFO Council, the certificate program is designed to develop the next generation of leaders in government financial management. This new certificate leverages the IRM College's current leadership courses while concentrating on the challenges and opportunities facing members of the government financial community, including personnel who work in accounting and finance, budget and cost analysis, auditing, and resource management.

Successful graduates of the CFO Leadership Certificate can:

- Lead within and across organizational boundaries by leveraging financial management strategies, policies, and processes.
- Link critical decisions regarding resources, people, processes, and technologies to mission performance, business outcomes, and financial system security requirements.
- Balance continuity and change in the development, implementation, and evaluation of financial management strategies, processes, and policies, while meeting legislative and executive mandates.
- Commit to on-going leadership development of self and others in their organizations.

Applicants must have at least a bachelor's degree from a regionally accredited institution, rank/grade of O-5 or GS-14 or equivalent, three years of financial management experience, and documented knowledge of financial management.

Nomination letters from CFOs or other senior financial executives must address the applicant's leadership potential and attest to his or her knowledge of financial management as evidenced by undergraduate or graduate degrees in a business field, C.P.A., or Certified Government Financial Management or Certified Defense Financial Management.

Information on the program and application processes, and enrollment in applicable courses can be found on the college's website: www.ndu.edu/irmc.

*The IRM College anticipates that the new CFO Certificate will be worth 15 graduate credit hours toward selected Master's and Doctoral Degrees at academic partner universities across the U.S. (currently working on partnerships for this program).

The IRM College is a global learning community for government's most promising information leaders.



The Information Resources Management College (IRM College)

Located at Fort Lesley J. McNair on the Washington, DC waterfront, the Information Resources Management College (IRM College) is one of five graduate-level colleges that comprise the National Defense University. The IRM College educates Department of Defense, federal agency, private sector, and international students in the following critical information management and leadership areas:

- ♦ **Information Assurance and Information Operations**
- ♦ **Chief Information Officer Competencies**
- ♦ **Chief Financial Officer Competencies**
- ♦ **Information Technology Project Management and IT Acquisition**
- ♦ **Enterprise Architecture**
- ♦ **Organizational Transformation, Homeland Security, and Domestic Preparedness**
- ♦ **Government Strategic Leader**

Strategic Leader Development - Prepare leaders to direct the information component of national power by instructing them on ways to leverage information and information technology for strategic advantage.



Learning that is Current, Timely, and Future-Focused - Focus the curriculum on tools, strategies, trends, and best practices to prepare managers and leaders to envision and create the future.

Just for You - Enroll managers from DoD (military and civilian), federal government agencies and organizations, foreign defense ministries, and the private sector.

Wherever you are - Provide education in a variety of formats, including classroom (e-Resident) and on-line.

Graduate Credit or Professional Development

Students can attend the IRM College to earn a graduate-level certificate, (which is accepted by a number of academic partner universities toward Master's or Doctoral study) or use their graduate credit toward the college's Master's Degree (currently seeking approval from the U.S. Department of Education). Students can also choose to attend for professional development (PD) purposes.

Other Educational Services

The IRM College offers seminars, symposia, and special programs to meet our stakeholders' needs. For government departments and agencies that require a customized approach, or whose students do not meet the IRM College's graduate admission criteria, the College is able to offer tailored "education in context" programs.

The Leading Edge

By Dr. Wayne Applewhite



Did you know that true leadership vs. organizationally instituted leadership is earned? Leadership is about character more than it is about skill-sets. Leadership is about integrity, honesty, humility, trust, and yes, respect.

Coupled with the character traits mentioned above, a leader must effectively employ other skill-sets such as communication, ethics, knowledge of diversity, decision making, problem solving, team building, rewarding, and ever learning, to name a few.

Leadership is seen. Leadership is contagious. Leadership is a responsibility and a privilege. Growing up as a child (as all children have done so before me and many will after me) I played a little game called "follow the leader." Even then, as a child, I knew there was a difference between being a leader and a manager (I never played follow the manager).

