



DFAS ROME

MISSION BRIEF

AS OF: June 2005

Presented by: Roy A. Higgins
Director
(315) 330-6006
DSN: 220-6006
E-Mail: roy.higgins@dfas.mil



Agenda

Ms. Marilyn Wasleski BRAC 2005 Commission Staffer

Visit to DFAS Rome
June 21, 2005

11:00	Arrive at Syracuse Airport	Ms. Wasleski
12:30	Arrive at DFAS Rome	Ms. Wasleski
12:30 – 2:00	Welcome And Review of Commissioner's Visit	Ms. Wasleski / Mr. Higgins / Mr. Kay / Mr. Runnels
2:00 – 2:30	Tour of Griffiss Technology Park on way to Rome Air Force Research Lab	Ms. Wasleski / Mr. DiMeo
2:30 – 4:00	Discussion with Rome Air Force Research Lab	Commissioner Newton / Ms. Wasleski / Mr. Sciabica / Ms. Chellette / Mr. Shaugnessy / Mr. Sheehan / Mr. Baldygo / Mr. Pirich
4:00 – 5:00	Travel to Syracuse Airport to meet Commissioner Newton	Ms. Wasleski
5:30	Pick up Commissioner Newton at Syracuse Airport	Ms. Wasleski
5:45 – 6:45	Travel back to Rome NY	Ms. Wasleski / Commissioner Newton

From: KAY, JOHN [JOHN.KAY@DFAS.MIL]
Sent: Wednesday, June 22, 2005 10:18 AM
To: marilyn.wasleski@wso.whs.mil
Subject: Phil Montana's title

Marilyn,

At DFAS-Rome Phil Montana conducted the tour of the building. Phil's official title is Corporate Resources Field Operations Manager. It was good meeting you, and I really appreciate you spending the time with us yesterday to get us focused on what we needed to discuss. That was a huge help and made things much easier. If you have further questions or need anything from me, my phone number is (315) 330-6100. Thanks again!

John

Topics For Today's Discussion



- Our Mission
- Our Worldwide Customers
- Operations Update
- Unique Processes
- Our Facility
- Our Workforce and Demographics
- Customer Feedback
- Achievements / Awards / Successes
- Questions

BRAC Commissioner's Questions Provided Prior to Visit



1. What is your current mission?
2. What is unique about this mission that closing it and moving the mission to another location will affect DFAS operations and thus readiness?
3. What percentage of staff may apply for transfers?
4. What percentage of staff is eligible for full retirement? Early retirement?
5. Of your current staff (as of May 2005), what are the numbers of actual vs authorized?
6. Is there excess capacity at your site? If so, how much in terms of square footage?
7. Are there any force protection issues?

DFAS MISSION

“Provide responsive, professional finance and accounting services to the Department of Defense”



Ultimately, success is defined by how well we support commanders and the individual soldier, sailor, airman, marine and DoD civilian

DEMOGRAPHICS & VITAL STATISTICS



DFAS Rome NY Site

LOCATION: Central New York State on Griffiss Business and Technology Park (previously Griffiss Air Force Base a 1995 BRAC site)

MISSION: Provide Travel Reimbursements, Vendor Payments, and Accounting services for our Army and Defense Agency Customers Worldwide for nearly \$29 Billion per year.

CURRENT ON BOARD: 380 Civilian Employees

STATUS 10 YEARS LATER:

- Recognized by DoD/Army for providing superior customer service
- Employees focused on providing “best value” finance and accounting services for DoD
- National/Agency level awards received for transformation leadership

KEYS TO OUR SUCCESS: Aggressive customer service, a caring workforce, building partnerships with our customers, focusing on flexibility, communication, and results.

DFAS Rome Services Customers Worldwide



US Army Forces Command (FORSCOM)

Fort Lewis	Oct 97
Fort Stewart	Mar 98
• 3rd Infantry Div, Camp Doha, USMTM	
3rd Army	Mar 98
• Southwest Asia (SWA) and HQs	
Fort Campbell	May 98
• 101st Airborne, 160th & 5th Special Operations	
Fort Bragg	Jul 98
• HQs 18th Airborne Corps and 82nd Airborne	

Military District of Washington (MDW)

Fort Belvoir	Nov 95
Fort AP Hill	Nov 95
Fort Meade	Jul 96

Other

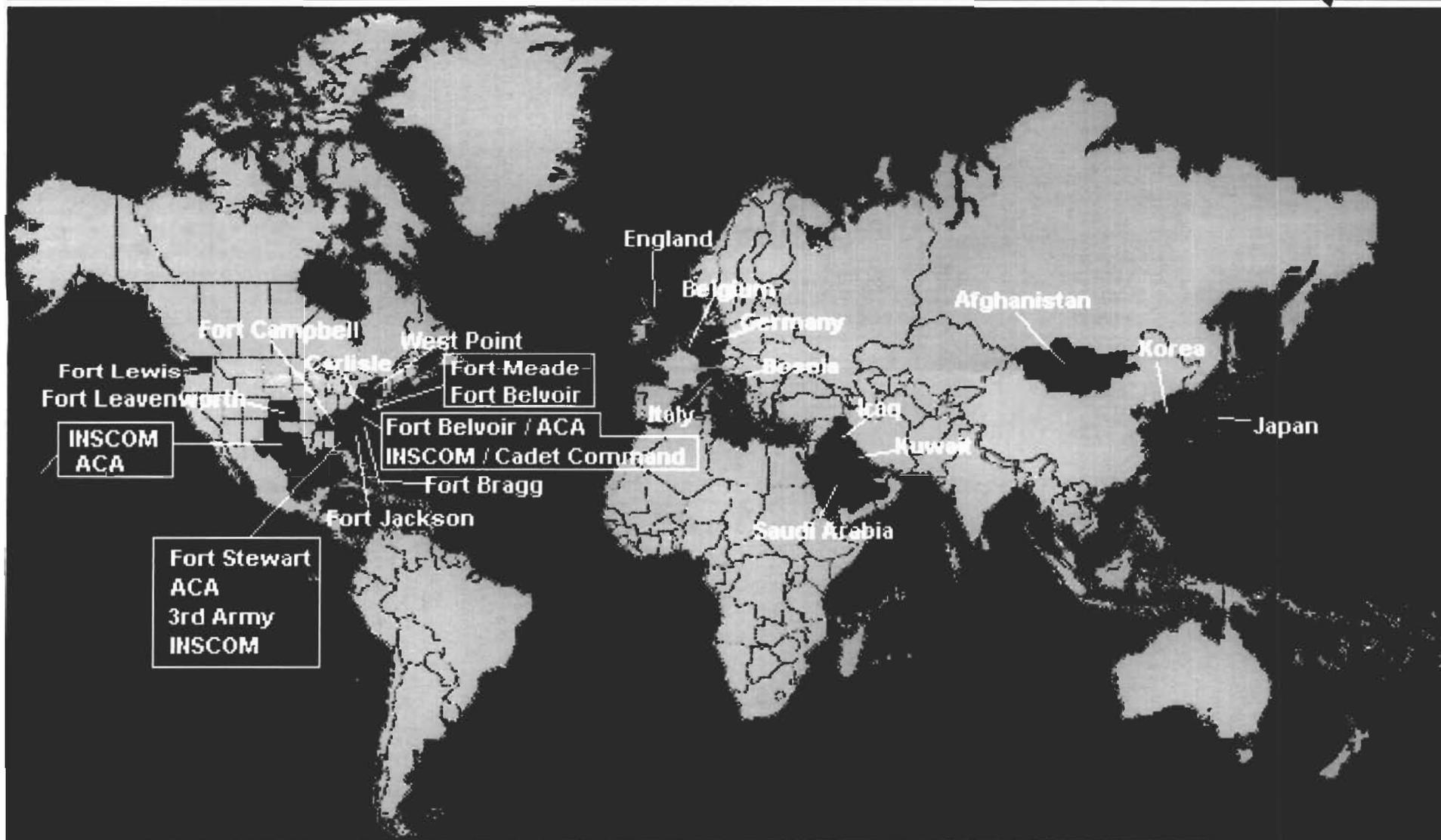
Intelligence & Security Command (INSCOM)	Nov 95 & Oct 96
US Army Military at West Point	Jul 97
Army Signal Activity (ASA)	Oct 99
Defense Acquisition University (DAU)	Apr 00 & Oct 00
Judge Advocate General (JAG) Army Claims	Jun 00
Army Contracting Agency	Oct 02
Contingency Operations (Kuwait, Iraq)	Feb 03
Joint Chemical & Biological Defense Agency	Oct 03
Installation Management Activity - Europe	Oct 03
Europe - Army Customer Accounting Only	May 04
• 4 Major Commands, 4 Finance Battalions, and Bosnia	

US Army Training and Doctrine Command (TRADOC)

Carlisle Barracks (US Army War College)	Jun 95
US Army Nuclear & Chemical Agency	Nov 95
Fort Leavenworth	Nov 96
• Command and General Staff College	
Fort Jackson (US Army Finance School)	Dec 97
US Army Cadet Command	Oct 98



DFAS-Rome Customer Global Dispersion



Operations Update



Reimbursement of Travel Expenses

- Customers include military members and civilians
- Annual volume: nearly 175,000 payments for \$209M
- Timeliness and accuracy rate exceeds 99%
- Major accomplishments: Classified Voucher Processing Site
 Support Fort Bragg 82nd Airborne
 Direct support and interaction with deployed soldiers

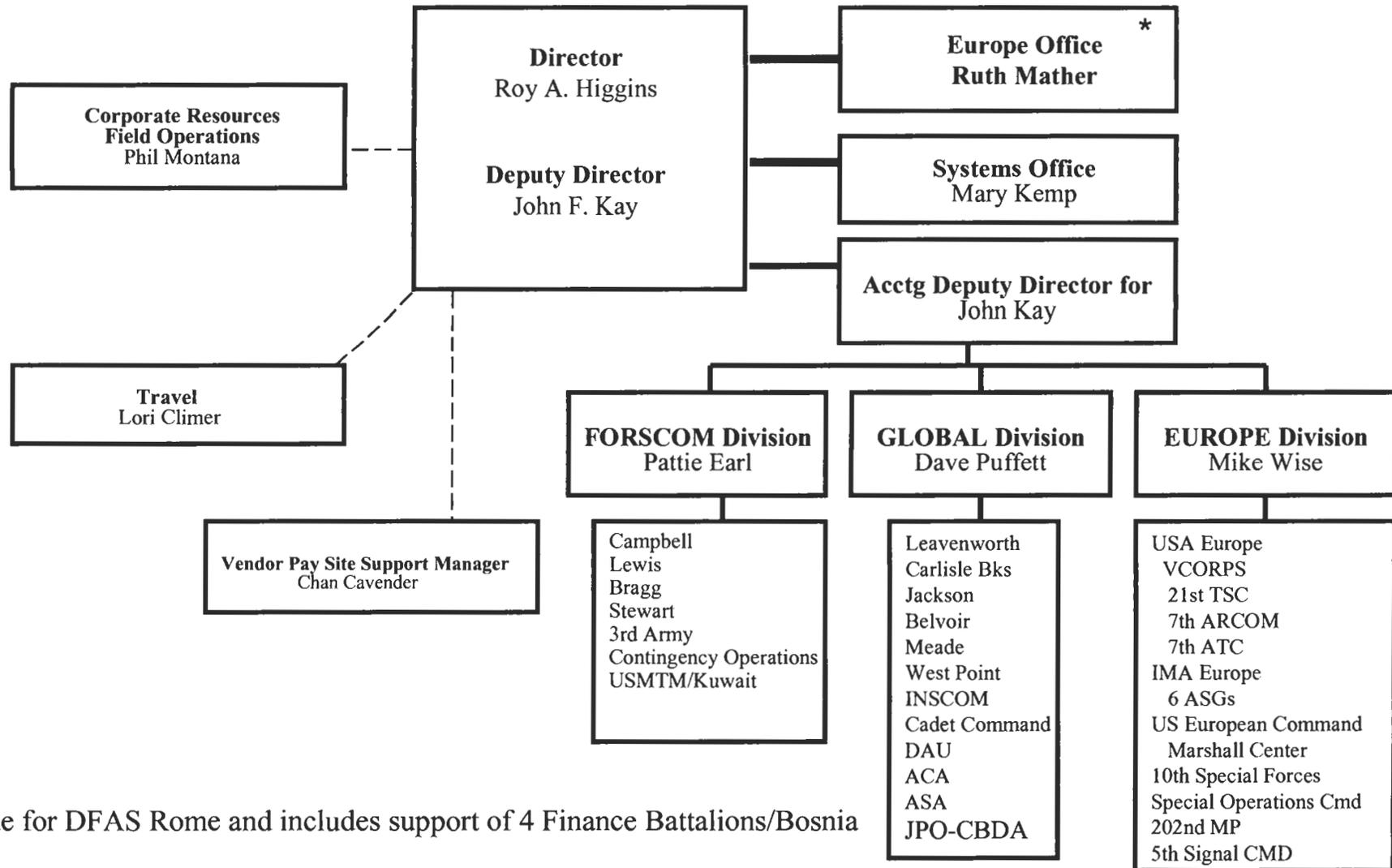
Payments to Vendors

- Customers include large contractors, small companies, and individuals
- Annual volume: 150,000 payments for \$3.15 Billion
- Timeliness and accuracy rate exceeds 99% (all documents received timely)
- Major accomplishments: Recently implemented new eCommerce system
 Process all Army Judge Advocate General (JAG) payments
 Significant reduction to interest penalties

Accounting Services

- Customers located worldwide and essential to GWOT
- Estimated annual volume of transactions: 45 Million for nearly \$29 Billion
- Perform accounting services and prepare financial statements/reports
- Major Accomplishments: Assisted in writing FM guidance for the funds to reconstruct Iraq
 Completed Europe workload transfer 5 months early
 Outstanding reputation in DoD for timely and accurate accounting services

DFAS ROME ORGANIZATIONAL CHART



*Unique for DFAS Rome and includes support of 4 Finance Battalions/Bosnia

Unique Processes at DFAS Rome



→ Provide Unique/Specialized Finance and Accounting Services for:

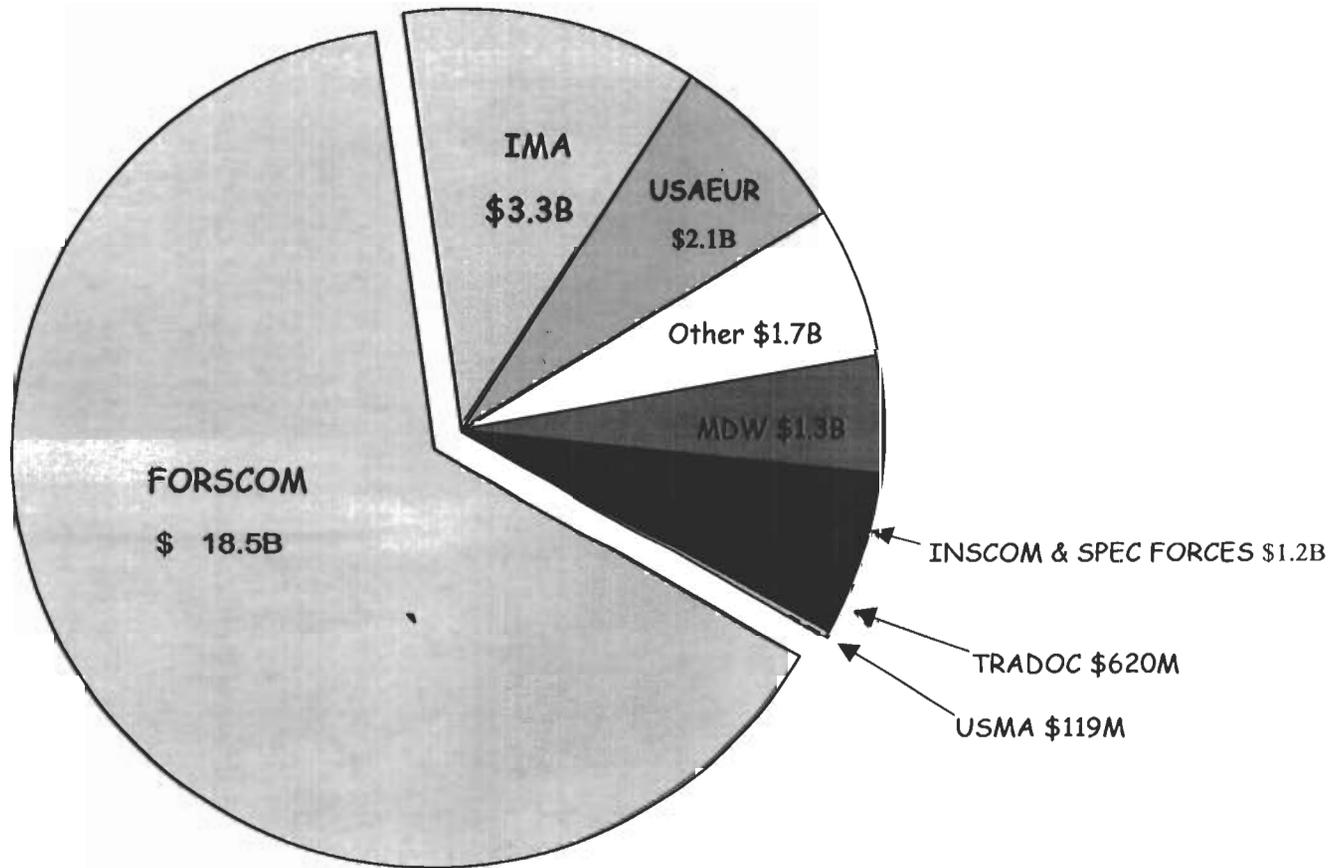
- Operation Enduring Freedom (OEF) in Afghanistan
- Operation Iraqi Freedom (OIF) in Iraq
- Global War on Terror (GWOT) throughout the world
- Task Force Falcon (TFF) in Kosovo/Bosnia
- 5 Major US Army FORSCOM Components \$18B
- European Theatre \$2.1B
- Intelligence and Security Command (INSCOM) \$1.2B worldwide
- US Army Military Academy at West Point

→ Our services include:

- Train pre/deployed soldiers on Financial Management Execution (FME) in support of the mission
- Provide FME assistance to soldiers overseas on a daily basis
- Establish institutional knowledge base in support of these operations
- Process classified travel vouchers
- Perform all aspects of finance and accounting services
- Retention of records for future audits and reviews

→ Our employees possess unique technical proficiencies and skills required to support these customers in “Theatre” on a daily basis and train them prior to deployments.

DCN: D157 **DFAS-Rome Provided Finance & Accounting Services to the US Army
Totaling Nearly \$29 Billion in FY04***



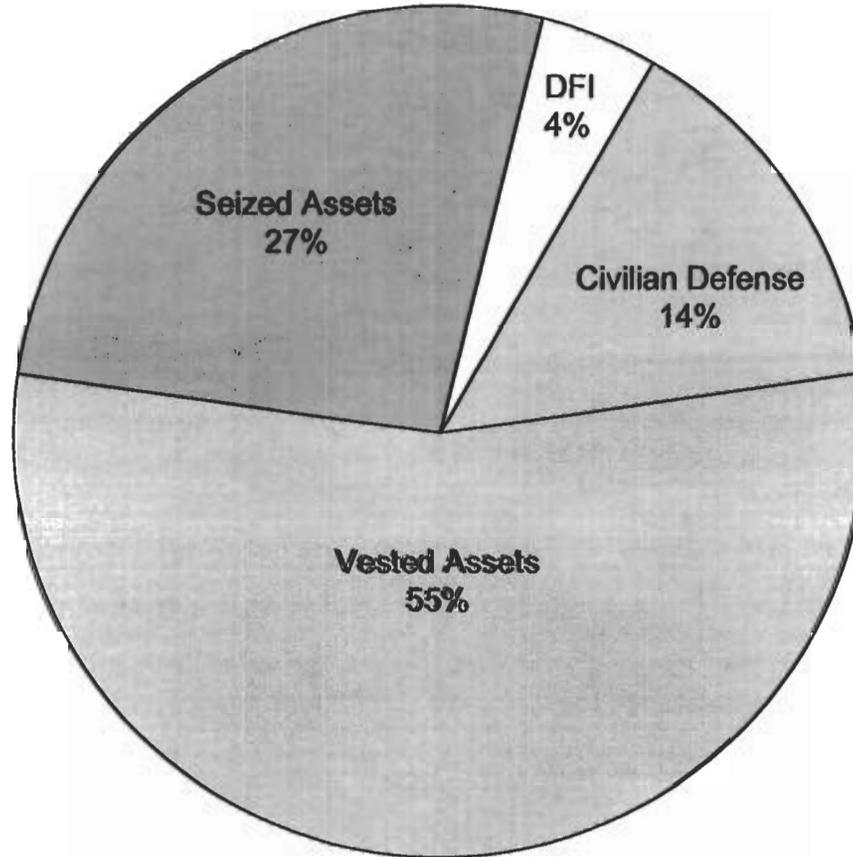
- FORCES Command (FORSCOM)
- Base Operations (IMA)
- US Army - Europe
- Other Customers
- MDW
- INSCOM/Special Forces
- Training & Doctrine Command
- US Military Academy

FORCES Command (FORSCOM)	\$	18,507,748,967
Base Ops (IMA)	\$	3,292,445,402
US Army - Europe (USAEUR)	\$	2,066,647,745
Other Customers	\$	1,695,676,368
MDW	\$	1,259,200,481
INSCOM/Special Forces	\$	1,217,781,609
Training & Doctrine Command	\$	621,488,730
US Military Academy	\$	118,523,448

*FY05 (& out) expected to equal or exceed FY04 funding levels

Total FY04 Funding \$ 28,779,512,750

DFAS-Rome Provides Accounting and Reporting Services for Operation Iraqi Freedom. Some of the funding was received from assets of the previous IRAQ regime.



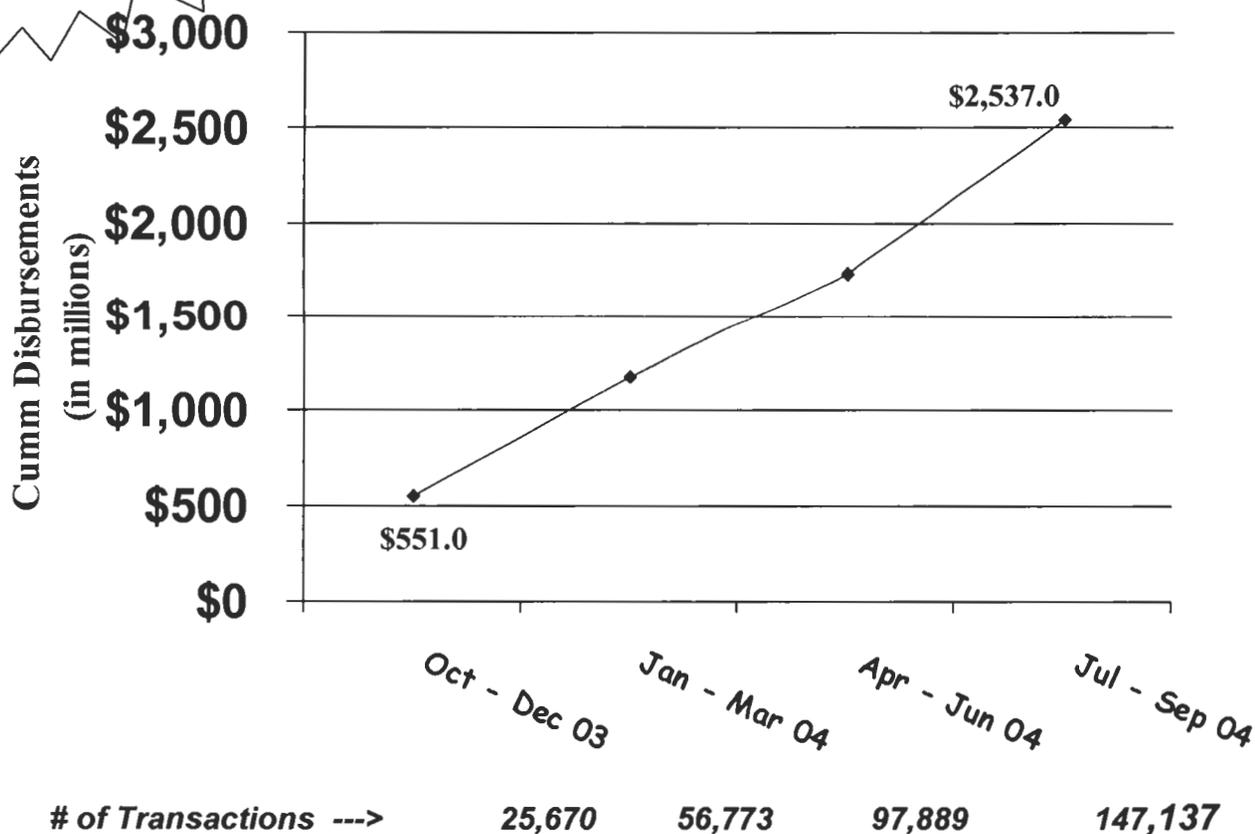
Office of the Coalition Provisional Authority (OCPA) Funding

Civilian Defense	450,158,000
Vested Assets	1,708,331,000
Seized Assets	836,778,000
Development Fund for Iraq (DFI)	<u>136,000,000</u>
Total	3,131,267,000

DCN: 11557

Rome is the only supporting DFAS site for ARMY contingency finance operations in IRAQ and Kuwait

DFAS-Rome Provides Accounting and Reporting Services to the Soldiers Responsible for the Contingency Disbursing Operations in Kuwait and Iraq



FACILITIES



- A “State-of-the-Art” Facility
- \$10M renovation project completed in 2001
- 50 year permit on building, at no cost
- Plenty of expansion capability
 - ➔ Building houses 343,764 square feet
 - ➔ DFAS presently occupies 157,885 square feet
 - ➔ Office space available to house 1000 employees
- Ample parking for over one thousand employees exists today
- Excellent training facilities to include computerized classrooms
- Secure area for processing classified materials
- Dedicated, well educated, caring, and highly motivated workforce



Any Force Protection Issues?



- Co-located on the Griffiss Business and Technology Park with the Northeast Air Defense Sector (NEADS) and the Air Force Research Laboratory.
- These DoD entities each have 24 hour, 7 days a week Security Police that monitor the area to include DFAS Rome.
- NEADS Police Force is located in our building.
- Located in a secured building with 24 hour surveillance cameras on the exterior of the building.
- Our on-staff Security Specialist is in constant contact with NEADS Intel and their Security Police as part of our force protection.
- This location is considered Low Risk Area for Terrorism and all of the items listed above provide a tremendous deterrent to intruders.

Our “First Class” Work Force



We Commit to the Following:

- **Respect for individuals**
- **Dedication to helping customers**
- **High standards of integrity**
- **Innovation**
- **Teamwork**

Our Employees Are:

- **Skilled and trained**
- **Competent and capable to do the “best”**
- **Highly educated**
- **Sensitive to the customer’s needs (*they care*)**
- **Strive for excellence to “thrill the customer!”**
- **Dedicated and highly motivated**

Demographics Information



	<u>DFAS Rome</u>	<u>DFAS-Agency Wide</u>
% of Workforce less than 30	8%	
% of Workforce Age 30-39	16%	
% of Workforce Age 40-49	31%	
% of Workforce Age 50-54	14%	
% of Workforce Age 55+	31%	
% of Regular Retirement Eligible	15%	26%
% of Early Retirement Eligible	15%	17%
Average Age of Workforce	48	48

Hiring: Authorizations = On Board Employees (other than normal hiring lag)

What % will transfer? Estimate of 10-15 %

How DFAS Rome Rates Among America's Industries in a Recent Operational Assessment Survey



<u>Categories</u>	<u>% of Favorable Responses</u>		
	<u>Rome Results</u>	<u>DFAS Average</u>	<u>Industry High Benchmark</u>
Customer Orientation	83%	68%	73%
Training/Career Development	78%	51%	68%
Leadership & Quality	74%	40%	57%
Communication	70%	43%	55%
Teamwork	74%	52%	64%
Performance Measures	69%	40%	54%

Customer Feedback



The Former Under Secretary of Defense, Mr. John Hamre stated: “DFAS Rome is 1st among all operating locations in areas of leadership, customer focus, innovation, training, teamwork, and communication.”

BG Stanton, Commander of the 336th Finance Command in support of Operation Iraqi Freedom (OIF) in Iraq stated: “Really appreciate the absolutely tremendous support we have received from DFAS Rome. Believe we are in great shape both in terms of accuracy and timeliness of our accounting records.”

From the Resource Managers of the 160th and 5th Special Operations for Operation Enduring Freedom (OEF) in Afghanistan stated: “Thanks to DFAS Rome, we have passed all audits of Enduring Freedom accounting records with no problems.”

From Mr. Orv Rehling, the Resource Manager at the Intelligence and Security Command: “When they define Customer Service, it should read DFAS Rome!”

The Former Deputy Assistant Secretary of the Army for Financial Management, Mr. Ernie Gregory, stated: “DFAS Rome is the Best!”

HQ’s US Army Forces Command (FORSCOM) stated: “The Rome site provides outstanding, responsive customer service. The employees are courteous, friendly, and always willing to work with the installation. They are proactive in problem resolution.”

The US Army Military Academy at West Point stated: “DFAS Rome is just great at providing us with the utmost in customer service.”

Customer Satisfaction From Recent Survey



<u>Category</u>	<u>% of Favorable Responses</u>	
	<u>Rome Actual</u>	<u>DFAS Goal</u>
Timeliness	97%	72%
Accessibility	95%	79%
Courtesy	94%	88%
Reliability	92%	74%
Knowledge	90%	71%

Achievements / Awards / Successes



- Operational April 3, 1995 (Opening Ceremony April 18, 1995)
- DFAS Director Award - Excellence in Customer Service (1995)
- **Hammer Award recipient for partnership with Army Intelligence and Security Command (1998) under the Vice President's Reinvention of Government Programs and Processes.**
- DFAS-IN Director's Eagle Award - Outstanding Performance (1999)
- **US Army Special Operations at Fort Campbell - Print of Enduring Freedom (2002)**
- **HQ's US Army Special Operations Command - Print of Operation Anaconda (2004)**
- Various audit and review offices have opined no material weaknesses exist.
- **DFAS-IN Director's Eagle Award - Europe Workload Consolidation (2004)**
- Active 5 Star ASMC Chapter involved with community
- Partnership with the University of Syracuse, NY, Home of the Army's Comptroller Programs



QUESTIONS





The

ROPLOC Flyer

Defense Finance and Accounting Service - Rome Field Site

August 6, 2004

Rome receives another honor

Nancy Egan, accounting

DFAS Rome received another honor from the Special Forces units. This time the award was presented on behalf of Headquarters, U.S. Army Special Operations Command (USASOC), as we support their soldiers at Ft. Stewart, Ft. Campbell and Ft. Lewis who have been deployed in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). During a recent visit in June to USASOC, Colonel Phil McGee presented Director, Roy Higgins, with a print of the Battle for Takur Ghar, Operation Anaconda, in appreciation of the exceptional support provided by DFAS Rome (see photo).



Operation Enduring Freedom (photo by Nancy Egan)

The presentation was for the outstanding support that Rome provided to these soldiers who are fighting in support of OEF/OIF. As an example of this superb customer service, Mr. Higgins was told in September 2002, U.S. special operations



Battle for Takur Ghar, Operation Anaconda (photo by Nancy Egan)

soldiers discovered that the equipment they needed to continue their mission in support of OIF was being detained. This was the result of a decision made by the Turkish government to not support the War. Turkey, when it made its decision not to support the war, closed their borders and held vessels at bay. Our soldiers were ready to complete their mission but didn't have the equipment they needed to accomplish it.

The employees at Rome responded with the commitment and superb assistance they are noted for by their customers. We moved over five million dollars on the accounting records so that similar cargo could be delivered until diplomatic channels could resolve the cargo issue. The soldiers received what

Continued on page 2 honor



The

ROPLOC Flyer

Defense Finance and Accounting Service - Rome Field Site

June 10, 2005

DFAS Rome Hosts Visitors



Standing are Sue Carman and Liz Voci. Sitting are Major Eric Lacobucci, Pattie Earl, and 2Lt Bola Basamanboon.