Both leading and managing are vital to organizations. Both leading and managing are difficult to master. However, leadership, if done well, is that imperative that serves all others. Leadership is an art.

Until the next time; Lead on!

Dr. Wayne Applewhite is an Adjunct Professor for Boston University and co-founder of the leadership development firm Just Leadership, LLC. Please drop by and visit his website: www.justleadership.net.



GFEBs Organizational Change and How it Will Enhance Your Career.

By: Mr. Kristian Noe

Introduction

By now most or all Army personnel working in resource management know about the Army's new General Fund Enterprise Business System (GFEBs). However, there seems to be a need for an emphasis of the GFEBs project at the staff or mid-management level. I realize that implementation for most is still a while away, but it will be here sooner than we think. I would like to take the opportunity in this article to communicate to the staff and mid-level managers how beneficial GFEBs and the GFEBs deployment will be for their career.

I have attended many meetings that explain how GFEBs will benefit the Army, but I have never heard any one explain how GFEBs will benefit my career. If GFEBs is good for the Army, could it also be good for my career? I believe the answer is "yes". Why? Because GFEBs runs on a specific type of software, Systems Applications Products (SAP), that would provide us with transferable skills.

Systems Applications Products (SAP)

SAP is a software company that makes what is considered the best financial software in the world. Having SAP experience is a big plus in the business of financial management. SAP is to finance software what Microsoft is to the Windows operating system. SAP generated sales of over \$16 billion in 2008. That is a 13% increase from 2007 during a time of deepening global recession. They have a solid balance sheet with over 50% equity and no long term debt to write about.

There are organizations all over the world running the SAP finance software. This includes other government agencies, enterprise businesses, large, medium and small businesses, local governments, police stations, non-profit organizations and many other types of organizations. SAP has over 82,000 customers in 120 countries. Think of your favorite organization or a famous company and chances are they could be using SAP as their financial software. Having SAP on your resume will make you more marketable to potential hiring managers. Not only internally to the Army, but also to all the other organizations that are already using SAP.

The cost management capability and reliable financial statements that SAP provides will be a great benefit to the Army and to our career. The entire business world runs on the simple premise that you have to know your costs. If an organization does not know how much it costs to run the business, it will not know how much to charge for their products and/or services, hence, they will not know if they are making a profit or losing money. Without accurate cost information and reliable financial statements, a business will not succeed in this competitive global environment. With GFEBs, we will learn how to manage costs thus giving us the potential to market our skills to literally thousands of companies all over the world.

The Army's implementation of SAP will be the largest project in SAP's history. This is a chance to participate in an exciting transition that will also provide future dividends in the way of future job opportunities. All in all, GFEBs is a good resume builder within the public or private sector business and financial management community.

Implementation of GFEBs

I recommend that the leadership involved in the deployment of GFEBs market the system as I have outlined in the preceding section. Army employees are dedicated public servants, but like all humans, they have personal and career goals. If the GFEBs implementation managers appeal to the personal interests they would realize a distinct advantage through reduced resistance to change. GFEBs leadership has to get the 'beneficial to your career' message out to the staff and mid-level management now to create buy-in. This will make an already difficult change project much easier.

The staff should be acutely aware how valuable experience with the GFEBs implementation project is for their career. Embracing change and working as a collaborative team with management and GFEBs leaders to help ensure a smooth transition is critical. The bugs will be worked out faster and end-users will utilize the system to its full potential quicker. If the staff knew how beneficial this experience was, then it would make management's role a lot easier and the staff would be willing to work in tandem with management step-by-step. This experience will promote everyone's career.

The bottom line is that GFEBs will be implemented. It was Congressional legislation that forced the Army to set the GFEBs project in motion. GFEBs will become a resource management reality in the near future. Understanding the career advantages we encourage everyone to work together as a team and make the transition smoother.



Available training for GFEBs

It is not merely because of Congressional legislation that GFEBs is being deployed. The Army has been trying to manage costs and provide information about costs to decision makers for a long time now. The outdated financial systems currently used by the Army make compiling and understanding operational costs very difficult. The SAP software will change that and thus the business skills needed by the Army will change.

Strong financial analysis skills and cost management skills will be needed in the future as well as decision support and business communication skills. In the Army, it is harder for professionals to develop these analytical skills than it is in the private sector. The nature of the Army business involves a lot of administrative tasks such as compiling redundant databases, managing a plethora of codes and trying to keep unstable, unsupported financial systems running. These activities do not help an analyst develop strong analytical skills.

GFEBs allows for quick access to financial data in a single database. This will allow the analysts in the Army to do more of what they were hired to do, analysis and decision support. Until the system is deployed there are classes that we could take to help our understanding of financial analysis and cost management. Courses that teach financial management, cost accounting, financial accounting and activity based costing are all good classes to take to brush up on or solidify the concepts we will need to know for the future business environment. My personal attitude is that we cannot be overly prepared for the imminent GFEBs implementation and the new emphasis on costs.

One of the learning resources that the Army makes available to us is the Army e-learning website. This is a free resource to Army employees. There is a wealth of interesting courses on this Website that can help in all aspects of your career. For our case, there are classes that will help develop cost management skills and an understanding of SAP. The link is: <https://usarmy.skillport.com>. Once logged in, search for 'SAP' or 'cost accounting'. Several e-books and several e-courses for each topic are available.

Another resource, the Army Learning Management System (ALMS), houses all Computer Based Training (CBT) related to GFEBs. There are three overview courses available, L101, L201 and L301 which give future GFEBs users a good overview of the system and its capabilities. To access GFEBs training, log into AKO at <https://www.us.army.mil>. Once logged in, click the 'Self Service' drop down menu, then select 'My Training'. Another window will pop up, and click on the ALMS box at the top of that window. Type in 'GFEBs' in the search field and all the GFEBs specific training available will populate. Although all of the GFEBs CBTs will be listed, L101, L201 and L301 are the best courses for us to take. GFEBs is continuously improving their training

courses, so they encourage employees to wait to complete other CBTs until closer to when their specific organization implements GFEBs.

Conclusion

There can be both positive and negative consequences. Resisting change and not learning the necessary skills could be negative for the Army and your career, but you can make it a positive experience by looking at it as an opportunity to grow.

The business world operates in a dynamic, cyclical environment called the business cycle. If you have seen any economic news in the last year or so you would know that the economy is in a recession. People in the private sector are losing their jobs as companies go out of business. It is not unfeasible to think that these experienced and competent (but laid off) financial managers from the private sector may apply for a government job. These job seekers could compete for jobs that could have been filled internally provided an Army employee within the organization had the skill set.

However, there could be positive career consequences for embracing change and learning the skills required for the new system. In a few years the business cycle will be on the way back up and the economy, as it always does, will bounce back and start expanding again. Between now and then there will be people who will have embraced the change that GFEBs will bring. They will have learned how to be proficient in the new system and contribute to the implementation efforts in a significant and positive way. These people, staff and management alike, are going to be the ones who benefit through enhanced career opportunities.

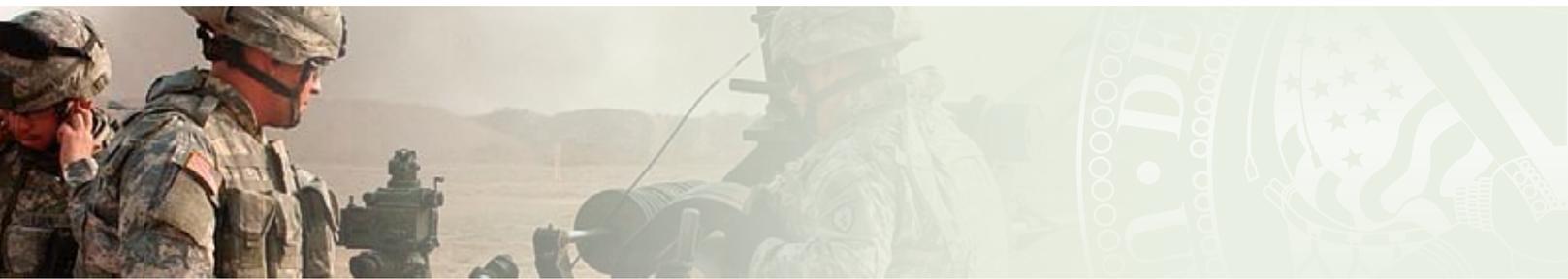
I am hopeful that Army personnel at all levels and positions will heed my appeal to learn as much as possible about SAP, GFEBs and cost accounting. Also, I am hopeful that I have inspired you to do what you can to contribute to the GFEBs deployment effort. If you do not do it for the greater good of the Army, then at least do it to benefit your own career and future.