DFAS-Rome staff hosted visitors from the 18th Soldier Support Group in Kuwait supporting the Contingency Operations/DSSNs. Our visitors from Kuwait were Maj. Eric Lacobucci and 2LT Bola Bosamanboon. Throughout their week long visit, we held a number of very informative meetings focused on the closing out of DSSN 8551. From Rome's perspective this session was very beneficial and informative to our staff. Customers were very complimentary regarding their time spent at Rome and Rome's support, and also stated that the time spent here was invaluable in helping them complete their mission.

College Courses

By Nancy Schoff

Are you interested in taking a college course on site this fall? Now is the time for planning!

This year I would like to expand the possibilities. I am asking that you let me know if you would like to attend on-site classes sponsored by Mohawk Valley Community College and possibly SUNY IT. So, if you have been on the fence about pursuing your bachelor's degree...now is the time to start moving!

As always, I need a minimum of 10 learners in a class. Some suggested topics for MVCC classes



include Accounting I and II, Business Law I and II, Cost Accounting, Intermediate Accounting, computer courses and English.

Suggested topics for SUNY include Tax, Business Management, or other courses related to an accounting or business degree.

Please e-mail me or call me at 6093 to let me know what you might be interested in. Classes would start in August.

I will try to keep you all informed as the class list grows. I hope to start hearing from you all soon :)

Contingency Training Provided

by Jim Fowler, Accounting

Captain Devin Smith from Fort McCoy, and CPT Smith, 1LT Shabazz, SSG Goodman, and SGT Gates from Ft Bragg, visited Rome on October 28 and 29. These soldiers, who will soon be deployed, were here for an overview of DFAS Rome's support of Contingency Operations Accounting Expenditures. Rome



Soldiers from Fort Bragg and Fort McCoy with Rome staff members.

personnel provided an overview of the many different areas that we provide accounting support for (deposits, daily and monthly statements of account-

ability, month-end cutoffs, TBO/TFO transactions, etc.). Rome personnel also emphasized the required frequency for reporting purposes.

The Rome staff presented an overview of the Contingency manual to the soldiers and provided them with a CD copy of the manual. A listing of points of contact were provided to the soldiers as well

as handouts that will allow them to execute their jobs when they are deployed to Iraq/Kuwait.

Labor-Management Council Forms

The newly formed Labor-Management council held its first meeting Tuesday, November 2. This council consists of members from both management and labor. The purpose of the council is to improve working conditions for both employees and supervisors, to work cooperatively to resolve issues and to pursue a more meaningful and positive relationship between labor and management.

The members of the council are: Roger Adkison, Rhonda Clark, Pattie Earl, Jeff Ferguson, Cheryl LaValley, Connie Macior,

Keith Watkins, and Mike Wise. If you have an issue that you feel would help improve the working conditions and the labor/management relationship, don't hesitate to contact any of the members. Some issues may or may not be able to be resolved by this council.

The ROPLOC will be one of the vehicles used to distribute news items from the Labor-Management Council. Articles will



The Labor-Management Council with Ed Abounader, Union President

appear as the group works issues and implements programs.

DFAS Rome conducts training

By Mary Kemp, accounting division B

DFAS Rome conducted a one-day training session on contingency finance and accounting operations with representatives from three finance battalions. Members of the 82nd Soldier Support Group (SSG), Fort Bragg, 3rd SSG, Fort Stewart and 101st SSG, Fort Campbell attended the training on Jan. 22, 2003. The purpose of the session was for DFAS Rome staff to provide guidance and procedures to these finance soldiers on proper accounting and disbursing procedures in the event they are deployed. Our discussions were informal and candid and very productive for all. A good rapport was established with the representatives from each of these finance battalions. We will continue the dialogue with them, ensuring that they are well trained and prepared for future events.



DFAS Rome staff and staff members from three finance battalions during training session. (Photo by Ginger Bartholomew)

Our agenda included discussions on:

- 1) lines of accounting;
- 2) military pay, travel, vendor pay daily business processing;
- 3) completion of the daily and monthly accountability paperwork and submission of vouchers to DFAS Rome;
- 4) overview of how the process of pushing disbursements made on behalf of other Army activities and other services work;
- 5) Disbursing officer (DO) deposit account reporting, deposit tickets and other miscellaneous items.

We look forward to servicing these finance battalions in the future and strengthening our partnership to provide the best service possible.



Water main break closes restrooms

By Ginger Bartholomew, public affairs officer

Monday morning, Jan. 27, 2003, at approximately 5 a.m., one of the ARC janitorial workers discovered a water main break had affected the DFAS Rome facility. Several restrooms were closed as the City of Rome shut off the water to the main. The contractor was notified and began digging up the area where the break occurred in order to cap off the pipe and restore water to the building. The break was in the well area.

Bottled water was distributed to the east and west wings of the building. The north wing was not affected by the break.

Temporary security badges were issued to the employees of AAFES Shoppette, SATO, Family Support Center, NEADS Security Forces, and DCAA to use the bathrooms at the rear of our All Hands Area in the west wing.

The break was repaired by Tuesday afternoon. *



Closed -- no water. (Photo by Ginger Bartholomew)

Saudi customer visits Rome OPLOC

By Ginger Bartholomew
Public Affairs

Recently DFAS Rome had a visitor from Saudi Arabia. Margot Morgan, a member of the United States Military Training Mission (USMTM) in Saudi visited here the week of May 22. Morgan works in the comptroller directorate, finance area of USMTM. She is very enthusiastic about the Rome OPLOC. She stated, "We would be in bad shape if not for Rome. We appreciate all the support from Rome."

During our conversation, she told me she would like to share some of her experiences as a woman working in Saudi Arabia.

She has been there for seven years. She worked in accounting for four years processing everything locally. Rome does accounting processing for USMTM.

"Life there is like living on another planet," she said. It is high technology, but the thinking is like 300 years ago. It is difficult for women, and the work force

is primarily female. Women cannot drive in Saudi Arabia. They live in compounds and a bus picks them up and takes them to work. Once at work, women do have more freedom, they can even drive soldiers cars in Easkan Village (their work area). The work force is

primarily local hires and female. They have some military, but there are no female military members in USMTM. Women must wear an abaya, which is a hooded cape type garment. If a woman's ankles happen to show, the religious police will, at times, whip the exposed ankles with a camel whip. A camel whip is



Margot Morgan, a representative of USMTM, and Chris Tarbania, Fort Stewart Accounting, during a recent visit.
(Photo by Ginger Bartholomew)

actually a cane.

Women are not served in a restaurant unless they are with a male family member. Alcohol consumption is forbidden.

Morgan's spouse also works in Saudi Arabia.

wing are taping and pinning items to their cubicle walls. Our supervisors will remind those individuals of our request to restrict hanging items to the official and unofficial bulletin boards located on the east wall and the note boards we've installed. We recognize that these provide limited space. We are trying to locate affordable hardware that will allow people to hang additional, lightweight objects in their cubicles. In the meantime, we ask that employees continue to be patient. Pinning items on the cubicle walls could damage the fabric or frames of the new furniture. This request applies equally to everyone who works in the cubicles in the east wing.

Director's action line

Cubicle request explained

COMMENT: Why is it we have different rules for different people here in DFAS Rome. We were told the DFAS policy is NO calendars/clocks/pictures can be hung in our new work areas (cubes). Why is one employee allowed to have pictures/calendars thumb tacked up to their wall? Does this person have special permission from you? A DFAS employee

Response: After receiving your action line, we confirmed that some individuals in the east

Ernie Gregory comes to Rome

By Ginger Bartholomew, public affairs

Director Roy Higgins welcomed the staff to the special All Hands meeting on April 12, 2000. He introduced the Deputy Assistant Secretary of the Army for Financial Operations, Ernie Gregory, as "THE Army Customer". The words that he says today are from your customer. What Mr. Gregory says to you today does come from the heart. He is not only a customer, but he is well known throughout the DoD.

Gregory opened with, "Roy invited me up here and it was a pleasure for me to come". As I told Roy and John earlier, "If you weren't doing a great job, I wouldn't be here; you'd have to come to see me." You are the best operating location that the Army has. And that doesn't come easily. There are other great OPLOCs, you are the best. You know how we can tell you are the best? Because the Army picks you - - t h e A r m y chooses you. Some

people say DFAS is a monopoly — there is only one Defense Finance and Accounting Service, and we all have to go to it. But we in the Army created competition within the monopoly, and you competed very well. You are the best, and you should be proud of that. Why is Rome the best? I think it is about your attitude first. Your attitude says "this is my job, this is who my customers are and I have to learn to do this well". And you have succeeded.

You also have great leadership. You should appreciate that every day, trust me. Not all places have that.

There are very important things going on in DoD today. Many of them are focused around systems; doing things better; making things more efficient. Systems that help us know where we stand financially. One example he cited was PowerTrack. It reduced payment time to our carriers from 89 days to 2 days. This improves cash flow.

Gregory went through the problems associated

with the travel card. He used the travel card as an example that all things do not work as they were intended. He related, presently the contractor cannot do credit checks and has problems with their billing system.

He talked about areas that are outside the OPLOC's area of service such as military pay. It is in need of renovation. Renovation is needed now to avoid problems.

Another area that affects all of us is defense joint accounting system, DJAS. The Navy and the Air Force are no longer waiting for DJAS. The Army and Defense departments are still waiting for DJAS to be activated. We signed an agreement in May of 1994 that we wanted DJAS. This is high on our customer's priority list.

We have implemented, with the help of DFAS, the smart card or store value card. When a new soldier comes into

the service, they are given a store value card that accesses a value electronically loaded to their account. Male soldiers receive \$260 and females \$315. We have saved the soldiers a lot of time with this system. Soldiers use the card for everything they need.

We are doing a lot of new things. How can we enable you to use your talents to do a job better? No matter what job you do. Everything you do results in data for a decision maker. You tell the customer how they are spending their money. The customer knows what their financial status is due to the information you provide them. The effort you put forth will bring you rewards, such as a "Thank you" and the knowledge that you are part of a team every day.

You are directly involved in Single Stock Fund. On May 1 you come up on demo with Fort Lewis. We are going through systems integration testing as we speak. It is going very well. We are finding problem reports; we are finding system changes necessary. That is what systems integration testing is for. We



Roy Higgins presents Ernie Gregory with a DFAS-Rome mug.

(Photo by Lee Hansen)

2005 Base Closure & Realignment Commission

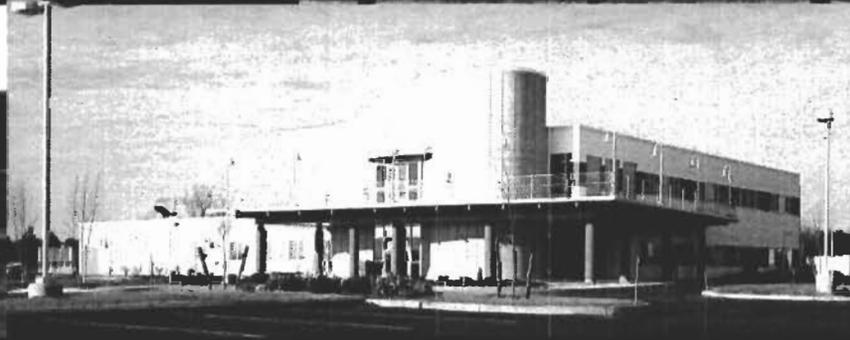
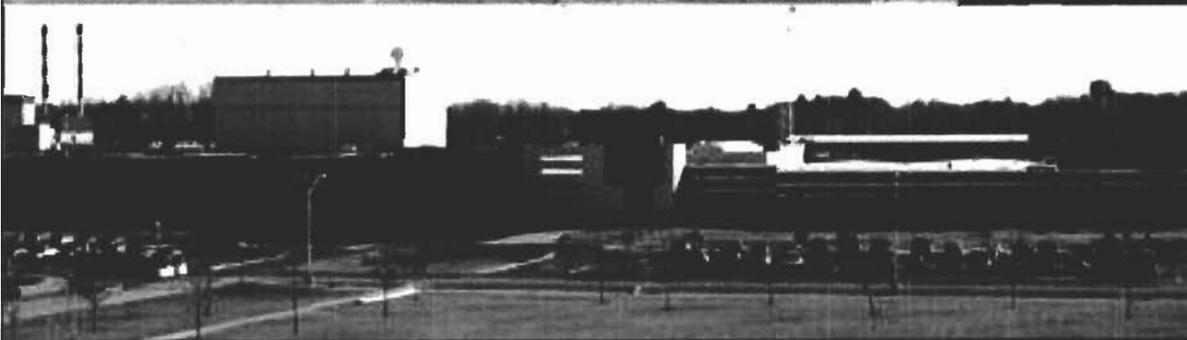
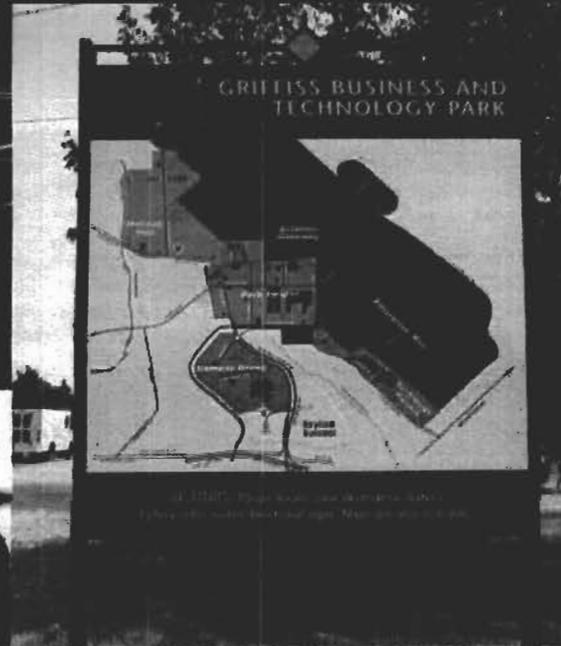
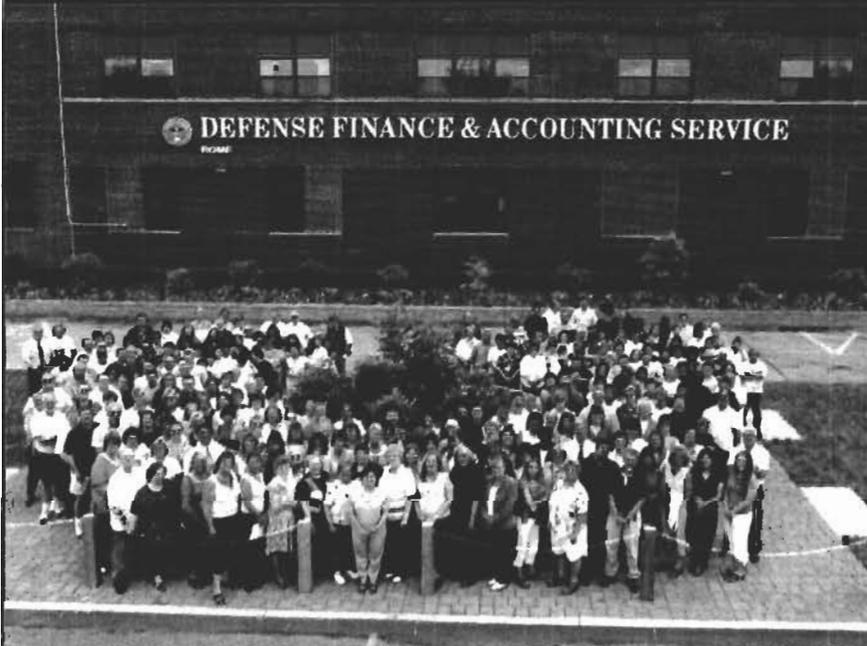


BASE VISIT SIGN IN SHEET

Name	Title	Organization	Contact	Email
John Kay	Dep Dir	DFAS-Rome	(315) 330-6100	john.kay@dfas.mil
Edward Aboumader	Pres/AFCE	DFAS local 201	315-330-6165	ed.aboumader@dfas.mil
Roy Higgins	Director	DFAS Rome	315-330-6006	Roy.Higgins@DFAS.MIL
DCN: 11557				

AFRL Rome and DFAS Rome

Nationally-Recognized Success Stories



The Rome Context



Rome Research Site



DFAS Rome

Rome Context

BRAC 2005, while recognizing Rome's high military value and cost effectiveness, recommended three actions that carry serious implications.