– RM –

About the Author:

Mr. Kristian Noe is currently working in the Comptroller's Office at HQ

USEUCOM. Prior to working in the Government Mr. Noe held several positions as a financial analyst in the private sector where he gained experience using SAP software. His interest in change management and the GFEBs project was sparked at the Executive Comptroller Course (ECC) which is one of the Defense Program courses offered at Syracuse University. He graduated with honors from Florida Atlantic University with a BBA in Finance, earned a MBA from Florida State University and is a graduate of the CP-11 DA Intern program.



Resourcing the Fight in Iraq:

Lessons Learned from the Division Perspective

by LTC Rick L. Tillotson & MAJ Kenneth "Dave" Pindell



Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) have highlighted the importance of the role of Financial Management (FM) in contingency operations. How important is money in the fight? General David H. Petraeus, the former 101st Airborne Division and Multi National Forces - Iraq (MNF-I) Commander and current United States Central Command (USCENTCOM) Commander, has espoused the importance of FM during contingency operations. In his oft-read article for the January-February 2006 edition of *Military Review*, "Learning Counterinsurgency: Observations from Soldiering in Iraq," his third observation is "Money is ammunition." In his article, General Petraeus further states,

... in an endeavor like that in Iraq, money is ammunition. In fact, depending on the situation, money can be more important than real ammunition—and that has often been the case...

In addition, the Multi National Corps - Iraq (MNC-I) Standard Operating Procedure (SOP) is titled "Money As a Weapon System." Affectionately known as the "MAAWS Book," it has become the principle guide for resourcing operations in the Iraq Theater. FM personnel, commanders and staff officers at all levels refer to this SOP to understand how resourcing can assist them. The 1st Armored Division's (1st AD) tour in Iraq proved that properly resourcing the fight will continue to make the difference between failure and success. The lessons detailed in this article are intended to assist future FM teams at division level as they prepare to deploy in support of OIF or OEF.

Before we address lessons learned, it is necessary to present the context of the deployment by describing the operating environment and the operational status the division assumed. FM 3-07, *Stability Operations*, dated October 2008, best describes the problem set we faced:

Conflict, by nature, is a complex endeavor; it is fundamentally human in character and, as such, is inherently unpredictable in nature. Uncertainty, chance, and friction are ubiquitous. This is the essence of complexity.

The 1st AD deployed as Task Force Iron in September 2007 to serve as the Multinational Division North (MND-N) Headquarters (HQ) responsible for commanding and controlling 5 Brigade Combat Teams (BCTs), a Combat Aviation Brigade (CAB), 2 support brigades and multiple separate battalions and companies. MND-N covered an area roughly the size of the state of Georgia at slightly greater than 47,000 square miles that contained an ethnically and religiously diverse population of approximately 10.2 million people spread across 7 provinces. It is truly a microcosm of Iraq as a whole.

There existed a disconnect between the provincial governments and the Government of Iraq (GoI) and a strong perception of Shi'a bias and neglect which contributed to a low provincial government public confidence level. The Iraqi Police (IP) capacity and capability was low and the Iraqi Army (IA) was improving. The economic conditions were weak with high unemployment, a lack of provincial budget execution, and virtually no capital generation opportunities.