AFRL Rome Information Technology Research Headquarters

Move Rome Sensors (SN) function to SN Headquarters

Maintain Information Technology (IT) research functions at separate locations

DFAS Rome

Shutter DFAS Rome and consolidate the facility at a DFAS "Megacenter"

Rome Context

In an affordable region with a rebounding population and a growing technology corridor, AFRL Rome and DFAS Rome are fueling economic recovery.

AFRL Rome

**\$212 Million Economic
Impact**

**137 Sensors
Employees**

DFAS Rome

**\$21.25 Million
Economic Impact**

380 Employees



**Cost of Living in Rome is 36% less than Boston, 10% less than
Denver, 1% less than Columbus**



**Average Home Value in Rome MSA is \$74,600, Median Household
Income is \$35,292**

AFRL Rome Research Site

The Rome Context



Rome Research Site



DFAS Rome

Highest Military Value

Rome Research Site remains DOD's premier C4ISR lab, offering a full spectrum of research and development capability across the services.

“World Class” or **“Outstanding”** rating from the most recent Air Force Scientific Advisory Board in six of seven focus areas

2003 Non-Air
Force (Customer)
Funding

2003 Air Force
Funding

\$316.1m

\$335.2m

Combined Rome IF (\$586mm)
and Rome SN (\$65mm)

Broad and growing customer base that extends beyond the Air Force.

Proximity of **top tier institutions** along a Central NY information corridor elevates the Lab's R&D initiatives, and facilitates recruitment of young science and engineering graduates: 70 in the past four years.



The Award-Winning Rome Partnership Model

A booming post-realignment success, Rome Research Site and DFAS Rome now anchor a thriving business and technology park.

A **\$25 million new laboratory facility** funded jointly by the Air Force and New York State encourages R&D collaboration and reduces floor area (38%) and government operating costs (15%)



The Rome Partnership Model formalized a City, County, State, and private sector coalition that has municipalized roads, sewer, and public safety functions, privatized utilities, and made over \$252 million in capital investments benefiting the Lab since 1995

Griffiss Park 1995-2005	
Infrastructure	\$20.9 million
Demolition	\$4.4 million
Renovations	\$55.3 million
New Construction	\$169.2 million
Other	\$2.3 million
Total	\$252.1 million



Griffiss Local Development Corporation - 2004 NAID
Developer of the Year Award

BRAC 2005 – AFRL Framework

The TJCSG recommended realigning AFRL consistent with clear objectives.

Enhance Military Value

Consolidate Labs According to Focus Area

Realign Labs to Highest Military-Value Locations

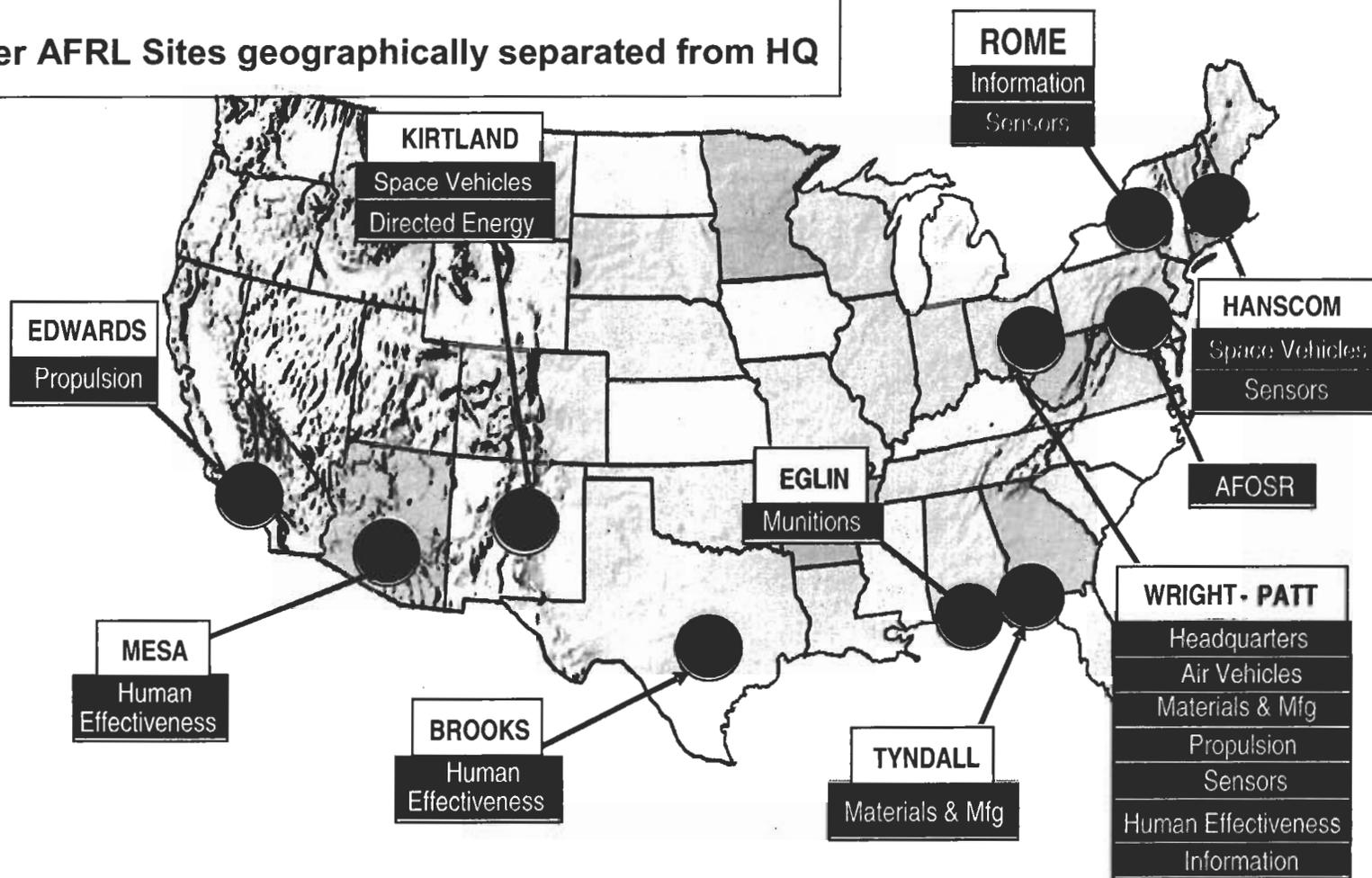
Reduce Costs

Reduce Number of Lab Locations to Diminish AF Cost Burden

To enhance military value and reduce costs, the TJCSG recommended that geographically separated labs be centralized at Headquarters locations.

Current AFRL Configuration

- Headquarters for AFRL Technology Directorates
- Other AFRL Sites geographically separated from HQ



BRAC 2005: Information Technology

Not all moves were consistent with the TJCSG recommendation, however.

**Rome SN
Hanscom SN**

**Mesa HE
Brooks HE**

Hanscom VS

Wright Patterson IF

**Wright Patterson SN
Headquarters**

**Wright Patterson HE
Headquarters**

**Kirtland VS
Headquarters**

**Hanscom
(IF HQ at Rome)**



BRAC 2005: Information Technology

In the lead-up to a May 13th announcement, the BRAC 2005 Infrastructure Steering Group contemplated alternative means of consolidating IF and SN.

Tech 009

WPAFB IF

Rome IF

WPAFB SN

**Rome SN
Hanscom SN**

Tech 0033/0034

Rome IF

WPAFB IF

Hanscom IF

WPAFB SN

**Rome SN
Hanscom SN**

BRAC 2005: Information Technology

IF components were not consolidated at Rome, in spite of a TJCSG recommendation that lower military value labs move to higher value locations.

2005 Quantitative Military Value Rankings Information Systems Technology *Technical Joint Cross Servicing Group*

Rank	Site	Score
# 1	AFRL Rome	0.6053*
# 8	AFRL Wright Patterson	0.2985
# 60	Hanscom	0.0421

*AFRL Rome statistically tied with Naval Research Laboratory for top ranking for Information Systems Technology Defense Research Laboratories. Technical Joint Cross Service Group Analyses and Recommendations (Volume X11), May 19, 2005

BRAC 2005: Information Technology

Sited in a low-cost area, and with space in a world-class facility available, Rome IF represents a less costly option for receiving Wright Patterson's IF function.

Relocation of WP IF	Payback Period	20-year NPV	Costs/Savings (\$K)			
			One-Time	Personnel 2006-2011	Total 2006-2011	Annual Total Recurring
To Hanscom (TJCSG COBRA)	3 years	-356,764	130,185	-31,079	18,608	-38,513
To Rome (Community COBRA)	3 years	-371,533	124,379	-32,090	10,533	-39,269

Community COBRA Results

Increases 20-Year NPV Savings by \$14.8 million

Decreases 1-Time Costs by \$5.8 million

Increased Personnel Savings by \$1.0 million for 2006-2011

Reduces Total Implementation Costs (2006-2011) by \$8.1 million

Increases Total Annual Recurring Savings (2012 and beyond) by \$756 K/Yr.

BRAC 2005: Sensors

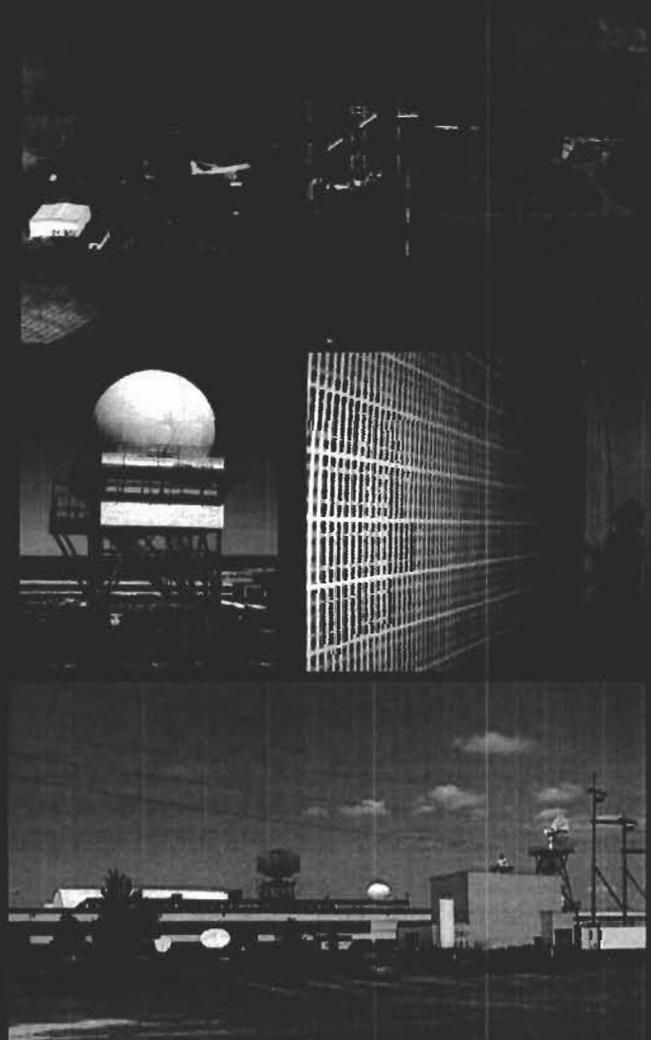
In proposing to relocate SN to Wright-Patterson, the TJCSG did not contemplate topographical and cost factors that argue for maintaining Sensors at Rome.

Joint SN/IF Radar Technology Function

Central New York's unique physical landscape an ideal test-bed for research and simulation

Acquisition of FCC licenses at WP for full array of radar/communications systems at Rome unlikely due to flat topography and interference

Cost of relocating radar antennas and building specialized labs not included in COBRA analysis



BRAC 2005: Sensors

At Rome, Information Technology Research (IF) and Sensors (SN), as two highly-interconnected functions, fulfill TJCSG's definition of military value.

Military Value Criteria	Criteria Weight	Implications for SN
People	30%	Intellectual capital lost due to refusal to move
Physical Structures	23%	COBRA did not contemplate relocation of Rome test sites, antennas
Synergy	20%	Rome IF/SN research partnership serves armed forces, intel community, customers
Operational Impact	20%	Existing customers of SN Rome (DARPA, NASA, Ft Drum) face disruption
Physical Environment	7%	Unique Central New York topography protects against radar frequency encroachments

BRAC 2005: Sensors

The significant costs and disruption of functions that would result from moving the SN component from Rome may outweigh the perceived benefits.

Millions in Savings would be Achieved by Retaining SN in Rome and IF at Wright Patterson

“.... developments in telecommunications mean far-flung research centers can share information and may not need to consolidate. Where we might have concluded that base X or laboratory Y ought to be realigned 15 years ago, that's not the conclusion we might reach at this point.”

Raymond DuBois, Deputy Undersecretary, Department of Defense---July 28, 2004

BRAC 2005 – Fundamental Questions

Given the challenges laid out in this community response, the Commission must evaluate whether these moves meet BRAC 2005 objectives for AFRL.

Will Military Value be Enhanced as Defined by TJCSG Criteria?

Are Projected Cost Savings Accurate and All-Inclusive?

**Will Alternative Recommendations More Effectively Meet
BRAC 2005 Objectives?**

The Rome Context



Rome Research Site



DFAS Rome



Maintaining the DFAS Rome location represents a clear opportunity to provide essential and specialized finance and accounting services to the armed forces.

Trained, Award Winning, In Place Work force

Unique, Critical Role in Iraq, Global War on Terror

Recent Investments in State-of-the-Art Facilities and Technology

DFAS Rome Location Mitigates Against Security Threats

Low Cost Area for DoD, Affordable Area for DFAS Employees

In a recent customer survey, DFAS Rome scored far above the DFAS average.

<u>Category</u>	<u>DFAS Rome</u>	<u>DFAS Avg</u>
Customer Orientation	83%	68%
Training	78%	51%
Leadership & Quality	74%	40%
Communication	70%	43%
Teamwork	74%	52%
Performance Measures	69%	40%

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Communication	70%	43%
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Performance Measures	69%	40%

After absorbing scheduled workload increases through 1999, DFAS Rome has taken on new work due to customer requests and exemplary performance.

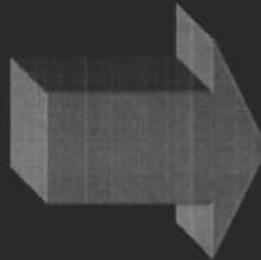
Post-1999: Merit-based Workload Increases



DFAS Rome, the primary DFAS site managing confiscated wartime holdings, plays a key role in Operation Iraqi Freedom and the Global War on Terror.