Compounding the difficulty was the poor security situation. MND-N was averaging over 250 attacks per week, with the rest of Iraq, in total, averaging less than 200 attacks per week. These trends were the result of the surge in Baghdad and in Anbar driving the fight into the MND-N Area of Operations (AO). The dominant threat was an organized and lethal Al-Qaida in Iraq (AQI) fueled by a capable propaganda arm and a foreign fighter network that was well financed. AQI was able to gain footholds due to the vast areas left uncovered by Coalition Forces (CF) because of the sheer size of the operating environment. Moreover, oil corruption and inadequate distribution were linked to AQI extortion and funding activities.

From an FM standpoint, the funding environment we inherited was relatively unconstrained. This is attributed to Iraq being the main effort for the Army making the Iraq Theater a priority for funding. Funding was received on a monthly or quarterly basis depending on the program, which provided us the flexibility to fund validated requirements and cash flow projects, if necessary, as they were developed. Even though we anticipated funding would be available for larger scale reconstruction projects, Major General (MG) Mark P. Hertling, the 1st AD Commanding General (CG), made it very clear prior to deploying that one of his priorities was proper stewardship of tax payer dollars with the goal of achieving the desired effects at the least possible cost.

The CG's intent during the deployment was to achieve synergy by linking kinetic operations with non-kinetic operations through the application of the clear, hold, and build strategy. Successful execution of this strategy improves security bringing with it more positive perceptions of the government and its security forces, all of which set the conditions for economic improvements in the local communities. We recognized that we were at a point in the campaign plan where the only way to beat the insurgency was not

by CF actions and funding, but rather by the actions of the GoI. For example, once we cleared an area, instead of focusing on large scale reconstruction projects, as had been done in the past, we emphasized smaller scale projects that would achieve immediate results necessary to jump start GoI/provincial government initiatives in a complimentary fashion. We felt this approach contributed to building GoI capacity and legitimacy at much less cost to the U.S. tax payer.

Now that we have provided some perspective on the operational environment and the basic strategy we applied, we now want to highlight some of the major FM lessons learned during the deployment in regards to manning, the application of money, and how we leveraged the Fiscal Triad.

The Division G8 Authorized Manning Is Inadequate to Perform The Mission In a Deployed Setting

The current Division G8 MTOE authorizes four personnel which Division Commanders and FM personnel recognize is inadequate to perform the mission. The Financial Management School has worked very hard to articulate the need for more authorizations, and the Vice Chief of Staff, Army (VCSA) recently approved an increase to the Division G8 structure to six personnel. If this increase survives subsequent approvals, this will be a win for the FM community because it represents an increase in capacity of 50%. The problem is this enhanced structure still falls short of the number of personnel required to adequately perform the deployed mission. From our experience in Iraq, we believe the minimum number of personnel required is nine. Why nine? Primarily because of the number of funding programs that have to be managed and the sheer volume of requirements (over 5,800 during our tour) that must be processed during the deployment. The chart below depicts how we recommend setting up the deployed G8 structure.

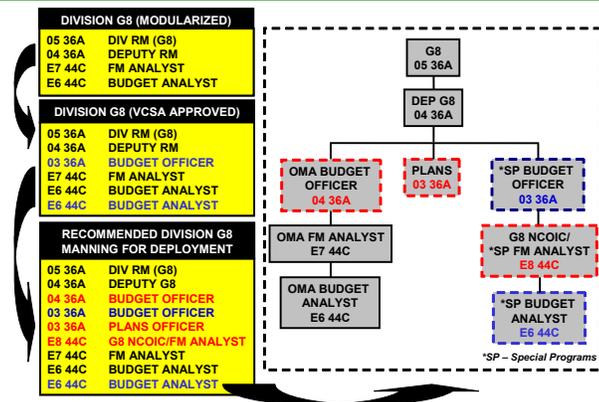


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It consists of two main branches: an Operations & Maintenance, Army (OMA) Branch and a Special Programs Branch.

Recommended Division G8 Manning for Deployment



Our OMA team handled all OMA requirements to include the Temporary Duty (TDY) and Field Ordering Officer (FOO) programs. The Special Programs team handled the Coalition Forces - Commander's Emergency Response Program (CF-CERP), Transition Team Implementation Funds (TTiF), Quick Reaction Funds (QRF) and the USCENCOM Rewards Program. In addition to these, the OMA team picked up oversight of the Logistics Civilian Augmentation Program (LOGCAP) and the Special Programs side picked up the very popular, Iraqi funded, Iraqi-Commander's Emergency Response Program (I-CERP). Oversight of the Stock Fund Program is on the horizon as is the implementation of many cost management and automation initiatives to include the Defense Travel System (DTS) and Wide Area Work Flow (WAWF). Once these new initiatives come to fruition, it may necessitate more than nine personnel.

One position we would like to highlight is the need for a G8 planner because this is not a position traditionally considered when building an FM team. Deployed divisions operate on a rigorous battle rhythm that includes literally thousands of meetings during the rotation. While the G8 is not required to be at all the meetings, there are many meetings where it must have representation in order to ensure the division planners adequately take into account the funding aspects of operations. If you are not represented up front in the planning stages there is the potential for major disconnects that could severely hamper the mission or even result in mission failure if resources cannot be acquired in time or if there is no legal mechanism for resourcing the planned requirements. We recommend a captain serve this role.

Due to the need for increased staffing, the current means of

augmenting the section include: coordinating with your supporting Financial Management Company (FMCo) to acquire its RM Cell, submitting an official Request for Forces (RFF), deploying civilians within your Table of Distribution & Allowances (TDA) if available and willing to deploy, or requesting Global War on Terrorism (GWOT) over-hire civilians to augment your ranks. Since manning is a critical component of your success, you must begin seeking augmentation as early as possible in order to have everyone on board in time for the deployment. Our division was given short-notice for the deployment; we were able to pull everyone together in time, but began working together for the first time as we arrived in theater. We highly recommend you work the personnel piece as far in advance as possible to avoid the turmoil we endured during our first 90 days in theater. This will prevent the need to learn each other's strengths and weaknesses while already engaged in the fight.

The Proper Application Of Scarce Resources Is Critical To The Division Fight

We hear this phrase often in the FM community, but how do you effectively apply it? As previously stated, money is a weapon system, but it must be used judiciously as with any kinetic weapon system employed on the battlefield. With this intent in mind, we controlled and targeted spending through our validation processes, monthly Targeting and Economic and Governance Boards, approval thresholds, and the orders process.

Our OMA validation process, formally known as the Division Acquisition Review Board (DARB) and chaired by our Division Chief of Staff (CofS), ensured OMA dollars were spent across our AO in a manner consistent with our division commander's objectives and priorities. Getting our DARB right took about 90 days, but once set it worked well with minor adjustments needed as guidance from MNC-I changed. OMA approval thresholds were set to provide commanders maximum flexibility with regards to immediate, low-dollar-value requirements, while maintaining the division's need to know how dollars were being spent and that they were being spent to meet division priorities and objectives. Whether it be at the official meeting or through modified DARB procedures when expediency was required, almost all requirements, regardless of value, were processed through our DARB. Bulk funded items were the one exception to this policy; strict controls were in place to ensure FOOs did not purchase unauthorized items. Defining and practicing DARB procedures prior to deploying provides an invaluable opportunity for division staff to work through the issues in a training setting versus establishing the guidance once they enter the fight.



The discretionary accounts, like CF-CERP, require very careful management at division level to ensure their proper application. Our predecessor division conducted a sampling of CF-CERP projects completed during its rotation in MND-N. They found the following: 49% of the completed projects were fully functional, 10% were partially functional, 20% were non-functional, and there was no information on 21% of the completed projects. The total amount spent on projects that completed during their rotation was \$168.8 million. If you apply a dollar figure to the percentages, the result is approximately \$86 million spent on projects that were either not fully functional or for which no information could be found.