U.S Troops Seize Holdings from Old Iraqi Regime and Frozen U.S.-based Accounts



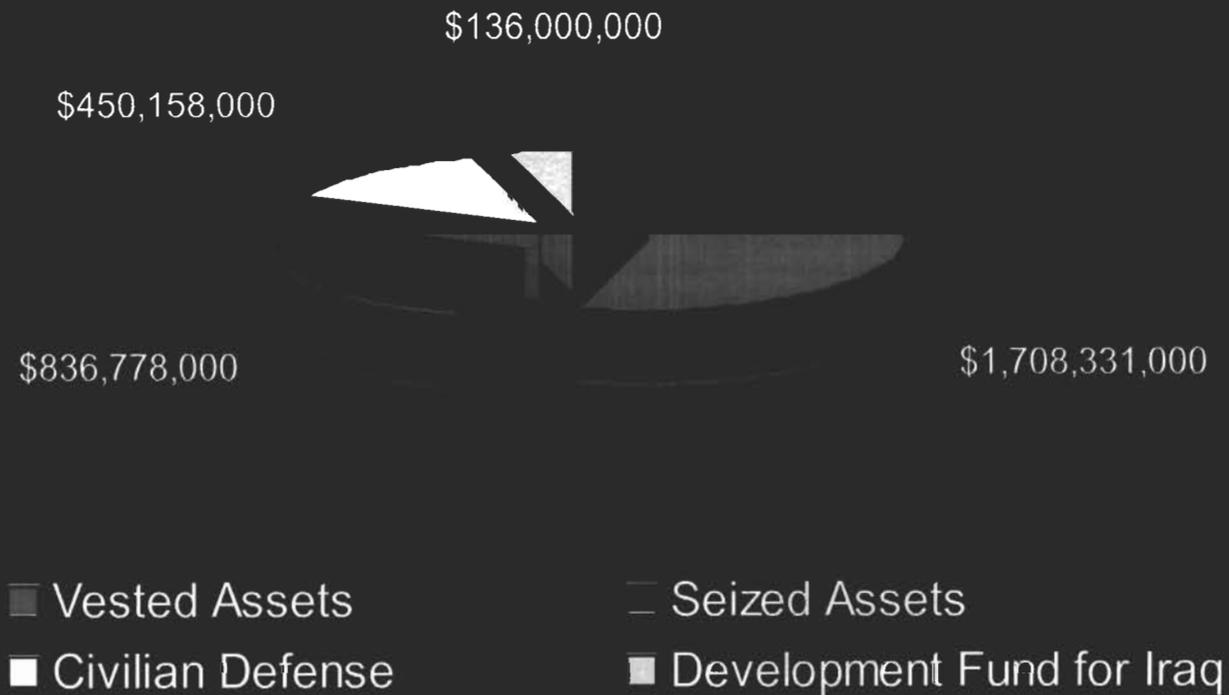
Confiscated and Congressionally-Appropriated Funds are Processed, Accounted for, and Reported



DFAS Rome Accounts for the Redirection of Seized and Appropriated Funds to Finance Rebuilding Effort

In 2004, DFAS Rome managed and processed over \$3 billion in seized assets from the previous Iraq regime and in U.S. development appropriations to Iraq.

Operation Iraqi Freedom



Operation Iraqi Freedom-related finance and accounting services represent just one component of DFAS Rome's \$29 billion annual workload.

DFAS Rome Total Workload



Strategic investments ensure that DFAS Rome maintains world-class, low-cost facilities, including construction of a recently renovated facility.

50-year, no-cost building permit

\$10 million 2-year MILCON completed in 2001

**Additional space and work stations currently available
(up to 1,000)**

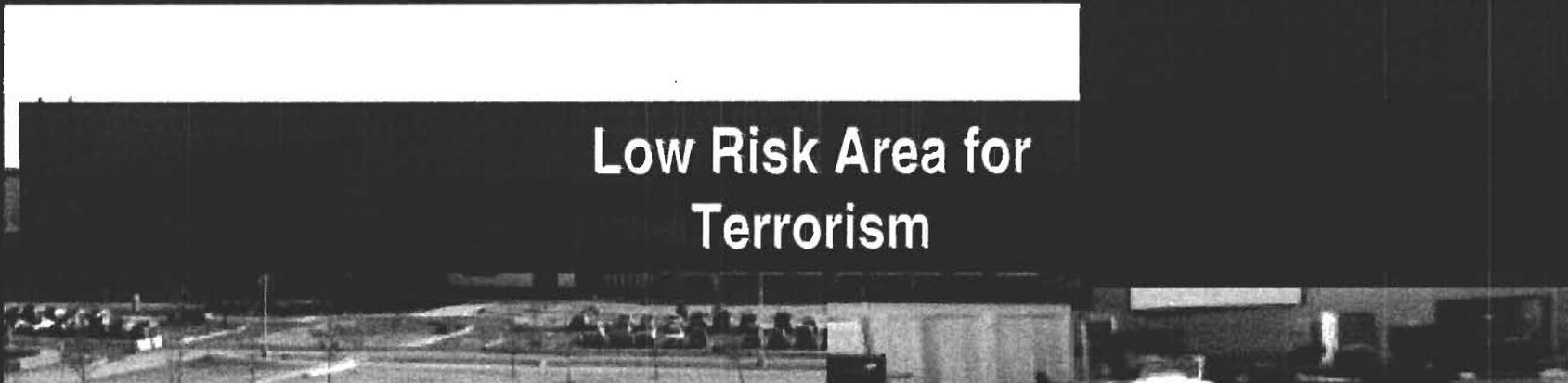
Ample free parking exists for up to 1,000 employees



Comparatively low operating costs in Rome represent a tremendous cost savings to DoD.

DFAS Location	Operating Cost \$/SF
Rome	\$ 4.26
Columbus	\$ 8.27
Denver	\$ 9.15
Indianapolis	\$14.96
Cleveland	\$29.21
Arlington	\$44.76

DFAS Rome handles mission-critical, sensitive data in a secure location with 24-hour policing.



**Low Risk Area for
Terrorism**

**Co-located Northeast Air Defense Sector and Air Force
Research Laboratory meet Force Protection Requirements**



**Multiple DFAS Locations around the Country Safeguard
Against Security Threats**

BRAC 2005's Headquarter Support and Activities Subgroup analysis produced several ratings for DFAS Rome that appear questionable.

Rating

Reality

"Red" rating for facility condition assessment

Renovated space set up for 1,000 people

"No" rating for one-of-a-kind corporation process applications

One-of-a-kind Operation Iraqi Freedom workload

"No" on being located on DoD location

Federally retained property under ownership of AF

At face value, a BRAC 2005 proposal to align 26 DFAS locations at three Megacenters appears credible, but a thorough review raises important questions.

Will the proposed consolidation save DoD money, or can the affordability of some existing low cost centers be leveraged?

Will crucial wartime skills and expertise be compromised?

Denver ★

Indianapolis ★

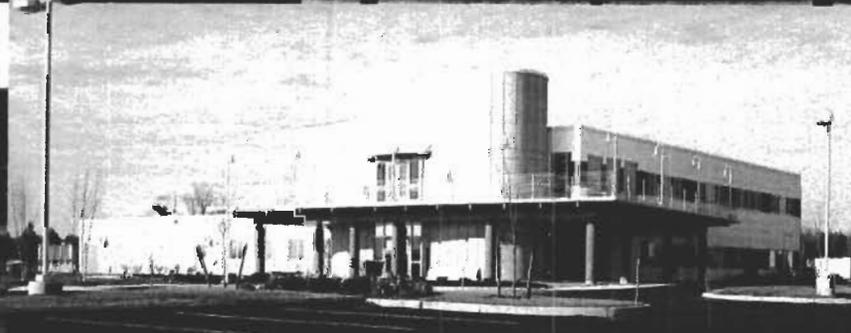
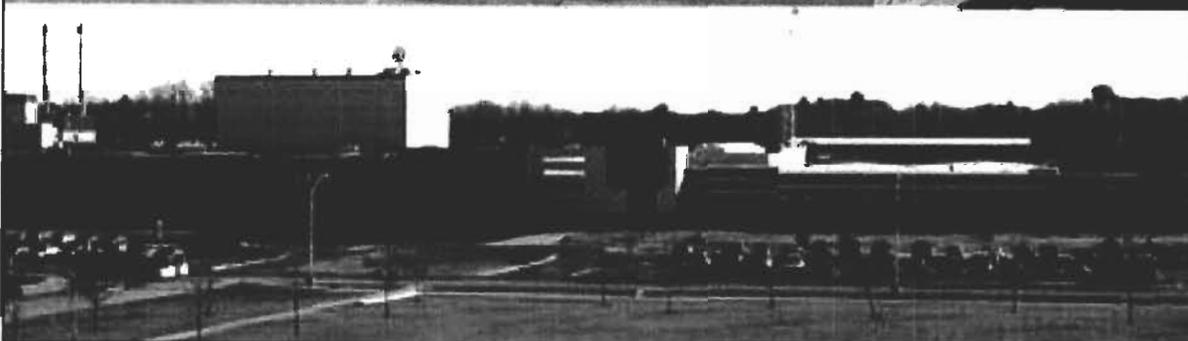
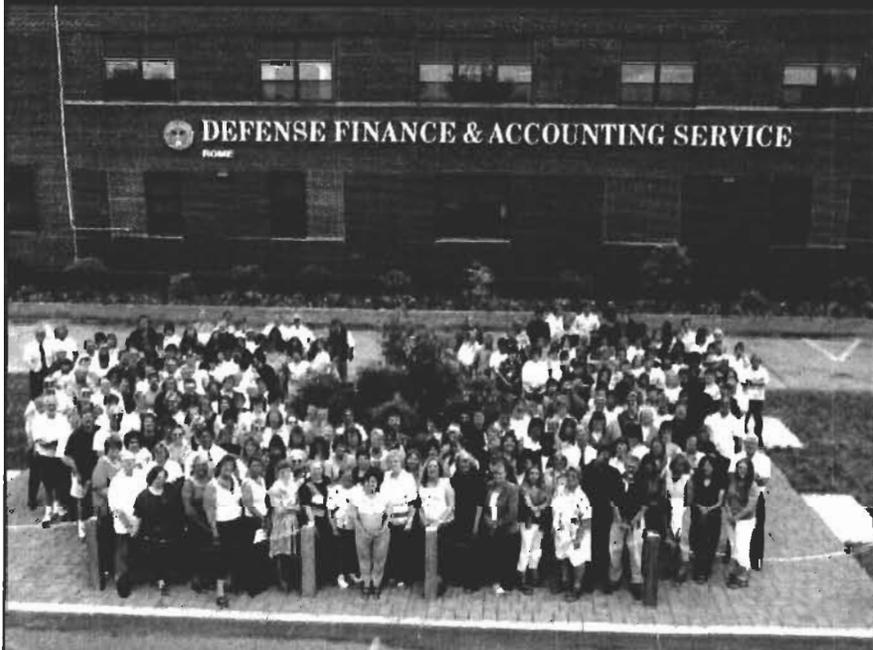
Columbus ★

Do just three Megacenters present an unnecessary security risk?

Would an alternative model for DFAS consolidation better meet the goals of BRAC 2005?

AFRL Rome and DFAS Rome

Nationally-Recognized Success Stories





2005 Base Closure & Realignment Commission

6/22/05
General Newton
DFAS Row



BASE VISIT SIGN IN SHEET

Name	Title	Organization	Contact	Email
Same paper as 6/22				
	PS US	2 staffers	from	Senator Clinton's office



DFAS ROME

MISSION BRIEF

AS OF: June 2005



Presented by: Roy A. Higgins
Director
(315) 330-6006
DSN: 220-6006
E-Mail: roy.higgins@dfas.mil

Topics For Today's Discussion



- Our Mission
- Our Worldwide Customers
- Operations Update
- Unique Processes
- Our Facility
- Our Workforce and Demographics
- Customer Feedback
- Achievements / Awards / Successes
- Questions

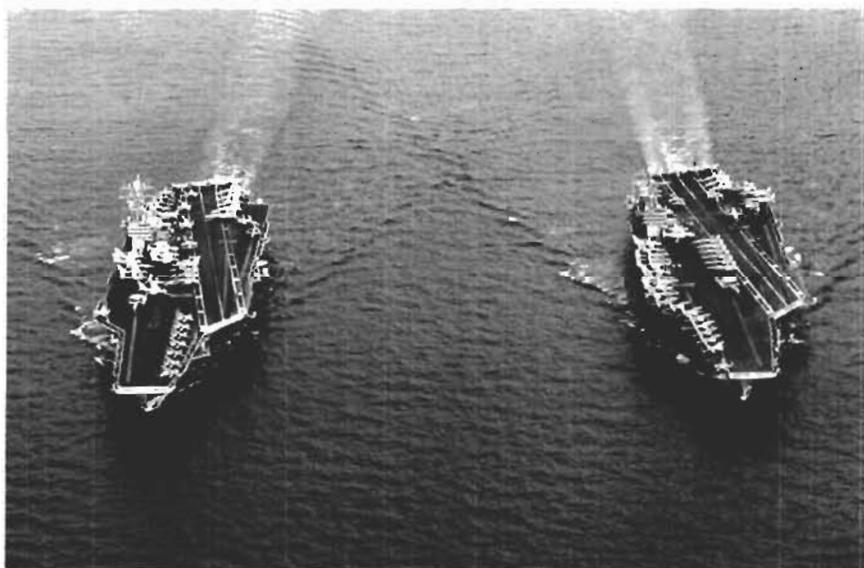
BRAC Commissioner's Questions Provided Prior to Visit



1. What is your current mission?
2. What is unique about this mission that closing it and moving the mission to another location will affect DFAS operations and thus readiness?
3. What percentage of staff may apply for transfers?
4. What percentage of staff is eligible for full retirement? Early retirement?
5. Of your current staff (as of May 2005), what are the numbers of actual vs authorized?
6. Is there excess capacity at your site? If so, how much in terms of square footage?
7. Are there any force protection issues?

DFAS MISSION

“Provide responsive, professional finance and accounting services to the Department of Defense”



Ultimately, success is defined by how well we support commanders and the individual soldier, sailor, airman, marine and DoD civilian

DEMOGRAPHICS & VITAL STATISTICS



DFAS Rome NY Site

LOCATION: Central New York State on Griffiss Business and Technology Park (previously Griffiss Air Force Base a 1995 BRAC site)

MISSION: Provide Travel Reimbursements, Vendor Payments, and Accounting services for our Army and Defense Agency Customers Worldwide for nearly \$29 Billion per year.

CURRENT ON BOARD: 380 Civilian Employees

STATUS 10 YEARS LATER:

- Recognized by DoD/Army for providing superior customer service
- Employees focused on providing "best value" finance and accounting services for DoD
- National/Agency level awards received for transformation leadership

KEYS TO OUR SUCCESS: Aggressive customer service, a caring workforce, building partnerships with our customers, focusing on flexibility, communication, and results.

Ask C.A.H.

Did not include the entire workload

30 Sept 2007

291

Bright in recent fire - Europe - Army - Act & work

DFAS Rome Services Customers Worldwide



US Army Forces Command (FORSCOM)

Fort Lewis Oct 97
 Fort Stewart Mar 98
 • 3rd Infantry Div, Camp Doha, USMTM
 3rd Army Mar 98
 • Southwest Asia (SWA) and HQs
 Fort Campbell May 98
 • 101st Airborne, 160th & 5th Special Operations
 Fort Bragg Jul 98
 • HQs 18th Airborne Corps and 82nd Airborne

US Army Training and Doctrine Command (TRADOC)

Carlisle Barracks (US Army War College) Jun 95
 US Army Nuclear & Chemical Agency Nov 95
 Fort Leavenworth Nov 96
 • Command and General Staff College
 Fort Jackson (US Army Finance School) Dec 97
 US Army Cadet Command Oct 98

Military District of Washington (MDW)

Fort Belvoir Nov 95
 Fort AP Hill Nov 95
 Fort Meade Jul 96



Other

Intelligence & Security Command (INSCOM)
 US Army Military at West Point
 Army Signal Activity (ASA)
 Defense Acquisition University (DAU)
 Judge Advocate General (JAG) Army Claims
 Army Contracting Agency
 Contingency Operations (Kuwait, Iraq)
 Joint Chemical & Biological Defense Agency
 Installation Management Activity - Europe
 Europe - Army Customer Accounting Only
 • 4 Major Commands, 4 Finance Battalions, and Bosnia

-world-wide

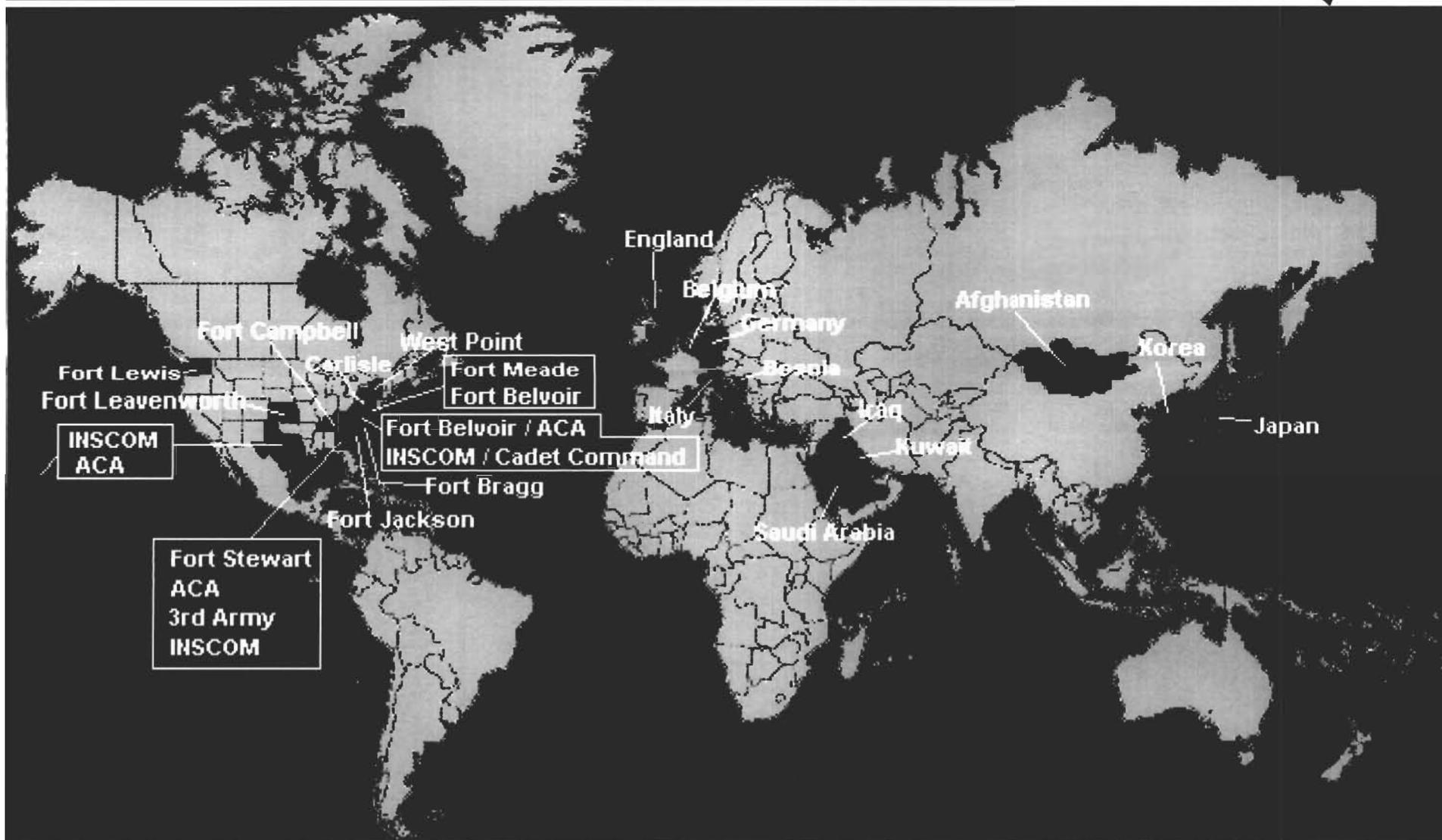
*customer list number
 non present
 Hanna Award
 Jul
 Argus
 Diving
 Guit*

Nov 95 & Oct 96
 Jul 97
 Oct 99
 Apr 00 & Oct 00
 Jun 00
 Oct 02
 Feb 03
 Oct 03
 Oct 03
 May 04

*7 New Europe
 Civic - Field
 Europe Field
 site - work
 Rome*

100 people

DFAS-Rome Customer Global Dispersion



Operations Update



Reimbursement of Travel Expenses

- Customers include military members and civilians
- Annual volume: nearly 175,000 payments for \$209M
- Timeliness and accuracy rate exceeds 99%
- Major accomplishments: Classified Voucher Processing Site
Support Fort Bragg 82nd Airborne
Direct support and interaction with deployed soldiers

Secure comparable Funds - You and Only only place that does this

UP in 30 days - user operator Freedom Enclvs attached requires this before done

Payments to Vendors

- Customers include large contractors, small companies, and individuals
- Annual volume: 150,000 payments for \$3.15 Billion
- Timeliness and accuracy rate exceeds 99% (all documents received timely)
- Major accomplishments: Recently implemented new eCommerce system
Process all Army Judge Advocate General (JAG) payments
Significant reduction to interest penalties

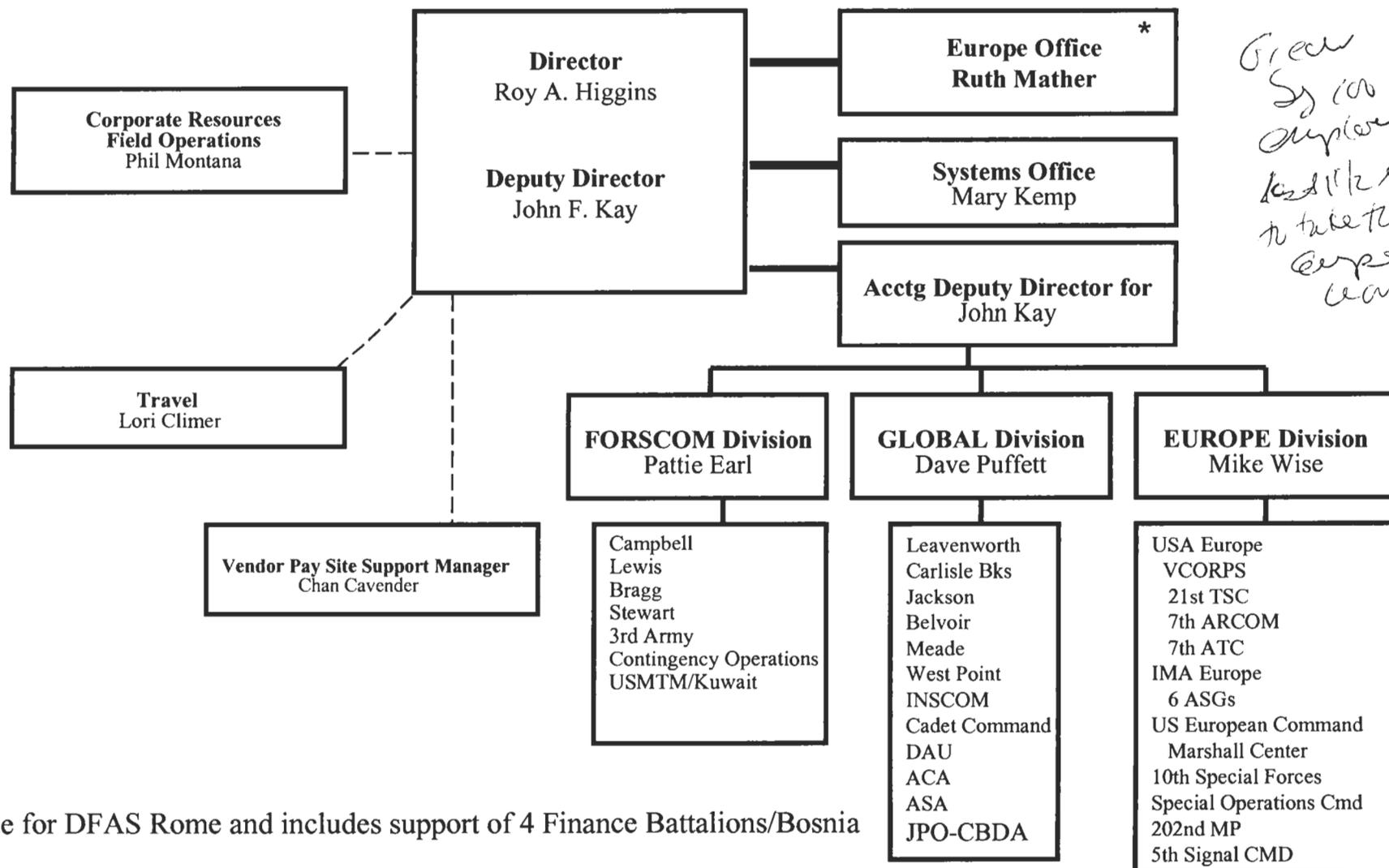
Accounting Services

- Customers located worldwide and essential to GWOT
- Estimated annual volume of transactions: 45 Million for nearly \$29 Billion
- Perform accounting services and prepare financial statements/reports
- Major Accomplishments: Assisted in writing FM guidance for the funds to reconstruct Iraq
Completed Europe workload transfer 5 months early
Outstanding reputation in DoD for timely and accurate accounting services

unique transaction

*Produce (s)
Army
rec
dup
Agencies*

DFAS ROME ORGANIZATIONAL CHART



*Green
\$y 100
employees
last 1 1/2 years
to take the
Europe
work*

*Unique for DFAS Rome and includes support of 4 Finance Battalions/Bosnia

Unique Processes at DFAS Rome



→ Provide Unique/Specialized Finance and Accounting Services for:

- Operation Enduring Freedom (OEF) in Afghanistan
- Operation Iraqi Freedom (OIF) in Iraq
- Global War on Terror (GWOT) throughout the world
- Task Force Falcon (TFF) in Kosovo/Bosnia
- 5 Major US Army FORSCOM Components \$18B
- European Theatre \$2.1B
- Intelligence and Security Command (INSCOM) \$1.2B worldwide
- US Army Military Academy at West Point

*161st Airborne
Keep them
with their
budget*

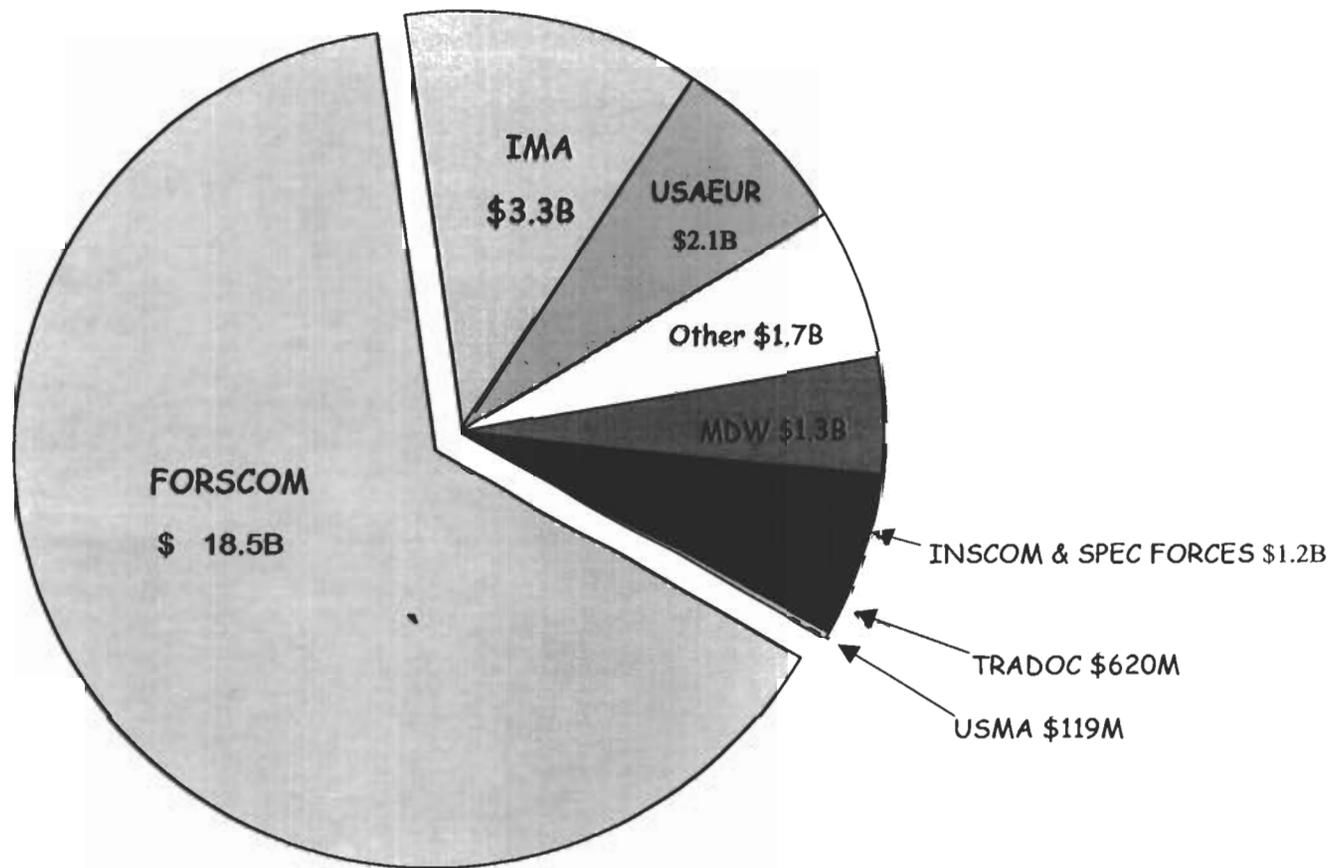
*Ft. Campbell -
Peer customer de-
class. has rule for -
Do good so's on how
request them to
do peer classified
work -
instead of body -
Matsuyama set up
classified stuff*

→ Our services include:

- Train pre/deployed soldiers on Financial Management Execution (FME) in support of the mission
- Provide FME assistance to soldiers overseas on a daily basis
- Establish institutional knowledge base in support of these operations
- Process classified travel vouchers
- Perform all aspects of finance and accounting services
- Retention of records for future audits and reviews

→ Our employees possess unique technical proficiencies and skills required to support these customers in "Theatre" on a daily basis and train them prior to deployments.

DCN: ~~D155~~ **DFAS-Rome Provided Finance & Accounting Services to the US Army
Totaling Nearly \$29 Billion in FY04***



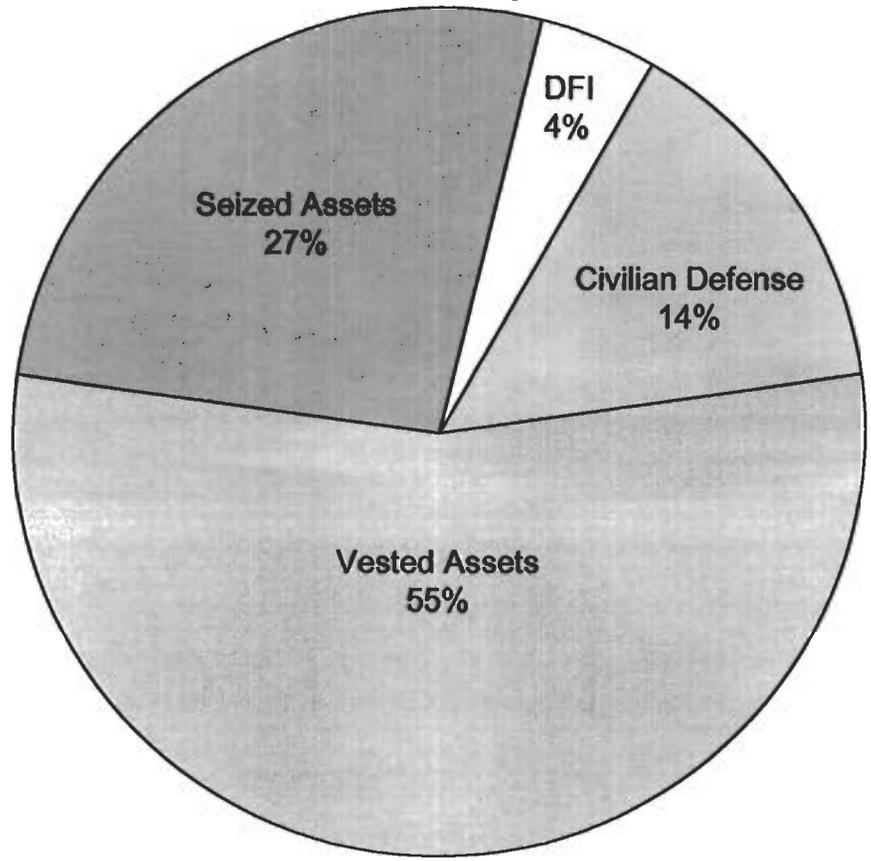
- FORCES Command (FORSCOM)
- Base Operations (IMA)
- US Army - Europe
- Other Customers
- MDW
- INSCOM/Special Forces
- Training & Doctrine Command
- US Military Academy