Some units that have deployed to Iraq measured their effectiveness based on the amount of money spent; the more they spent, the more successful they considered themselves to be. This approach leads to unnecessary waste and can actually become detrimental to the mission causing a loss of credibility with the population as they see CF spending excessive amounts of money with limited improvement to their livelihoods. For example, during one of MG Hertling's battlefield circulations a provincial governor told him that CF had spent over \$400 million dollars in his province with nothing to show for it. There is no way to verify the accuracy of this statement, but it does provide insight into his perception. The point is there are many examples of expensive, well-intentioned CERP projects that achieved minimal to none of the desired effects which bring into question the value to the American tax payer.

So, how do you achieve the desired effects on the battlefield while at the same time adhere to fiduciary responsibilities? The first step is to take into consideration where you are at in the campaign plan when you deploy. For example, there was arguably a greater need for CF-CERP at the beginning of the campaign as opposed to where we are at now in Iraq. Iraq is an oil rich country with a functioning government, so spending CF-CERP in large amounts at this point can actually be detrimental to the Iraqis. Fixing their problems does not enable them to develop systems for recognizing internal deficiencies and executing their budgets. Our role in Iraq became identifying deficiencies and assisting the Iraqis in addressing them with their own processes and resources. We focused on helping the Iraqis to help themselves. Iraq's wealth facilitated this approach, but countries like Afghanistan, for example, that are devoid of major income producing natural resources may require a different approach. Even within a single country there are varied conditions, so a cookie cutter approach can not be applied to all situations and locations.

One strategy we applied to put money weapons on the crosshairs of targets was holding a monthly Targeting Board and Economic and Governance Board. Each of these boards was chaired by the CG

and was the culmination of various working groups held within the division staff and within the brigades. The CG used these boards to approve and make decisions on projects served up by the brigades. These boards facilitated communication between the CG and his subordinate commanders and also served as a means for the CG to provide guidance and direction to the staff.

Another important point is approval thresholds matter! We found that many times commanders would request projects up to the level of their approval authority because they did not want the scrutiny associated with projects that required higher level approvals. We recommend periodically reviewing and gradually ratcheting down the approval thresholds as conditions permit. Another important lesson is the criticality of getting buy-in from local governments before starting a CERP project. There have been projects built by CF that were left to languish by the Iraqis because they never bought into the project concept or they lacked the technical expertise to sustain the project. From our experience in Iraq, we advocate avoiding applying U.S. standards that are often expensive and overly complex. It is much better to focus on small scale, quick-fix projects that produce immediate effects that are highly visible and easy for the local government to maintain.

Subordinate commanders and their Soldiers have good intentions when it comes to spending money to assist the indigenous population, but at times they do not adequately weigh the costs associated with completing their proposed projects. Costs must be a consideration prior to initiating a project. Money plays an important role as a non-kinetic enabler, but it is essential to There is an opportunity cost associated with every dollar spent, so as the commander's FM manager you play a critical role in influencing how money is targeted to achieve his desired effects.

Leverage The Fiscal Triad - Early And Often

As FM personnel, you must understand the entire requirements process from inception, to validation/approval, contracting, disbursement, to receipt of goods/services and eventually closeout. Understanding how you influence each step of the process is vital to improving the overall funding process. Successfully funding 100% of our validated requirements during our tour in Iraq ultimately can be traced back to our use of the fiscal triad. We held weekly meetings with our local Regional Contracting Command (RCC) Chief and our supporting FMCo Commander, which were of course beneficial, but our success was truly created through coordination behind the scenes.