FORCES Command (FORSCOM)	\$	18,507,748,967
Base Ops (IMA)	\$	3,292,445,402
US Army - Europe (USAEUR)	\$	2,066,647,745
Other Customers	\$	1,695,676,368
MDW	\$	1,259,200,481
INSCOM/Special Forces	\$	1,217,781,609
Training & Doctrine Command	\$	621,488,730
US Military Academy	\$	118,523,448

*FY05 (& out) expected to equal or exceed FY04 funding levels

Total FY04 Funding \$ 28,779,512,750

DFAS-Rome Provides Accounting and Reporting Services for Operation Iraqi Freedom. Some of the funding was received from assets of the previous IRAQ regime.



only done in Rome/DFAS site

Office of the Coalition Provisional Authority (OCPA) Funding

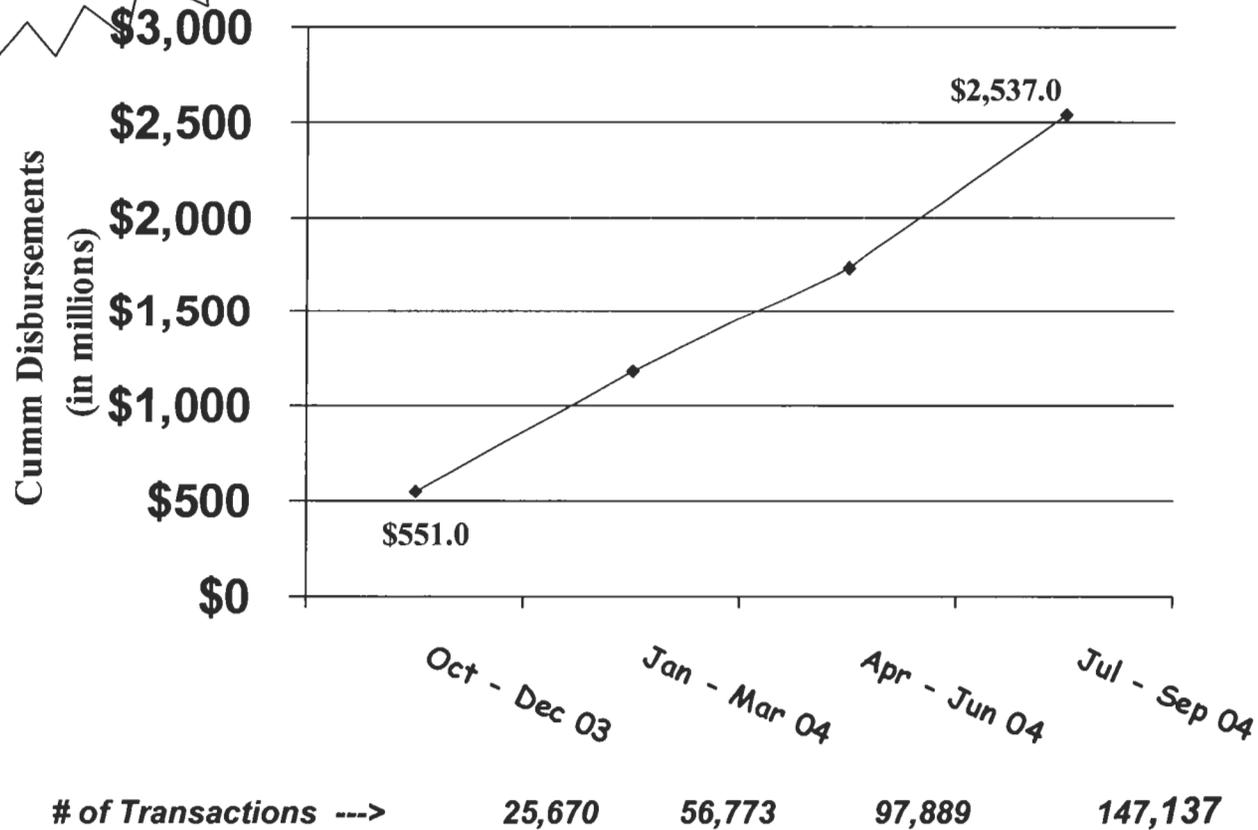
Civilian Defense	450,158,000
Vested Assets	1,708,331,000
Seized Assets	836,778,000
Development Fund for Iraq (DFI)	136,000,000
Total	3,131,267,000

*- expertise now being doing this -
Have to Acet's records for this -
work with people in PRAs daily*

DCN: 11557

Rome is the only supporting DFAS site for ARMY contingency finance operations in IRAQ and Kuwait

DFAS-Rome Provides Accounting and Reporting Services to the Soldiers Responsible for the Contingency Disbursing Operations in Kuwait and Iraq



FACILITIES



- A "State-of-the-Art" Facility

- \$10M renovation project completed in 2001

Work with Air Force

- 50 year permit on building, at no cost

40-1000' sq ft

*Air Force
Lease
Building
\$4.26/sq ft
DoD Property*



- Plenty of expansion capability

→ Building houses 343,764 square feet *÷ 2004 ft*

→ DFAS presently occupies 157,885 square feet

→ Office space available to house 1000 employees

*- without milcom
- Renovated space*

- Ample parking for over one thousand employees exists today

80,000 sq ft -

- Excellent training facilities to include computerized classrooms

East Wing -

- Secure area for processing classified materials

*(E) did -
renovation -*

- Dedicated, well educated, caring, and highly motivated workforce

- A 1500

*save money to put
people here us*

*Building can be
Force Protected -*

based on the sq footage

(save \$2mil a year \$42 mil - over 20 years)

Any Force Protection Issues?



- Co-located on the Griffiss Business and Technology Park with the Northeast Air Defense Sector (NEADS) and the Air Force Research Laboratory.
- These DoD entities each have 24 hour, 7 days a week Security Police that monitor the area to include DFAS Rome.
- NEADS Police Force is located in our building.
- Located in a secured building with 24 hour surveillance cameras on the exterior of the building.
- Our on-staff Security Specialist is in constant contact with NEADS Intel and their Security Police as part of our force protection.
- This location is considered Low Risk Area for Terrorism and all of the items listed above provide a tremendous deterrent to intruders.

Only - low to moderate -

and local Police Force - and etc

Our “First Class” Work Force



We Commit to the Following:

- Respect for individuals
- Dedication to helping customers
- High standards of integrity
- Innovation
- Teamwork

Our Employees Are:

- Skilled and trained
- Competent and capable to do the “best”
- Highly educated
- Sensitive to the customer’s needs (*they care*)
- Strive for excellence to “thrill the customer!”
- Dedicated and highly motivated

Demographics Information



	<u>DFAS Rome</u>	<u>DFAS-Agency Wide</u>
% of Workforce less than 30	8%	
% of Workforce Age 30-39	16%	
% of Workforce Age 40-49	31%	
% of Workforce Age 50-54	14%	
% of Workforce Age 55+	31%	

% of Regular Retirement Eligible 15% 26%

% of Early Retirement Eligible 15% 17%

Average Age of Workforce 48 - *older, but not a lot of old ones - more young ones* 48

Hiring: Authorizations = On Board Employees (other than normal hiring lag)

What % will transfer? Estimate of 10-15 %

How DFAS Rome Rates Among America's Industries in a Recent Operational Assessment Survey



<u>Categories</u>	<u>% of Favorable Responses</u>		
	<u>Rome Results</u>	<u>DFAS Average</u>	<u>Industry High Benchmark</u>
Customer Orientation	83%	68%	73%
Training/Career Development	78%	51%	68%
Leadership & Quality	74%	40%	57%
Communication	70%	43%	55%
Teamwork	74%	52%	64%
Performance Measures	69%	40%	54%

Customer Feedback



The Former Under Secretary of Defense, Mr. John Hamre stated: “DFAS Rome is 1st among all operating locations in areas of leadership, customer focus, innovation, training, teamwork, and communication.”

BG Stanton, Commander of the 336th Finance Command in support of Operation Iraqi Freedom (OIF) in Iraq stated: “Really appreciate the absolutely tremendous support we have received from DFAS Rome. Believe we are in great shape both in terms of accuracy and timeliness of our accounting records.”

From the Resource Managers of the 160th and 5th Special Operations for Operation Enduring Freedom (OEF) in Afghanistan stated: “Thanks to DFAS Rome, we have passed all audits of Enduring Freedom accounting records with no problems.”

From Mr. Orv Rehling, the Resource Manager at the Intelligence and Security Command: “When they define Customer Service, it should read DFAS Rome!”

The Former Deputy Assistant Secretary of the Army for Financial Management, Mr. Ernie Gregory, stated: “DFAS Rome is the Best!”

HQ’s US Army Forces Command (FORSCOM) stated: “The Rome site provides outstanding, responsive customer service. The employees are courteous, friendly, and always willing to work with the installation. They are proactive in problem resolution.”

The US Army Military Academy at West Point stated: “DFAS Rome is just great at providing us with the utmost in customer service.”

Customer Satisfaction From Recent Survey



<u>Category</u>	<u>% of Favorable Responses</u>	
	<u>Rome Actual</u>	<u>DFAS Goal</u>
Timeliness	97%	72%
Accessibility	95%	79%
Courtesy	94%	88%
Reliability	92%	74%
Knowledge	90%	71%

Achievements / Awards / Successes



- Operational April 3, 1995 (Opening Ceremony April 18, 1995)
- DFAS Director Award - Excellence in Customer Service (1995)
- **Hammer Award recipient for partnership with Army Intelligence and Security Command (1998) under the Vice President's Reinvention of Government Programs and Processes.**
- DFAS-IN Director's Eagle Award - Outstanding Performance (1999)
- **US Army Special Operations at Fort Campbell - Print of Enduring Freedom (2002)**
- **HQ's US Army Special Operations Command - Print of Operation Anaconda (2004)**
- Various audit and review offices have opined no material weaknesses exist.
- **DFAS-IN Director's Eagle Award - Europe Workload Consolidation (2004)**
- Active 5 Star ASMC Chapter involved with community
- Partnership with the University of Syracuse, NY, Home of the Army's Comptroller Programs

- No material weaknesses
by the Comptroller



QUESTIONS



DFAS BRAC Commission Update

Mr. Al Runnels
Deputy Director, Military and Civilian Pay Services
June 22, 2005

Agenda



- DFAS at a glance
- DFAS customer service matrix and organization
- DFAS success stories
- The road ahead



DFAS at a glance -- The big picture



- Mr. Zack E. Gaddy's priorities:
 - ✓ Take care of our customers
 - ✓ Improve our operations to become world-class in all we do
 - ✓ Deliver the best value that excites our customers & motivates our employees

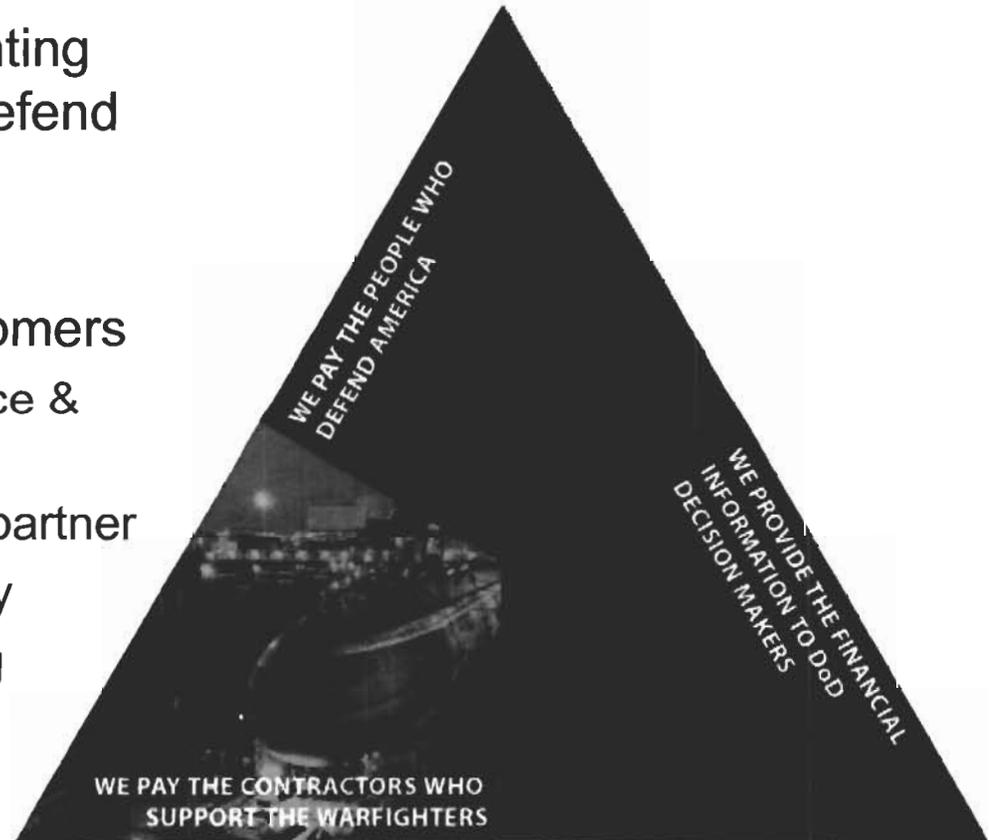
"These are exciting times for DFAS as we continue to transform & assert our role as the finance & accounting leader in the Department of Defense & ultimately in the federal government. NOW is the time for us to make a difference. I know I can count on you."



DFAS at a glance -- Our mission, vision & values



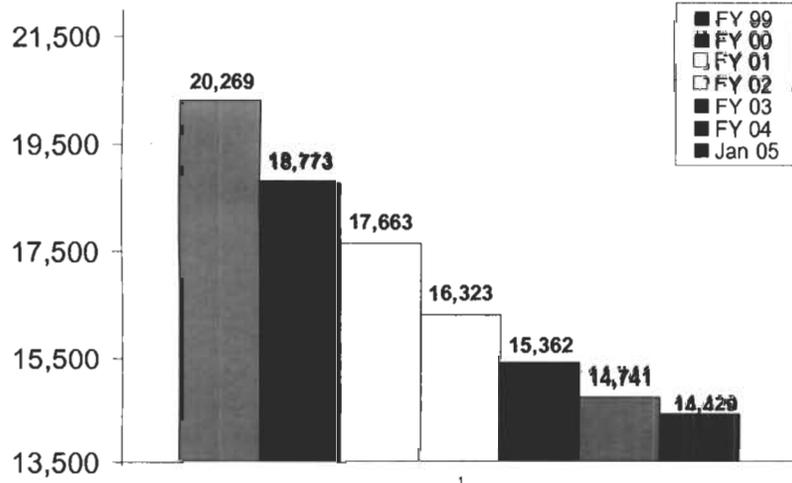
- *Mission:* Provide responsive, professional finance & accounting services for the people who defend America
- *Vision:* Best value to our customers
 - ✓ World-class provider of finance & accounting services
 - ✓ Trusted, innovative financial partner
 - ✓ One organization, one identity
 - ✓ Employer of choice, providing a progressive & professional work environment
- *Values:* Integrity, Service, Innovation



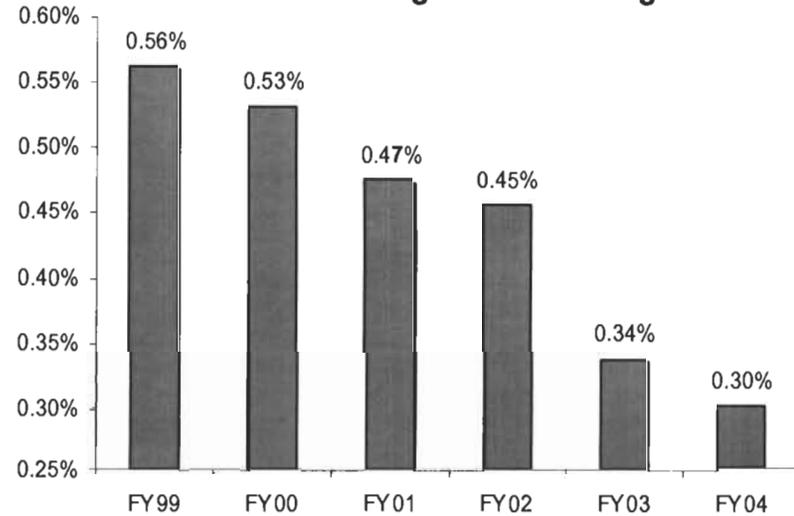


DFAS at a glance -- The state of DFAS today

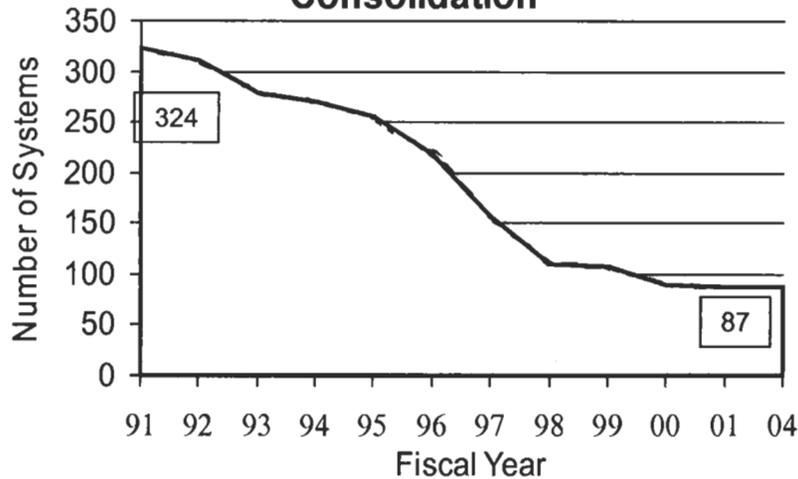
Total Work Force



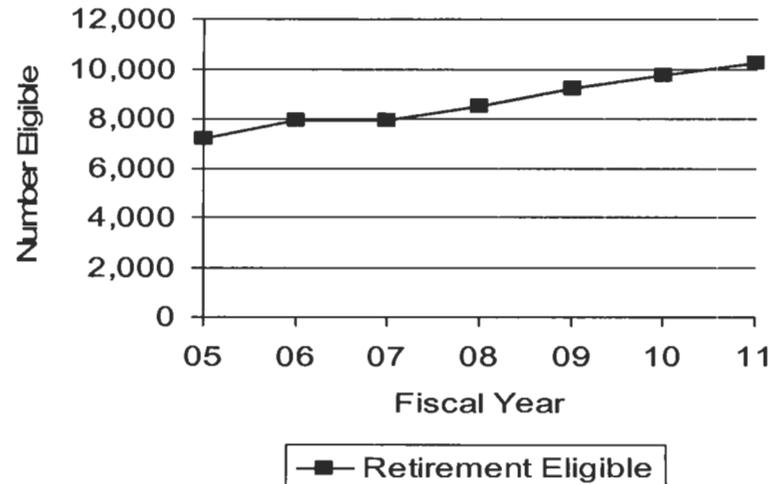
DFAS Percentage of DoD Budget



Financial Management System Consolidation



Demographics



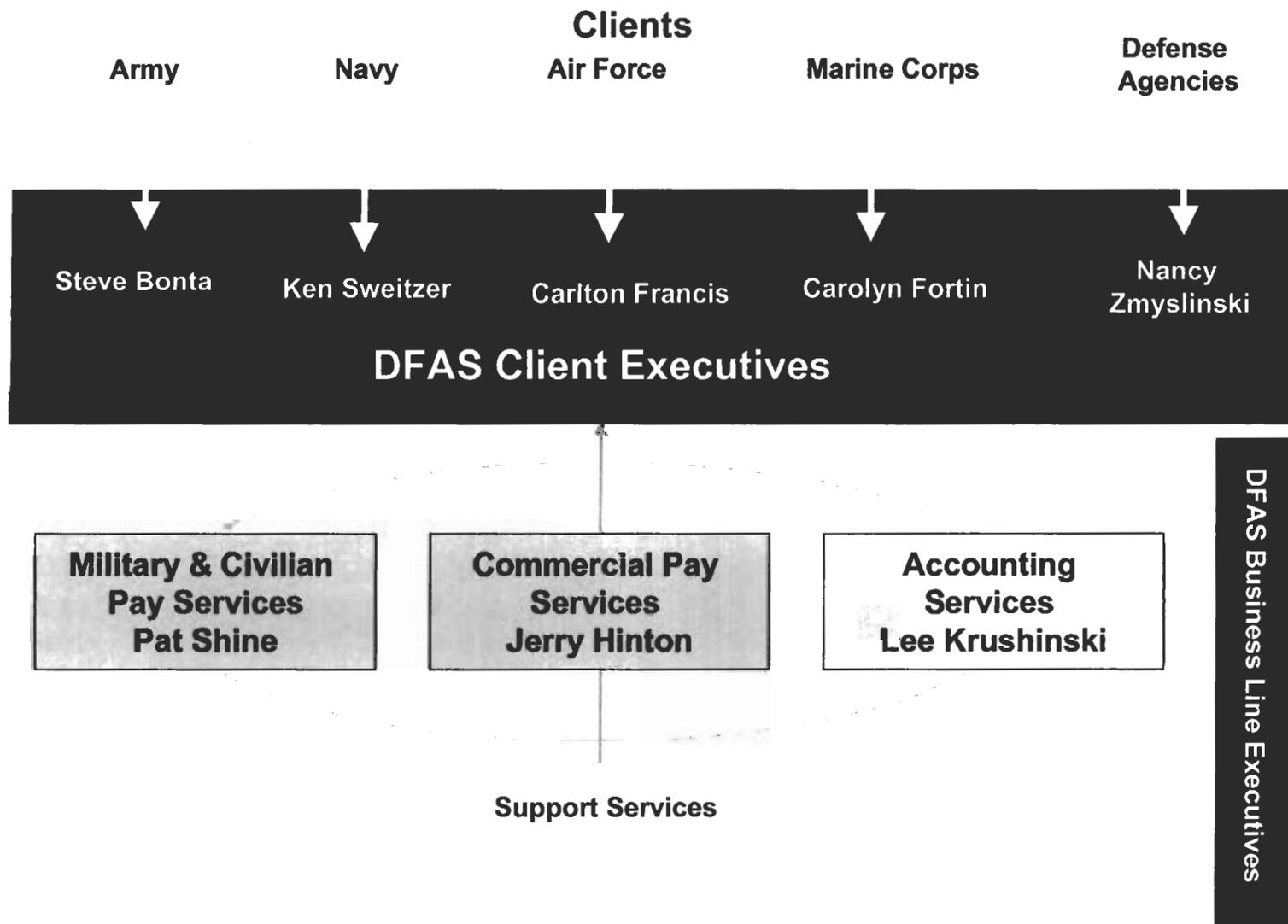
DFAS at a glance - Magnitude of annual operations



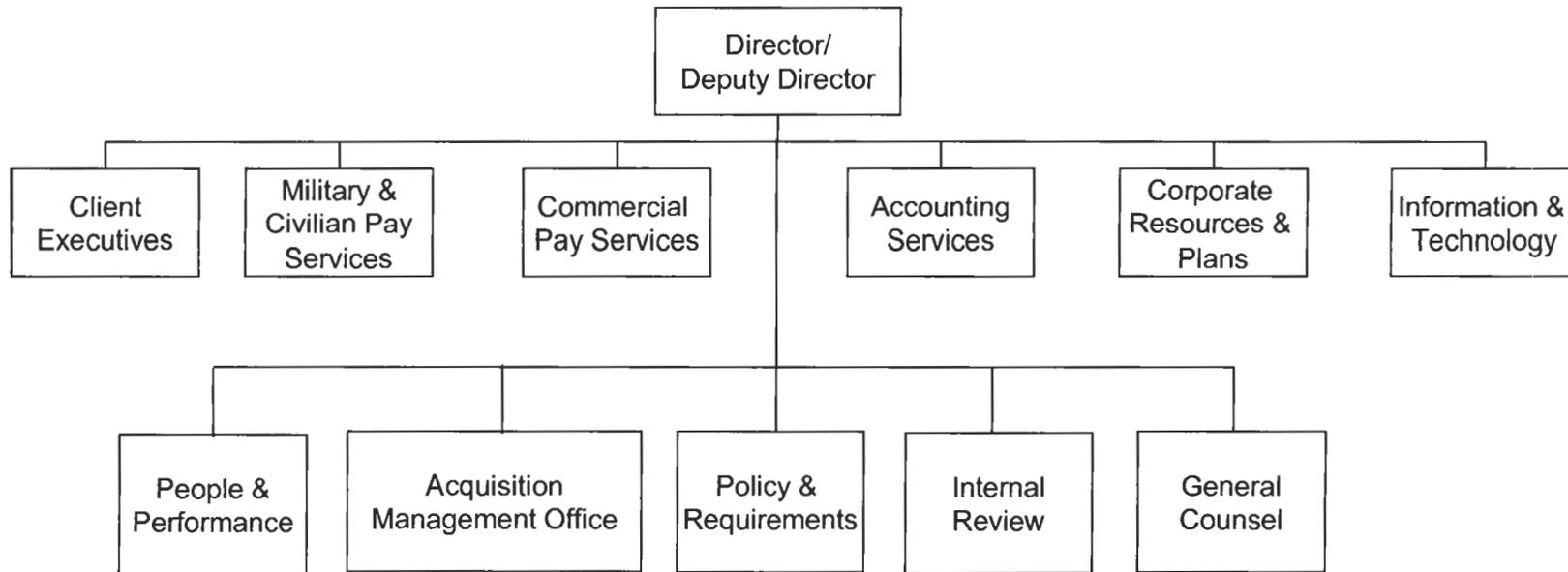
- Process 104M pay transactions to 5.9M military, civilians, retirees and annuitants
- Make 6.9M travel payments
- Pay 12.6M commercial invoices
- Process 127.3M general ledger postings
- Manage military and health benefits funds (\$234B)
- Make an average of \$455B in disbursements to pay recipients
- Manage \$13.5B in foreign military sales (reimbursed by foreign governments)
- Account for 282 active DoD appropriations

It's about the customer!

Customer Service Matrix

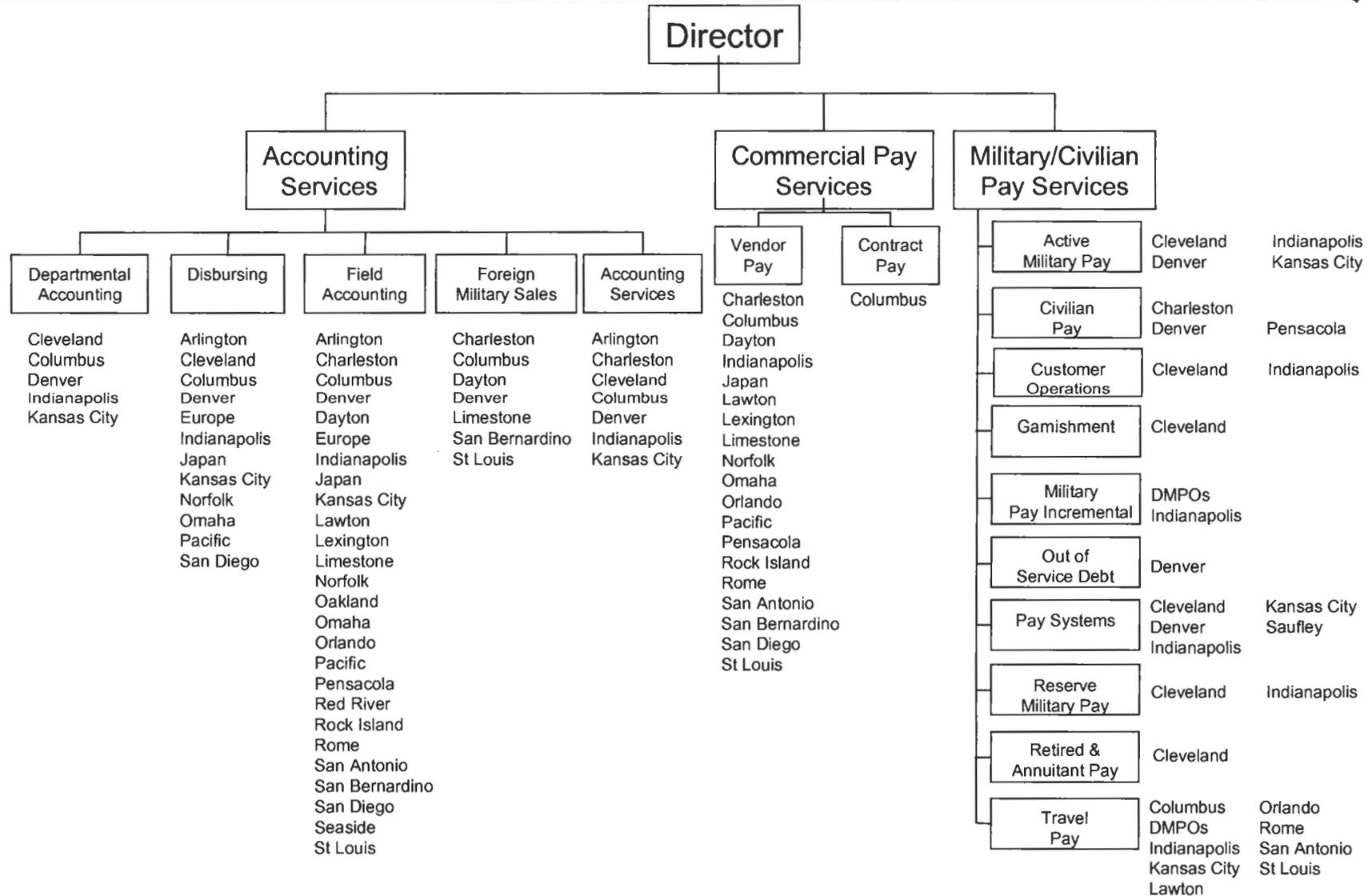


DFAS Organization



As of Feb. 28, 2005

DFAS Product Line/Locations





DFAS success stories

- Earned a 5th consecutive “unqualified opinion” and assisted five clients to achieve clean opinions of their own
- Reduced time to publish year-end financial statements from 80 to 45 days and reduced quarterly reports to 21 days from 45
- Reduced interest per million disbursed by 20% since July 2003
- Returned 5.19% on the \$195B Military Retirement Fund & 2.43% on \$39B Medicare-Eligible Retiree Health Care Fund
- Exceeded our FY 04 goal for NULOs by finishing \$76M below our \$171M goal
- Reduced total Unmatched Disbursements over 120 days from \$134M in FY 03 to \$23M in FY 04
- Fielded the Deployable Disbursing System to 39 deployed Army sites to automate transactions, improve internal controls & accelerate posting of financial transactions

DFAS success stories



- Launched Reserve Center of Excellence - (Cleveland) - Consolidates Reserve Pay in Cleveland
- Won national honors for innovation and excellence for myPay while expanding its customer base to 3.1M
- Earned worldwide recognition as one of the world's 10 best government intranets according to the Nielsen Norman Group
- Won the Security Assistance Accounting A-76 competition
- Achieved 100% security certification and accreditation of all essential DFAS financial management systems
- Consolidating USAF field accounting databases
- Beginning the roll out of Forward Compatible Pay to replace the existing 30-year-old military pay system



Our strategic challenge

- Our customers expect:
 - ✓ Accurate and timely payment of personnel
 - ✓ Accurate and timely payment of vendors and contractors
 - ✓ Auditable financial statements
 - ✓ Business intelligence that enables better decision-making
 - ✓ Lower costs of products and services
- Customers deserve a financial service partner who enhances their readiness & mission capability



The road ahead -- Becoming world class

- We will continue our DFAS journey of excellence
- We will be guided by our core values --
integrity, service & innovation
- We will recommit to understanding our customers
- We will practice good two-way communication to
ensure lasting success
- We will make it an inclusive, total team effort from all DFAS
business lines & functions

DFAS

Your Financial Partner @ Work