For example, we sent all requirements to our RCCs via email. With the unreliable nature of automation in Iraq, there were times when

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the RCCs did not receive the requirement. To help mitigate the amount of time lost if a requirement was not received, we sent an unobligated commitments spreadsheet to each RCC (we had five of them within our AO) every two weeks. This spreadsheet broke out our open requirements by servicing RCC and showed the date of commitment. We did this to verify that the RCC received the requirement, but also to see if they were working it and when we could expect a contract. This simple action allowed our RCCs to not only update us on receipt of a requirement, but also provided them the means to identify obligated requirements and get the contracts to us so we could obligate them in the financial system. We also worked closely with our RCCs on the development of requirements, funds increase requests, contract close-outs and contracting timelines which allowed us to present the complete requirement's picture to our CofS in addition to facilitating an exceptionally smooth fiscal yearend closeout.

Managing cash on the battlefield is vital. We had up to \$3M in cash of OMA funds and many more millions in CF-CERP, I-CERP, and TTIF funds on the battlefield in the hands of paying agents at any given time. This required extensive coordination with our FMCo to ensure proper accountability and availability of these funds. One of the issues identified early on was the proper clearing of these paying agents. Although paying agents were required to clear the G8 prior to departing theater, this was not happening with some of our agents. We had a major problem with paying agents clearing the FMCo and assuming they were finished with the process. This created numerous issues for the G8, especially with regards to auditable files. Working with our local FMCo, we were able to institute a policy requiring paying agents to clear us prior to clearing the FMCo and then provide us a copy of the final DD Form 1081 (Statement of Agent Officers Account) after clearing finance. This allowed us to obligate the funds properly in the financial system, prevent Negative Unliquidated Obligations (NULO) from occurring, and maintain our files to audit standards.

In addition to the above mentioned coordination, we also had issues with proper fund cite annotation on the contracts prepared by our RCCs and many "stubby finger" errors when entered into the finance system by the FMCo Soldiers and our budget analysts. This created multiple NULO requiring not only extensive research on our part, but numerous hours following up with Defense Finance and Accounting Service (DFAS) and the United States Army Central (USARCENT) G8 to ensure NULO were cleared in a timely manner. The fix was simple: instruction for our budget analysts and Fiscal Triad counterparts so they understood the importance of properly annotating the fund cite and the effects on all involved if not input correctly the first time. To their credit, our budget analysts and Fiscal Triad team members understood that

this not only affected us, but our customers as well. From the G8 perspective, we could not properly obligate the funds, the FMCo could not pay the vendor if the obligation was not in the system, and our RCCs could not close-out the contract if the vendor had not received payment. Educating budget analysts and Fiscal Triad members on the compounding effects of input errors increased awareness and accuracy.

In summary, by properly linking kinetic and non-kinetic operations and judiciously applying money in a complimentary fashion to GoI initiatives, the task force achieved tremendous success. By the end of the deployment we saw an 80% decline in attacks and a 79% reduction in improvised explosives with an enemy that was off balance and no longer a threat to the legitimacy and survival of the GoI. What is also telling was the dramatic change in public perception during our tenure captured through the MNC-I Public Opinion Poll. When we assumed the mission, only 5% of the population had confidence in their provincial government and by the end of the deployment confidence had climbed to 64%. Other areas of public perception where we saw major improvements were higher public confidence levels in the IP and IA, increased positive perceptions of personal household financial status, and an increase in the perception that the government was making efforts to improve job opportunities. There were a myriad of separate kinetic and non-kinetic actions that contributed to these outcomes, but what made them powerful was the synergistic effect they achieved when applied in concert with each other and in a coordinated manner.





Our intent with this article is to highlight some of the major areas to take into account well in advance of your deployment. We take pride in our accomplishments during the deployment but recognize our success was the result of a team effort that included support from our division leadership and assistance from DFAS, USARCENT, MNC-I, MNF-I, the Fiscal Triad and many others. You are not alone so reach out for help when you have issues or concerns.

Iron Soldiers!

— RM —

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ⁱ "Learning Counterinsurgency: Observations from Soldiering in Iraq" [Online], Available from <http://usacac.army.mil/CAC/milreview/English/JanFeb06/Petraeus1.pdf>; Internet: accessed 5 February 2009. Pages 4-5.

ⁱⁱ FM 3-07. Stability Operations. 6 October 2008. Page 4-1.

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